



RESILIENCE REWRITTEN



...INSIDE



OUR REPORTING SUITE

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- Provides a comprehensive overview of the Group's performance for FY2024 and the outlook for Sapura Energy

REGULATIONS COMPLIED

- Companies Act, 2016
- Bursa Malaysia Securities Berhad Main Market Listing Requirements
- Malaysian Code on Corporate Governance



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OVERVIEW OF SAPURA ENERGY BERHAD

▢ WHO WE ARE...

Driven by our purpose to enable a sustainable world through energy solutions, Sapura Energy operates globally as an integrated energy services and solutions provider. From exploration to rejuvenation, we cover the entire upstream value chain, including renewables. With our highly skilled workforce, world-class assets, and project management expertise, we deliver integrated solutions and sustainable energy innovations across over 10 countries.

▢ OUR VISION...

Your Trusted Energy Solutions Partner

In our pursuit of a sustainable future, we aspire to be more than just a provider of energy solutions. We envision becoming **Your Trusted Energy Solutions Partner**, a beacon of reliability, innovation, and sustainability. Our goal is to forge enduring partnerships based on trust, ensuring that together, we illuminate the path to a brighter, more sustainable tomorrow.

▢ OUR MISSION...

Safely Delivering Solutions

Our aim is to **Safely Deliver Solutions** to every corner of the globe.

We harness human ingenuity, technical expertise, and strategic assets to provide energy solutions that are not only safe and efficient but also transformative for our world. Our objective is to cultivate lasting partnerships grounded in trust, guiding us together towards a brighter, more sustainable tomorrow.



▢ OUR VALUE CHAIN...



Exploration



Development



Production



Rejuvenation



Decommissioning
and Abandonment

▢ OUR WAY...

Values & Culture

"Our Way" is the heartbeat of our operations at Sapura Energy, rooted in the foundational values of being **Honest, Accountable, and Respectful**.

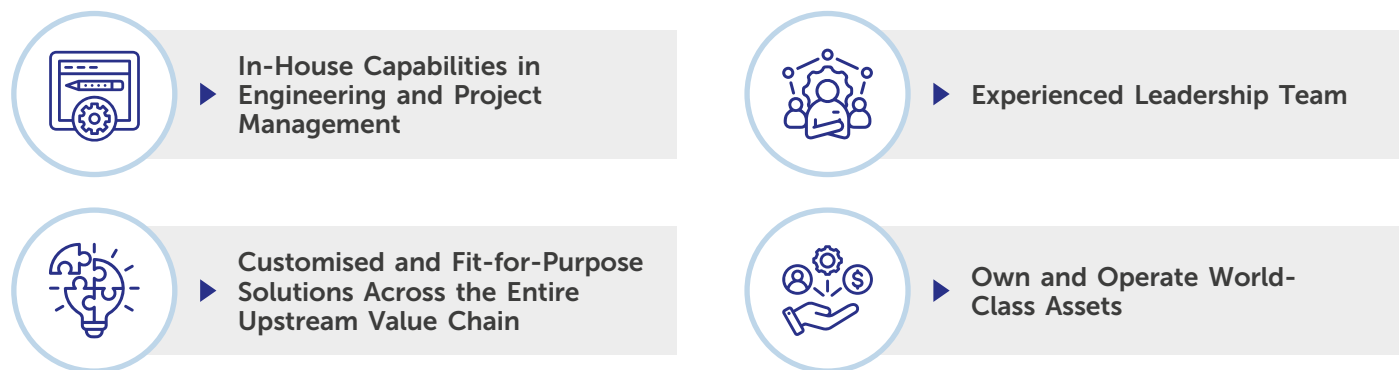
This philosophy isn't just words; it's a commitment to excellence and standing by these pillars: **Pride in Results, Commitment to Collaboration** and **Spirit of Innovation**. Together, these principles shape our culture, uniting us as a cohesive team driving towards a common goal.



▢ GROUP CORPORATE STRUCTURE...

- | | |
|--------------------------------|-------------|
| ➔ ENGINEERING AND CONSTRUCTION | ➔ DRILLING |
| ➔ OPERATIONS AND MAINTENANCE | ➔ CORPORATE |
| ➔ EXPLORATION AND PRODUCTION | |

▢ OUR COMPETITIVE ADVANTAGE...



WHAT WE DO: CORE BUSINESS SEGMENTS



Sapura Energy's Engineering and Construction business provides end-to-end turnkey engineering, procurement, construction, installation, and commissioning ("EPCIC") solutions for the energy industry, including renewables. Supported by a highly capable and technically competent in-house engineering team, versatile strategic assets, and project management expertise, we deliver services across the full EPCIC spectrum and adjacent markets.

- | | |
|--------------------------------------|--|
| 2 Major Fabrication Yards | 5 Heavy-Lift & Pipe-Lay Vessels |
| 6 Pipe-Lay Support Vessels | 1 Subsea Diving Support Vessel |
| 1 Floatover Launch Barge | 1 Cargo Barge |
| 38 Remotely Operated Vehicles | 1 Survey Vessel |



With five decades of experience in tender-assist drilling operations, Sapura Energy's Drilling business is the owner and operator of the world's largest fleet of tender-assist drilling rigs. As the pioneer, our mission is to provide the safest operations paired with sustainable technical solutions for the most efficient and cost-effective delivery for our clients' development and production drilling programmes.

- | | |
|----------------------------|-----------------------------|
| 5 Semi-Tender units | 6 Tender-Barge units |
|----------------------------|-----------------------------|



OPERATIONS AND MAINTENANCE

Sapura Energy's Operations and Maintenance business offers an extensive one-tiered service suite for offshore and onshore services, combining cross product lines integration from hook-up and commissioning services, topside maintenance and brownfield modification capability, offshore support vessel services, and geoscience and geotechnical services. In addition to the above in-house capabilities, we also leverage the expertise of our technology service business which provides system integration solutions and maintenance services for turbines, topside equipment, telecommunications equipment, cranes, and subsea equipment. With the inclusion of subsea inspection and repair and maintenance under its belt, the O&M team is at the forefront in providing comprehensive integrated services and solutions to optimise the performance of our client's subsea infrastructures and facilities.

3 Fabrication Yards

2 Anchor Handling Tug Supply Vessels

1 Turbine Maintenance Centre

2 Diving Support Vessels

6 Well Services

3 Remotely Operated Vehicles

4 Accommodation Boats and Barges

1 Geotechnics Vessel

4 Diving Systems



EXPLORATION AND PRODUCTION

Combining creativity, technical expertise, and entrepreneurial focus, our Exploration and Production business provides the exploration, development, and production solutions to extract returns from even the smallest and most challenging fields.

3 Production Sharing Contracts

5 Exploration Permits

OUR GLOBAL FOOTPRINT



Global footprint...





ACROSS 5 CONTINENTS

The designations employed and the presentations of the material on this map do not imply the expression of any opinion whatsoever on the part of Sapura Energy Berhad or its subsidiaries (the "Group") concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.



10 KEY GLOBAL

operating centres...

-  1 Houston
-  2 Rio de Janeiro
-  3 Woking
-  4 Luanda

-  5 Dubai
-  6 Mumbai
-  7 Bangkok
-  8 Lumut

-  9 Kuala Lumpur
-  10 Bandar Seri Begawan
-  11 Singapore
-  12 Perth

JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER



FY2024 was yet another year that required resilience and agility on our part, as we continued to progress the Group's turnaround despite multiple challenges. In a changing global energy landscape – shaped by geopolitical unrest, stringent environmental regulations, and the accelerated drive towards sustainable energy solutions – our ability to overcome barriers, adapt and strategically navigate these waters had been crucial.

Amidst these challenges, the Group reported a cumulative loss after tax and minority interest ("LATAMI") of RM509 million, demonstrating an improvement from the previous year's LATAMI of RM3.16 billion as well as FY2022's LATAMI of RM9.05 billion. While the trajectory underscores our ongoing efforts to restore financial health and operational stability, it also emphasises that we are not yet out of the woods. Our focus will remain on restructuring for profitability, innovating for sustainability, and executing with discipline.

OPERATING ENVIRONMENT

Throughout the year, global oil prices exhibited volatility, with Brent crude averaging around USD83 per barrel, influenced by geopolitical tensions, economic policies, and fluctuating market dynamics.

We faced significant execution challenges as our legacy contracts did not fully account for such rapid market movements and evolving industry dynamics. This industry-wide challenge forced oil and gas solutions providers to shift towards riskier ventures with tighter margins, inevitably impacting productivity and efficiency across the sector.

In FY2024, we completed over 20 major projects, including eight drilling campaigns and three plug and abandonment campaigns. Noteworthy projects this year included the delivery of the KG-DWN-98/2 Central Processing Platform for India's Oil and Natural Gas Corporation ("ONGC"). Additionally, Sapura Energy Australia successfully completed the final phase of decommissioning works at the Tui block in New Zealand, well ahead of schedule.

TURNING THE TIDE IN FY2024

In FY2024, we achieved several milestones to galvanise our trajectory towards a more sustainable future.

Central to our turnaround strategy is the aim to reduce the Group's unsustainable debt to improve liquidity and enhance financial flexibility. Alleviating this burden will enable us to pursue growth opportunities with greater agility and navigate the market's volatility with resilience.



DEAR SHAREHOLDERS,

On behalf of Sapura Energy Berhad ("Sapura Energy") and its group of companies ("the Group"), we are pleased to present our Annual Report for financial year ended 31 January 2024 ("FY2024").

To this end, our efforts bore fruit when the Group received confirmation from the Corporate Debt Restructuring Committee ("CDRC") that Approval-In-Principle ("AIP") for its Proposed Restructuring Scheme ("PRS") had been obtained from the majority of financiers for the Group's Multi-Currency Financing Facilities.

In March 2024, the High Court granted Sapura Energy and its subsidiaries new Convening and Restraining Orders. With this, we are able to move forward with the finalisation of the PRS ahead of court convened meetings with creditors.

The extension granted for our PN17 Regularisation Plan provides valuable time to develop a comprehensive plan. This aligns with our ongoing efforts to restructure approximately RM11 billion in Multi-Currency Financing Facilities.

A key component of our strategy was the divestment of SapuraOMV Upstream ("SOMV"). In April 2024, our subsidiary Sapura Upstream Assets Sdn Bhd ("SUA") signed a conditional Sale and Purchase Agreement ("SPA") to sell its 50 percent equity interest in SapuraOMV Upstream to TotalEnergies Holdings SAS for a cash consideration of USD530.3 million (equivalent to

approximately RM2,534.5 million). While completion is expected by the second half of 2025, we are actively working to expedite it to year-end 2024, subject to approvals.

The net proceeds from this disposal will primarily be used to settle amounts owed to our scheme creditors, including our Multi-Currency Financing lenders. Upon completion, we anticipate a net gain on disposal of approximately RM793 million, which will significantly bolster the financial position of the Group.

This portfolio rationalisation marks our shift away from the Exploration & Production business, strategically pivoting our focus towards enhancing core capabilities to deliver innovative solutions in the rapidly evolving energy industry.

Sapura Energy's debt restructuring, and portfolio rationalisation are part of our Reset plan, which aims to restructure Sapura Energy and overcome immediate financial and operational challenges, as we embark our journey towards Energy Transition.

The Reset Plan set out these objectives:

- Strengthen our balance sheet by improving the Group's capital structure and financial framework, including reducing unsustainable debt and resolving ageing payables
- Enhance Operational Excellence through the principle of "Bid Right, Execute with Discipline", which entails refocusing our bid funnel based on capabilities and risk appetite, and improving productivity and project execution discipline
- Chart future business direction by reviewing the Group's portfolio and organisation, in line with core businesses and Energy Transition strategies

The Reset Plan implementation benefits from oversight and guidance from the Board Restructuring Task Force ("BRTF"), set up in December 2021. The BRTF provided critical evaluations and recommendations throughout the restructuring process, ensuring we kept our focus on building a sustainable company as we navigate our exit from PN17 status.

ENCOURAGING PERFORMANCE THROUGH RESET

In FY2024, amidst a landscape of recovery and strategic recalibration, the Group's Drilling segment emerged as the strongest contributor. While both the Engineering & Construction ("E&C") and Operations and Maintenance ("O&M") segments continued to pursue projects, their progress was significantly hindered by limited access to working capital and bank guarantee facilities, which critically hampered their operational momentum and competitive edge in the market.

JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

ENGINEERING & CONSTRUCTION



PERFORMANCE SUMMARY

REVENUE

RM2.7
billion

EBITDA

(RM341)
million

EBITDA MARGIN

(13%)

TRIF

0.84

- **Successfully delivered** ONGC KG DWN 98/2 with 100 percent completion of onshore scope
- **Strengthened E&C global** presence by securing NGC Angola project
- Established regional office in UK to pursue **opportunities in growing** regions – Americas, Africa, and the Mediterranean
- Launched Kitar Solutions; a **strategic partnership** with AF Offshore Decom providing integrated decommissioning solutions
- Executed **Asia's first reverse S-lay** pipe removal in a decommissioning campaign

The E&C segment navigated a challenging operational landscape in FY2024. Complex factors, including geopolitical tensions, concerns around energy security and affordability, stricter regulations, and the push for global decarbonisation, all presented significant challenges. Despite these headwinds, the segment achieved a revenue of RM2.7 billion in FY2024. However, profitability challenges on certain projects resulted in earnings before interest, taxes, depreciation, and amortisation ("EBITDA") losses of RM341 million.

Limited access to bank guarantees continued to impact our business performance significantly. The segment had to adapt to tighter margins and increased competition, while keeping abreast of technological advancements in the industry. The low utilisation of our Lumut fabrication yard further compounded the situation. Despite these hurdles, the segment remained proactive, engaging continuously with stakeholders, and negotiating effectively to secure international projects and optimally deploy assets outside Malaysia.

During the year, the E&C segment achieved several notable successes. We secured the NGC Angola project, providing offshore transportation and installation services and reinforcing our global presence. We installed the Shell Timi platform offshore Sarawak, marking our client's first wellhead platform in Malaysia powered by a solar and wind hybrid power system.

Additionally, we successfully delivered the KG-DWN-98/2 Central Processing Platform for India's ONGC. This project completion showcases our capability to overcome challenges and deliver critical infrastructure, even amidst delays caused by the pandemic. The completion of ONGC's KG-DWN-98/2 project also marks the last of legacy contracts in our portfolio.

Moving forward, we will continue to focus on enhancing operational performance, underpinned by a simplified organisation and improved business processes. This includes streamlining structures, processes, and pursuing asset rationalisation where necessary. The segment will explore forming alliances with key business partners to expand opportunities and deploy key assets to regions where we are competitive.

To address the growing need for safe and responsible decommissioning services in the Asia-Pacific region, we announced the launch of Kitar Solutions, offering clients differentiated value through integrated Engineering, Preparations, Removal, and Disposal ("EPRD") services. Kitar Solutions was established through a strategic partnership with AF Offshore Decom, a well-established Norwegian company specialising in customised decommissioning solutions in the North Sea.

Kitar Solutions will entail investments to improve the existing facilities at our Lumut fabrication yard, aiming to meet the highest environmental standards in waste management and recycling. It marks a significant step in the expansion of the Group's decommissioning portfolio within its Engineering and Construction business segment, reflecting the company's aim to contribute towards a circular economy within the region.

ASIA'S FIRST REVERSE S-LAY FOR PIPELINE DECOMMISSIONING

In a significant industry first, Sapura Energy Thailand successfully executed the first reverse S-lay pipeline decommissioning technique in Asia onboard the Sapura 1200 in March 2024. Using the innovative approach, we increased our decommissioning productivity and assisted our long-time client in Thailand with the safe retrieval and removal of decommissioned subsea pipelines from the seabed.

The dedication, commitment to safety, and collaborative and innovative spirit demonstrated by our Engineering & Construction team at Sapura Energy Thailand during this campaign, as well as the performance in the previous campaign using the Sapura 2000, received an award from the client.



JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

OPERATIONS & MAINTENANCE



Our O&M business segment, comprising of Hook Up & Commissioning, Technology & Subsea Services, Geosciences & Offshore Support Vessels, and Sapura-Baker Hughes Joint Venture, demonstrated resilience and adaptability in FY2024. The segment recorded an EBITDA of RM23 million from RM580 million in revenue. Throughout the year, the segment adeptly responded to market demands, navigating competitive pressures and cost constraints amid challenges stemming from the Group's restructuring efforts.

The *Hook Up & Commissioning* unit faced limitations in achieving its full potential due to financial constraints and prevailing negative market sentiment. Our *Subsea Services* unit maintained its competitiveness in the robust subsea Inspection, Repair & Maintenance ("IRM") market, overcoming challenges such as limited availability of diving support vessels and rising vendor costs. The *Technology Solutions* business witnessed heightened demand driven by the equipment System Integration market. *Geosciences* continued to thrive due to its track record in project delivery and safety, even while facing asset shortages. Our *Sapura-Baker Hughes Joint Venture* continued to be profitable and anticipates favourable market conditions driven by CO2 Net Zero policies, increasing demand for carbon capture, usage and storage ("CCUS") solutions.

Despite financial pressures, including significant increases in third-party costs, our O&M teams adhered to the "Bid Right, Execute with Discipline" principle. This approach ensured robust bid estimations with appropriate risks mitigation measures, which helped maintain profitability.



PERFORMANCE SUMMARY

REVENUE

RM580
million

EBITDA

RM23
million

EBITDA MARGIN

4%

TRIF

1.03

Successfully delivered:

- **ExxonMobil** Pan Malaysia maintenance, construction, and modification work
- **Topside maintenance** for Shell in Gumusut-Kakap, Malikai, F14, E8, Cilipadi, and achieved first gas for Timi
- **KINEW** project and Pegaga PMRU
- Emergency **pipeline repair** for PTTEP Thailand

Key project deliveries this year included the completion of the Pan Malaysia Maintenance, Construction and Modification works and a turnaround campaign for ExxonMobil Exploration & Production Malaysia. Additionally, we delivered topside maintenance services for Shell in Sabah and Sarawak, and supported Shell Timi in achieving its first gas milestone. In a notable achievement under the Subsea IRM business, we successfully completed the emergency pipeline repair work for PTTEP Thailand within the scheduled timeline.

TECHNOLOGY SOLUTIONS MAKES INROADS INTO THE OLEOCHEMICALS INDUSTRY

Our Technology Solutions team successfully ventured beyond traditional markets, providing rotation technology services to the oleochemicals industry. Oleochemicals are chemicals derived from natural oils and fats and are valued for their biodegradability, renewability, and versatility. These qualities make them environmentally friendly and economically viable alternatives to petrochemical products used in a wide range of applications.

The team completed a gas turbine exchange at Mewaholeo Pasir Gudang two days ahead of schedule, maintaining the highest safety and quality standards. It marked our first-ever engine exchange for an industrial gas turbine in Malaysia, following 36,000 hours of continuous operation. The successful project ensured uninterrupted supply of up to five megawatts of electricity to the refinery plant.

Our successful venture into the oleochemicals industry demonstrates our ability to diversify our capabilities and expertise beyond the traditional oil and gas sector, opening up new opportunities for growth and innovation.



JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

DRILLING



Our Drilling business segment was a significant contributor to the Group's operating profit, with an EBITDA of RM484 million generated from RM1.2 billion in revenue. The segment achieved an EBITDA margin of 39 percent, outperforming both local and international peers. This performance underscores our ability to maintain profitability in a competitive market.

Currently, ten out of our eleven tender-assist drilling ("TAD") rigs are under contract, distributed strategically across Thailand (five rigs), Malaysia (four rigs), and West Africa (one rig). This optimised deployment ensures that we maintain a robust utilisation rate and continue to generate substantial revenue.

Despite the generally positive business environment, the Drilling segment navigated several challenges throughout the year. The consolidation of competition required us to maintain a competitive cost structure and exercise rigorous capital expenditure discipline. Our proactive measures in recruiting and retaining skilled personnel through targeted training and development initiatives have ensured that we exceed industry standards in workforce competence and project delivery.



PERFORMANCE SUMMARY

REVENUE

RM1.2
billion

EBITDA

RM484
million

EBITDA MARGIN

39%

TRIF

1.03

- Increased of top line profile, Operating Day Rate revenue by **seven percent** and consequently EBITDA flow-through
- Strengthen the **economical utilisation at 90 percent** in line with historical long-term performance. Actual rig fleet EU in FY24 = 90 percent
- **Reinforced QHSE assurance** and quality deliverables, with a materially improved performance. TRIF down from 2.66 to 1.03
- **Eight drilling** campaigns and three plug & abandonment campaigns delivered
- Implemented **sustainability measures** including LED lighting, electric forklifts, water fountain installation, improved power management, and coral reef replanting in Malaysia

SAPURA ALLIANCE CONCLUDES BRUNEI CAMPAIGN ON A HIGH NOTE IN 2023

2023 saw *Sapura Alliance* wrap up a five-year plug and abandonment campaign in Brunei. The team prioritised health, safety, and environment ("HSE") throughout the project, achieving three consecutive years of Goal Zero (no recordable incidents) and seven years without lost-time injuries. This commitment earned them the distinguished title of Platform Rig of the Year in both 2020 and 2022.

Sapura Alliance showcased exceptional operational skills throughout the campaign, safely abandoning 87 wells and executing 47 heavy lifts without any HSE incidents. This demonstrated not only technical expertise but also a strong focus on protecting people and the environment.

Beyond operational success, *Sapura Alliance* fostered local talent development and community engagement. With 85 percent local and a significant number of local graduates among the offshore crew, we actively contributed to Brunei's workforce development.

Sapura Alliance's commitment extended beyond fulfilling contractual obligations. They established a legacy of partnership and excellence in Brunei. Their core values were evident throughout the project, leaving a lasting positive impact.



JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

EXPLORATION & PRODUCTION (“E&P”)



PERFORMANCE SUMMARY

- Successful completion of a **six-well drilling campaign** for the Jerun project
- Jerun Gas Development Project, achieved **11.7 million** LTI-free manhours in FY2024
- Sapura Energy has entered into an agreement in Q1FY2025 to divest its equity interest in **SapuraOMV**

TRIF

0.29

In FY2024 our Exploration & Production (E&P) segment, operated through SapuraOMV Upstream Sdn Bhd (“SapuraOMV”), recorded a loss after taxation of RM2.1 million. This represents an improvement compared to the loss after taxation of RM376.5 million posted in FY2023, primarily attributed to impairment recognised in that year. In 2023, SapuraOMV produced over approximately 500 Mcf/d of natural gas for the Bintulu LNG plant and approximately five kb/d of condensates.

The Jerun Gas Development Project remained a key focus area. By January 2024, the project achieved 11.7 million LTI-free manhours, demonstrating our commitment to safety and operational discipline. The project successfully completed a six-well drilling campaign and platform topside installation by March 2024. Hook-up and commissioning activities have commenced, with first production expected in FY2025.

The team prioritised maintaining rigorous safety standards while navigating operational demands and financial constraints. They addressed these challenges by strengthening contractor management processes and implementing incident prevention campaigns. These efforts resulted in a low Total Recordable Incident Frequency (TRIF) of 0.29, significantly lower than the industry average of 0.9 (IOGP data).

At the time this report is published, TotalEnergies Holdings SAS has signed a conditional agreement to acquire our entire stake in SapuraOMV. The divestment marks our exit from the E&P business, aligned with our broader strategic focus towards core capabilities in the solutions and services sector. The skills and technological insights gained from years of operating in the E&P sector will continue to inform and enhance our capabilities across other business segments.

FY2024 FINANCIAL REVIEW

Sapura Energy achieved a total revenue of RM4.32 billion in FY2024. EBITDA for the year stood at RM468 million, mainly due to favourable foreign exchange differences.

The Group recorded a LATAMI of RM509 million. Additionally, we recorded RM698 million in free cash flow, reflecting improved liquidity and enhanced financial stability.

The Drilling segment stood out as the strongest contributor with an EBITDA of RM484 million, benefitting from higher utilisation rates and diligent execution. This robust performance underlines the segment's critical role in stabilising the Group's overall financial position. The E&C segment faced significant challenges, reporting EBITDA losses of RM341 million. These losses primarily stemmed from two offshore incidents, project execution delays in West Africa, and the completion of two legacy projects in Malaysia with unfavourable terms. The O&M segment recorded a EBITDA of RM23 million.

While maintaining a strong domestic presence, our ability to secure contracts internationally demonstrates our global reach and the trust placed in our capabilities by a diverse client base. This international diversification contributes to a more balanced revenue stream for the Group, while contributing to inflows of foreign currency exchange into Malaysia.

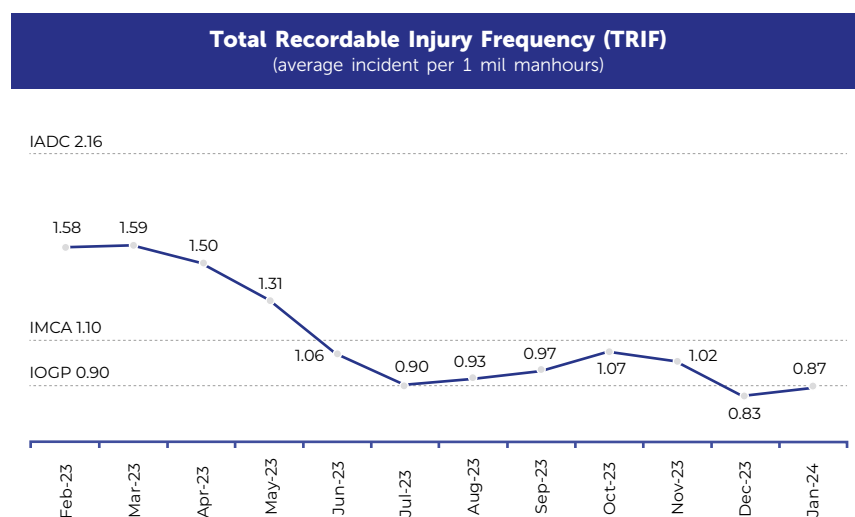
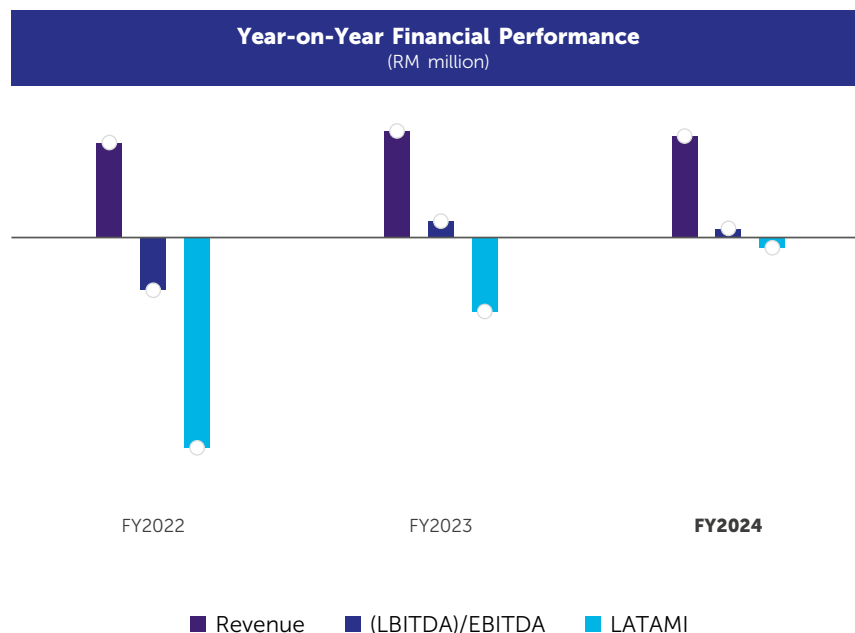
SAFETY ALWAYS

Given the high-risk nature of our industry, Sapura Energy places the safety and well-being of our people as the highest priority, guided by our "Safety Always" promise. In FY2024, despite our rigorous safety protocols, we faced a sombre reminder of the stakes involved, when we lost a colleague who was working offshore. This incident deeply impacted us all and led to a comprehensive reassessment of our safety measures.

We are committed to fostering a culture of safety and preventing similar tragedies. Our team embraced the 9 Life Saving Rules and redoubled their efforts to ensure a safe work environment for everyone.

Consequently, the Group's safety performance improved throughout the year. The TRIF dropped from 1.58 in February 2023 to 0.87 in January 2024, below industry averages (IOGP: 0.9; IADC: 2.16; IMCA: 1.10). A low TRIF score indicates a low incident rate. Scoring below the industry average means our safety performance was better than the industry.

We are committed to being vigilant and maintaining a Safety Always mindset across all levels of the organisation. This commitment is reinforced through the Quality, Health, Safety, and Environment ("QHSE") Operational Key Performance Indicator ("KPI") review conducted annually.



JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Additionally, each member of the Executive Committee ("ExCo") monitors eight QHSE KPIs during monthly meetings. We also conduct mandatory Occupational Safety and Health ("OSH") programmes and campaigns, such as the Hand & Finger Prevention Campaign and monthly Life Saving Rule topic sharing sessions, to keep safety top-of-mind. As a result of these intensified efforts, our Lost Time Injury Frequency ("LTIF") improved significantly, decreasing by 56 percent from the previous year.

In FY2024, over 13,043 employees, vendors and contractors participated in extensive training programmes, further equipping them with the necessary skills to maintain a safe working environment. Looking ahead, we remain steadfast in our mission to uphold the highest safety standards, ensuring a secure and responsible working environment for all.

IMPROVING STOP WORK AUTHORITY POLICY



In response to valuable feedback from clients and employees, we reintroduced Stop Work Authority ("SWA") as a dedicated policy. Previously embedded within the HSE Policy, this standalone document emphasises the importance of SWA and empowers everyone at Sapura Energy – direct hires, clients, and contractors – to halt unsafe work practices without repercussions. This reinforces our commitment to a safety-first culture where all voices are heard.

An example of Sapura Energy's emphasis on Stop Work Authority is the action taken by Project Delivery Manager Mohamad Bisri Shahid. He exercised the Stop Work Authority without hesitation or fear when he noticed one of our senior leaders overlooked the requirement to wear mandatory personal protective gear at the Lumut fabrication yard. Even though it was just for a short moment, the senior leader acknowledged his lapse in judgement and was not spared the consequences of his non-compliance. He was not allowed to enter the yard for seven days.

"Safety was all that was on my mind at that time. I didn't think about who or how senior he was. I was just complying with Sapura Energy's Stop Work Authority Policy and intervened respectfully when I saw a non-compliance. Everyone has the right to stop work whenever they spot an unsafe act," said Bisri.

The senior leader himself praised Bisri's Stop Work action, despite being penalised for the unintentional breach of the yard's safety regulation. Bisri was recognised and set as a good example during a post-project completion appreciation event.



EMPOWERING PEOPLE, FOSTERING GROWTH

At Sapura Energy, people are at the forefront of our success story, and more so during this turnaround journey. A turnaround hinges upon the close collaboration of both leaders and employees, as their unwavering commitment to the restructuring plan ensures its progress alongside the continuity of business operations. As we embarked on restructuring efforts in FY2023, we found that this was easier said than done. The complex and demanding restructuring effort placed unusual strain on our employees, who were already feeling uncertain about their job security and the Group's future. Understandably, some employees decided to leave Sapura Energy and seek safer pastures. As a result, employee retention became a significant challenge for Sapura Energy during that financial year.

Recognising the urgency, we swiftly implemented measures to curb the exodus of talent and retaining our core capabilities. In FY2024, we took steps to create a more robust platform for career advancement and professional development, we enhanced engagement and transparent communications to keep our teams well-informed about the Group's strategic direction, and we harmonised our rewards structure to ensure equitable compensation for our people. (See Sustainability Statements, page 62)

As a result of these concerted efforts, our attrition rate was halved from 25 percent in FY2023 to just over 12 percent in FY2024. The combination of strategic interventions and employee-centric initiatives ensured that Sapura Energy retained its key talent, paving the way for a more stable and resilient future.

Career Advancement and Development

In FY2024, we strengthened our talent development frameworks, upskilling opportunities, succession planning, and performance management systems. These enhancements ensured that our employees have clear pathways for career progression and the necessary support to succeed in their roles.

In FY2024, we promoted 335 of our people, up from the 294 promotions in FY2023, highlighting our commitment to recognising high potential talent and helping them advance their careers in Sapura Energy. Furthermore, we appointed 16 Senior Technical Advisors, leveraging their expertise as Subject Matter Experts (SMEs) across the company, through the establishment of the Senior Technical Advisor Roundtable.

In the same year, we expanded our training programmes to provide all employees with opportunities for professional development, ensuring they have the knowledge to achieve their full potential within the organisation. We prioritise safety-related initiatives and leadership development to equip our workforce with the skills and competencies needed for success. Internal trainers including SME's, contributed approximately 7,000 training hours in FY2024. We formalised their contribution by creating the Project Management Academy, embodying our dedication to continuous learning and improvement. (See Sustainability Statements, page 72)

To ensure a sustainable talent pipeline in a technically demanding business such as ours, we initiated a Graduate Management programme with 62 new recruits from Malaysia and Thailand. They are undergoing a 2-year job rotation programme prior to settling in their field of interest. This programme will be expanded to other countries where we have significant presence.

Engagement and Communications

Transparent communications and inclusive dialogue have deepened the connection between our workforce and our organisational goals. The Group's leadership prioritised engagement with our teams during interactive town hall sessions, while timely employee updates provided our people with context and explanations of key restructuring milestones. As a result, employees developed a better appreciation of our turnaround strategy and how they can play a role, reinforcing their commitment to the organisation. We achieved an overall score of 4.4/5 in regular exit surveys, which measured employees' understanding of our current state, as well as their commitment and confidence in our business objectives.

Rewards and Remuneration Harmonisation

Recognising and rewarding excellence is a core aspect of our retention strategy. By harmonising rewards and remuneration against industry standards, we ensured that our compensation packages are competitive, thus helping us to offer attractive benefits to our employees. This approach ensures that our employees feel valued and motivated to contribute to our shared success. We also implemented retention schemes linking achievements of capability levels to retention, further solidifying our employees' commitment to our vision.

JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

LEVERAGING ON THE STRENGTHS OF OUR GLOBAL WORKFORCE

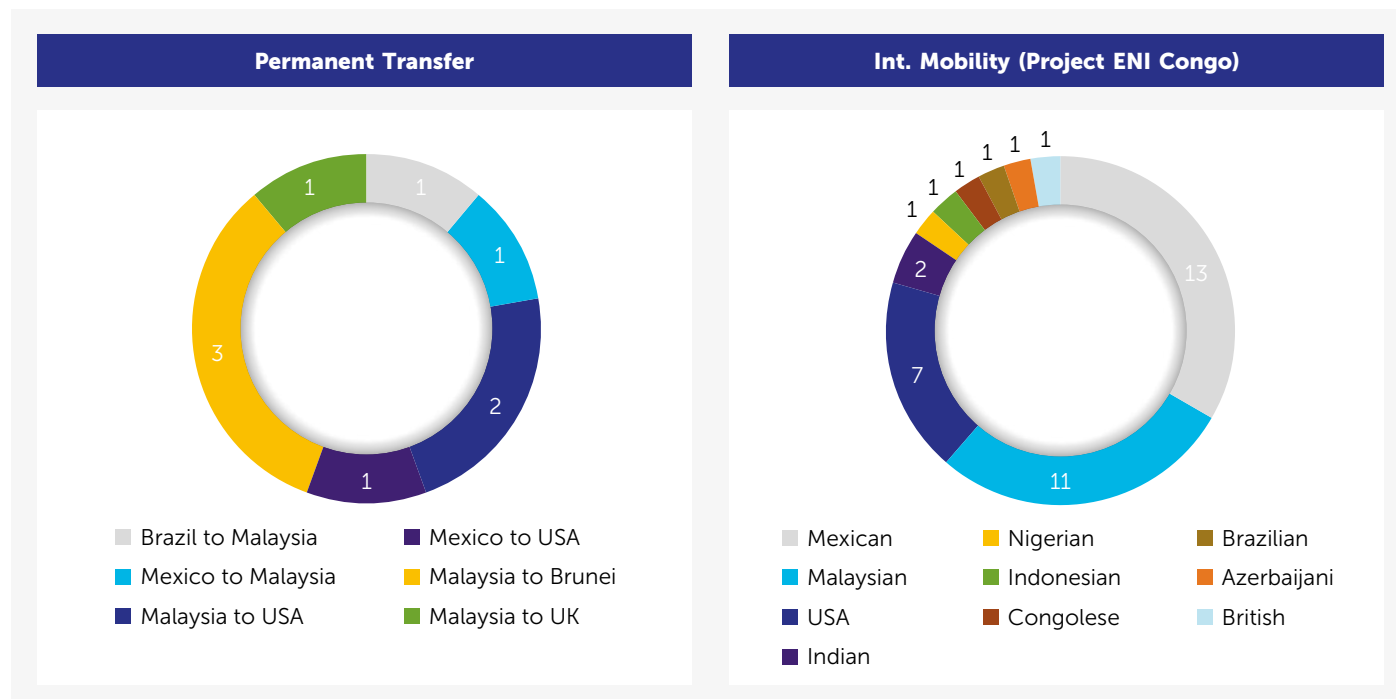
Central to our organisational ethos is the belief in equal opportunity, diversity, and inclusivity. With a workforce representing over 25 nationalities, spread over thirteen time-zones, including craft and crew, we celebrate diversity as a catalyst for innovation, creativity, and broader perspectives. Our recruitment practices prioritise talent, potential, and experience, ensuring equal opportunities for all candidates and contributing to the enrichment of local economies. (See Sustainability Statements, page 69)

We are committed to hiring local talent, employing over 90 percent local staff in our offices worldwide. Additionally, we leverage our international footprint and contracts to provide career development and skills growth for our employees. To date, we have deployed more than 300 staff members of various nationalities on international assignments and projects outside their home countries.

In our diverse workplace, greetings like "How are you?" would receive a multitude of responses, including "khabar baik", "muy bien," "sabai dee khráp," and "Je suis fantastique."

Our international presence offers opportunities for global mobility, facilitating the exchange of expertise across our regional offices. As of this report, we have deployed 180 Malaysians with strong technical capabilities to projects in Mexico, Brazil, Saudi Arabia, Brunei, Congo, Dubai, Indonesia, Singapore, Taiwan, Thailand, the United Kingdom, and the United States. Our project teams typically consist of multinational personnel working collaboratively with colleagues from different regional offices. We also encourage global mobility, with several mid-career employees on long-term assignments outside their home countries.

This decision was made based on our recognition of their expertise, which we believed would enhance the efficiency and effectiveness of the Group's operations at the central level. This approach not only broadens horizons for our employees but also strengthens our global presence and fosters a vibrant transfer of knowledge and perspectives.



As we continue to prioritise our people agenda, we reaffirm our commitment to nurturing talent, promoting diversity, and supporting local communities. Our craft team, who work mainly at our Lumut fabrication yard, are composed exclusively of Malaysians, reflecting our dedication to empowering young Malaysians through Technical and Vocational Education and Training ("TVET"). The crews on our vessels and rigs comprise individuals from more than 20 different nationalities, embracing cultural diversity as a cornerstone of our operations. By investing in our employees, including craft and crew, and leveraging their diverse cultural backgrounds, we aim to drive innovation, collaboration, and sustainable growth across all our operations. Additionally, we provide opportunities for our employees to work across their home country borders, further enriching their experience and our global capabilities.

REDEFINING THE SAPURA ENERGY WAY

The quote "Culture eats Strategy for breakfast," by Peter Drucker holds true. As we navigate our turnaround journey, we recognise that strategy alone is insufficient. A successful transformation requires a workforce united by the right values and unwavering conviction.

That conviction begins with a purpose, and a commitment to think, feel and behave in ways that inspire trust. Over the past year, we embarked on a mission to redefine Sapura Energy's culture, fostering a team built on three core values of being Honest, Accountable, and Respectful. These values are manifested through three working principles: Pride in Results, Commitment to Collaboration, and Spirit of Innovation. Together, these form "Our Way," guiding us towards a transformative shift that transcends mere strategy.

Our cultural transformation began with deep introspection and a commitment to align our values with our strategic objectives. We adopted a fresh perspective on how we operate, emphasising trust, integrity, and collaboration at every level of the organisation. To fortify this transformation, we seamlessly weave "Our Way" into the fabric of our organisation. Measurable aspects of these principles are integrated into critical people processes recruitment, talent development, performance management, and succession planning. This ensures that "Our Way" resonates throughout every aspect of our operations, fostering a cohesive and purpose-driven environment.

PRIORITISING ESG

In a year of significant global challenges, Sapura Energy prioritised Environmental, Social, and Governance ("ESG") principles across all our operations. This commitment reflects our understanding that sustainability is essential for long-term success.

Amidst the pressing global call for climate action, we are actively examining our operations to align with Malaysia's target of a 45 percent reduction in carbon intensity relative to GDP by 2030. This includes enhancing our greenhouse gas ("GHG") and carbon reporting to establish a robust baseline, which helps identify significant areas for reduction.

We are committed to minimising our environmental footprint by focusing on operational efficiency and implementing a waste mitigation hierarchy. This hierarchy prioritises Reduction (elimination, prevention, minimisation) of waste generation at the source. When waste is unavoidable, we focus on Reuse (on or offsite) and Recovery options. Disposal remains a last resort. (See Sustainability Statements, page 54)

Our expertise in gas development projects and extensive decommissioning experience, including platform removals in Malaysia, Thailand, and New Zealand, showcase our commitment to sustainable practices and tackling climate challenges. These

efforts align with our strategic transition towards cleaner energy sources, carbon footprint reduction, and adapting to industry and societal needs.

On the social responsibility front, our commitment to promoting Technical and Vocational Education and Training ("TVET") continues to bear fruit. Since the inception of our TVET programme in 2019, Sapura Energy's Sapura Fabrication Training Centre ("SFTC") in Lumut has equipped approximately 320 students with critical skills and industry knowledge. (See Sustainability Statements, page 75)

Our commitment to a skilled Malaysian workforce was further strengthened last year through a Memorandum of Cooperation ("MoC") signed with the Government of Malaysia. This collaboration aims to reduce reliance on foreign labour while ensuring competitive remuneration for our Malaysian workforce.

Moreover, we have entered into agreements with GIATMARA, University Technology PETRONAS, and other vocational training institutions to foster closer collaboration between industries and educational institutions.

Our governance practices are the cornerstone of our operations, guided by a commitment to integrity and compliance. The Board Audit Committee ("BAC") and the Board Risk Management Committee ("BRMC") oversee a comprehensive framework of policies that are continually reviewed and updated to align with the latest regulations and business needs.

In January 2024, we introduced an updated Code of Ethical Conduct ("COEC") to enhance our ethical standards. The revised COEC now features dedicated sections on Sexual Harassment, and Anti-Bribery and Anti-Corruption ("ABAC") practices. These additions clarify our firm stance against sexual harassment and strengthen our preventative measures, fostering a professional and respectful workplace. Furthermore, we have expanded access to advisory services and implemented more effective training programmes to ensure these principles are deeply ingrained in Sapura Energy's way of conducting business.

The Group also introduced several new policies, to further strengthen our governance framework. These include Directors' Fit & Proper, Personal Data Protection, Corporate Disclosure, Related Party Transactions ("RPT") and Recurring Related Party Transactions ("RRPT"), and Board Diversity policies.

To ensure clear oversight of critical matters, we have increased Board-level visibility regarding compliance issues and ongoing investigations through the Complaints Investigation Committee ("CIC"). This empowers the Board to remain informed and engaged with these essential matters.

As a consequence of our robust governance framework, we are proud to report zero confirmed corruption incidents in FY2024. (See Sustainability Statements, page 80)

JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

FY2025 OUTLOOK

The global offshore oil and gas services market continues to face uncertainties, prompting us to maintain a cautiously optimistic outlook for FY2025. Upstream investment is anticipated to moderate in 2024 as energy producers prioritise resilience, sustainability, and efficiency. Industry analysts predict a plateau in upstream spending between USD350 billion and USD500 billion, reflecting this cautious sentiment.

Increasingly, sustainability concerns and stakeholder pressure are driving shifts in operator strategies, particularly among National Oil Companies ("NOCs"). As major contributors to global oil and gas production, NOCs are expected to place greater emphasis on low-carbon initiatives and emissions reduction, particularly those aligned with the Oil and Gas Decarbonisation Charter ("OGDC").

Aligned with the Malaysian government's National Energy Policy 2022-2040 and National Energy Transition Roadmap ("NETR"), Sapura Energy is also embracing the quest for a low-carbon future, by developing a stable of solutions that contribute towards an environmentally responsible energy industry.

This includes actively expanding our decommissioning services through Kitar Solutions, which offers integrated EPRD services to safely remove and recycle decommissioned offshore installations. This partnership between Sapura Energy and Norway's AF Offshore Decomm boasts a combined track record of seven rig-to-reef projects, more than 70 platform removals and nearly 60 installations recycled, with a 97 percent recycling rate. As a participant in the circular economy, Kitar Solutions also plans to foster strong links with the local business ecosystem, transferring technical skills, capabilities, and expertise, such as recycling and repurposing offshore structures, and rope-access. (See Sustainability Statements, page 55)

CCUS is a pivotal component in the global energy transition and has been identified as a one of the key levers under the NETR. According to the International Energy Agency achieving net-zero emissions would be extremely challenging without CCUS, and its significance extends across various sectors of the energy system. CCUS offers Sapura Energy an opportunity to contribute to global emission reduction efforts and participate in a growing trend toward sustainable energy practices.

GROUP BID BOOK AND ORDERBOOK

Orderbook replenishment is a challenge, but possible with trusted partnerships

Amounts in RM billion

34.4	30%	70%
Total bids	RM10.2 bn	RM24.2 bn
6.6	33%	67%
Orderbook	RM2.2 bn	RM4.4 bn

Note: Not included in the above is non-consolidated gross orderbook of RM7.3 bn, representing 100% of JV portions



In this respect, Sapura Energy is already employing its engineering expertise through our subsidiary Peritus International. The engineering firm is undertaking the front-end engineering and design of a 200 kilometres trunkline in the Aramis project, a high-priority initiative for reducing carbon emission through an interconnected energy system infrastructure in the European Union. The project, which aims to significantly reduce CO₂ emissions for hard-to-abate industries in Europe, will leverage upon our offshore pipeline and subsea engineering expertise and previous experience with CO₂ pipeline systems in the North Sea.

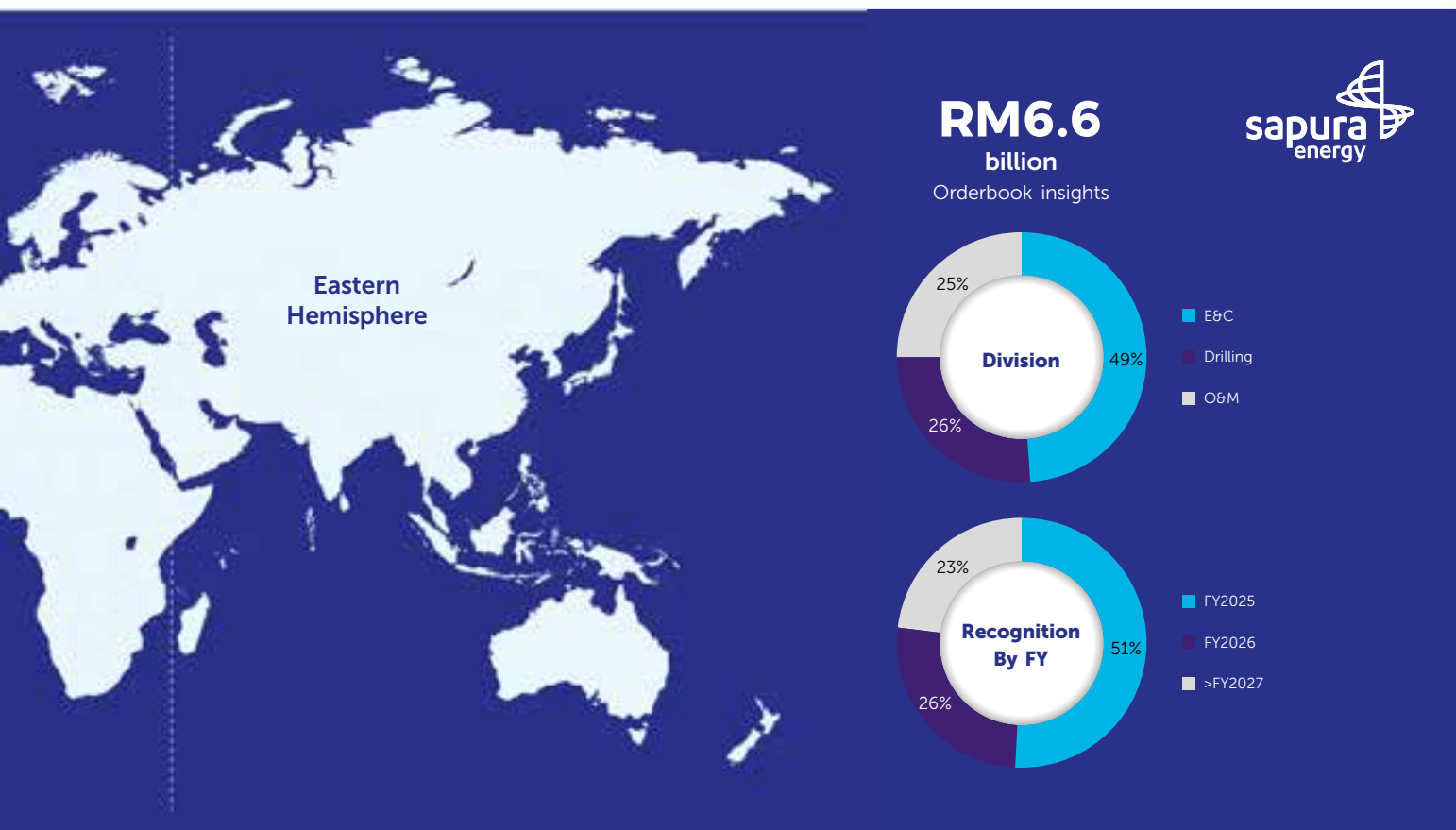
Within our O&M segment, the Sapura-Baker Hughes Joint Venture anticipates the increasing demand for CCUS solutions will create favourable market conditions for the business. Taking advantage of this opportunity, we plan to expand our geographical footprint by exploring new markets in Southeast Asia and the Middle East through strategic joint ventures, bolstering our business prospects over the next five years.

While we keep an eye on emerging opportunities in the Energy Transition, Sapura Energy will continue to strengthen our core capabilities and effectively deliver projects for our energy producing clients.

In our Drilling segment, we anticipate sustained high utilisation of our rigs, supported by stable oil prices and ongoing demand in the offshore drilling sector. While maintaining a prudent approach, we are actively exploring growth and diversification opportunities to ensure long-term sustainability and expansion.

Our E&C and O&M segments are actively pursuing several prospects, focusing on fabrication, transportation & installation, and subsea inspection, repair & maintenance. Our O&M business will also be expanding its offering to include onshore maintenance services.

The Group's order book, comprising mainly core capability projects, currently stands at RM6.6 billion, while the orderbook held by the Group's joint venture and associate entities currently stands at RM7.3 billion.



JOINT STATEMENT BY CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

While Sapura Energy continues to expand its growth prospects, the Group remains committed to its comprehensive Reset Plan. We will continue to advance this multifaceted strategy this year, including progressing the much-awaited debt restructuring, enhancing operational excellence and cultivating a revitalised organisational culture.

Our financial restructuring efforts are integral to Sapura Energy's long-term financial health. Addressing the multi-currency financing and outstanding trade creditor payments, remains a high priority for Sapura Energy in FY2025. We are currently finalising the proof of debt exercise, a meticulous undertaking involving records from 2,300 vendors and complex claims from contingent creditors. This exercise will pave the way for court-convened meetings, anticipated at the end of the financial year. We also expect to complete the divestment of SapuraOMV Upstream for a cash consideration of USD530.3 million this year, which will be a significant stride in our Reset Plan.

Restructuring & PN17 Exit



Operationally, we will maintain our focus on embedding the tenet of "Bid Right, Execute with Discipline" within our teams, to improve project performance and delivery. This will be supported by comprehensive programmes to nurture an organisational culture where our people demonstrate pride in results and a commitment to collaboration, while thinking ahead in a spirit of innovation.

In FY2024, we demonstrated resilience and determination in overcoming challenges, to pave the way for recovery. In FY2025, we will maintain this momentum by strengthening our core capabilities, developing Energy Transition solutions, and driving our Reset strategy to create a trusted, sustainable company for all our stakeholders.

ACKNOWLEDGEMENTS

As we reflect on the past year at Sapura Energy, our heartfelt gratitude goes out to our esteemed shareholders, clients, partners, and vendors. Your support has empowered us to progress our Reset plans while successfully completing major projects and drilling campaigns in FY2024.

We also take this opportunity to express our appreciation to Dominique De Soras for his dedicated service, and warmly welcome Stéphane Denoun as the new CEO of Engineering & Construction. Similarly, we bid farewell to Melissa Lokman, thanking her for her contributions and are pleased to introduce Pandai Othman as our new Chief Strategy & Transformation Officer.

In our boardroom, we extend our thanks to Rohaizad Darus for his invaluable contributions as he steps down from his role as a Non-Independent and Non-Executive Director. We wish him the best in his future endeavours. We are delighted to welcome Shahin Farouque bin Jammal Ahmad, who joins us as a Non-Independent Non-Executive Director, bringing new insights that will surely enrich our discussions and decisions.

Our heartfelt gratitude to the entire Sapura Energy family for your resilience and commitment to our Reset Plan. Your dedication and focus have been instrumental in navigating the complex challenges of the past year.

As we look to the future, your continued efforts will be essential in steering our company towards sustained success and growth. Your hard work and dedication do not go unnoticed, and we are deeply grateful for your continued commitment.

Dato' Mohammad Azlan Abdullah
Chairman

Datuk Mohd Anuar Taib
Group CEO

KEY RISKS AND MITIGATION

The priority for the year under review was to maintain and continuously improve enterprise-wide risk management systems and processes to ensure the Group's strategic goals and risk governance oversight functions are met.

The Board Risk Management Committee ("BRMC") remains focused on the Group's key enterprise risks. The BRMC reviews the Key Risk Indicators and evolving risk trends at every quarter, and, where necessary, additional control measures are introduced by the Management to mitigate the risks, supported by the Chief Risk Officer and Group Risk Management.

The unsustainable financial condition remains the most important risk for the Group. Below is a detailed list of its potential impacts, and the related mitigation strategies in place:

UNSUSTAINABLE FINANCIAL CONDITION	
RISK DESCRIPTION	MITIGATION STRATEGY
<p>The Group's financial condition and its liquidity constraints remain a concern. Following on from the previous year, the Group is undergoing negotiations with its lenders, and has thus far continued its moratorium on its debt obligations and outstanding payments to trade creditors from legacy projects. Delayed payments to trade creditors have impacted the ability to timely deliver on some projects.</p> <p>The factors above culminated in Sapura Energy being designated as a PN17 listed issuer.</p> <p>Without active resolution of the mentioned items, there could be material adverse impact to our future earnings, cash flows and financial condition, which could threaten the Group as a going concern.</p>	<p>The sustainability of the Group is dependent on significantly improving its liquidity position.</p> <p>To this effect, the Board and the Management continue to undertake steps to regularise operations and the financial conditions of the Group with the following:</p> <ol style="list-style-type: none"> 1. Established a Board Restructuring Taskforce since 28 September 2021 to steer and provide oversight on the regularisation plan; 2. Appointed a principal advisor and other financial and legal advisors to assist in our debt restructuring exercise, which is now under the purview of the Corporate Debt Restructuring Committee; 3. Applied for and was granted to Sapura Energy and 22 of its wholly owned subsidiaries Convening and Restraining Orders under Sections 366 and 368 of the Companies Act 2016 from the High Court of Malaya. The Orders under Section 366 of the Act enable each Applicant to summon meetings with its creditors, to consider and approve a proposed scheme of arrangement and compromise as part of the debt restructuring plan. The applicants were also granted a Restraining Order pursuant to Section 368 of the Act to restrain and stay legal proceedings against them. On 7 March 2024, Sapura Energy and its 22 wholly owned subsidiaries have been granted new Convening and Restraining Orders by the High Court of Malaya for a period of 3 months, commencing 11 March 2024; and 4. Restructuring the Group's business through a Reset Plan to divest non-core business and assets, improve bidding and project delivery capabilities and implement a robust financial framework to ensure financial discipline. On 22 April 2024, Sapura Upstream Assets Sdn Bhd entered into a conditional Sale and Purchase Agreement to divest its 50 percent equity interest in SapuraOMV Upstream Sdn Bhd to TotalEnergies Holdings SAS.

The following section provides a list of the Group's other key risks and their mitigation strategies:

STRATEGIC RISKS	
RISK DESCRIPTION	MITIGATION STRATEGY
<p>Climate Change and Energy Transition</p> <p>Rising climate change concerns and the effects of the energy transition could lead to a decrease in demand for fossil fuels, thus suppressing oil and gas projects. This may also lead to additional regulatory measures and compliance obligations, which could lead to higher project or operating cost, prevent market access, or access to new capital.</p> <p>If we are not able to keep pace with society's demands for an energy transition to a low-carbon future, we could fail in sustaining and growing our business.</p>	<p>Our strategy is to grow gas, renewables, and decommissioning projects. We have created a dedicated team to build and concentrate our capabilities to address sustainability risks and opportunities, including to rapidly improve our governance and management frameworks over climate change and energy transition. On 27 February 2024, Sapura Energy has officially launched Kitar Solutions, a strategic partnership with Norway's AF Offshore Decom, offering Engineering, Preparation, Removal and Disposal decommissioning services in the Asia region. In April 2024, the Group's Sustainability Policy had also been approved by the Board.</p> <p>We acknowledge the importance of setting climate change commitments to ensure competitiveness. We will continue to assess the development of energy transition risk and opportunities.</p>
<p>Order Book Replenishment</p> <p>Our order book replenishment is indirectly exposed to fluctuating oil and gas prices. A low and volatile price environment would reduce the likelihood for new upstream oil and gas projects to be sanctioned, resulting in fewer opportunities to replenish our order book.</p> <p>Our ability to replenish our order book and deliver competitive returns also depends in part on the accuracy and completeness of our costing based on the work scope and terms of the contract. If our assumptions proved to be incorrect, it could have a material adverse effect on our earnings, cash flows and financial condition.</p> <p>The suspension of bank guarantee facilities as a result of the above-mentioned financial situation further impacted the Group's ability to participate in tenders, thereby restricting the orderbook intake, especially the Engineering & Construction and Operational & Maintenance segment.</p>	<p>We actively monitor oil and gas price trends to enable us to make informed decisions during our annual business planning. Our existing business model, providing O&G services for the entire Upstream value chain, diversifies our risk. While the Engineering & Construction segment requires robust industry conditions for greenfield developments to occur, our Operations & Maintenance business is agnostic to oil and gas price trends.</p> <p>We also seek diversification in our revenue profile through geographical coverage. We target our bids on preferred regions, namely Asia Pacific, Africa & the Mediterranean, where we have competitive advantage and are within our risk appetites.</p> <p>Improvement initiatives are implemented to strengthen our bidding capabilities and processes, streamlining the organisation, and incorporating robust risk assessments throughout the tender process. We aim to re-balance the risk allocation in new contracts to achieve a fair risk distribution between our clients and us. We also developed alternative solutions with our prospective clients to mitigate bank guarantee requirements in their tenders.</p>
<p>Competition</p> <p>We face competition in all our businesses. Failure to react to competitive forces by managing our costs and operational performance could result in a material adverse effect on our earnings, cash flows and financial condition.</p>	<p>We are addressing cost and efficiency challenges through our Reset Plan.</p> <p>We benchmark our performance against key competitors and constantly seek ways to prepare innovative and competitive bids for projects globally. Where appropriate, we leverage on our past performance and experience with our existing clients. We also seek to diversify into adjacent markets to provide complementary solutions to new clients, as well as utilise our assets and technology to drive new business models such as decommissioning services.</p>

KEY RISKS AND MITIGATION

OPERATIONAL RISKS	
RISK DESCRIPTION	MITIGATION STRATEGY
<p>Safety</p> <p>The nature of our operations exposes us, and the communities in which we work, to a wide range of safety risks. If a major risk materialises, such as an explosion or an asset loss, this could result in injuries, loss of life, environmental harm, or disruption to business activities. Accordingly, this could have a material adverse effect on our reputation, earnings, cash flows and financial condition.</p>	<p>We do not tolerate unmanageable safety exposures at any of our worksites. We strive for a safety-always culture led by senior leadership throughout the organisation and among our clients, partners, and vendors. We have amplified and exemplified the "Safety Always" culture across the Group, with increased engagement delivered by senior leadership. The restructuring exercise brought a more structured and consistent approach to safety, with aligned performance indicators, and clear safety targets and goals.</p>
<p>Project Execution</p> <p>Our ability to remain competitive and profitable depends in a large part on the efficient execution and timely delivery of projects to our clients.</p> <p>This year, we managed to successfully deliver commitments on some of our projects globally but was adversely affected by project execution challenges for projects in Malaysia and West Africa which have been operationally completed.</p> <p>As a result, these execution risks reduce the Group's cash generation ability which in turn impacted our financial position and reputation.</p>	<p>Through the Reset Plan, we seek to introduce greater discipline in our project execution and delivery performance. This includes streamlining our organisation with regional focus in the Eastern and Western Hemispheres, taking a risk-based approach for project execution and enhancing contract management and cost discipline. We also collaborate closely with our clients and suppliers. In December 2023, the E&C segment launched the Project Management Academy to roll-out comprehensive training and development programmes to enhance our employees' skills and knowledge, preparing our workforce to perform to the highest standards.</p>
<p>Retention of talents and skilled employees</p> <p>Building a high-performing workforce to deliver our strategic objectives depends greatly on our ability to attract, develop, and retain competent and skilled employees.</p> <p>The financial situation of the company has heightened the risk of losing employees with the critical competencies to support the Group's turnaround.</p>	<p>We undertook several initiatives this year to curb the exodus of talent and retain our core capabilities. This includes creating a more robust platform for our employees' career advancement and professional development, enhancing engagement and transparent communications to keep our teams well-informed about the Group's strategic direction, and harmonising our rewards structure to ensure equitable compensation for our people. These initiatives were developed based on the guiding principles of affordability, sustainability, fairness and equity, as well as pay for performance.</p> <p>We enhanced efforts to develop our people and strengthen their capabilities. These include technical and leadership assessments, introducing a dual career ladder to retain talent and provide opportunities for specialist roles from technical and non-technical positions, and ensuring succession planning for critical roles.</p>
<p>Cybersecurity</p> <p>Our operations are heavily dependent on our information technology infrastructure and applications. A serious cybersecurity incident could cripple our ability to operate or operate safely. This could have an adverse impact on our reputation, earnings, cashflows and financial position.</p>	<p>We follow cybersecurity practices and processes baselined against industry best practices (NIST, ISO27001) and use various detection and prevention technologies to safeguard our IT systems against internal and external threats.</p> <p>We continuously monitor and review our security posture to ensure effectiveness against evolving cybersecurity risks and threats. We do this by keeping abreast with updates of the cybersecurity threat landscape and business environment.</p> <p>We also engage external cybersecurity experts to perform various types of security assessments on our IT systems.</p>

CONDUCT RISKS**RISK DESCRIPTION****Compliance to Anti-Bribery & Corruption, Anti-Competition and Data Privacy Laws**

Violations of these laws by any of our employees or contractor staff could lead to heavy fines and other criminal penalties to be imposed on the individual(s) concerned, and/or the Group and/or the Directors of our parent or subsidiary companies. This could also result in the suspension of our licence to operate and an adverse effect on our reputation.

Reputation

An erosion of our business reputation could have adverse effects on our brand and credibility, upon which we build trusted partnerships with our key stakeholders. This could lead to adverse effect on our license to operate and our ability to compete in global markets.

In the immediate term, our unsustainable financial condition described above has cast a negative light on the Group, its past and present Management and the Board, as well as our major shareholders.

In the longer term, societal expectations of businesses are increasing, with a focus on environmental, social and governance matters. Real or perceived failures of governance or a perceived lack of understanding of how our operations affect surrounding communities and environment could harm our reputation.

MITIGATION STRATEGY

We provide mandatory trainings on Code of Ethical Conduct and Anti-Corruption to our new joiners and existing staff, to be repeated every 2 years. We practice a zero-tolerance policy for non-compliance and have strict guidelines on gift policies. We select our vendors after being checked against recognised external compliance trackers.

We practice an open-door policy but also have an external Whistleblowing system to allow for anonymous reporting.

Reputational risk management is part of Board oversight at Sapura Energy. The Board limits the risk of reputational damage by ensuring the Group conducts itself with the highest standards of good governance, sustainability, and integrity. The Board and senior management also regularly discuss potential issues that may impact the Group's standing and plan strategic steps to mitigate them.

To prevent the possibility of reputational damage through our own actions, we continuously embed our culture within our workforce. We build trust by taking pride in our results, committing to collaboration, and striving to innovate in our interactions with stakeholders. By embodying the principles of honesty, accountability, and respect, we ensure that our employees act ethically and uphold our standards of safety and professionalism.

Our Code of Ethical Conduct informs our employees and contract staff of the conduct and behaviours expected of them when working with the Group.

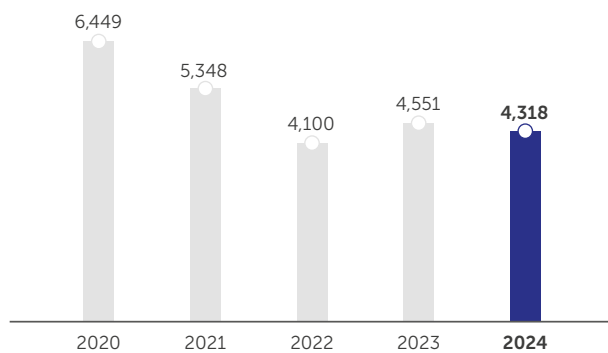
Stakeholder management is also a component in senior leaders' KPIs, which in turn are cascaded to the relevant teams in the organisation. Our ability to create constructive interactions with stakeholders result in strong relationships, which will be crucial in resolving reputational issues. Part of the effort includes transparent and balanced reporting of our performance through regular engagements with clients, investors, market analysts and the media.

To identify emerging reputational threats, Sapura Energy implements daily media monitoring to review news coverage and social media posts commenting on the Group, selected peers, and the energy industry.

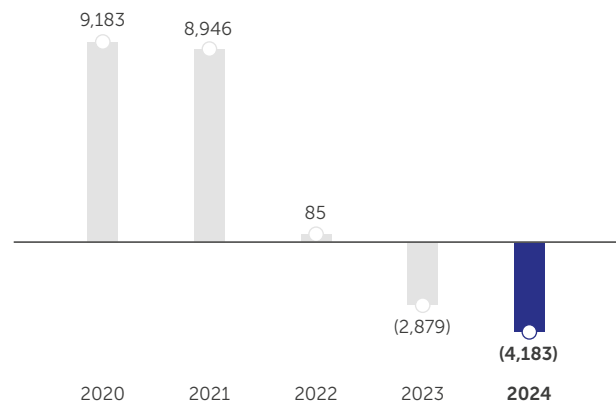
We also continuously enhance our crisis communications preparedness through emergency response procedures, drills, and training.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

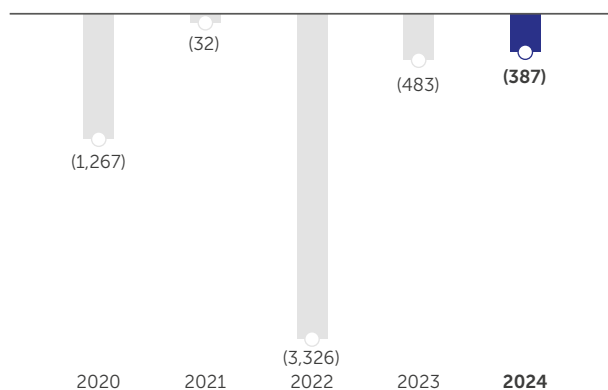
Revenue (RM'mil)



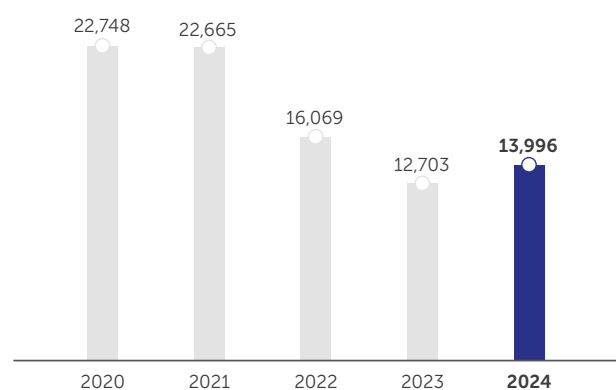
Shareholders' fund/(deficit) (RM'mil)



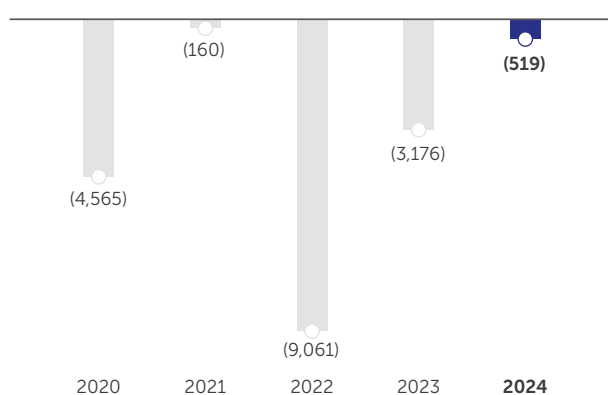
Loss before tax and impairment (RM'mil)



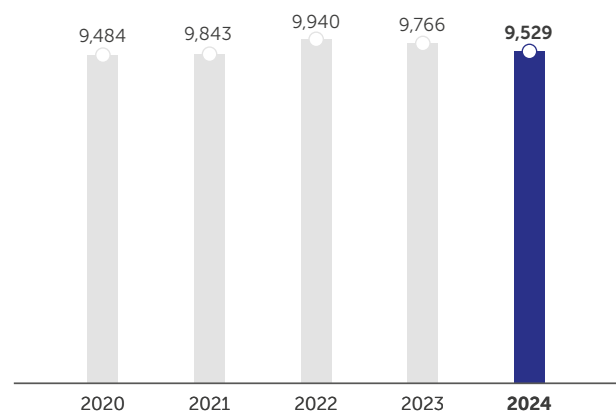
Total assets (RM'mil)



Loss after tax (RM'mil)



Net debt (RM'mil)



FIVE-YEAR GROUP FINANCIAL SUMMARY

	FY20 RM'mil	FY21 RM'mil	FY22 RM'mil	FY23 RM'mil	FY24 RM'mil
OPERATING RESULTS					
Revenue	6,449	5,348	4,100	4,551	4,318
Loss before tax and impairment	(1,267)	(32)	(3,326)	(483)	(387)
Loss before tax	(4,552)	(32)	(8,932)	(3,104)	(413)
Loss after tax	(4,565)	(160)	(9,061)	(3,176)	(519)
KEY STATEMENT OF FINANCIAL POSITION DATA					
Cash, deposits and bank balances	772	489	718	850	1,454
Total assets	22,748	22,665	16,069	12,703	13,996
Borrowings	10,256	10,332	10,658	10,616	10,982
Total liabilities	13,574	13,728	15,991	15,609	18,217
Shareholders' fund/(deficit)	9,183	8,946	85	(2,879)	(4,183)
Loss per share (sen)	(28.60)	(1.01)	(56.67)	(19.76)	(3.17)
Net assets/(liabilities) per share (RM)	0.57	0.56	0.01	(0.19)	(0.23)
Net debt to equity (times)	1.03	1.10	116.94	N/A [^]	N/A[^]
Net debt	9,484	9,843	9,940	9,766	9,529

[^] During the financial year and FY23, the Group did not present its gearing ratio due to the shareholders' deficit position.

INSIDE SAPURA ENERGY'S SUSTAINABILITY STATEMENTS



Sapura Energy Berhad ("Sapura Energy") and its subsidiaries and associates ("the Group") acknowledges the importance of conducting our operations with sustainability at the forefront. We achieve this by upholding our commitment of prioritising the well-being of our employees, minimising our environmental impact, and creating value for stakeholders and the wider community. As we integrate the environmental, social, and governance ("ESG") principles into our daily practices, we strive to ensure sustainable outcomes across all aspects of our operations.

In January 2024, we introduced significant enhancements to our Code of Ethical Conduct by including a new section addressing Sexual Harassment to foster a safe and respectful work environment for all employees. We then aligned our Anti-Bribery and Anti-Corruption and Whistleblowing policies with the recent modifications in our organisational structure, to better address unethical practices across all levels. Sapura Energy further developed new policies including the Sustainability Policy, Directors' Fit & Proper Policy, Personal Data Protection Policy, Corporate Disclosure Policy, and Board Diversity Policy.

To meet the demand for integrated decommissioning services in Southeast Asia and to support the nation's energy transition goals, the Group has introduced Kitar Solutions. Kitar Solutions is the outcome of a strategic partnership with AF Offshore, a well-established Norwegian company specialising in customised decommissioning solutions in the North Sea. Combined with our Group's strategic heavy lift assets and fabrication yard in Lumut, Kitar Solutions aims to simplify the decommissioning process

through integrated Engineering, Preparations, Removal, and Disposal (EPRD) services.

The inception of Kitar Solutions marks a significant step in the expansion of the Group's business segment's decommissioning portfolio, reflecting the company's aim to contribute towards a circular economy within the region. Through Kitar Solutions, Sapura Energy and AF Offshore have plans to improve existing facilities at Sapura Energy's fabrication yard in Lumut, aligned with its aim to meet the highest environmental standards in waste management and recycling.

Given the critical importance of safety in the oil and gas industry, the Group focused on Occupational Safety and Health ("OSH") standards throughout the reporting period by implementing a range of initiatives at various organisational levels. At the Group's management level, the review of Quality, Health, Safety, and Environment ("QHSE") Operational Key Performance Indicators ("KPI"s) is conducted annually. This review ensures alignment with corporate objectives. Hence, all Executive Committee ("EXCO") members are entrusted with eight (8) QHSE KPIs that are monitored monthly during EXCO meetings to uphold accountability. Mandatory OSH programmes and campaigns, including the Hand and Finger Prevention Campaign and monthly Life Saving Rule topic sharing sessions, further contribute to ongoing awareness and skill development. As a result of these efforts, our Lost Time Injury Frequency ("LTIF") experienced a significant 56 percent reduction in the financial year ended 31 January 2024 ("FY2024"), dropping from 0.62 to 0.27 compared to the previous year.

ESTABLISHING OUR SCOPE AND BOUNDARY

This Statement encompasses the performance of our ESG initiatives within our investment holding company and four primary business divisions: Engineering and Construction ("E&C"), Operations and Maintenance ("O&M"), Drilling, and Corporate. It provides information on subsidiaries under our operational control, spanning operations across six continents, including our Headquarters in Malaysia. Covering the period between 1 February 2023 and 31 January 2024 this Statement pertains to FY2024.



DEFINING OUR REPORTING APPROACH

In accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, this statement was prepared with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the Illustrative Sustainability Reporting Guide ("ISRG"). It further incorporates references to the Global Reporting Initiative ("GRI") Standards and United Nations Sustainable Development Goals ("UN SDGs"). These frameworks and guidelines ensure transparent and reliable reporting that provides a comprehensive account of our sustainability progress and accomplishments to our stakeholders.

DATA VERIFICATION

The Group is committed in providing reliable non-financial disclosures and has in place internal data monitoring and verification procedures to ensure accuracy. Acknowledging the importance of third-party verification for reporting integrity, we aim to seek external assurance to bolster the credibility of future disclosures.

VALUING FEEDBACK

We continually strive to improve our Sustainability Statements and value feedback from our stakeholders and readers. Please share your suggestions and inquiries using the contact details provided below:

sustainability@sapuraenergy.com
03-8659 8800

CHARTING A SUSTAINABLE PATH FORWARD



2017

- First Sustainability Statement integrated in the Annual Report
- Disclosed economic, governance, environmental and social initiatives
- Conducted materiality assessment and identified seven (7) material matters
- Identified seven (7) stakeholder groups



2018

- Established Sustainability Governance Structure
- Defined three (3) focus areas in the Sustainability Framework; Sustainable Operations, Nurturing Talent and Developing Communities, and Health, Safety and Environment
- Re-assessed six (6) material matters
- Launched a Whistleblowing Helpline



2021-2022

- Established six (6) core values and five (5) principles to embed ESG practices in business operations
- Mapped out the Group's goals to 11 UN SDGs
- Began participation in renewable energy development and won the Group's first offshore wind farm installation project in Taiwan
- Began the assessment on industry best practices in climate-related reporting



2019-2020

- Established a Sustainability Framework consisting of two strategic thrusts namely Risk Governance and Sustainability Leadership
- Re-defined three (3) focus areas framed by Economic, Environmental and Social ("EES") factors; (1) Ensuring Business Sustainability, (2) Ensuring No Harm to Our People and Environment, (3) Nurturing and Developing Our Talent
- Re-assessed material matters with internal and external stakeholders on 17 material matters and identified nine (9) top material matters



2023

- Retained the top nine (9) identified material matters
- Implemented three (3) Group-wide and nine (9) Business & Regional initiatives in efforts to minimise environmental impacts and maintain compliance with environmental regulations
- Implemented Shell's Greenhouse Gas Reduction campaign at Sapura Esperanza's rig work on Malikai Phase 2 and managed to reduce 5.86 kilo tonnes of carbon equivalent, reduce waste by 90%, reduce electricity consumption by 15,552 kWh and avoided the use and purchase of more than 57,600 plastic bottles



2024

- Established the Group's Sustainability Policy
- Began assessing and reporting on climate-related disclosures
- Identified nine (9) stakeholder groups
- Focused on five (5) UN SDGs

2024 KEY SUSTAINABILITY HIGHLIGHTS



Sustainable Economic Growth

- ➔ **82.5%**
customer satisfaction score in FY2024
- ➔ **47%**
total suppliers and vendors are local to the operations



Shifting Towards Low-Carbon

- ➔ **11%**
decrease in Scope 2 GHG emissions
- ➔ **13,072 tonnes**
of metal scrap were recycled across Sapura Energy, with 90% from Total Marine Technology ("TMT") Puchong and the fabrication yard in Lumut



Caring for Our People

- ➔ **38,567**
total training hours provided to our employees Group-wide
- ➔ **13,043**
total attendees trained on Health & Safety, comprising employees, contract staff, contractors, and visitors
- ➔ **Zero**
substantiated and reported complaints against human rights violations
- ➔ **56%**
reduction in the LTIF compared to the previous year



Strengthening Integrity and Governance

- ➔ **88%**
of total employees attended training on anti-corruption
- ➔ **Zero**
instances of confirmed corruption incidents
- ➔ **Zero**
substantiated complaints concerning customer privacy and losses of customer data
- ➔ **Zero**
major fines for non-compliance with environmental and social laws and regulations

OUR STRATEGIC APPROACH TO SUSTAINABILITY

ESG FRAMEWORK

Sapura Energy's ESG framework stands as the foundation of our operations where it guides us toward a sustainable future. Rooted in our vision and mission, the framework embodies our core values and purpose to uphold environmental, social, and governance excellence. By aligning with our ESG core principles, we realise our vision of being a trusted energy solutions partner while upholding our mission of delivering optimum solutions through human ingenuity, technical expertise, and strategic assets.



Our Vision

- ▶ Your trusted energy solutions partner

Our Purpose

- ▶ Enabling a better world through energy solutions

Our Mission

- ▶ Safely delivering optimum solutions globally through the synergies of human ingenuity, technical expertise, and strategic assets

Our Core Values

At the core of our operations is "Our Way"—a creed founded on the values of being Honest, Accountable, and Respectful. This philosophy isn't just words; it's a commitment to excellence and standing by these pillars: Pride in Results, Commitment to Collaboration and Spirit of Innovation. Together, these principles shape our culture, uniting us as a cohesive team driving towards a common goal.

Our Sustainability Pillars and Material Sustainability Matters



Sustainable Economic Growth

- Client Engagement
- Capital Management and Debt Restructuring
- Asset Capacity and Integrity
- Supply Chain Management



Shifting Towards Low-Carbon

- Pollution and Waste Management
- Climate Change and Emissions
- Energy Management



Caring for Our People

- Occupational Health and Safety
- Labour and Human Rights
- Equal Opportunity, Diversity and Inclusivity
- Community and Society



Strengthening Integrity and Governance

- Good Governance and Anti-Corruption
- Risk Management
- Environmental and Social Compliance

Our Strategic Enablers



Leadership and Governance

Foster ethical management practices to enhance effective governance within the organisation



Organisational Culture

Encourage responsibility, accountability and sustainability across all business operations



Performance-Driven KPIs and Targets

Optimise performance, compliance and business success via data-backed performance KPIs and targets



Communications and Engagement

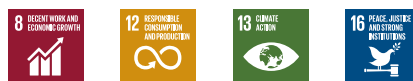
Promote clear, multidirectional communication with stakeholders and customers to ensure alignment with vision and mission



Visionary Mindset

Continued focus on long-range planning and big picture thinking to cement enduring future of Sapura Energy's operations, products and services

Our Contribution to the UN SDGs



Our Strategic Stakeholders

SI Shareholders & Investors	GR Government and Regulatory Authorities	FI Financial Institutions	EM Employees	BA Business Associates
SS Suppliers and Service Providers	ME Media	LC Local Community	NG NGO	CP Client/Project Partners

Our Alignment with Relevant Frameworks and Standards



SAPURA ENERGY'S SUSTAINABILITY POLICY

Our Sustainability Policy guides our philosophy, principles, and commitments across economic, environmental, social, and governance aspects. Grounded in responsible stewardship, we integrate sustainability throughout our operations. We are committed to fostering economic prosperity, reducing environmental impact, promoting social equity, and upholding strong governance for long-term value creation.

Sustainability Policy

Sapura Energy Berhad is dedicated to integrating economic, environmental, social, and governance (EESG) principles into its operations. This commitment is pivotal for bolstering long-term stakeholder value and enhancing the well-being of the communities we serve worldwide.

Our Companies Shall

- Embed sustainability best practices in all business decisions to mitigate risks, create value, and seize opportunities.
- Foster equitable and inclusive development in local communities.
- Ensure clean, safe, healthy, and fair working conditions for employees and associates.
- Adhere to the highest standards of governance, regulations, and industry norms.

Our Commitments



Economic

- Client Engagement
- Capital Management & Debt Restructuring
- Asset Capacity & Integrity
- Supply Chain Management



Environmental

- Pollution and Waste Management
- Climate Change & Emission
- Energy Management
- Water Consumption



Social

- Occupational Health & Safety
- Labour and Human Rights
- Equal Opportunity, Diversity & Inclusivity
- Community and Society



Governance

- Good Governance & Anti-Corruption
- Risk Management
- Environmental & Social Compliance

OUR STRATEGIC APPROACH TO SUSTAINABILITY

INTEGRATING THE GLOBAL GOALS

The United Nations has established 17 Sustainable Development Goals ("SDGs") to confront the most pressing challenges faced by the world today and aiming to create a more just and sustainable future for all. In line with the 2030 Agenda for Sustainable Development, Sapura Energy has embraced four UN SDGs and associated targets that align closely with the Group's operations and areas of greatest potential impact.

UN SDG	Target Alignment	Our Contribution
	 8.6 Proportion of youth in employment, education or training	<ul style="list-style-type: none"> Aligned with the Malaysian government's agenda to enhance the labour market through Technical and Vocational Education and Training ("TVET") programmes Offered 160 Management Trainee and Internship placements in FY2023 and FY2024
	 8.8 Protect labour rights and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> Review of Labour and Human Rights Policy 56 percent reduction in LTIF compared to the previous year 13,043 total attendees trained on Health & Safety, comprising employees, contract staff, contractors, and visitors 14,762 total training hours for health and safety in FY2024 Zero substantiated and reported complaints against human rights violations
	 12.2 Achieve the sustainable management and efficient use of natural resource	<ul style="list-style-type: none"> Launched Kitar Solutions through a strategic collaboration with AF Offshore Decom. The joint venture offers clients end-to-end engineering, preparation, removal and disposal ("EPRD") solutions to ensure environmentally responsible offshore decommissioning
	 12.4 Significantly reduce the release of chemicals to the water	<ul style="list-style-type: none"> Recorded four minor oil spill incidents in FY2024, indicating 75 percent reduction of incidents from FY2023
	 12.5 Reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> A total of 13,072 tonnes of metal scrap waste was recycled across the Group, with more than 90 percent from TMT Puchong and the fabrication yard in Lumut for FY2024
	 13.1 Strengthen resilience and adaptation to climate-related hazards	<ul style="list-style-type: none"> Commenced Scope 1 and 2 Greenhouse Gas ("GHG") emissions reporting Implemented initiative to achieve 11 percent reduction in Scope 2 emissions compared to FY2023
	 13.2 Integrate climate change measures into strategies and planning	<ul style="list-style-type: none"> Established commitment to Climate Change & Energy in the Group's Sustainability Policy Ship Energy Efficiency Management Plan ("SEEMP") in place designed to optimise energy usage, reduce carbon intensity from Scope 1 emissions and minimise environmental impact
	 16.5 Substantially reduce corruption and bribery	<ul style="list-style-type: none"> Zero instances of confirmed corruption incidents in FY2023 and FY2024, indicating reduction from 2 incidents recorded in FY2022 88 percent of total employees attended training on anti-corruption
	 16.6 Develop effective, accountable and transparent institutions at all levels	<p>Established a list of policies to ensure effective, accountable and transparent governance:</p> <ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption Policy Board Diversity Policy Whistleblowing Policy Personal Data Protection Policy

SUSTAINABILITY PERFORMANCE SCORECARD

Sustainability KPIs serve as crucial metrics to monitor progress, drive continuous improvement and safeguard the long-term sustainability and resilience of our operations as an energy solutions provider. By meticulously tracking these KPIs, we evaluate our commitment to sustainability and actively drive the responsible management of natural resources. This strategic approach enhances environmental integrity and delivers tangible benefits to the communities in which we operate.

Legends: ■ Achieved ■ In Progress

Our Goals	Key Performance Indicators	FY2024 Result
Sustainable Economic Growth	➔ Client Engagement (i) Achieve above 62 percent of customer satisfaction score	■
Shifting Towards Low-Carbon	➔ Climate Change and Emissions (i) Establish a baseline year for GHG Scope 1 and 2 emissions by 31 January 2024 ➔ Pollution and Waste Management (i) Achieve zero spill (>1 barrel) to the environment	■ ■
Caring for Our People	➔ Occupational Health & Safety (i) Control Total Recordable Case Frequency ("TRCF") including work related injuries < 1.5 /annum (ii) New employees undergo Health and Safety induction (iii) Visitors to Sapura Energy's facilities receive Health and Safety orientation (iv) Project team members, including contractors, undergo project-specific Health and Safety induction ➔ Labour and Human Rights (i) Maintain zero cases of substantiated complaints of human rights violation annually ➔ Equal Opportunity, Diversity and Inclusivity (i) Achieve an average of 16 training hours per employee annually (ii) Attain a 5 percent representation of women in Senior Management and Management Levels by 31 January 2024	■ ■ ■ ■ ■ ■ ■
Strengthening Integrity and Governance	➔ Corporate Governance & Anti-Corruption (i) Maintain zero incidents of bribery and corruption (ii) Maintain zero customer privacy breaches and data losses	■ ■

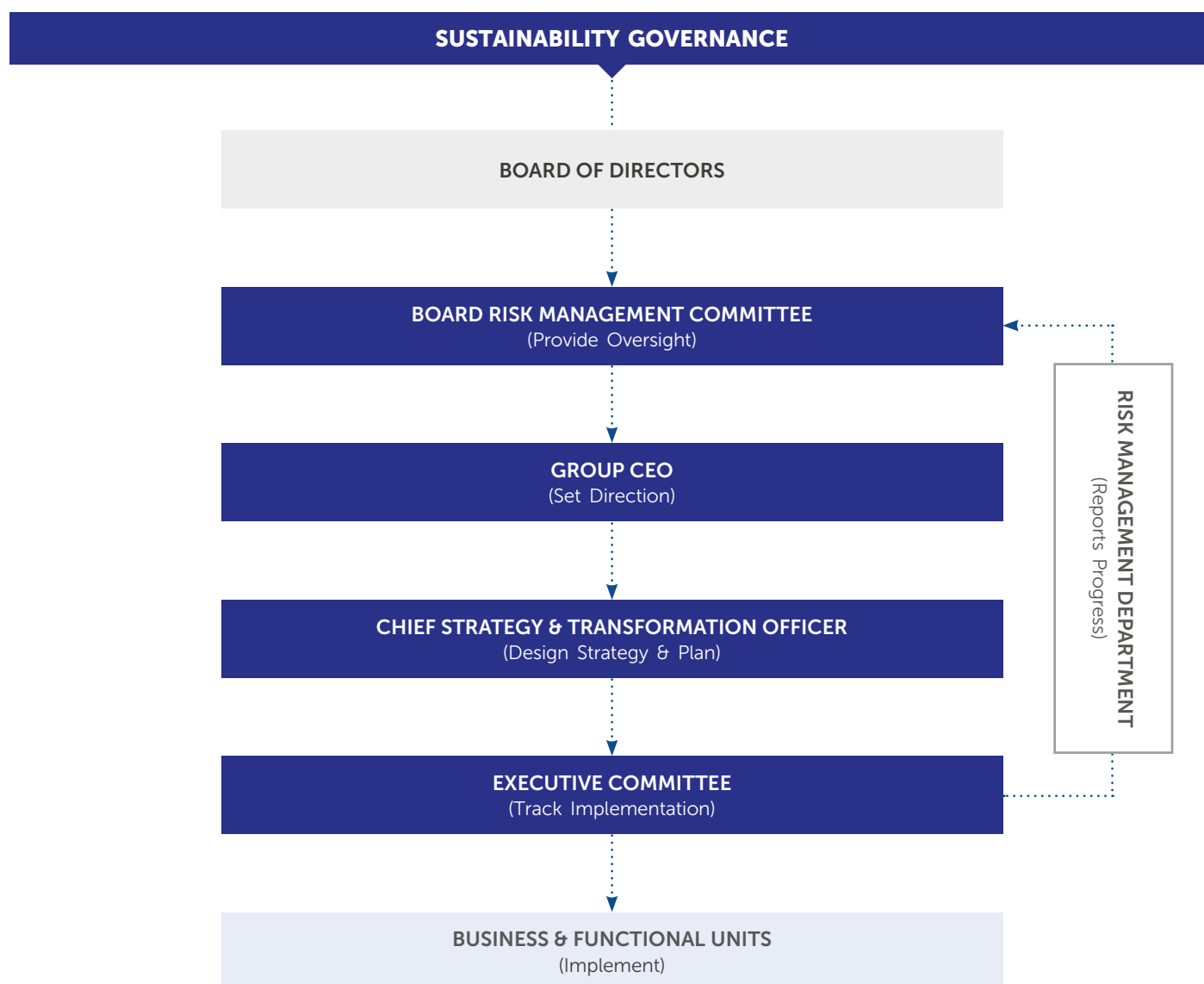
OUR STRATEGIC APPROACH TO SUSTAINABILITY

REINFORCING INTEGRITY WITH ETHICAL GOVERNANCE

The Board of Directors ("Board") is the highest authority overseeing sustainability. The Board Risk Management Committee ("BRMC") supports the Board by managing all sustainability matters for the Group. The BRMC ensures adherence to relevant standards, governance, and regulatory requirements, and oversees sustainability strategies, issues, and communication plans.

The Group Chief Executive Officer ("GCEO"), supported by the Chief Strategy Officer, is responsible for formulating sustainability strategies and plans, ensuring that the Group's business aligns with the Board's direction. The GCEO is assisted by the EXCO and the Risk Management Department, who strategically manage the Group's sustainability efforts and integrate sustainability into operations.

Business and functional unit heads are tasked with implementing sustainability initiatives in line with established programmes throughout daily operations. They collaborate closely with the Risk Management Department and the EXCO to address identified sustainability risks and enhance value for the Company and its stakeholders.



UNDERSTANDING OUR STAKEHOLDERS' PERSPECTIVE

Sapura Energy engages with stakeholders to identify critical material concerns and incorporate their perspectives into our business plans. By utilising established channels and feedback mechanisms, we gain insights into their priorities, enabling us to refine our sustainability objectives to address their needs effectively.

SI

SHAREHOLDERS & INVESTORS

Who They are and How They Contribute to Value

Individuals, institutions, or funds providing capital and financial support to help facilitate business growth, enhance liquidity, and foster investor confidence in the Group's performance and strategic direction.

➔ How We Have Engaged

- Investor Relations microsite
- Media releases
- Analyst briefings
- Annual General Meeting
- Annual Report
- Corporate website

➔ Issues Raised

- Sustainable financial and operational performance
- Good governance
- Business practices

Strategic Response

- Embedding ESG in decision-making process and business operations
- Code of Ethical Conduct, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy

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GOVERNMENT & REGULATORY AUTHORITIES

Who They are and How They Contribute to Value

Government and regulatory authorities, including local, national, and international bodies, contribute to the Group's value by establishing and enforcing industry standards, regulations, and policies, ensuring compliance, and fostering a stable operating environment conducive to sustainable business growth and development.

➔ How We Have Engaged

- Surveys and inspections
- Regulatory audits

➔ Issues Raised

- Compliance
- Transparency and good governance
- Economic performance

Strategic Response

- Code of Ethical Conduct, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy
- Risk assessment on bribery and corruption across high-risk departments
- Zero-tolerance approach towards bribery and corruption

OUR STRATEGIC APPROACH TO SUSTAINABILITY

FI FINANCIAL INSTITUTIONS

Who They are and How They Contribute to Value

Financial institutions, such as banks and investment firms, provide access to capital, financing opportunities, and strategic financial advice, enabling the Group to fund its operations, execute projects, and pursue growth initiatives while managing financial risks effectively.

➔ How We Have Engaged

- Physical and virtual engagements
- Annual Report
- Analyst briefings
- Annual General Meeting

➔ Issues Raised

- Debt repayment plan
- Financial performance and reputation
- ESG commitment
- Business strategy
- Compliance
- Risk Management

Strategic Response

- Optimise debt and capital structure
- Conduct financial audits and reviews
- Engage with stakeholders to understand concerns and expectations related to ESG practices
- Review and refine the Group's business strategy
- Strengthen internal controls and governance structures to ensure compliance with regulatory requirements
- Risk management framework

EM EMPLOYEES

Who They are and How They Contribute to Value

The Group's dedicated workforce, contributing value through their expertise, innovation, and commitment to operational excellence.

➔ How We Have Engaged

- Briefings to employees
- Employee town halls
- Engagement with specific groups for talent retention
- Global Leadership Huddle
- GCEO note to employees

➔ Issues Raised

- Career growth
- Job security
- Health, safety and well-being
- Diversity and inclusion
- Talent development

Strategic Response

- HSE policies and procedures
- Hiring and promoting based on merit
- Formal training (classroom & online), on-the-job learning, and coaching for talent development

BA BUSINESS ASSOCIATES**Who They are and How They Contribute to Value**

Joint venture partners who collaborate with the Group, contributing value through their expertise, resources, and strategic alliances, enabling efficient project execution, innovation, and the delivery of comprehensive solutions to clients while fostering long-term business relationships.

➔ How We Have Engaged

- Meetings
- Joint site visits
- Joint workshops and training
- Business Associates-Board engagements

➔ Issues Raised

- Equal opportunities
- Sustainable operations and performance
- Environmental management

Strategic Response

- Embedding ESG in decision-making process and business operations
- Health, Safety and Environment Policy
- Cost restructuring

SS SUPPLIERS AND SERVICE PROVIDERS**Who They are and How They Contribute to Value**

Suppliers and service providers provide quality materials, equipment, and support services, contributing to value through timely delivery, reliability, and innovation, ensuring operational efficiency, and facilitating the Group's ability to deliver high-quality projects and services to the clients.

➔ How We Have Engaged

- Medium to long-term agreements
- Site visits and supervision

➔ Issues Raised

- Ethical supply chain management
- Timely payment
- Quality of equipment supplied and services provided
- Equal opportunities for work and compensation

Strategic Response

- Code of Ethical Conduct, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy
- Zero-tolerance approach towards bribery and corruption
- Finalise a fair and equitable Proposed Restructuring Scheme ("PRS") and regularisation plan for its stakeholders
- Vendor categorisation

ME MEDIA**Who They are and How They Contribute to Value**

Mass communication platform to disseminate news to external parties and engage with stakeholders, contributing value by fostering transparency and promote awareness of the Group's achievements and initiatives.

➔ How We Have Engaged

- Corporate updates/announcement
- Quarterly results announcement
- Press releases

➔ Issues Raised

- The Group's performance and business strategy
- New project launch and future prospects
- Corporate Social Responsibility ("CSR")

Strategic Response

- Issuing press releases or statements
- Media interviews/press conferences
- Announcing major business developments through targeted media campaigns
- Collaborate with media partners to amplify the reach and impact of CSR programmes

OUR STRATEGIC APPROACH TO SUSTAINABILITY

CP CLIENT/PROJECT PARTNERS

Who They are and How They Contribute to Value

Clients and project partners of the Group include major oil and gas companies, contributing to value by providing significant contracts and collaborative opportunities that enhance Sapura Energy's operational capabilities and market reach.

➔ How We Have Engaged

- Long-term contracts and agreements
- Joint ventures and strategic alliances
- Integrated project delivery
- Regular performance reviews and feedback mechanism

➔ Issues Raised

- Project executions and timeliness
- Cost management
- Operational efficiency
- Quality and safety standards
- Communication and reporting

Strategic Response

- Enhance project management
- Optimise operations
- Uphold quality and safety excellence
- Improve client engagement

NG NON-GOVERNMENTAL ORGANISATIONS (NGOs)

Who They are and How They Contribute to Value

NGOs such as the Food Aid Foundation contribute to Sapura Energy's value by facilitating volunteer work, providing access to communities in need, supporting facilities, infrastructure, and logistics, and ensuring due diligence to channel our resources to the right beneficiaries as an accredited organisation.

➔ How We Have Engaged

- Periodic meetings
- Pre-engagement briefing on operations
- Site visit to facilities and centres

➔ Issues Raised

- Fundraising
- Volunteer manpower
- Operational challenges

Strategic Response

- Reduce dependence on single source funding
- Collaborate with employees to enlist volunteers
- Prioritise and allocate resources to high-impact areas effectively

LC LOCAL COMMUNITY

Who They are and How They Contribute to Value

General public or local businesses in the vicinity of the Group's operations, contributing value through collaboration, support, and constructive engagement, thereby fostering positive relationships and ensuring the social license to operate within their communities.

➔ How We Have Engaged

- Website
- Social media
- Local authorities
- Government agencies
- Charitable or non-profit/non-government organisations (NGOs)

➔ Issues Raised

- Employment opportunities
- Local economic impact
- Community outreach

Strategic Response

- Hiring local talent
- Providing upskilling opportunities and developing new and existing talent
- Providing economic opportunities to local vendors
- CSR activities within the vicinities of our operations to build better community and help those in need

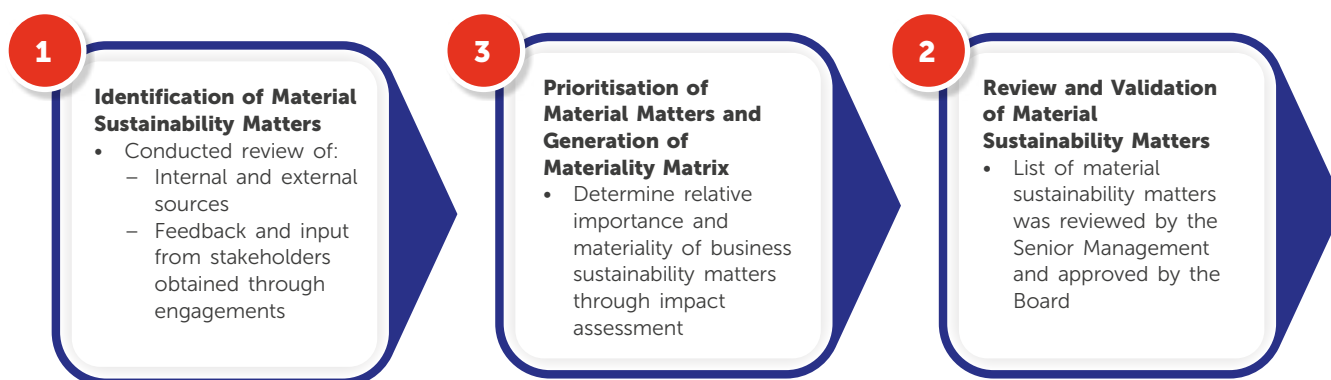
MATERIALITY ASSESSMENT

IDENTIFYING WHAT MATTERS

Materiality assessments play a vital role in identifying and prioritising issues that are most significant to our business and stakeholders. We are able to determine ESG risks and opportunities within our key operating sectors, steering our strategic approach and guiding our resource allocation.

Materiality assessments serve as a cornerstone in identifying and prioritising issues of utmost importance to our business and stakeholders. Through these assessments, we discern ESG risks and opportunities within our key operating sectors, shaping our strategic approach and guiding resource allocation effectively.

In FY2024, we conducted a reassessment that identified 14 key sustainability matters in line with Bursa Malaysia's Listing Requirements. This reassessment allows us to stay at the forefront of the evolving sustainability landscape, continually improve our reporting practices, and ensure alignment with stakeholder expectations and corporate strategy.

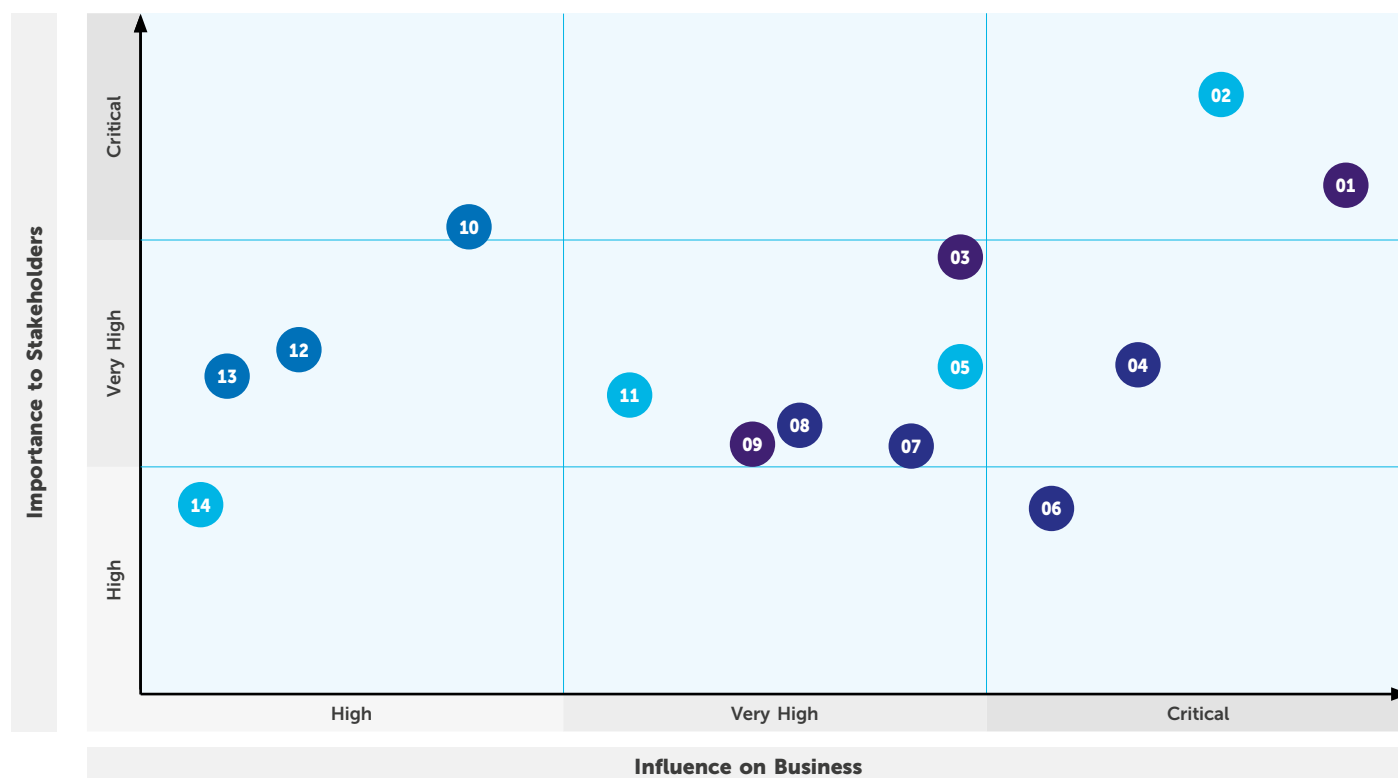


DISCOVERING KEY ESG TOPICS

A materiality matrix was constructed by compiling survey data gathered from both internal and external stakeholder consultations, structured to illustrate the significance assigned to different issues by our stakeholders, with the top right quadrant indicating matters of highest priority.

The assessment results provided valuable insights into stakeholder perceptions regarding the relative importance and relevance of these issues concerning the Group, as well as the Group's impact on them. Following a comprehensive analysis, **Good Governance and Anti-Corruption, Occupational Safety and Health, Risk Management, Client Engagement, and Labour and Human Rights** emerged as the top five material sustainability concerns for FY2024.

MATERIALITY ASSESSMENT



 Sustainable Economic Growth	 Shifting Towards Low-Carbon	 Caring for Our People	 Strengthening Integrity and Governance
<div>04 Client Engagement</div> <div>06 Capital Management and Debt Restructuring</div> <div>07 Asset Capacity and Integrity</div> <div>08 Supply Chain Management</div>	<div>10 Pollution and Waste Management</div> <div>12 Climate Change and Emissions</div> <div>13 Energy Management</div>	<div>02 Occupational Health and Safety</div> <div>05 Labour and Human Rights</div> <div>11 Equal Opportunity, Diversity and Inclusivity</div> <div>14 Community and Society</div>	<div>01 Good Governance and Anti-Corruption</div> <div>03 Risk Management</div> <div>09 Environmental and Social Compliance</div>

MAPPING OUR MATERIAL MATTERS

Material sustainability matters are inherently connected through our ESG pillars, key stakeholder groups and UN SDGs. They play a crucial role in identifying and exploring pertinent matters impacting the Group's performance. In embracing these interconnections, we navigate a path towards holistic sustainability that strengthens our commitment to responsible business practices and contributes meaningfully to the broader objectives outlined by our stakeholders and the UN SDGs.



Sustainable Economic Growth

Pursuing sustainable economic growth through technology integration and collaborative ventures enables us to optimise operational efficiency while enhancing value.

➔ Material Sustainability Matters:

- | | |
|---|-----------------------------------|
| 04 Client Engagement | 08 Supply Chain Management |
| 06 Capital Management and Debt Restructuring | |
| 07 Asset Capacity and Integrity | |

➔ Stakeholders:

SI GR FI CP SS EM BA

UN SDGs:



Shifting Towards Low-Carbon

The transition towards low-carbon practices provides opportunities to leverage renewable energy sources and implement energy-efficient technologies across our operations.

➔ Material Sustainability Matters:

- | |
|--|
| 10 Pollution and Waste Management |
| 12 Climate Change and Emissions |
| 13 Energy Managements |

➔ Stakeholders:

GR EM BA SS NG

UN SDGs:



Caring for Our People

We cultivate a supportive work environment, prioritise employee welfare and actively participate in initiatives contributing to the communities we serve.

➔ Material Sustainability Matters:

- | | |
|--|---------------------------------|
| 02 Occupational Health and Safety | 14 Community and Society |
| 05 Labour and Human Rights | |
| 11 Equal Opportunity, Diversity and Inclusivity | |

➔ Stakeholders:

GR EM LC NG ME

UN SDGs:



Strengthening Integrity and Governance

Through transparent and ethical decision-making, we ensure the trust and confidence of our stakeholders, fostering a culture of accountability and responsibility.

➔ Material Sustainability Matters:

- | |
|---|
| 01 Good Governance and Anti-Corruption |
| 03 Risk Management |
| 09 Environmental and Social Compliance |

➔ Stakeholders:

SI GR CP SS EM

UN SDGs:



OUR POSITION ON CLIMATE ACTION



SUSTAINABLE ECONOMIC GROWTH



Sapura Energy acknowledges the importance of sustainable business practices for its long-term economic growth. By prioritising responsible initiatives, decisions, and policies, we strive to balance economic advancement with ethical practices. Our capacity to generate value impacts a variety of stakeholders, making our contributions essential.

➔ Material Sustainability Matters:

04 Client Engagement

06 Capital Management and Debt Restructuring

07 Asset Capacity and Integrity

08 Supply Chain Management

➔ Stakeholders:

SI GR FI CP SS EM BA

UN SDGs:



Sustainability Highlights:



➔ **82.5%**

customer satisfaction score in FY2024



➔ **47%**

total suppliers and vendors are local to the operations

04

CLIENT ENGAGEMENT

Why this is important

Effective client engagement strengthens relationships between clients and the Group, allowing us to adapt our business practices to meet client needs. We offer services while clients provide the revenue necessary for our business's sustainability. Hence, by maintaining strong client engagement, we build stable relationships that support our long-term objectives.

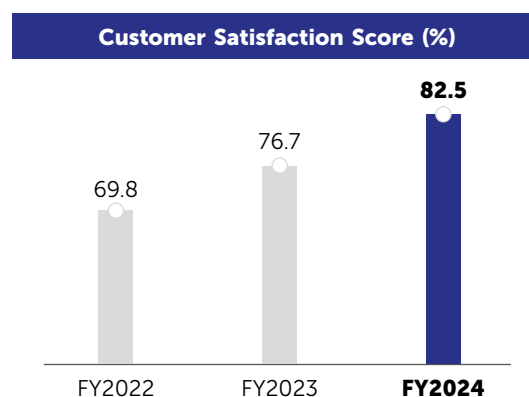
➔ Our Approach

Our client engagement practices are aligned with our ISO 9001:2015 certified Quality Management System ("QMS") which places a strong emphasis on customer satisfaction by understanding and meeting their requirements, continually seeking feedback, and ensuring effective communication both internally and externally. In establishing processes for continual improvement, it results in enhanced service quality, consistency, and reliability. As such, we conduct customer satisfaction surveys for each project, providing quantitative feedback on our products and services along with insights into client perspectives. This approach helps us maintain the highest quality standards for our clients, as outlined in our Quality Policy.

- ➔ Implementation and continuous improvement of an effective Quality Management System.
- ➔ Fostering a quality mindset for zero-defect delivery.
- ➔ Cultivating a strong and sustainable Quality culture within the organisation.
- ➔ Emphasis on technical competency, teamwork, engagement, and ownership.
- ➔ Influencing Quality and Trust through dedication and passion for Excellence.
- ➔ Ensuring services consistently meet accepted quality standards.
- ➔ Managing supplies and inventories to ensure reliability and operational continuity.

Our Performance

Our customer satisfaction levels have risen steadily over the past three years, reaching 82.5 percent in FY2024. This upward trend indicates our ongoing efforts to providing quality products and services.

**Note:**

Customer satisfaction score is derived from clients of Drilling, E&C, Geosciences, Technology Solutions, Subsea Services, Offshore Vehicle Service ("OSV"), Hookup and Commissions ("HUC") services.

OUR POSITION ON CLIMATE ACTION

06

CAPITAL MANAGEMENT & DEBT RESTRUCTURING

Why this is important

Capital management and debt restructuring are vital for Sapura Energy's financial stability and sustainable growth. Efficient capital management optimises financial resources and supports strategic investments for business operations and expansion while debt restructuring manages financial obligations, improves liquidity, and enhances the Group's creditworthiness. These measures are crucial for maintaining investor confidence and driving long-term value creation for shareholders.

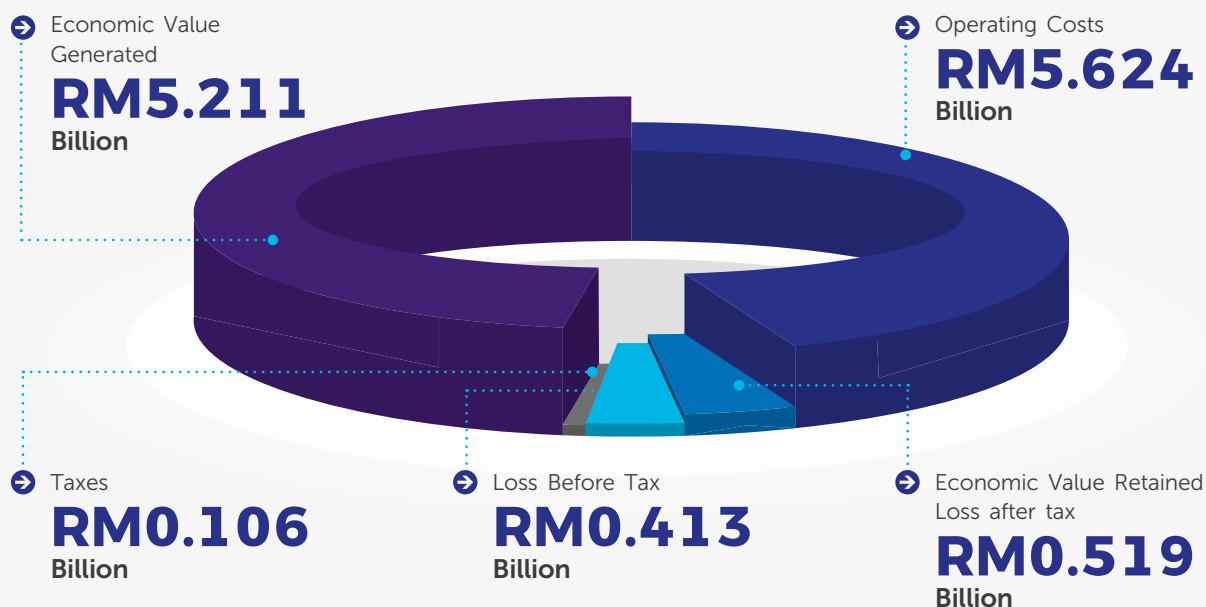
Our Approach

Our strategic approach to capital management and debt restructuring underscores the Group's efforts towards sustainable financial resilience. Despite facing challenges such as constraints on fund flows and non-operational capital expenditure due to restructuring orders, we remain steadfast in optimising our economic performance. In FY2024, our focus centres on addressing cash flow management amidst ongoing restructuring processes and Practice Note 17/2005 ("PN17") requirements.

Concurrently, we are actively enhancing existing facilities and accounts to mitigate obstacles related to working capital and bank guarantee facilities. We navigate these challenges with resilience and determination through transparent communication with advisors, lenders, major shareholders, our White Knight, the Board and regulators. This strategy ensures our continued growth and stability in the market.

Our Performance

In FY2024, we focused on strengthening our economic performance to improve financial health and increase shareholder value.



Note:

1. Economic performance data encompasses the E&C, O&M, Drilling and Corporate divisions.
2. Employee wages and benefits and procurement spent are included under operating costs.
3. Taxes consist of the income tax which include Payments to Government amount of RM0.125 billion.

07 ASSET CAPACITY AND INTEGRITY

Why this is important

Sapura Energy's long-term sustainability relies on sound asset capacity and integrity. Ongoing assessment of our physical, financial, and intellectual capacity helps us balance economic, environmental, social, and governance considerations. Ensuring asset reliability allows us to deliver value to stakeholders while reducing risks and optimising opportunities for sustainable growth.

Our Approach

Our approach to asset capacity and integrity is comprehensive, focusing on sustainability, strong risk management, and proactive stakeholder engagement.



Environmental

We employ approved controls to mitigate environmental pollution, minimising ecological impact along with reducing emissions.



Social

Social aspects are managed through stringent health, safety, and environmental ("HSE") standards that protect our workforce and the communities where we operate.



Governance

In terms of governance, we focus on transparent reporting and ethical business practices within established frameworks to build trust with stakeholders.

08 SUPPLY CHAIN MANAGEMENT

Why this is important

Supporting local suppliers is essential for the Group as it directly boosts economic growth and development in our operating regions. Local sourcing enriches the communities we serve and strengthens our supply chain, enhancing efficiency and resilience in our operations.

Our Approach

We recognise that local procurement can drive technology development, job creation, and economic growth. The Group supports local suppliers and vendors in all operating countries. Hence, we select suppliers based on financial stability, product or service quality, HSE management, and legal compliance. While foreign procurement can offer expertise, we balance it with local sourcing to benefit stakeholders, uphold ethical standards, and meet expectations.

Sapura Energy requires vendors to complete, acknowledge, and stamp the Vendor Registration Form, including attaching required documents for due diligence. Our Procure to Pay Procedure ("P2P") incorporates environmental, ethical, social responsibility, transparency, and accountability considerations. Each business unit evaluates these factors during procurement to mitigate climate-related risks, maintain cost efficiency, and create long-term value.

Procurement
Planning



Purchase
Requisition



Sourcing



Evaluation



Award to
Vendor



Expediting &
Receiving



Payment

OUR POSITION ON CLIMATE ACTION

Our vendors are further categorised into Strategic Vendor List ("SVL") and Preferred Vendor List ("PVL").

SVL Criteria

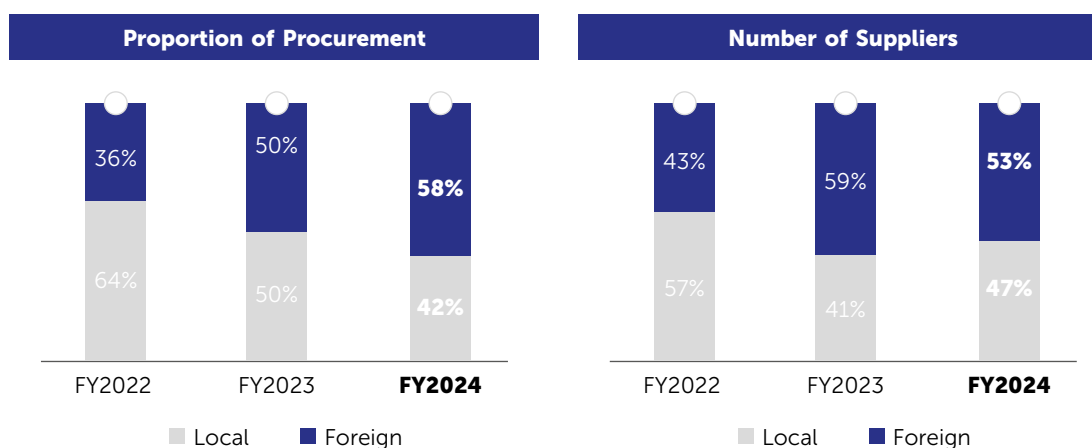
- ➔ Good track record with Sapura Energy and/or major clients
- ➔ Cost competitiveness
- ➔ Limited vendors within the category
- ➔ Global Frame Agreements with our major clients
- ➔ Supportive during tough times
- ➔ Compliant to Sapura Energy's terms and conditions

PVL Criteria

- ➔ High spending and frequent use in the past five years
- ➔ Limited competition within the category
- ➔ Vendors with global reach and businesses cutting across multiple categories
- ➔ Category is critical to business success, for security of supply and competitive advantage
- ➔ Technical leader within the industry

Our Performance

In FY2024, Sapura Energy engaged with 1,632 suppliers, 47 percent of which were local to each project. Sapura Energy spent a total of RM2.49 billion on procurement in FY2024.



Note:

1. Supply Chain Management data coverage includes Drilling (limited to FY2023 and FY2024 only), E&C, O&M, and Corporate.
2. USD to MYR conversion for drilling operations procurement is based on exchange rates provided by Bank Negara Malaysia at the end of each financial year. FY2023 (4.2475), FY2024 (4.7305).



SHIFTING TOWARDS LOW-CARBON



As the world faces escalating climate change concerns, we commit to continuously enhance our environmental performance. By adopting best practices, innovative technologies and management systems, we minimise the impact of our operations to support Malaysia's net zero aspiration by 2050.

➔ Material Sustainability Matters:

- 10 Pollution and Waste Management
- 12 Climate Change and Emissions
- 13 Energy Management

➔ Stakeholders:

GR EM BA SS NG

UN SDGs:



Sustainability Highlights:



➔ **11%**

decrease in Scope 2 GHG emissions



➔ **13,072 tonnes**

of scrap metal recycled

OUR POSITION ON CLIMATE ACTION

10

POLLUTION AND WASTE MANAGEMENT

Why this is important

Effective pollution and waste management are essential for Sapura Energy to comply with regulations, safeguard the environment and human health, conserve resources, and uphold social responsibility. By minimising environmental impact and employing efficient waste management practices, Sapura Energy affirms our commitment to sustainability, regulatory compliance, and ethical business conduct, strengthening our reputation as a responsible industry leader.

Our Approach

Spills Management

The Group aligns with local and international spill prevention regulations and follows industry best practices to avoid accidental leaks or spills. Our offshore facilities are equipped with Emergency Response Plans and Shipboard Marine Pollution Prevention Plans (Annex I – MARPOL), designed to swiftly address potential spills. All incidents are reported to our online reporting system, Synergi Life, within 24 hours, ensuring prompt notification of relevant personnel. This cloud-based solution centralises all reported incidents, facilitating thorough investigations into root causes to prevent future occurrences.

Waste Management

Sapura Energy employs a waste mitigation hierarchy, focusing on alternative methods which are Reduction (elimination, prevention, minimisation), Reuse (on or offsite) and Recovery for managing waste-related impacts, with disposal considered as a last resort.

Our operations across the globe manage and handle hazardous waste in compliance with relevant local environmental laws and regulations.

Vessel waste management aligns with MARPOL 73/78 – Annex V Prevention of Pollution by Garbage from Ships. The Garbage Management Plan ("GMP") establishes a detailed waste tracking system and supports shipboard processing. Throughout the year, we also implemented initiatives to raise awareness among employees about the need to minimise environmental impact.

Awareness Training

- Annual hazardous waste management training
- Recycling campaign at Sapura@Mines where designated boxes (based on type of wastes) are placed at all levels to segregate waste and recyclable items
- E-Waste collection pilot programme at Sapura@Mines in collaboration with the recycling company EARTH and Department of Environment ("DOE") Malaysia

Waste Reduction Initiatives

- Labuan Fabrication Yard – all the blasterite produced are reused internally as fill material during jetty construction or made into bricks
- Teluk Kalung Yard – Reused wooden waste as stoppers for pipe spools
- All drilling rigs – Installation of water purification systems and distribution of water tumblers to all crew to reduce single use plastic bottles



Kitar Solutions is the first dedicated integrated decommissioning company in Asia, formed through a partnership between Sapura Energy Berhad and AF Offshore of Norway. Kitar Solutions will leverage AF Offshore's two decades of experience in North Sea decommissioning and Sapura Energy's extensive onshore and offshore assets to offer innovative and sustainable decommissioning services in APAC region. Our vision is to clean up the ocean in a cost-effective and sustainable manner through recycling and repurposing offshore assets in a purpose-built onshore environment.

Through Kitar Solutions, Sapura Energy and AF Offshore plan to upgrade existing facilities at Sapura Energy's fabrication yard in Lumut, to accommodate disposal of offshore oil and gas facilities, aligned with its aim to meet the highest environmental standards in waste management and recycling.



Towards Net Zero

At Kitar Solutions, our commitment to achieving a net-zero future drives our focus on sustainability. By prioritising the reuse, upcycling, and recycling of waste materials from the oil and gas industry, we aim to reduce the need for new resources, lower CO₂ emissions, and conserve energy. Our dedication aligns with the United Nations Sustainable Development Goal 12 – Responsible Consumption and Production. Additionally, our initiative to convert decommissioned offshore oil and gas platforms into artificial reefs enhances marine biodiversity, reinforcing our robust ESG framework.



Environmental Stewardship

Kitar Solutions actively adopts advanced technologies and methodologies to minimise environmental impact, setting new benchmarks in sustainable practices.



Social Contribution

Our efforts center on creating employment opportunities and implementing skill development programmes for the local workforce, supporting national growth and sustainable development.

Kitar Solutions transforms Malaysia's decommissioning landscape and sets standards for sustainable practices across Asia. Through strategic partnerships and unwavering commitment, we contribute to ecological and social improvement in the region.



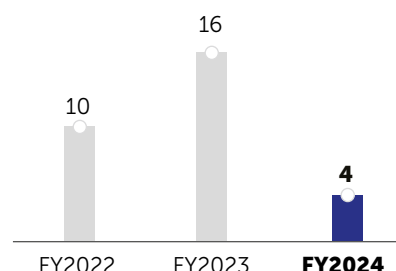
OUR POSITION ON CLIMATE ACTION

Our Performance

Spills Management

In FY2024, spill incidents decreased by 75 percent. Two spills were successfully contained on land and onboard our vessels, while two other incidents resulted in oil being discharged to the environment (each less than one barrel). To mitigate the risk of spills to the environment, we maintain efforts to raise awareness about the impact of oil spills on terrestrial and marine ecosystems. Additionally, we promote a culture of proactive reporting within both our project team and offshore crew.

Number of Spill Incidents



Waste Management

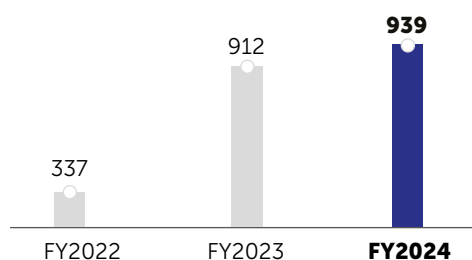
Waste generated from our overall operations is classified into hazardous and non-hazardous waste. Over the past three years, we have observed a consistent rise in total waste production, attributed to increased vessel utilisation and drilling operations.

As such, we are committed to continuously enhance our waste management system across all business units.

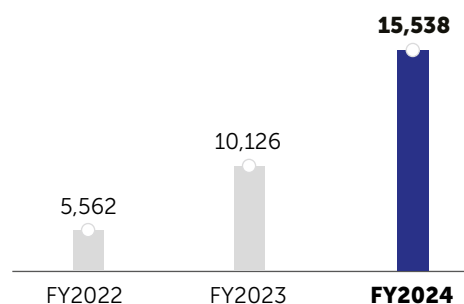
Our scrap metal recycling initiatives at TMT Puchong and our Lumut fabrication yard further diverted a substantial 13,072 tonnes of waste from landfills in FY2024.

Waste Disposed (tonnes)

Hazardous Waste



Non-Hazardous Waste



Note:

1. Metal recycled data available for FY2024.

12

CLIMATE CHANGE AND EMISSIONS

Why this is important

The oil and gas industry contributes roughly 15 percent of total energy-related GHG emissions worldwide. In light of the irreversible effects of climate change, the Group must adapt its business practices, driving us to seek ways to reduce emissions and enhance our operations.

Note:

1. IEA (2023), *Emissions from Oil and Gas Operations in Net Zero Transitions*.

Our Approach

As a group, we recognise the challenges of climate change and the importance of minimising our ecological footprint. Aligning with the global trend, we aim to understand and stay abreast of sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

To track our progress, we measure key environmental indicators, including carbon emissions. By quantifying annual reductions, we provide stakeholders with insights and enable accountability for our targets.

GHG Emissions

We have enhanced our emissions monitoring by tracking Scope 1 emissions from fuel consumption (in vessels, yards, workshops and drilling units) and Scope 2 emissions from purchased electricity. To ensure sustainable GHG management, Sapura Energy computed Scope 1 GHG emissions based on an operational denominator for all types of vessels and offshore assets from January 2024.

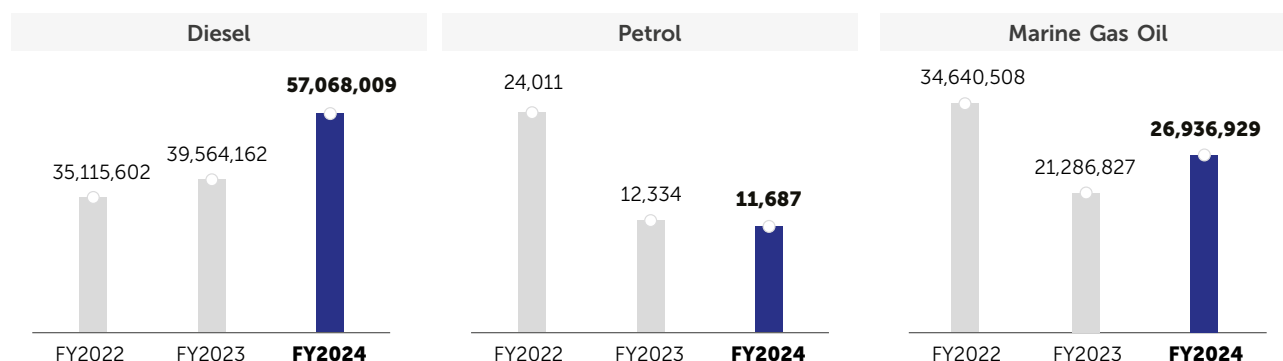
Our Performance

Scope 1

Diesel represents the largest portion of the Group's fuel consumption, encompassing usage both onshore and offshore. Over the past three years, diesel consumption has steadily increased, in tandem with our operations' growth. Petrol consumption decreased by five percent in FY2024 compared to FY2023, primarily due to reduced activity at the Lumut fabrication yard.

MGO has seen a decline from FY2022 to FY2023, and a 27 percent increase towards FY2024 which corresponds with our vessel utilisation rate of 70 percent in FY2024, a significant increase from the 62 percent rate in FY2023.

Fuel Consumption (L)



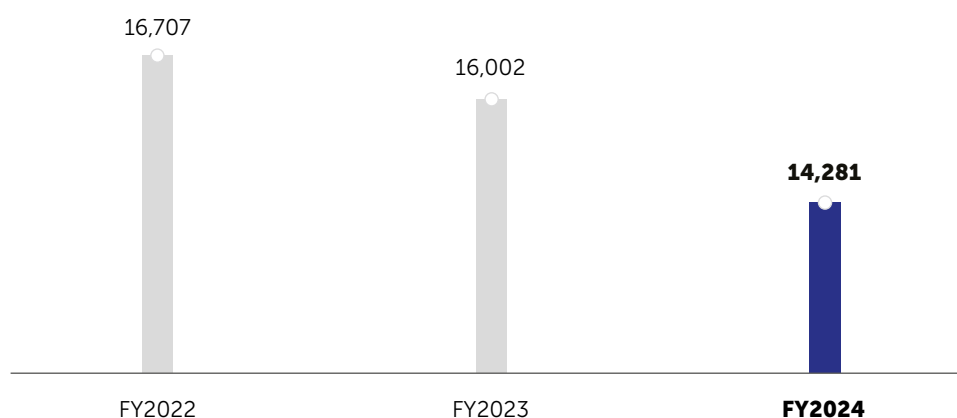
OUR POSITION ON CLIMATE ACTION

Our Performance

Scope 2

Our electricity consumption has steadily decreased over the past three years due to a reduction in onshore operations, showing an eleven percent decline in FY2024 compared to the previous year due to reduction in onshore operations at the yards, workshops and offices.

Electricity Consumption (MWh)

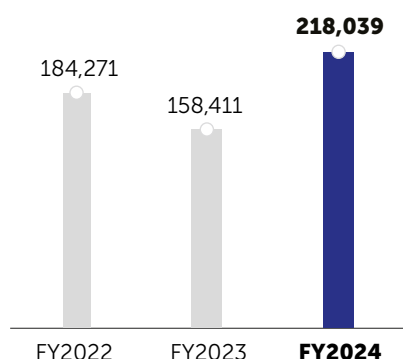


Total GHG Emissions

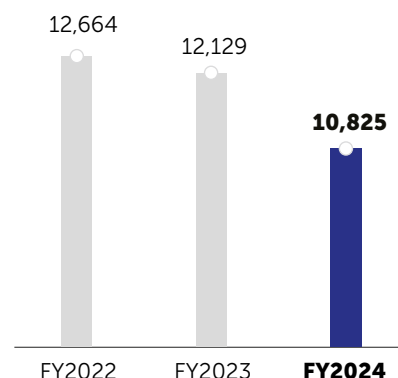
In FY2024, our combined emissions totalled 228,864 tCO₂e. Sapura Energy's Scope 1 emissions, primarily from MGO, diesel, and petrol consumption, decreased slightly in FY2023 compared to FY2022 but increased by 38 percent in FY2024 due to increased vessel utilisation rate.

Our Scope 2 emissions which stem from purchased electricity, decreased by eleven percent in FY2024 compared to FY2023. These emissions have been on a downward trend for the past three years. We aim to improve our emissions monitoring by incorporating Scope 3 categories of Business Travel in upcoming years.

Scope 1 Emissions (tCO₂e)



Scope 2 Emissions (tCO₂e)



Note:

1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards and IPCC Guidelines for National Greenhouse Inventories.
2. Scope 1 emissions factors were sourced from the UK Government's GHG Conversion Factor 2023 and the IPCC Guidelines for National Greenhouse Inventories.
3. Scope 2 emissions factor were sourced from the National Energy Commission: Grid Emissions Factor (GEF) in Malaysia 2021.

13

ENERGY MANAGEMENT

Why this is important

Energy efficiency and management are critical to Sapura Energy's sustainability efforts, balancing economic prudence with environmental stewardship. These strategic imperatives drive cost savings while also underscoring our efforts to mitigate environmental impact, ensure regulatory compliance, and strengthen our corporate reputation.

Our Approach

In FY2024, we implemented energy conservation practices and improvements across our business units.

Teluk Kalung Yard
(O&M)

- Energy Saving Awareness – switch off lights and electrical appliances campaign
- Phasing out incandescent lightbulbs with LEDs
- Schedule air conditioner filter maintenance to increase efficiency

TMT Australia
(E&C)

- Energy Saving Awareness
- Timer wall plugs installed to kitchen warmer and vibrator machine in the workshop

All Rigs
(Drilling)

- Installation of LED lights reduce energy consumption at all of our 11 rigs
- Lift Less initiatives at three (3) rigs subsequently led to further reduction of carbon emissions from crane

Vessels Management

Our vessels operate with a Ship Energy Efficiency Management Plan ("SEEMP") designed to optimise energy usage, reduce fuel consumption, and minimise environmental impact, enhancing operational efficiency and sustainability. The following vessels have implemented the approved SEEMP:

E&C

- | | |
|----|---------------|
| 01 | S 1200 |
| 02 | S 3500 |
| 03 | S Constructor |

O&M

- | | |
|----|------------|
| 01 | KPV Redang |
| 02 | MV Gemia |
| 03 | S Duyong |
| 04 | S Aman |
| 05 | KPV Kapas |
| 06 | S Wira |
| 07 | S Jane |
| 08 | S Conquest |

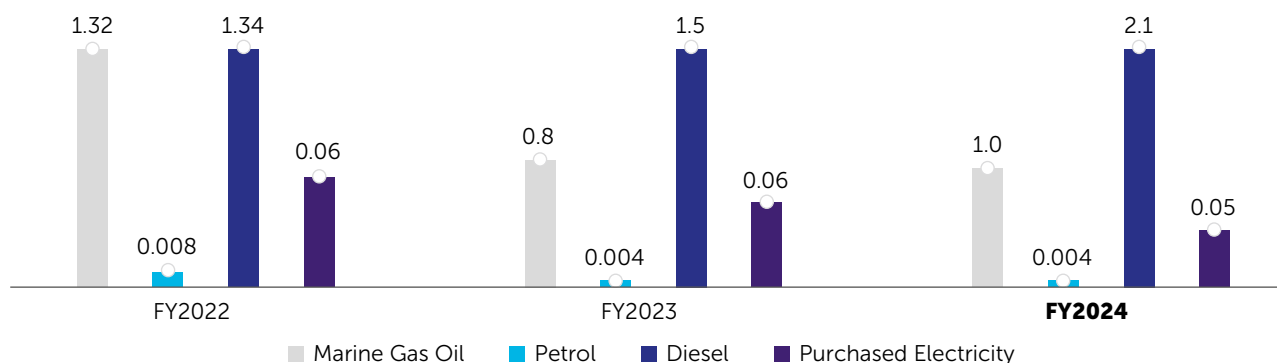
OUR POSITION ON CLIMATE ACTION

Our Performance

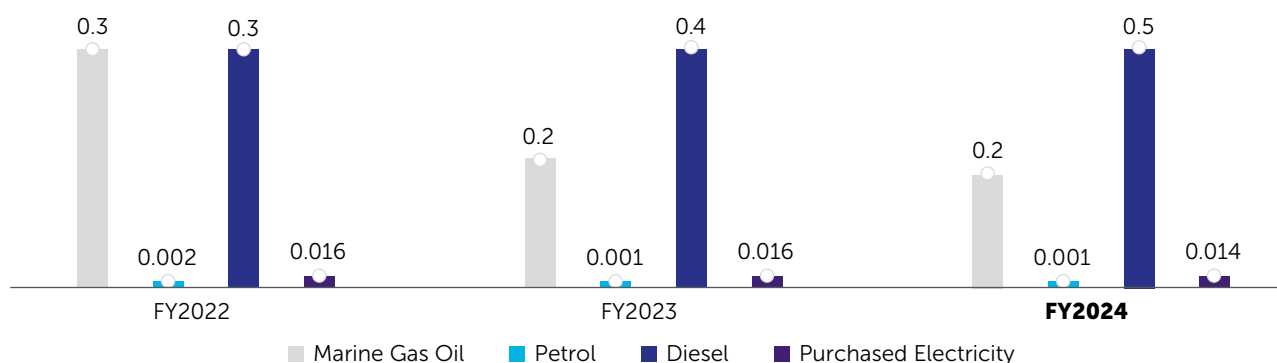
The Group diligently tracks and reports our energy consumption across four business divisions of O&M, E&C, Drilling and Corporate. This encompasses a total of 3,268,354 GJ, including purchased electricity and various fuel sources which are marine gas oil ("MGO"), petrol, and diesel.

The significant increase of 37 percent in total energy consumption compared to FY2023 can be attributed to the heightened vessel utilisation rate observed in FY2024.

Energy Consumption (GJ) 'mil



Energy Consumption (MWh) 'mil



Note:

1. Data coverage for Marine Gas Oil: O&M, E&C and Drilling divisions, from vessels: S1200, S3500, S2000, S900, S Constructor, S Conquest, S Wira, S Jane, S Achiver
2. Data coverage for Petrol: TMT Puchong, TMT Australia, Subsea Service and Lumut fabrication yard.
3. Data coverage for Diesel: O&M, E&C and Drilling divisions for both onshore and offshore operations.
4. Diesel consumption onshore includes Labuan Yard, Lumut Fabrication Yard, Pasir Gudang, Teluk Kalung, TMT Australia, TMT Puchong.
5. Diesel consumption offshore includes vessels (KPV Kapas, KPV Redang, MV Gemia, S Duyong, S Aman, S300) and 11 of our rigs.
6. Data coverage for Purchased Electricity: the yards (located in Pasir Gudang, Teluk Kalung, Labuan and Lumut), workshops (located in TMT Puchong and TMT Australia) and offices in Mexico, USA, Thailand, United Kingdom ("UK"), India and Malaysia (Sapura HQ – Mines, Kuala Lumpur, Kemaman, Miri, Bintulu)
7. Energy conversion factors were extracted from the UK Government's GHG Conversion Factor 2023
8. Conversion of energy from kWh to GJ utilises Unit Converters: <https://www.unitconverters.net/energy/kilowatt-hour-to-gigajoule.htm>



WATER CONSUMPTION

Why this is important

Water consumption is critical for Sapura Energy in supporting our onshore and offshore operations. Hence, efficient management of water is essential for environmental sustainability, making it a vital aspect of Sapura Energy's performance.

Our Approach

Each business unit within Sapura Energy identifies water-related impacts according to the approved Environmental Aspects and Impacts procedure. In FY2024, our Malaysian operations implemented several initiatives to reduce water consumption.

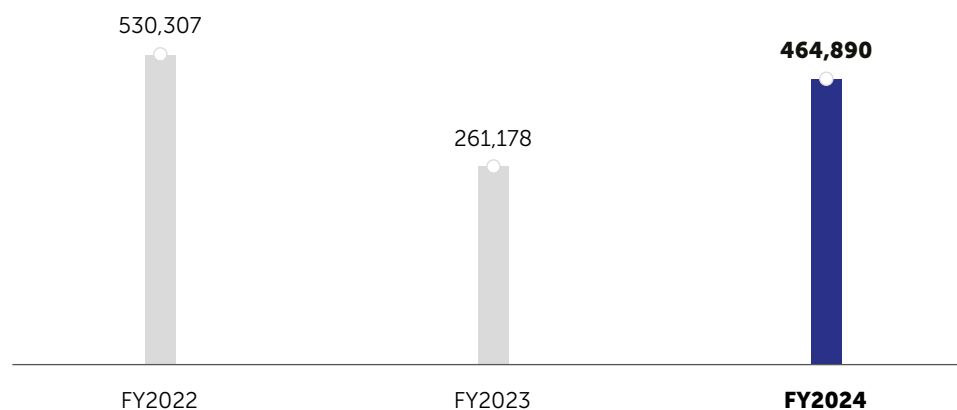
Water Reduction

- ➔ Water conservation awareness training for staff
- ➔ Regular inspection on water piping, including all attachments such as hoses, faucets and couplings for leakage
- ➔ Refurbishment of leaking underground pipe at the Lumut fabrication yard
- ➔ River water is used for water bowser

Our Performance

Freshwater usage in our E&C, O&M, Drilling, and Corporate divisions has risen by 110 percent compared to the previous year, driven by the expansion of our offshore operations and vessels. We source freshwater from our onshore facilities and offices, accounting for 0.32 percent of our total water consumption in FY2024.

Total water consumption (m³)



OUR POSITION ON CLIMATE ACTION



CARING FOR OUR PEOPLE



Promoting talent development and supporting local communities are central goals for Sapura Energy. We value our employees, contractors, stakeholders, and the communities where we operate as it is crucial to our growth and productivity. We strive to enhance well-being and make a positive impact in the regions where we conduct our business.

➔ Material Sustainability Matters:

- 02 Occupational Health and Safety
- 05 Labour and Human Rights
- 11 Equal Opportunity, Diversity and Inclusivity

- 14 Community and Society

➔ Stakeholders:

GR EM LC NG ME

UN SDGs:



Sustainability Highlights:



➔ Zero

substantiated complaints against human rights violations



➔ 38,567

total training hours provided to our employees Group-wide



➔ 56%

reduction in the LTIF compared to the previous year



➔ 13,043

attendees for training on Health & Safety, comprising employees, contract staff, contractors, and visitors

02

OCCUPATIONAL HEALTH AND SAFETY

Why this is important

Occupational Health and Safety is crucial for Sapura Energy as it protects our workforce and prevents workplace accidents and injuries. By emphasising health and safety measures, we foster a supportive work environment that enhances employee morale, productivity, and retention. Adhering to health and safety regulations further minimises operational risks, safeguards company assets, and strengthens our reputation as a responsible and ethical employer in the industry.

Our Approach

The Group prioritises safety by focusing on People, Environment, Asset, and Reputation in all operating locations. At the core of our operations is "Our Way" – a creed anchored in our core values of Honest, Accountable, and Respectful. This philosophy embodies our pledge to Pride in Results, Commitment to Collaboration, and a Spirit of Innovation. It represents our commitment to achieving exceptional outcomes through collaborative efforts and innovative mindsets, ensuring the safeguarding of these principles.

Sapura Energy's Occupational Health and Safety management system is ISO 45001:2018 certified, enabling us to systematically assess hazards and implement risk control measures. By effectively implementing this system, we reduce workplace injuries, illnesses, and accidents. Under the guidance of the Occupational Safety and Health Act ("OSHA") and relevant international regulations, we have established a comprehensive health and safety framework within our HSE Policy. Through our OHS management system, it encompasses 45 QHSE governing procedures that are made accessible to all employees, promoting productivity and efficiency through the ability to make timely and informed decisions. Our QHSE framework is underpinned by the following actions and commitments:



- Establish Group QHSE governing procedures on the Total Management System ("TMS") platform
- Effectively communicating the QHSE message through platforms such as the Group Intranet and Viva Engage
- Ensuring Group QHSE weekly meetings with operating companies' representatives
- Participating in proactive activities such as site visits and management reviews
- Ensuring root cause analyses are carried out for all incidents by the respective incident owners
- Monitoring trends in incident cases and collaborating with operations teams to develop and implement effective action plans to reduce and prevent recurrence
- Promoting Near Miss Cases (free lessons) and Unsafe Condition & Unsafe Act ("UCUA") reporting
- Verifying and sharing all lessons learned

OUR POSITION ON CLIMATE ACTION

Each project site establishes a Safety Committee to enforce safety protocols, conduct comprehensive incident investigations, and take immediate corrective actions.

The Group also follows the International Association of Oil and Gas Producers' ("IOGP") 9 Life-Saving Rules ("9LSRs") in daily operations.

Effective communication is a key focus for safety at the Group. Keeping the entire organisation informed on safety matters is vital for protecting the health of our people. Safety procedures are shared and are easily accessible to employees at all levels through platforms such as the Group Intranet and Viva Engage.



Emergency Response Plan

We focused on enhancing our emergency response by providing training on protocols and procedures to efficiently manage any unexpected emergencies or incidents within the company's operations.

- ➔ Conducted emergency fire drill
- ➔ Inspection carried out for all firefighting device validation and calibration
- ➔ First aider drill
- ➔ Environmental drill (oil spill recovery)
- ➔ Joint Fire Drill with Johor Port
- ➔ Medical Emergency Response Plan (S3500) Eni Congo
- ➔ Medical Emergency Response Plan (S900) Eni Congo
- ➔ Medical Emergency Response Plan (Kraken) Eni Congo
- ➔ Medical Emergency Response Plan (Pointe Noire) Eni Congo
- ➔ Emergency Response Plan Project Eni Congo
- ➔ Evacuation, fire & medevac rescue at height drill for Central Processing Platform (CPP) topside report
- ➔ Fall & suspended in a full body harness rescue drill report for MSF, LQUP
- ➔ Man overboard drill
- ➔ Fire and evacuation drill
- ➔ Radiography testing emergency drill
- ➔ Labuan Emergency Response Plan
- ➔ Emergency Handling/Safety Drill Procedure (3rd Party)

Health and Safety Training

9LRs Working at Height



IOGP Life Saving Rules briefing by Yard Management at Labuan.

Personal Protective Equipment ("PPE") Awareness Training



Training and demonstration on effective usage of face mask based on type of chemical used.

HSE Stand Down Training (finger caught in machinery)



Awareness and SOP training to prevent accidents at the workplace.

Our Performance

In FY2024, our LTIF decreased by 56 percent, from 0.62 to 0.27 compared to the previous year. However, we experienced a tragic incident resulting in a loss of life on one of Sapura Energy's rigs in Malaysia. Following a thorough investigation, we identified the root causes and implemented a robust assurance regime to ensure equipment safety. Group-wide Safety Standdowns were conducted to share incident details, lessons learned and the required actions. All necessary measures have been implemented, and a Lessons Learned safety communications report has been submitted to the Malaysian Petroleum Regulatory Body ("MPM") for industry-wide sharing to prevent recurrence.

Year	FY2022	FY2023	FY2024
Total number of hours worked	26,326,693	20,808,911	21,929,925
Total number of work-related fatalities	0	0	1
LTIF	0.65	0.62	0.27
TRCF	—	1.68	0.87

Note:

1. LTIF was calculated per 1,000,000 hours worked.



➤ **14,762 hours**

Total training hours for health and safety in FY2024



➤ **13,043 employees**

Training on health and safety including employees, contract staff, contractors and visitors

OUR POSITION ON CLIMATE ACTION

05

LABOUR AND HUMAN RIGHTS

Why this is important

We are committed to treating everyone with respect and dignity. Creating a safe and respectful work environment is essential to ensure that all employees feel secure, comfortable, and valued each day at work.

Our Approach

The Group is committed to treating everyone with respect. To provide a rewarding and responsible working environment for all employees we have established formal standards in our Labour and Human Rights Policy.

No.	Our approach to labour and human rights
1	Conduct business in a manner that respects the rights and dignity of all people
2	Eliminate discrimination against all employees in the workplace
3	Eliminate forced labour and/or hiring including slave labour, child labour and human trafficking
4	Protect employees from any form of harassment in the workplace
5	Continuously develop employees' skills, capabilities, and career opportunities
6	Entitle all employees to sick leave and annual leave
7	Entitle all employees to work in a safe and healthy environment
8	Ensure all employees are provided with a written and legally binding employment contract

To ensure compliance with these guidelines, we offer various channels for employees to report issues or concerns. Our grievance mechanism, whistle-blowing channel, and 'Speak to Anuar' platform provide confidential means for employees to voice their concerns. Employees may also reach out to their Human Resources Business Partner for support with any issues they encounter. We regularly inform employees about these programmes and enforce strict follow-up procedures to address and resolve raised matters effectively. Our employee handbook is available on the TMS and we continually update our Labour and Human Rights Policy according to International Labour Organisation recommendations.

Our social focus is to become an employer of choice through our commitment to foster the development of our employees. We provide ample room for career advancement and personal growth, ensuring that each individual can reach their full potential. Our employees are part of a cohesive global team, collaborating with like-minded professionals who share a passion for problem-solving. We believe in recognising and rewarding excellence, offering competitive compensation and benefits to our dedicated team members. We believe in compensating our people with fair and equitable pay, including ensuring that colleagues in the lowest job grades receive paycheques that exceed the mandated minimum wage.

The Group adheres to international and local human rights standards, embedding this approach within our workforce, and across our value chain when possible.

Employee Benefits

The Group implemented a structured performance review process that considers an employee's performance, capabilities and potential. The process enables the identification of competency gaps, acknowledgment of performance and the mapping of future career paths.

Conducted annually, these appraisals contribute to the ongoing development of our workforce, ensuring that the quality of our staff aligns with our targets and upholds excellence in service quality.

Employee Engagement

Throughout FY2024, we coordinated a series of engaging events to bolster collaboration, boost morale and sharpen problem-solving skills within our workforce. These events included insightful townhall sessions, providing a platform for discussing operational challenges and pertinent topics. Additionally, we conducted team-building activities, fostering cross-departmental engagement to build rapport and trust among Sapura Energy's employees.

Town Hall



Sapura Energy conducts town hall meetings to discuss core issues that impact both our future and current operations. The town hall also serves as a platform for leaders to recognise achievements and for employees to raise questions and provide feedback.

Festivities



We embrace diversity within our workforce by celebrating major festivals with our employees.

Campaigns



We foster employee engagement and team spirit through impactful campaigns that empower employees to actively contribute to our ESG objectives.

OUR POSITION ON CLIMATE ACTION

Our Performance

We are pleased to report that in FY2024 there were zero substantiated complaints concerning human rights violations, and zero incidents of discrimination.

In FY2024, we onboarded 440 new full-time employees, reflecting an 18 percent new hire rate and a turnover rate of 12.5 percent.



→ **Zero**

substantiated complaints concerning human rights violations

Total Number of Full Time Employee New Hires	FY2022	FY2023	FY2024
By Employee Category			
Senior Management	11	9	20
Management	41	27	59
Executive	208	126	343
Non-Executive	27	6	18
By Gender			
Male	178	111	268
Female	109	57	172
By Age			
Below 30 years	57	52	164
30-50 years	203	99	250
Above 50 years	27	17	26

Total Number of Employee Turnover	FY2022	FY2023	FY2024
By Employee Category			
Senior Management	10	21	9
Management	69	96	54
Executive	233	460	239
Non-Executive	32	56	13
By Gender			
Male	239	436	230
Female	105	197	85
By Age			
Below 30 years	56	105	58
30-50 years	262	480	233
Above 50 years	26	48	24

Parental Leave

In FY2024, 127 employees utilised parental leave.

	Gender	FY2022	FY2023	FY2024
Number of employees that took parental leave	Men	88	48	74
	Women	46	67	53
Number of employees returned from parental leave	Men	88	48	74
	Women	46	67	53
Number of employees return to work after parental leave ended that were still employed 12 months after their return to work	Men	0	0	0
	Women	0	0	0

11

EQUAL OPPORTUNITY, DIVERSITY & INCLUSIVITY

Why this is important

Equal opportunity, diversity, and inclusivity are fundamental values that promote a fair and supportive workplace culture. Embracing diversity drives innovation, creativity, and broad perspectives, which are essential for business success. By providing equal opportunities, we attract and retain top talent, enhance employee satisfaction, and bolster our reputation as an inclusive employer. Our commitment to a diverse workforce not only enriches our decision-making process but also contributes to the growth of local economies and fosters a global perspective.

Our Approach

As a global organisation with a presence in over 10 countries, we take pride in the diverse makeup of our workforce, which includes more than 25 nationalities working collaboratively towards our vision and upholding our values. Respect for one another in a multinational environment is a core value we uphold.

Malaysians account for nearly 80 percent of our workforce, and we prioritise hiring local talent in the countries where we operate. This approach not only contributes to local economic growth but also enriches our team with diverse perspectives.

Our recruitment practices focus on talent, potential, experience, and skills to ensure equal opportunity for all candidates. We actively promote gender and age inclusivity, creating a vibrant and dynamic workplace. Over one-third of our new hires are under 30, bringing fresh perspectives to our organisation. By fostering a diverse workforce, we are able to drive innovation and maintain a dynamic and inclusive work environment.

Our Performance

Collectively our Board comprises 91 percent men and 9 percent women. Regarding age distribution, 18 percent of members are between 30 and 50 years old, 46 percent are between 51 and 60 years old, and the remaining 36 percent are above the age of 60.

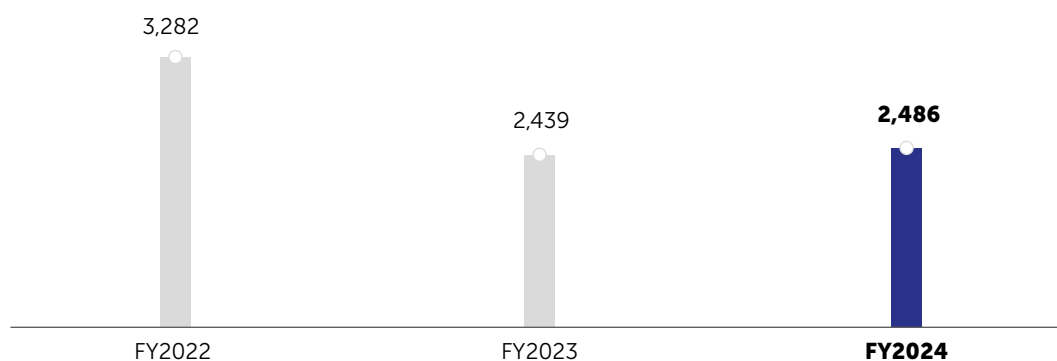
Board Diversity	FY2022	FY2023	FY2024
Gender			
Men	100%	100%	91%
Women	0%	0%	9%
Age			
30-50	10%	10%	18%
51-60	50%	50%	46%
> 60	40%	40%	36%

Our FY2024 full-time workforce comprised 2,486 employees, with men making up 64 percent and women being 36 percent. In the category of age, 11 percent were under 30 years old, 74 percent fell within the 30-50 range and 15 percent were above 50 years old. The composition also indicated a prevalence of contract employees, with 72 percent contract workers compared to 28 percent holding permanent roles.

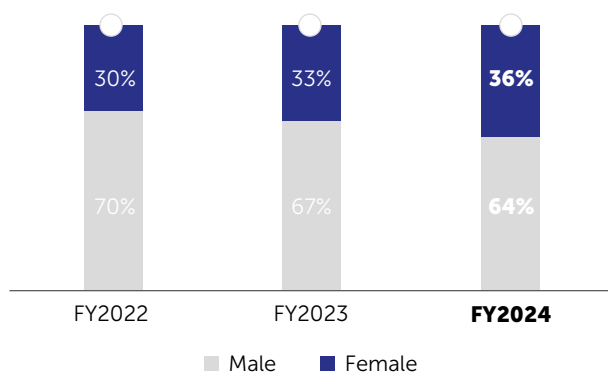
OUR POSITION ON CLIMATE ACTION

Group Workforce Diversity

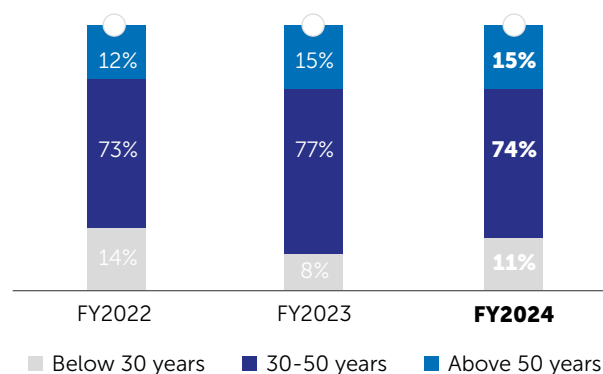
Total Number of Employees



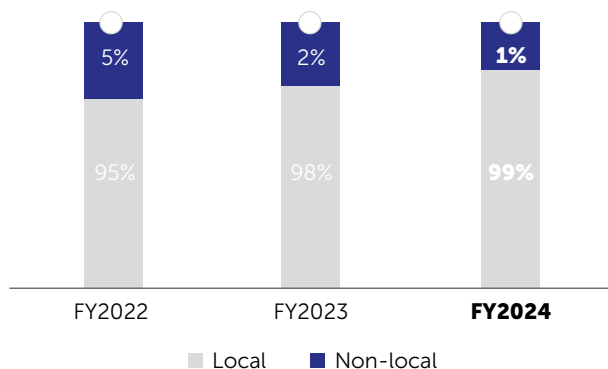
Group Gender Diversity



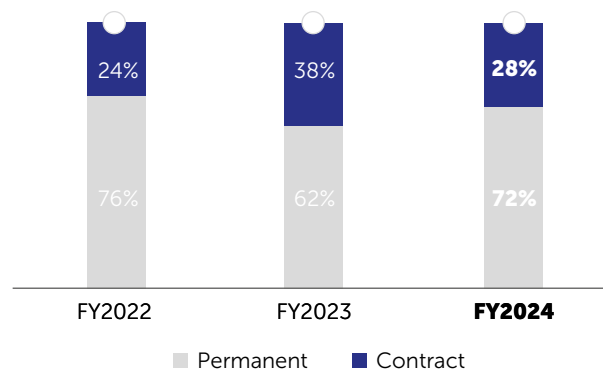
Group Age Diversity



Group Employee Nationality



Employee Composition

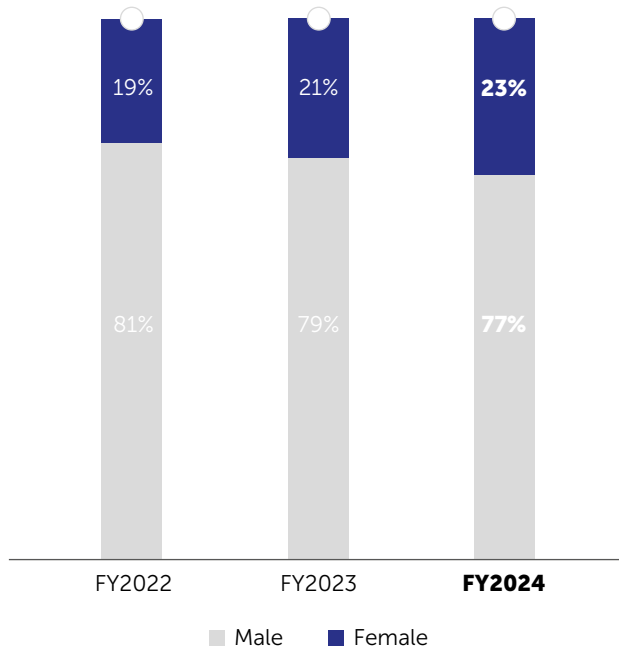


Note:

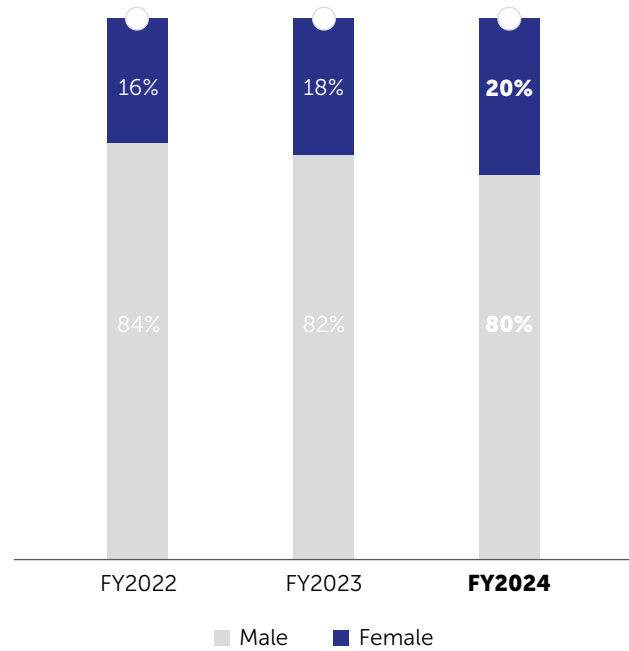
Local employees refer to those who hold citizenship and expatriates who have resided in country with Permanent Residency ("PR") and Residence Pass-Talent local to the operating country.

Gender Diversity for Employee Category

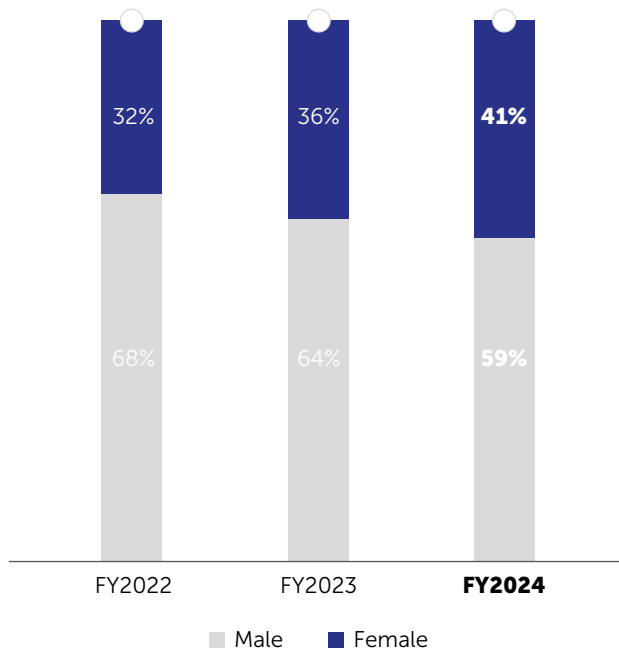
Senior Management



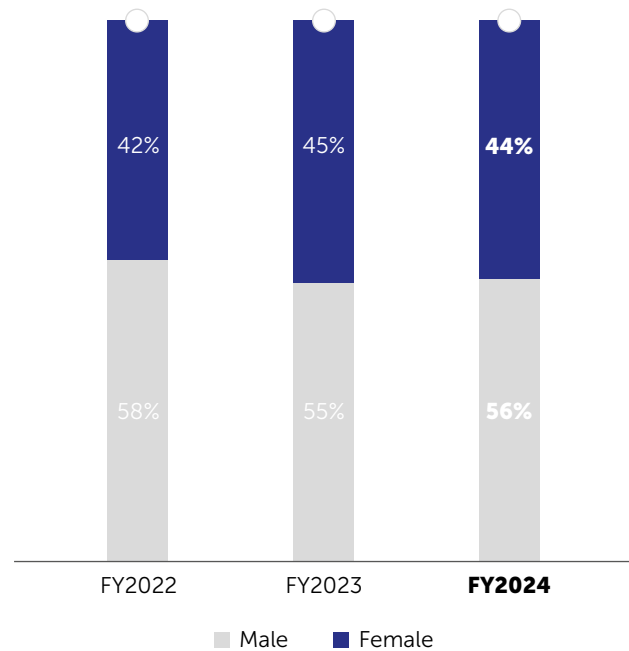
Management



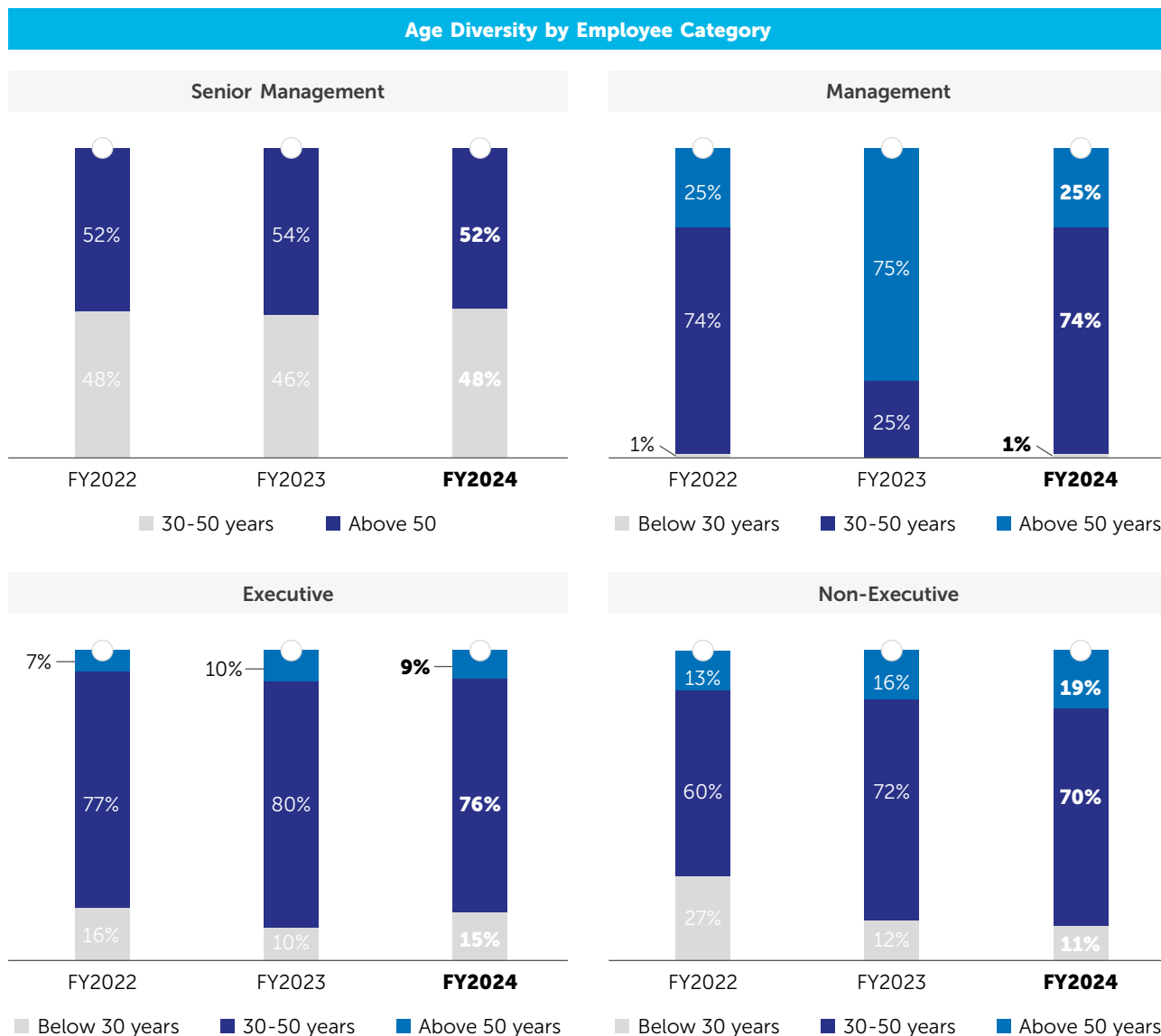
Executive



Non-Executive

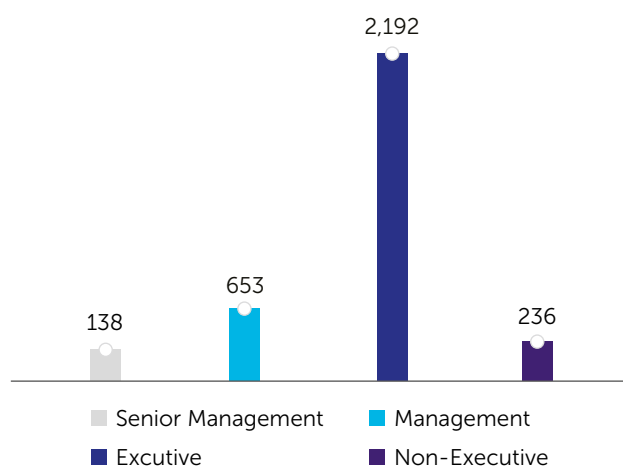
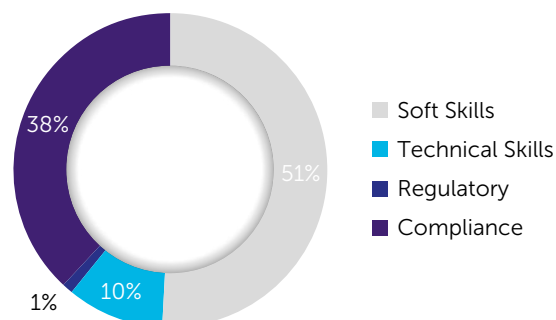
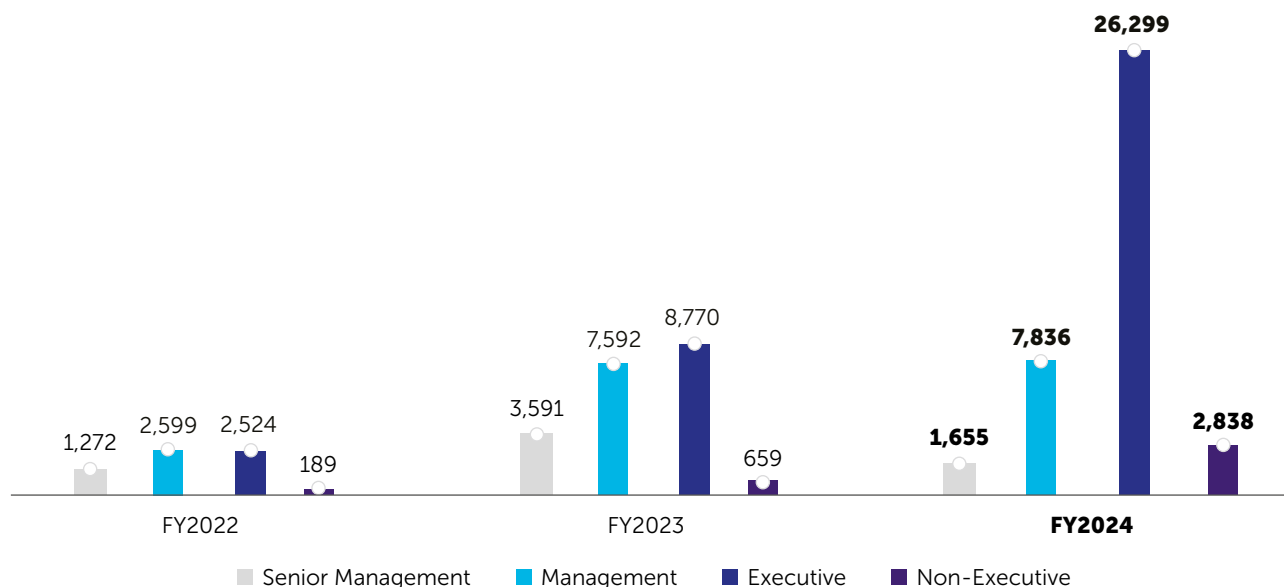


OUR POSITION ON CLIMATE ACTION



Full time employees took part in a total of 38,626 hours of training, which were designed to enhance their performance across a wide range of employee roles. We focused on soft skills and leadership development (51%) and compliance (38%), ensuring a strong foundation for both personal well-being and operational excellence. We also invested in critical areas like technical skills (10%) and regulatory (1%), equipping our workforce with the skills necessary to achieve their goals.

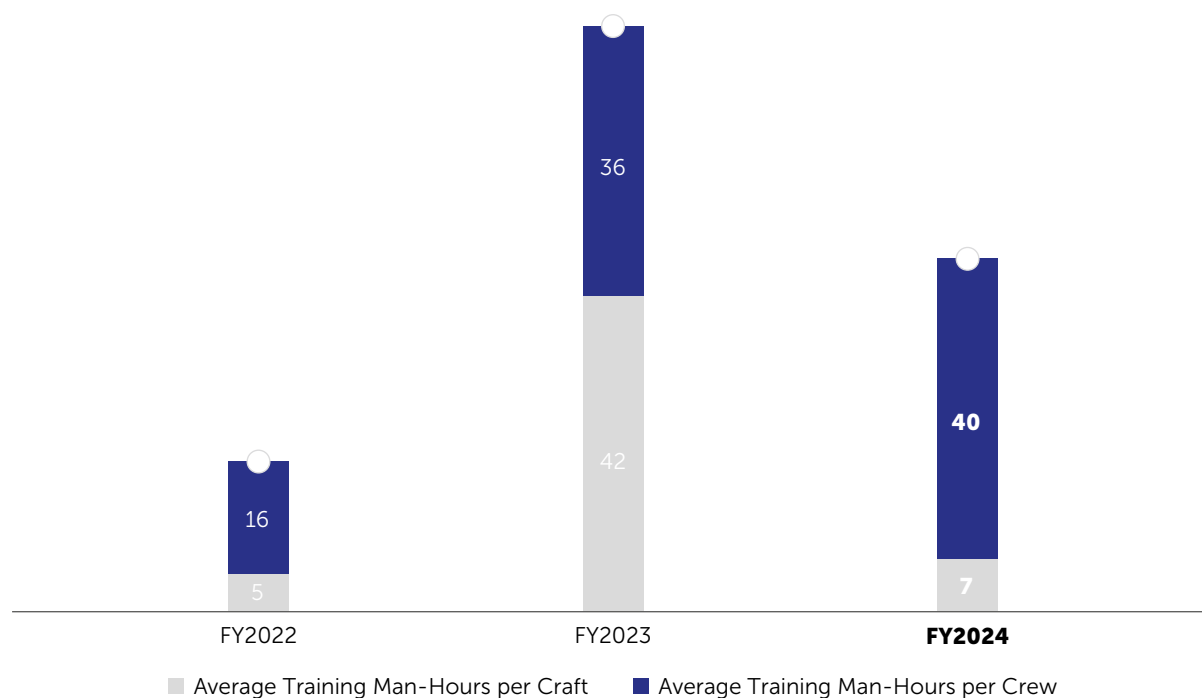
Recognising the distinct requirements across various career stages, we customised training hours to suit different employee roles. As such in FY2024, executive employees received the most training hours (26,299 hours), followed by management (7,836 hours), non-executive employees (2,838 hours), and senior management (1,655 hours).

**Average Training Hours by Employee Category
in FY2024****Types of Training Provided****Total Training Hours per Employee Category**

Apart from providing training programmes for its employees, the Group also extends its educational initiatives to craft and crew members. These specialised training programmes are designed to enhance the technical proficiency and operational capabilities of individuals working in various craft and crew roles. By offering comprehensive training that aligns with industry standards, Sapura Energy ensures that its craft and crew members possess the necessary skills to perform their duties safely and efficiently. This commitment to continuous learning and development not only improves the overall quality of the workforce but also reinforces Sapura Energy's dedication to excellence in every aspect of its operations.

OUR POSITION ON CLIMATE ACTION

Training Record for Craft and Crew across the Group



Training Record for Craft	FY2022	FY2023	FY2024
Average No. of Lumut Fabrication Unit ("LFU") Craft	2,935	1,540	1,099
Total Training Man-Hours	14,400	65,280	7,344
Total Training Man-Days	1,800	8,160	918
Average Training Man-Hours per Craft	5	42	7

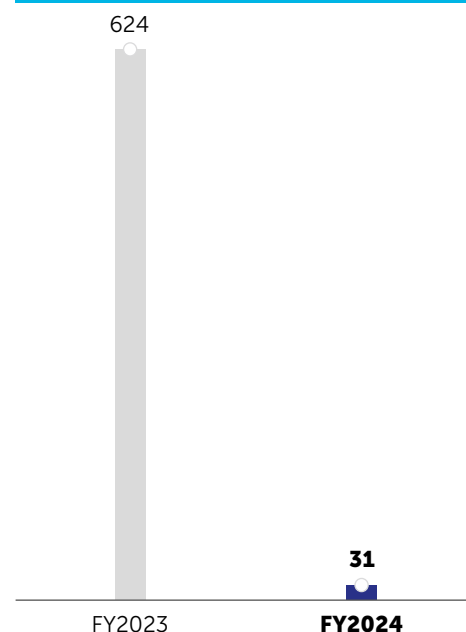
Our Craft training programmes are designed to equip our workforce with the necessary skills to work safely and deliver high-quality outcomes on projects. While the training man-hours and manpower numbers may fluctuate over the years due to varying project volumes at the fabrication yard, this does not diminish our commitment to providing skill training. We continuously strive to enhance the skills and competency levels of our Craft workforce.

Training Record for Crew	FY2022	FY2023	FY2024
Total Headcount	2,036	2,175	1,702
Total Training Man-Hours	16,225	77,455	67,571
Total Training Man-Days	2,085	9,694	8,452
Average Training Man-Hours per Crew	16	36	40

The Group also extended its commitment to education and skill development by offering TVET programmes throughout both financial years 2023 and 2024. These initiatives aimed to equip individuals with the technical expertise necessary to excel in various industries, particularly focusing on sectors aligned with Sapura Energy's core operations. Through these programmes, Sapura Energy contributed to the enhancement of the local workforce by providing hands-on training and practical knowledge that aligns with industry standards.

TVET Programme	FY2022	FY2023
TVET Participants	85	49
Total Training Man-Hours	53,040	6,630
Total Training Man-Days	1,672	209
Average Training Man-Hours per Headcount	624	32

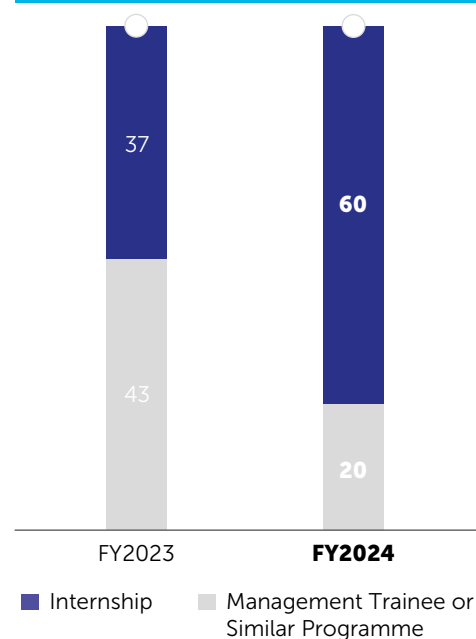
Average Training Man-Hours per TVET Participants



Apart from training programmes, the Group has initiated comprehensive management trainee and internship programmes across its diverse operations. These programmes aim to cultivate emerging talent by offering hands-on experience and exposure to various aspects of the business. By providing structured learning opportunities, Sapura Energy equips participants with the skills and knowledge needed to thrive in their respective fields. Moreover, these initiatives serve as a platform for young professionals and students to gain valuable insights into the industry while contributing fresh perspectives to the organisation. Through these programmes, Sapura Energy demonstrates its commitment to nurturing the next generation of leaders and fostering a dynamic and innovative workforce across the Group.

Programme Classification	FY2023	FY2024
Management Trainee or Similar Programmes	43	20
Internship	37	60

No. of Management Trainee and Internship Programmes Offered



OUR POSITION ON CLIMATE ACTION

14

COMMUNITY AND SOCIETY

Why this is important

Community and societal engagement are key for Sapura Energy, as they build positive relationships, enhance our reputation, and promote sustainable development. By supporting societal initiatives, we align with our aim to create a positive social impact, contributing to the well-being of the broader community.

Our Approach

We have implemented various community development programmes that contribute to the well-being of our people and the communities in which we operate. Our programmes reflect the values and principles that we stand for.

Guided by our Corporate Social Responsibility ("CSR") guidelines, the Group has four focus areas in its implementation of CSR:

Education: Provide underprivileged children and youths with tools and opportunities for educational and skills development.

Environment: Financial contribution and volunteering work for conservation and disaster relief initiatives.

Community: Support community development in the form of financial aid and volunteer work.

Employee Engagement: Encourage employee engagement to promote a healthy working environment.

We will evaluate any proposed programmes based on criteria such as alignment with the four CSR focus areas, potential impact and effectiveness, and adherence to the Group's Vision and Core Values.

Our Performance

The Group is a strong advocate of TVET, aligning with the Malaysian government's agenda to enhance the labour market through high-quality vocational education. Here's how we support this initiative:

Technical and Vocational Education and Training

At Sapura Energy, nurturing talent and supporting local communities are central to our mission. We are committed to developing a skilled workforce and positively impacting the regions where we operate.

In 2017, we took a significant step by establishing the Sapura Fabrication Training Centre ("SFTC") to address Malaysia's skills gap. In collaboration with Malaysia's Department of Skills Development, we developed comprehensive welding training programmes designed to equip Malaysian youth with the expertise needed for success in the oil and gas industry. This initiative also aims to reduce the industry's reliance on foreign workers for skilled roles. The programmes at SFTC adhere to industry standards and provide practical, hands-on experience, making graduates highly sought after by leading contractors for their relevant skills.

SFTC has gained recognition as a leading institution in TVET, particularly in northern Peninsular Malaysia. Drawing many trainees from B40 communities in these regions, SFTC targets areas with opportunities for aspiring talent, contributing to breaking the cycle of poverty and promoting social mobility. This inclusive approach addresses regional disparities and fosters empowerment and pride within local communities.

Since the inception of our TVET programme in 2019, SFTC in Lumut has equipped approximately 320 students with critical skills and industry knowledge. Our commitment to fostering a skilled Malaysian workforce was further solidified through a Memorandum of Cooperation (MoC) signed last year with the Government of Malaysia. This collaboration aims to decrease reliance on foreign labour while ensuring competitive compensation for our Malaysian workforce.

Furthermore, we have forged agreements with GiatMARA, Universiti Teknologi PETRONAS, and other vocational training institutions to enhance collaboration between industries and educational institutions. These partnerships aim to bridge the gap between theoretical knowledge and practical application, preparing students for successful careers in the industry.

This reporting year, Sapura Energy prioritised community engagement through its CSR programmes. The Group focused on volunteer initiatives, allowing employees to directly contribute to their communities. This approach fosters a sense of purpose among employees while creating a positive social impact that extends beyond financial contributions.

Flood Relief Tour

Distribution of food bags and gift vouchers to employees affected by flood

Food Bank to Those in Need

To encourage employees to contribute to the food bank by donating groceries to help those in need

LFU *Singah Sahur* Programme

Distributed *sahur* packs to Manjung Local Authorities (Bomba, Police, Hospital, Malaysia Civil Defence Force ("APM") and Army (Navy)

Food Bank

LFU staff and craft donate their grocery products to those who need them, and we distribute them within the local community

Kindergarden Visit

Distributed toys & stationary to Akademi Al-Kahfi

Awareness on Sea Turtles Conservation

Collaborated with Kolej Komuniti Pasir Salak and their Sport Club

Plogging

Activity involving jogging while picking up litter around a beach in Lumut

Caring for Our Coral Reefs

To support Malaysia's coral reef conservation programme

Orphanage Support

Drilling division provided financial assistance to three (3) orphanages to support their education, besides delivering toys and stationary

Cooking for a Cause

Cook meals for those in need – collaboration with FoodAid Foundation

Community Service Programme

To raise public awareness on the importance of preserving and conserving marine ecosystems, in line with the 17 UNSDGs

Donation to Thai Cardiac Children Found

Offer medical support to children with cardiac diseases

OUR POSITION ON CLIMATE ACTION



STRENGTHENING INTEGRITY AND GOOD GOVERNANCE



Sapura Energy's governance framework upholds ethical business practices, environmental and social compliance, and effective risk management. We conduct business responsibly by following guidelines and regulatory standards in all areas of operation and maintain high ethical standards consistent across the Group.

➔ Material Sustainability Matters:

- 01 Good Governance and Anti-Corruption
- 03 Risk Management
- 09 Environmental and Social Compliance

➔ Stakeholders:

SI GR CP SS EM

UN SDGs:



Sustainability Highlights:



➔ **88%**

of total employees attended training on anti-corruption



➔ **Zero**

instances of confirmed and reported corruption incidents



➔ **Zero**

substantiated complaints concerning customer privacy and losses of customer data

01

GOOD GOVERNANCE & ANTI-CORRUPTION

Why this is important

Strategic and transparent corporate governance forms the foundation for sustained organisational success. It serves as a safeguard against misconduct, fostering trust among stakeholders, and promotes ethical decision-making. As such, upholding good governance and anti-corruption are instrumental for addressing ESG-related concerns effectively.

Our Approach

The Group is dedicated to fostering a fair and ethical culture across all operations. To promote effective and transparent governance, we have adopted various strategies to inform employees, suppliers, and stakeholders about relevant policies, responsibilities, and regulations. Implementing these measures encompass our corporate governance and anti-corruption initiatives to ensure best practices are applied group-wide.



Whistle
Blowing Policy



Directors' Fit &
Proper Policy



Personal Data
Protection Policy



Corporate
Disclosure Policy



Anti-Bribery
Anti-Corruption



Code of Ethical
Conduct



RPT and
RRPT Policy



Board Diversity
Policy

This fiscal year, Sapura Energy introduced several new policies: Directors' Fit & Proper, Personal Data Protection, Corporate Disclosure, Related Party Transactions ("RPT") and Recurring Related Party Transactions ("RRPT"), and Board Diversity. The Group's Code of Ethical Conduct now includes a section on sexual harassment and clear illustration on its Gift Policy, which among many requires employees to declare receivables into a Gifts and Hospitality Register, based on stipulated guidelines. Our Group Policy and Group Standards on Anti-Bribery and Anti-Corruption ("ABAC") and Whistleblowing helpline are aligned with the current recommendations by the Malaysian Anti-Corruption Commission ("MACC") despite evolving organisational changes.

These Group Policy and Group Standards are overseen by the Board Audit Committee ("BAC") and the BRMC. An open whistleblowing helpline is available for all stakeholders and employees, indicating our efforts to foster an open working environment and facilitate honest communication. To assist the BAC in reviewing complaints, the Complaints Investigation Committee ("CIC") was established in 2021. Further details on these policies can be found on our official website.

We prioritise data privacy and integrity by ensuring confidentiality, protection, and security of personal data, all of which are crucial for our operations. Our policies are accessible to all employees via the intranet.

OUR POSITION ON CLIMATE ACTION

Our Performance

Anti-Bribery and Anti-Corruption

The effort to intensify anti-corruption training for our employees signifies a proactive approach towards mitigating risks associated with corruption and bribery.

Employee Category	FY2022	FY2023	FY2024
Senior Management	2%	3%	76%
Management Staff	1%	2%	58%
Executives	2%	2%	77%
Non-Executives	0%	2%	78%

Note:

1. Senior Management refers positions of Vice President ("VP"), Group VP, and Group Chief Internal Auditor, General Manager ("GM") and Project Director (Grade: E1, E2, 19 and 20)
2. Management refers to positions of Senior Manager, Manager and Lead (Grade: 16 – 18)
3. Executives refers to positions of Assistant Manager, Senior Executive, and Executive (Grade: 12 – 15)
4. Non-Executives refers to positions of Assistant (Grade: 9 – 11)

In FY2024, six cases were reported via the Whistleblowing Helpline. These cases were subsequently referred to the Industrial Relations ("IR") Department or Group Security Department for further investigation. The findings from these investigations were then reported to top management and CIC members.

Additionally, in FY2024, we launched an action plan to carry out a systematic Corruption Risk Assessment ("CRA") to identify potential corruption risks, ensuring a proactive approach to preserving operational integrity. In the meantime, we continue to adhere to our policies and procedures with vigilance. Our ultimate goal is to achieve a 100 percent assessment of all risks throughout our operations in the upcoming years.

	FY2022	FY2023	FY2024
Corruption Incidents			
Number of confirmed corruption incidents	2	0	0
Whistle-blower Mechanism			
Number of cases reported through the Whistleblowing Helpline	1	7	6
Corruption Risk Assessment			
Operations Assessed for Corruption Risk	0%	0%	0%

Data Privacy and Security

We are pleased to announce that there were no complaints regarding security or privacy breaches or loss of customer data reported for FY2024.

Data Privacy	FY2022	FY2023	FY2024
Number of substantiated complaints concerning customer privacy and losses of customer data	0	0	0

03

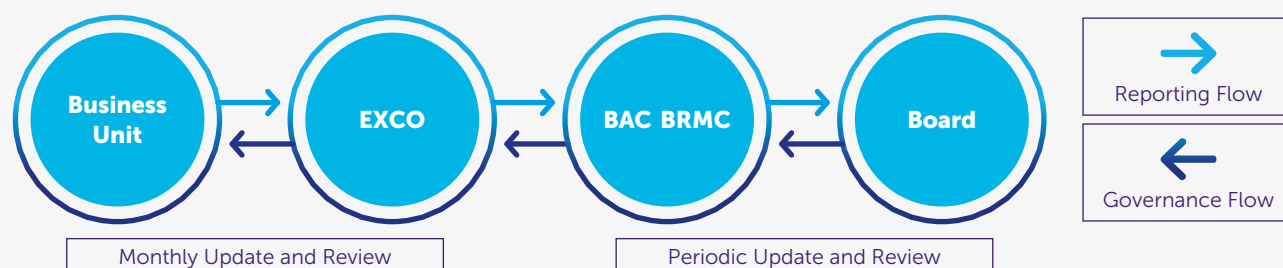
RISK MANAGEMENT

Why this is important

Risk management is crucial for the Group to anticipate risks and identify opportunities. A robust risk management system enables efficient information flow and supports effective implementation of management decisions.

Our Approach

We adhere to the ISO 31000 risk framework to identify, assess, and manage threats to capital, earnings, and operations. As a large organisation, we face a wide range of risks and the framework offers guidelines and principles to ensure readiness.



The Board establishes the risk framework and internal control system for the Group. It oversees and manages the Group's key risk areas to achieve business objectives while maintaining an acceptable level of risk.

The BAC is responsible for overseeing and monitoring the financial risk management process, including fraud prevention and legal compliance. The BAC also evaluates management's efforts and offers recommendations to the Board on the adequacy of the process for managing significant business risks.

The BRMC and BAC assures the Board that risk management practices and internal control systems are effectively implemented and monitored. It confirms that senior management enforces policies to identify and evaluate Sapura Energy's risks and establishes adequate control measures.

EXCO implements effective risk management and identification systems to mitigate business threats, with Senior Vice Presidents ("SVPs") accountable to the BRMC for risk management within their business units.

Business units are tasked with effectively managing, identifying, controlling, and reporting risks within their areas of responsibility.

The Group Internal Audit ("GIA") upholds the effectiveness of Sapura Energy's internal control framework by providing independent assurance. Utilising a risk-based approach, GIA conducts audits while the findings and action plans are reviewed by the BAC to enable necessary improvements.

Our Performance

The Company's risks are documented in a risk register that details the risk type, its description, causes and consequences, existing controls, and management action plans for mitigation. Additionally, a key risk indicator ("KRI") dashboard further monitors risk performance and provides early warnings of increased risk exposure.

ESG related risks identified would include:

- Unsustainable Financial Conditions
- Exodus of Talent
- Cybersecurity Invasion
- Reputational Damage
- Anti-Bribery and Anti-Corruption
- Inconsistent Safety Culture
- Regulatory and Compliance
- Climate Change and Energy Transition

OUR POSITION ON CLIMATE ACTION

09

ENVIRONMENTAL AND SOCIAL COMPLIANCE

Why this is important

Our adherence to environmental and social regulations is vital for responsible and sustainable business practices. Staying current with regulations ensures the long-term viability of our projects, protects us from penalties, and affirms our pursuit for ethical operations. Transparency enables stakeholders to evaluate our environmental and social impact while holding us accountable for our actions.

Our Approach

The Group complies with procedural regulatory requirements, particularly those outlined in the Companies Act 2016, Capital Market and Services Act 2007, Malaysian Code on Corporate Governance ("MCCG"), and the MMLR. We adhere to all regulations in the countries where we operate, including those related to security, safety, environmental, and human rights standards relevant to the Group. Compliance with local regulatory requirements is managed by individual business units. As specified in our Quality and Health and Safety ("QHSE") Management System, each business division and project is required to abide by and maintain its Legal Compliance Register. This register undergoes periodic reviews and updates when necessary. Our business divisions adhere rigorously to relevant local and international laws and regulations applicable to their respective projects.

Training and Awareness

In FY2024, we implemented key training and awareness programmes outlined below, guided by the aim to uphold adherence to environmental and social regulations.

- Audit and Inspections – Onshore
- Chemical Spillage Emergency Response Drill
- Oil Spill Kit and Oil Spill Emergency Drill
- Code of Conduct
- Compliance and Cybersecurity
- Crane Safety 4 Positions
- Dropped Object Prevention - Awareness
- Environmental Awareness and Waste Management
- Environmental Regulatory Framework
- Food Handling



ISO Certifications

ISO certifications guarantee the quality of our products or services and mark the excellence of our performance in different aspects like work safety, environmental compliance, and energy management.

Operation	ISO 9001:2015 (Quality)	ISO 14001:2015 (Environment)	ISO 45001:2018 (OHS)
Sapura Drilling Asia Sdn Bhd	✓	✓	✓
Sapura Energy Australia Pty Ltd	✓	✓	✓
Sapura Energy Mexicana, S.A.P.I de C.V.	✓	✓	✓
Sapura Engineering Sdn Bhd	✓	–	–
Sapura Fabrication Sdn Bhd	✓	✓	✓
Sapura Offshore Sdn Bhd	✓	✓	✓
Sapura GeoSciences Sdn Bhd	✓	–	–
Sapura Pinewell Sdn Bhd	✓	✓	✓
Sapura Subsea Services Sdn Bhd	✓	✓	✓
Total Marine Technology Pty Ltd	✓	✓	✓

Our Performance

During the reporting period, the Group did not incur any major fines for non-compliance with environmental and social laws and regulations.

Note:

Major fines refer to significant penalties or monetary sanctions imposed by regulatory bodies, governments, or legal authorities for serious violations of laws, regulations, or agreements. These fines are usually substantial in amount and are imposed as a deterrent to prevent similar violations in the future.

OUR ONGOING JOURNEY IN ELEVATING SUSTAINABILITY



As we progress, Sapura Energy remains steadfast in our commitment to create sustainable growth, while actively supporting the national pathway to achieving net zero emissions by 2050 through collective action. Our journey towards a low-carbon future, coupled with our unwavering dedication to safety and integrity, drives us to pursue ongoing initiatives and efforts. By embracing innovative approaches and fostering strong partnerships, we aim to intensify our efforts in fostering sustainability and competitiveness among market players while promoting greater environmental responsibility and economic resilience. Recognising sustainability is an evolving journey influenced by external factors and we are committed to ensuring continuous improvement in this respect. Engaging stakeholders across the value chain is essential to adapt and refine our sustainable strategies. With our firm focus on sustainability, we look forward to shaping a brighter and more sustainable future for all stakeholders.



PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	64.00	50.00	42.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	709,310.00	619,465.00	847,138.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	184,271.00	158,411.00	218,039.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	12,644.00	12,129.00	10,825.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	-
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	5,899.00	11,037.00	16,477.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	13,072.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	5,899.00	11,037.00	16,477.00
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	0.530307	0.261178	0.464890
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.65	0.62	0.27
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	2,486
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	1,272	3,591	1,655
Management	Hours	2,599	7,592	7,836
Executive	Hours	2,524	8,770	26,299
Non-Executive	Hours	189	659	2,838
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	24.00	38.00	28.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	10	21	9
Management	Number	69	96	54
Executive	Number	233	460	239
Non-Executive	Number	32	56	13
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	-	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	48.00	46.00	48.00
Management Above 50	Percentage	52.00	54.00	52.00
Executive Under 30	Percentage	1.00	0.00	1.00
Executive Between 30-50	Percentage	74.00	75.00	74.00
Executive Above 50	Percentage	25.00	25.00	25.00
Non-executive/Technical Staff Under 30	Percentage	16.00	10.00	15.00
Non-executive/Technical Staff Between 30-50	Percentage	77.00	80.00	76.00
Non-executive/Technical Staff Above 50	Percentage	7.00	10.00	9.00
General Workers Under 30	Percentage	27.00	12.00	11.00
General Workers Between 30-50	Percentage	60.00	72.00	70.00
General Workers Above 50	Percentage	13.00	16.00	19.00

Internal assurance

External assurance

No assurance

(*)Restated

Indicator	Measurement Unit	2022	2023	2024
Gender Group by Employee Category				
Management Male	Percentage	81.00	79.00	77.00
Management Female	Percentage	19.00	21.00	23.00
Executive Male	Percentage	84.00	82.00	80.00
Executive Female	Percentage	16.00	18.00	20.00
Non-executive/Technical Staff Male	Percentage	68.00	64.00	59.00
Non-executive/Technical Staff Female	Percentage	32.00	36.00	41.00
General Workers Male	Percentage	58.00	55.00	56.00
General Workers Female	Percentage	42.00	45.00	44.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	100.00	100.00	91.00
Female	Percentage	0.00	0.00	9.00
Between 30-50	Percentage	10.00	10.00	18.00
Between 51-60	Percentage	50.00	50.00	46.00
Above 60	Percentage	40.00	40.00	36.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	324,988.00	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	12
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	2.00	3.00	76.00
Management	Percentage	1.00	2.00	58.00
Executive	Percentage	2.00	2.00	77.00
Non-Executive	Percentage	0.00	2.00	78.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	2	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance External assurance No assurance

(*) Restated

GRI CONTENT INDEX

Statement of use	Sapura Energy Berhad has reported the information cited in this GRI content index for the period 1 February 2023 to 31 January 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	32-34
	2-2 Entities included in the organisation's sustainability reporting	33
	2-3 Reporting period, frequency and contact point	33
	2-5 External assurance	33
	2-7 Employees	65-73
	2-9 Governance structure and composition	40
	2-14 Role of the highest governance body in sustainability reporting	40
	2-23 Policy commitments	37
	2-24 Embedding policy commitments	37
	2-27 Compliance with laws and regulations	51
	2-29 Approach to stakeholder engagement	41-44
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	52
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	79-80
	205-2 Communication and training about anti-corruption policies and procedures	79-80
	205-3 Confirmed incidents of corruption and actions taken	79-80
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	60
	302-4 Reduction of energy consumption	60
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	61
	303-5 Water consumption	61
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	57-58
	305-2 Energy indirect (Scope 2) GHG emissions	57-58
	305-5 Reduction of GHG emissions	57-58
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	56
	306-2 Management of significant waste-related impacts	56
	306-3 Waste generated	56
	306-4 Waste diverted from disposal	56
	306-5 Waste directed to disposal	56
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	68

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	63-65
	403-2 Hazard identification, risk assessment, and incident investigation	63-65
	403-3 Occupational health services	63-65
	403-4 Worker participation, consultation, and communication on occupational health and safety	63-65
	403-5 Worker training on occupational health and safety	63-65
	403-6 Promotion of worker health	63-65
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	63-65
	403-8 Workers covered by an occupational health and safety management system	63-65
	403-9 Work-related injuries	63-65
	403-10 Work-related ill health	63-65
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	73
	404-2 Programmes for upgrading employee skills and transition assistance programs	73
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	69-72
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	68
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	76-77
	413-2 Operations with significant actual and potential negative impacts on local communities	76-77
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	80

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") and management of Sapura Energy Berhad ("the Company" or "Sapura Energy") view corporate governance as fundamental and crucial to our long-term business sustainability. Sapura Energy and its subsidiaries ("the Group") remain committed and strive to ensure that the Group has in place a robust corporate governance framework, appropriate for its size, operations, and organisational structure.

We are committed to continuously enhancing our corporate governance practices through ongoing evaluation, feedback, and adaptation to best practices. We regularly review our governance framework, policies, and procedures to ensure alignment with evolving regulatory requirements, stakeholder expectations and dynamic landscape of our business. Our governance framework is guided by the principles and best practices of corporate governance as prescribed by:

- ➔ Companies Act, 2016 ("CA 2016");
- ➔ Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
- ➔ Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission of Malaysia; and
- ➔ Corporate Governance Guide: 4th Edition ("CG Guide") issued by Bursa Malaysia Berhad.

This statement aims to provide shareholders and other stakeholders with insight into the approach undertaken by the Company in applying the principles of corporate governance during its financial year ended 31 January 2024 ("FY2024"), including the manner in which it applies the three (3) key relevant provisions of MCCG, namely:

- A** Board leadership and effectiveness;
- B** Effective audit and risk management; and
- C** Integrity in corporate reporting and meaningful relationships with stakeholders.

This statement should be read together with our Corporate Governance Report FY2024 ("CG Report FY2024"), which is available on our corporate website at www.sapuraenergy.com.

PRINCIPLE

A

BOARD LEADERSHIP AND EFFECTIVENESS

The Board views corporate governance as a fundamental process contributing towards achieving long-term stakeholder value, taking into account the interests of all stakeholders. Collectively, the Board takes responsibility and accountability for the overall conduct and performance of the Group's business by maintaining full and effective control over strategic, financial, operational, compliance and governance issues.

Amidst an increasingly challenging operating environment, the Board strives to strengthen the Group's corporate governance practices and processes to meet operating challenges. The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group.

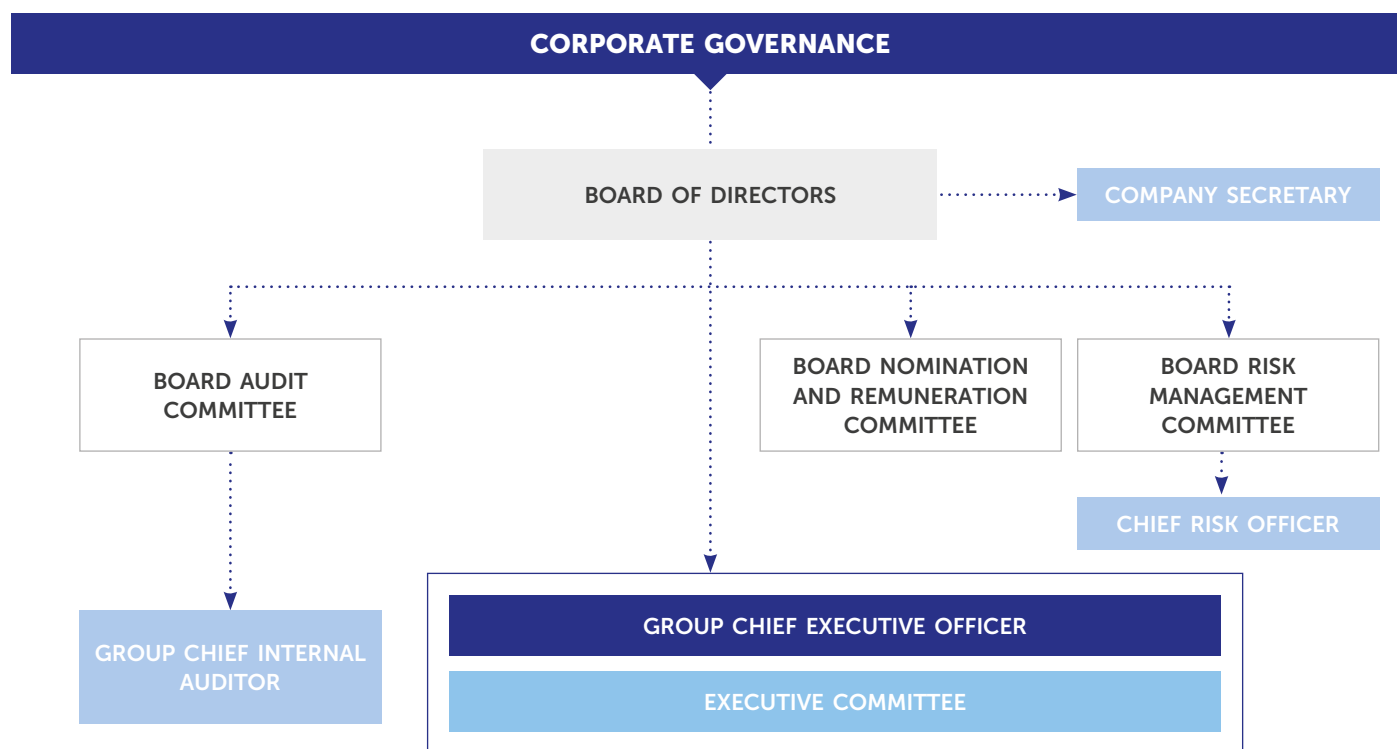
The Board recognises the important role that corporate governance plays in ensuring sustainable long-term performance, returns for our stakeholders, and the creation of long-term economic value and growth.

The Group's governance structure and practices create value for all its stakeholders by:

- ➔ Building cogency through principled leadership
- ➔ Securing the integrity and quality of financial reporting
- ➔ Ensuring a good reputation with accountable behaviour

The Board works to ensure that the Group's governance structure continues to remain appropriate and is reviewed as and when necessary to reflect the markets, the communities, and changes in regulations within which the Group operates. The Board Charter provides guidance to the Board in discharging its roles, duties and responsibilities in line with the principles of good governance. The Board Charter has been reviewed by the Board on 26 June 2023. The revised Board Charter is available on the Company's website at www.sapuraenergy.com.

In order to ensure the orderly and effective discharge of its functions and responsibilities, the Board has put in place a Governance Framework for the Group, where specific powers of the Board are delegated to the relevant Board Committees and the Group Chief Executive Officer ("GCEO"). The Governance Framework is built upon the Terms of Reference ("TOR") of the respective Board Committees and complemented by the Limits of Authority ("LOA"), supported by various management committees, policies and procedures.



The principal responsibilities of the Board are, amongst others, as follows:

- ➔ Appointment of GCEO;
- ➔ Review and adopt a strategic business development plan for the Group's long-term direction, and formulate business objectives and strategies, including strategies that promote sustainability for the Group;
- ➔ Ensure that the Company has adequate resources to meet its objectives and that it maintains an effective or sound risk management framework;
- ➔ Review and implement the Company's internal control system; and to monitor its performance and ensure that it acts ethically and meets its responsibilities to shareholders and other stakeholders;
- ➔ Oversee Environmental, Social and Governance ("ESG") issues;
- ➔ Oversee the conduct of the Group's businesses and evaluate whether or not the businesses are being properly managed;
- ➔ Identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- ➔ Implement succession planning, including appointment, training, compensation and, where appropriate, replacement of the Company's GCEO and Non-Independent Executive Directors;
- ➔ Oversee the development and implementation of an investor relations programme or shareholder communication policy for the Group;
- ➔ Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- ➔ Give attention to strategies relating to the health, safety and environment, and compliance with the relevant laws, rules and regulations. The Board also places emphasis on the formulation of strategies to promote sustainable development in areas covering economics, environment and social development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Key focus areas or matters reviewed and deliberated by the Board in FY2024 are as follows:

- ➔ strategic risks and opportunities;
- ➔ debt and operational restructuring, including proposed restructuring scheme and regularisation plan and matters related thereto;
- ➔ disclosure to Bursa Securities;
- ➔ business planning and performance appraisal;
- ➔ succession planning of Executive Committee members and composition of Board and Board Committees;
- ➔ material revenue contracts and service expenditure;
- ➔ financial matters such as performance report and write-off of significant bad debts and assets;
- ➔ quality, health, safety and environment;
- ➔ governance, group policies and related party transactions;
- ➔ litigation report; and
- ➔ sustainability initiatives and issues.

In addition to the matters reserved for the Board under the Board Charter, the LOA covers both operations (tender or bidding, project management, capital expenditure and project procurement) and corporate related matters (finance, human resources, legal and other corporate matters) for the Group that require Board's approval and delegation of powers to its Board Committees, the GCEO as well as management.

Division of Roles and Responsibilities between the Chairman and the GCEO

The positions of Chairman and GCEO of the Company are at all times held by different individuals, each with clear and distinct roles as outlined in the Board Charter. This distinct demarcation and separate roles of the Chairman, who heads the Board and GCEO leading the Senior Management and operations, establishes a framework that maintains a balance of power and authority. This framework prevents one single individual from unduly influencing the deliberations and decisions of the Board.

The Chairman plays a pivotal leadership role in overseeing the Board and its interactions with shareholders and stakeholders. The Board Charter clearly outlines the Chairman's primary responsibilities, which include ensuring the effective conduct of Board activities through the following key roles:

- ➔ representing the Board to shareholders;
- ➔ ensuring the adequacy and integrity of the governance process;
- ➔ maintaining regular dialogue with the GCEO over all operational matters and consulting with the remainder of the Board members promptly over any matter that give him cause for major concern;
- ➔ functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates the discussion; that appropriate discussions take place and that relevant opinions amongst members are forthcoming. The Chairman ensures that discussions result in logical and understandable outcomes;
- ➔ ensuring that all Directors are enabled and encouraged to participate at Board meetings. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- ➔ ensuring that Management look beyond their executive functions and accept their full share of responsibilities on governance;
- ➔ guiding and mediating Board actions with respect to organisational priorities and governance concerns; and
- ➔ undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis.

The Chairman, who is a Non-Independent Non-Executive Director, is supported by the Senior Independent Non-Executive Director to ensure objective and independent deliberation, review and decision-making by the Board and to have more effective oversight of management. The Chairman has never assumed any executive position in the Group.

The GCEO has the overall responsibility for the Group's operations, business units and support services, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions. In addition, the GCEO also functions as the intermediary between the Board and Management.

THE BOARD COMMITTEES

The Board has established three (3) Board Committees to enhance the effectiveness of its functions and, when appropriate, delegates specific responsibilities to these Board Committees through clearly defined TOR. While these Board Committees have been granted discretionary authority to deliberate and decide on certain key operational matters, it is important to note that the ultimate responsibility for all final decisions rests with the entire Board.

The three (3) Board Committees are as follows:

- ➔ **1** Board Audit Committee;
- ➔ **2** Board Nomination and Remuneration Committee; and
- ➔ **3** Board Risk Management Committee.

The respective Chairman of these Board Committees reports to the Board on salient matters deliberated at the Board Committees meetings, together with their recommendation.

1 Board Audit Committee

The Board Audit Committee ("BAC") comprises four (4) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors.

Chairman

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

Members

- ➔ **Dato' Azmi Mohd Ali**
Independent Non-Executive Director
- ➔ **Wan Mashitah Wan Abdullah Sani**
Independent Non-Executive Director
(Appointed as a member on 26 July 2023)
- ➔ **Shahin Farouque Jammal Ahmad**
Non-Independent Non-Executive Director
(Appointed as a member on 15 December 2023)
- ➔ **Datuk Muhamad Noor Hamid**
Independent Non-Executive Director
(Ceased to be a member following his retirement as a Director on 26 July 2023)
- ➔ **Rohaizad Darus**
Non-Independent Non-Executive Director
(Ceased to be a member following his resignation as a Director on 25 March 2024)

Composition and Size

At least three (3) members

All of whom are Non-Executive Directors

Majority being Independent Directors

Chairman is an INED pursuant to Paragraph 15.10 of MMLR

Key Functions

The primary objective of the BAC is to assist the Board in fulfilling its fiduciary and statutory duties relating to corporate accounting and reporting practices of the Company and Group; and enhancing internal control and corporate governance.

The summary of key activities of the BAC during FY2024 are set out in the Report of the BAC on pages 131 to 135 of this Annual Report.

The BAC is governed by a written TOR which ensures it deals clearly within its authority and duties. The TOR has been reviewed by the BAC and endorsed by the Board on 29 March 2023. The revised TOR is available on the Company's website at www.sapuraenergy.com.

2 Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee ("BNRC") comprises four (4) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors.

Chairman

- ➔ **Dato' Azmi Mohd Ali**
Independent Non-Executive Director

Members

- ➔ **Datuk Ramlan Abdul Rashid**
Independent Non-Executive Director
- ➔ **Datuk Nur Iskandar A Samad**
Independent Non-Executive Director
(Appointed as a member on 26 July 2023)
- ➔ **Shahin Farouque Jammal Ahmad**
Non-Independent Non-Executive Director
(Appointed as a member on 15 December 2023)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

➔ **Datuk Muhamad Noor Hamid**
Independent Non-Executive Director
(Ceased to be a member following his retirement as a Director on 26 July 2023)

➔ **Lim Fu Yen**
Non-Independent Non-Executive Director
(Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 11 March 2023)
(Ceased to be a member following his resignation as a BNRC member on 15 December 2023)

Composition and Size

At least three (3) members and a maximum of four (4) members

All are Non-Executive Directors with majority being Independent Directors

Key Functions

The BNRC carries out the duties and responsibilities delegated to it by the Board. The key responsibilities of BNRC are as follows:

- Addressing business continuity of the Company and the Group by having in place a succession plan for the Board and Senior Management;
- Considering potential candidates and nominate suitable persons to the Board;
- Recommending the appointment of Board members and Board Committee members;
- Assessing the performance of the Board members as a whole and as individuals as well as Board Committees on an on-going basis;
- Responsible for recommending to the Board the remuneration and reward framework for Executive Directors and Senior Management to allow the Company to attract and retain its Executive Directors and Senior Management, giving due regard to the financial situation and performance of the Company;
- Assessing and recommending the remuneration packages of the GCEO, Executive Directors, Non-Executive Directors of the Company;
- Assisting in reviewing and recommending the annual bonus payment rate and increment range to all employees of the Group based on the Group's policy; and
- Administering the Share Issuance Scheme, the Share Bonus Scheme and Executive Share Option Scheme ("ESOS") in accordance with the relevant by-laws and the guidelines.

The BNRC is governed by a written TOR which ensures it operates clearly within its authority and duties. The TOR has been reviewed by the BNRC and endorsed by the Board on 4 April 2024. The revised TOR is available on the Company's website at www.sapuraenergy.com.

FY2024 Key Activities

During the FY2024, seven (7) BNRC meetings were held.

The summary of key activities performed by the BNRC is as follows:

- Review and recommend the scorecard Key Performance Indicators ("KPI") Setting for FY2024;
- Review and assess the performance and effectiveness of the Board as a whole, the Board Committees, and each individual Director;
- Assist in reviewing the mid-term review and KPI of the GCEO for the FY2024;
- Review and recommend the groupwide target performance bonus FY2024, salary band by countries and the C-suite KPI achievement and salary adjustment;
- Review and recommend Non-Executive Directors' fees and benefits, including the proposed court appointed Director's fee;
- Review and discuss the updates on C-suites appointments and successions including the succession planning for GCEO;
- Review and recommend the appointments of new and additional members to Sapura Energy Board and the Board Committees of Sapura Energy, including the re-election of Directors;
- Review and recommend the Diversity Policy and discuss the workforce diversity in Sapura Energy Group;
- Discuss bonus payment, salary and benefits review;
- Review the roles and responsibilities and the terms of reference of the BNRC;
- Review and discuss the Directors' trainings and the Board assessment questionnaires;
- Review and discuss the feedback on preliminary long term incentive plan framework design;
- Review and recommend the specialist career ladder and salary band;
- Review and discuss the number of expatriate and their performance; and
- Review and discuss the 30 percent women Directors' representation on the Board of Sapura Energy as per the PNB Voting Guidelines.

3 Board Risk Management Committee

The Board Risk Management Committee ("BRMC") comprises three (3) members with all of them being Non-Executive Directors.

Chairman

- ➔ **Datuk Nur Iskandar A Samad**
Independent Non-Executive Director
(Appointed as Chairman on 26 July 2023)
- ➔ **Datuk Muhamad Noor Hamid**
Independent Non-Executive Director
(Ceased to be Chairman following his retirement as a Director on 26 July 2023)

Members

- ➔ **Lim Tiang Siew**
Senior Independent Non-Executive Director
- ➔ **Wan Mashitah Wan Abdullah Sani**
Independent Non-Executive Director
(Appointed as a member on 26 July 2023)
- ➔ **Lim Fu Yen**
Non-Independent Non-Executive Director
(Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 11 March 2023)
(Ceased to be a member following his resignation as a BRMC member on 24 May 2023)
- ➔ **Rohaizad Darus**
Non-Independent Non-Executive Director
(Ceased to be a member following his resignation as a Director on 25 March 2024)

Composition and Size

At least three (3) members

Majority being Non-Executive Directors

Chairman shall be an Independent Director

Key Functions

The BRMC is entrusted with key responsibilities aimed at safeguarding the Group's interests and ensuring robust risk management practices. These responsibilities include:

- Overseeing the assessment of processes pertaining to the Company's risk and controls, ensuring the efficacy of the Group's risk management framework and Quality, Health, Safety, and Environment ("QHSE") practices.
- Exercising oversight on sustainability strategies, addressing pertinent issues, coordinating communication plans, and making decisions aligned with the Group's values, governance standards, and regulatory obligations.
- Approving the appointment of the Chief Risk Officer.

By fulfilling these duties, the BRMC plays a pivotal role in fortifying the Group's resilience and sustainability amidst evolving challenges.

The BRMC is governed by a written TOR which ensures it deals clearly within its authority and duties. The TOR has been reviewed by the BRMC and endorsed by the Board on 4 April 2024. The revised TOR is available on the Company's website at www.sapuraenergy.com.

FY2024 Key Activities

During the FY2024, seven (7) BRMC meetings were held.

The summary of key activities performed by the BRMC are as follows:

- Review the quarterly update on QHSE;
- Review the Group principal risks and key risk indicators update;
- Review the updates on enterprise risk management, liquidity risk and toxic contracts;
- Review the Statement on Risk Management and Internal Control and the Sustainability Statements (including Statement on QHSE) for inclusion in the Annual Report;
- Review the scope, budget, cost, timelines, resources, key risks and mitigations, key terms and qualification and market competition in project tenders process and bidding, tender submissions as well as secured projects; and
- Review and approve the appointment of Chief Risk Officer.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Restructuring Taskforce

In addressing the financial challenges faced by the Company and with the view for more effective and focused approach to address these challenges especially the restructuring exercise undertaken by the Company, a Board Restructuring Taskforce ("BRTF") was established in 2021. BRTF supports the GCEO in designing specific workstreams and to execute and deliver on the strategic initiatives to restructure and achieve long-term sustainability.

Senior Independent Non-Executive Director

Lim Tiang Siew was appointed as the Company's Senior Independent Non-Executive Director, effective from 31 May 2022.

The Senior Independent Non-Executive Director plays a crucial role in the Board by:

- Providing valuable advice and acting as a sounding board for the Chairman;
- Acting as the designated point of contact for shareholders, facilitating direct communication on matters that cannot be resolved through normal channels.
- Serving as the key liaison between the Independent Non-Executive Directors ("INED") and the Chairman, particularly on sensitive issues.
- Ensuring all INEDs have the opportunity to contribute to agenda setting, and advising the Chairman on the quality, quantity, and timeliness of information provided by management for effective performance of INED duties.
- Overseeing the effective implementation of the Company's Whistleblowing Policy.

Company Secretaries

The Company Secretaries are responsible for advising the Board on issues relating to compliance with relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as the best practices of governance. They are also responsible for advising the Board of their obligations and duties to disclose their interests in securities, any conflict of interests in transactions involving the Group, guidance in dealing in securities and restrictions on disclosure of price-sensitive information.

The Board has unhindered access to the advice and services of the Company Secretaries.

Board and Board Committee Meetings

Board meetings are scheduled in advance before the commencement of the new financial year. This practice ensures that Directors are able to plan and accommodate the year's meetings in their schedules. It also allows them to devote sufficient time to effectively discharge their duties and make efforts to attend meetings.

In instances where urgent proposals or matters necessitate expeditious decisions or deliberations by the Board and/or Board Committees, additional or special meetings were convened between the scheduled meetings.

Information in an appropriate form is furnished to the Board in a timely manner to enable it to discharge its duties relating to all matters that require its attention and decision-making. Proposals comprising comprehensive and balanced financial and non-financial information are encapsulated in the Board papers to enable the Board to examine both the quantitative and qualitative aspects of the business. Board meetings are convened promptly following the finalisation of the Company's quarterly and annual results for the Board's review and approval, prior to announcement to Bursa Securities.

The agenda and supporting papers for Board and Board Committees are distributed in advance to all members of the Board and Board Committees respectively, in order to allow adequate time for appropriate review to facilitate full discussion at the meetings.

Proper minutes of Board and Board Committee meetings covering issues raised, discussions, deliberations, decisions and conclusions, including dissenting views made at Board and Board Committees meetings, along with clear actions to be taken by parties responsible were produced and the duly confirmed minutes were kept as statutory records by the Company. Director who has an interest in any matters related to the Company must immediately disclose the nature of his or her interest and abstain from participating in any discussion or decision making on the subject matter.

In addition to the Board, Senior Management, and/or external advisors are invited to attend Board and Board Committees meetings to provide clarification, more information and advice on agenda items whenever necessary. The Board also practices direct communication and guidance to Senior Management in ensuring all important aspects in relation to proposals and agenda items be taken into account and well analysed to enable the Board and/or the Board Committees to arrive at informed decisions.

Attendance of Meetings

Directors had shown full commitment to their duties and responsibilities and this was reflected by their attendance at Board meetings held during the financial year. The Board met twelve (12) times during FY2024. Details of attendance of the Directors are as follows:

Directors	Designation	Attendance	Percentage
Dato' Mohammad Azlan Abdullah	Chairman, Non-Independent Non-Executive Director	12/12	100%
Datuk Mohd Anuar Taib	Group Chief Executive Officer Executive Director	11/12	92%
Dato' Shahrman Shamsuddin	Non-Independent Non-Executive Director	11/12	92%
Datuk Ramlan Abdul Rashid	Independent Non-Executive Director	12/12	100%
Lim Tiang Siew	Senior Independent Non-Executive Director	12/12	100%
Dato' Azmi Mohd Ali	Independent Non-Executive Director	12/12	100%
Lim Fu Yen <i>(Redesignated as Non-Independent Non-Executive Director following his appointment as a Court Appointed Director on 11 March 2023)</i>	Non-Independent Non-Executive Director	12/12	100%
Datuk Nur Iskandar A Samad <i>(Appointed on 26 May 2023)</i>	Independent Non-Executive Director	8/8	100%
Wan Mashitah Wan Abdullah Sani <i>(Appointed on 26 May 2023)</i>	Independent Non-Executive Director	8/8	100%
Shahin Farouque Jammal Ahmad <i>(Appointed on 15 December 2023)</i>	Non-Independent Non-Executive Director	1/1	100%
Cosimo Borrelli <i>(Ceased to be a Court Appointed Director on 10 March 2023)</i>	Non-Independent Non-Executive Director	0/1	0%
Dato' Muhamad Noor Hamid <i>(Retired on 26 July 2023)</i>	Independent Non-Executive Director	6/6	100%
Rohaizad Darus <i>(Resigned on 25 March 2024)</i>	Non-Independent Non-Executive Director	12/12	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance of members at the Board Committee meetings held during FY2024 is as detailed below:

Name of Directors	BAC	BRMC	BNRC
Non-Independent Non-Executive Directors	Attendance		
Shahin Farouque Jammal Ahmad (Appointed as a member of BAC and BNRC on 15 December 2023)	–	–	1/1
Lim Fu Yen (Resigned as a member of BRMC on 24 May 2023 and a member of BNRC on 15 December 2023)	–	3/3	6/6
Rohaizad Darus (Resigned as a member of BAC and BRMC on 25 March 2024)	6/6	7/7	–
Independent Non-Executive Directors	Attendance		
Lim Tiang Siew	6/6	7/7	–
Datuk Ramlan Abdul Rashid	–	–	7/7
Dato' Azmi Mohd Ali	6/6	–	7/7
Datuk Nur Iskandar A Samad (Appointed as the Chairman of BRMC and a member of BNRC on 26 July 2023)	–	3/3	3/3
Wan Mashitah Wan Abdullah Sani (Appointed as a member of BAC and BRMC on 26 July 2023)	2/2	3/3	–
Datuk Muhamad Noor Hamid (Ceased to be the Chairman of BRMC and a member of BAC and BNRC on 26 July 2023)	4/4	3/4	4/4
Number of meetings held in FY2024	6	7	7

Continuous Professional Development

The majority of Board members have completed the Mandatory Accreditation Programme and have attended a half-day training session on Key Disclosure Obligations conducted by an external professional trainer and organised by the Company on 30 April 2024. Company Secretaries ensure that new Directors are provided with the relevant corporate governance information of the Company. Newly appointed Directors undergo an induction briefing tailored to provide a thorough understanding of the Group's businesses and operations, including the major risks inherent in the Company's business environment.

The Board is actively encouraged to participate in a variety of educational programmes, talks, seminars, workshops, and conferences to continuously enhance their skills and knowledge and stay updated with new developments in the business environment. The Board collectively identifies the training needs for the entire Board, while individual Directors are also empowered to identify their specific training needs. This approach takes into consideration their roles and responsibilities on other boards, ensuring a well-rounded and informed approach to training and development.

The training programmes attended by members of the Board during FY2024 are as follows:

Name of Directors	Training Programmes
Dato' Mohammad Azlan Abdullah	<ul style="list-style-type: none"> • The Future Managing of the Workplace & People • Keeping The Board Out of Trouble • Navigating the Environment, Social and Governance ("ESG") Risk in the Supply Chain • Introduction to Corporate Directorship in The New Era of ESG • Payment to Directors – What's Allowed and Disallowed • A New Strategy & Risk Approach • CPA Virtual Congress • Embracing ESG in Value Creation • Board of Directors Leadership – Effective Climate Governance • A Delicate Balance – Board & Management Relationship • Macroeconomic Forces in Financial Market • Transaction by Directors • Taxation Compliance, Knowledge and Complexity • Chairman's Masterclass Driving Sustainability from the Chair • Introduction to ESG & Sustainable Finance
Datuk Mohd Anuar Taib	<ul style="list-style-type: none"> • Understanding and Assessing ESG Risks, Trends and Developments • Executive Coaching • Energy Asia – Charting Pathways for a Sustainable Asia • Navigating the Energy Transition: Identifying Uncertainties and Seizing Opportunities • MOGSC Leadership Round Table Meeting-Resiliency of OGSE Segment Key to Energy Security and Transition Agenda • Speaker, Charting the Course: Assessing Performance and Shaping the Future of Malaysia's Upstream Capital Projects
Dato' Shahrman Shamsuddin	<ul style="list-style-type: none"> • Understanding and Assessing ESG Risks, Trends and Developments
Datuk Ramlan Abdul Rashid	<ul style="list-style-type: none"> • Understanding and Assessing ESG Risks, Trends and Developments • PNB Knowledge Forum 2023: Education Reimagined

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training Programmes
Lim Tiang Siew	<ul style="list-style-type: none"> • Get Chatty with ChatGPT: How to Use the AI Chatbot Everyone's Talking About • BNM-Financial Institutions Directors' Education ("FIDE") Forum Roundtable on Licensing and Regulatory Framework for Digital Insurers and Takaful Operators Exposure Draft • MSIG In-house Training: Updates on MS&AD • MSIG In-house Training: IFRS 17 • MSIG In-house Training: Phased Liberalisation 2.0 • MSIG In-house Training: MSIG's Tabletop Cyber Drill • MSIG In-house Training: Climate Change-Carbon Footprint • HSBC Non-executive Directors Summit • Islamic Finance for Board of Directors Programme • Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know • ESG – Bursa Malaysia's enhanced sustainability reporting requirements • Introducing the first ISSB™ Standards: Understanding what they mean for global companies • PNB Knowledge Forum 2023 Harnessing Innovation and Technology for Sustainable Business • What Amounts to a Conflict of Interest by Directors by Khoo Guan Huat • Learning @ Work: Human Learning in the Age of Machine Learning • Cyber Briefing to the Board of Directors HSBC • The FIDE Core Program Module A: Bank • PIDM National Resolution Symposium 2023 • 2nd Distinguished Board Leadership Series 2023 – Empowering Change through Diversity, Equity & Inclusion • PNB Knowledge Forum 2023 Education Reimagined • Cloud Requirements in Risk Management and Technology, AI and Machine Learning • The Wirecard Scandal – A Whistleblower's Perspective
Dato' Azmi Mohd Ali	<ul style="list-style-type: none"> • 'La Convivencia in Malaysia Today' by YBhg. Dato' Dr Afifi Al Akiti • In-house Training: Branding in the industry • In-house Training: Demystifying ESG – Understanding Bursa Malaysia's Requirements and ISSB's Global Baseline on Sustainability Reporting • Invest Malaysia 2023 – Reshaping Malaysia's Narrative (Series 1: "Strengthening Resilience & Sustaining Growth") • Agile Thinking Training for Non-Executive Directors • Talk on Solar Energy Documentation and Issues by Dr Chairil Nazri Ahmad • Board Audit Committee Dialogue and Networking: "A Serious Allegation is Reported – What Should Boards Do?" • Annual Board Risk Workshop (MIB) • International Malaysia Law Conference • President of Law Associations (POLA) Conference • PNB Knowledge Forum 2023 • In-house Training: Decarbonisation Workshop • OGSEs in the Energy Transition by Westwood Global Energy Group • Sustainability Metrics by Joshua Rayyan • Understanding and Assessing ESG Risks, Trends and Developments • PNB Knowledge Forum 2023: Education Reimagined • Setia Governance Risk & Audit Forum (Accelerating Transformation, Navigating the Future: A Governance Perspective) • PNB Planet Cyber: Securing the Future: Elevating Cyber Resilience • Mandatory Accreditation Programme Part II: Leading for Impact • In-house Training: Conflicts of Interest

Name of Directors	Training Programmes
Lim Fu Yen	<ul style="list-style-type: none"> Understanding and Assessing ESG Risks, Trends and Developments
Datuk Nur Iskandar A Samad	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP Part I) Understanding and Assessing ESG Risks, Trends and Developments
Wan Mashitah Wan Abdullah Sani	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP Part I) PNB Knowledge Forum 2023: Harnessing Innovation & Technology for Sustainable Business Strategy Away Day Outlook on Oil & Gas Market Understanding and Assessing ESG Risks, Trends and Developments Sapura Energy onboarding for new Director: Business Industry and Outlook Knowledge
Shahin Farouque Jammal Ahmad	<ul style="list-style-type: none"> iRAC Week 2023 Trak 2: Tech for Integrity – Shaping the future of trust & integrity Leadership Team Offsite The Cooler Earth Sustainability Summit 2023 Project Viridis Workshop High Level Dialogue on Future Proofing MESI Board and Senior Management's Leadership Role in Enhancing AML/CFT Compliance Culture Economist Intelligence Corporate Network Leadership Team Innovation Masterclass India Investment Promotion Roadshow in Malaysia PNB Public Markets Dialogue 2024
Rohaizad Darus (Resigned on 25 March 2024)	<ul style="list-style-type: none"> Securities Commission – Audit Oversight Board Conversation with Audit Committees Bursa Malaysia – FTSE4GOOD ESG Rating for All PLCs Malaysian Petroleum Resource Corporation – Industry Engagement Series: Energy Transition in Asia Malaysian Petroleum Resource Corporation – National OGSE Roadshow 2023 ICDM – Post-Budget 2024 Dialogue: Economic Reforms, Empowering the People ICDM – Climate Change & Carbon Footprint: Getting the Right Financial Risk & Reporting Perspectives ICDM – Corporate Innovation Through Venture Building: A Capital Efficient & Risk Mitigated Approach ICDM – Generative AI – An Opportunity or Risk? ICDM – Advancing Cyber Resilience: Board's Top 3 Must Know ICDM – Rethinking Ethics and Governance Issues: Next Steps for Boards ICDM – Board Risk Management Committee Dialogue and Networking ICDM – Board Audit Committee Dialogue and Networking

CORPORATE GOVERNANCE OVERVIEW STATEMENT

OUR COMPLIANCE UNIVERSE

Integrity and Ethics

The Board strives to adhere to the highest ethical standards in discharging its responsibilities and continues to promote integrity and ethical conduct among its employees in all aspects of the Group's business operations, including confidentiality of information, conflicts of interest, as well as QHSE performance, amongst others.

Code of Ethical Conduct

The Group has in place a Code of Ethical Conduct that sets the tone on how the Group's business is conducted globally that applies to all members of the organisation. The Group aims to act responsibly, accountably and with transparency in all areas of operation. The areas covered by the Code of Ethical Conduct are anti-corruption and bribery, sexual harassment, gifts and hospitality, conflict of interest, fair competition, data privacy protection, whistleblowing, and sanctions for violations.

The Company's Code of Ethical Conduct has been reviewed by its Executive Committee on 18 January 2024. The revised Code of Ethical Conduct is made available on the Company's website at www.sapuraenergy.com.

Anti-Bribery and Corruption Policy Statement

The Group conducts all its business in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. The Group is also committed in upholding all laws relevant to countering bribery and corruption in Malaysia and all other jurisdictions in which it operates. The Company's Anti-Bribery and Anti-Corruption Standard has been reviewed by its Executive Committee on 18 January 2024. The revised Anti-Bribery Anti-Corruption Standard is made available on the Company's website at www.sapuraenergy.com.

Whistleblowing Policy

The Group is committed to maintain an open working environment, honest communication is the expectation and not the exception. The Group has introduced a Whistleblowing helpline, accessible to employees and stakeholders at www.sapuraenergy.com. The Company's Whistleblowing Standard has been reviewed by its Executive Committee on 18 January 2024. The revised Whistleblowing Standard is made available on the Company's website at www.sapuraenergy.com.

The BAC is supported by the Complaints Investigation Committee ("CIC") in its review of whistleblowing complaints. The Board approved the new structure and composition of the CIC, along with its terms of reference, on 29 March 2023. This update considered new provisions that were not addressed in the previous CIC structure, ensuring that the committee is equipped to effectively fulfil its responsibilities.

Insider Trading

The Board, key management personnel and principal officers of the Group are prohibited from trading in securities or any other properties based on price-sensitive information and knowledge which have not been publicly announced.

A notice regarding closed periods for trading in the Company's shares is circulated in advance to the Board, key management personnel, and principal officers who may have access to price-sensitive information.

Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy was adopted by the Board to govern the appointment of new Directors and the re-election of Directors of the Group. The Directors' Fit and Proper Policy is made available on the Company's website at www.sapuraenergy.com.

BOARD COMPOSITION

Board Balance and Composition

The Board currently consists of 10 Directors, comprising one (1) Executive Director and nine (9) Non-Executive Directors. Among the Non-Executive Directors, five (5) are Independent Directors. The Board collectively comprises a balance of skills, experience and relevant knowledge to commensurate with the complexity, size, scope and operations of the Group. The composition of the Board also fairly reflects the investment of shareholders in the Company. The Board through the BNRC will continue to review the Board structure and composition from time to time to ensure alignment with the Group's strategic direction and to commensurate with the complexity, scope and operations of the Group's business operations. The profile of each Director is set out in the Directors' Profile on pages 111 to 120 of this Annual Report.

The Company adheres to the MMLR in determining its Board composition. Pursuant to the MMLR, the Company must ensure that at least two (2) Directors or one third (1/3) of the Board, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the nearest one-third (1/3) must be used. The current Board composition is in compliance with this requirement, maintaining the minimum one-third (1/3) ratio of Independent Directors on the Board.

The Board Charter and MCCG stipulate that at least half of the board must consist of Independent Directors. Following the appointment of Shahin Farouque Jammal Ahmad, a nominee Director of Permodalan Nasional Berhad as a Non-Independent Non-Executive Director with effect from 15 December 2023, and subsequently the resignation of Rohaizad Darus as a Non-Independent Non-Executive Director with effect from 25 March 2024, the Board composition is rebalanced and complies with the Board Charter and MCCG practice which require at least half of the Board to consist of Independent Directors.

In pursuing its gender diversity agenda, the Board is committed to appoint at least one (1) female Director on its Board by 1 June 2023. The Company has appointed Wan Mashitah Wan Abdullah Sani as an Independent Non-Executive Director on 26 May 2023 in adherence to the MMLR.

All Directors shall notify the Chairman of the Board of his acceptance of office as a Director of any other public company. Considerations such as time commitments and conflicts of interest that may arise should be considered.

Independent Director and its Tenure

The Board has a set of criteria in assessing the independence and performance of Directors. The BNRC annually reviews and assesses the level of independence of the Independent Directors in line with the MMLR. The BNRC will also consider the individual Director's ability to exercise independent judgement and to demonstrate the values and principles associated with independence such as impartiality, objectivity and consideration of all stakeholders' interests.

After serving for nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

Pursuant to the MMLR, an Independent Director shall exclude any Independent Director who has served in that capacity for a cumulative period of less than twelve (12) years and that all long-serving Independent Directors of more than twelve (12) years must resign or be re-designated as a Non-Independent Director.

As of the current date, none of the Independent Directors of the Company have served on the Board for a tenure of more than nine (9) years.

For the financial year under review, none of the five (5) Independent Directors have served the Board for more than nine (9) years and BNRC has assessed and concluded that all the Independent Directors continue to demonstrate, conduct and behave in a manner indicative of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could materially interfere with the exercise of independent judgement, objectivity or the ability to act in the best interest of the Company.

Diversity

Diversity in the Board's composition is essential to facilitate good decision-making as this enables different insights and perspectives to be harnessed. This diversity criteria may include competencies, skills, knowledge, experience, ethnicity, gender, age and educational background. The Group's Board Diversity Policy seeks to be inclusive and eradicate any form of discrimination, may it be on the basis of gender, age, ethnicity or other factors. The Board Diversity Policy is accessible on the Company's official website at www.sapuraenergy.com.

In terms of diversity in skills, experience and competencies, the Board comprises qualified individuals with various professional backgrounds and expertise from the fields of oil and gas, engineering, finance, investment, insurance, information technology, accounting, management, economics, business and public administration, all of whom bring in-depth and diverse experiences, expertise and perspectives to the Group's operations to ultimately enhance shareholders' value for the long-term. During the financial year under review, the Board has appointed three (3) new Board members namely Datuk Nur Iskandar A Samad (appointed on 26 May 2023), Wan Mashitah Wan Abdullah Sani (appointed on 26 May 2023) and Shahin Farouque Jammal Ahmad (appointed on 15 December 2023) with expertise and experience in operational or financial turnaround and oil and gas business.

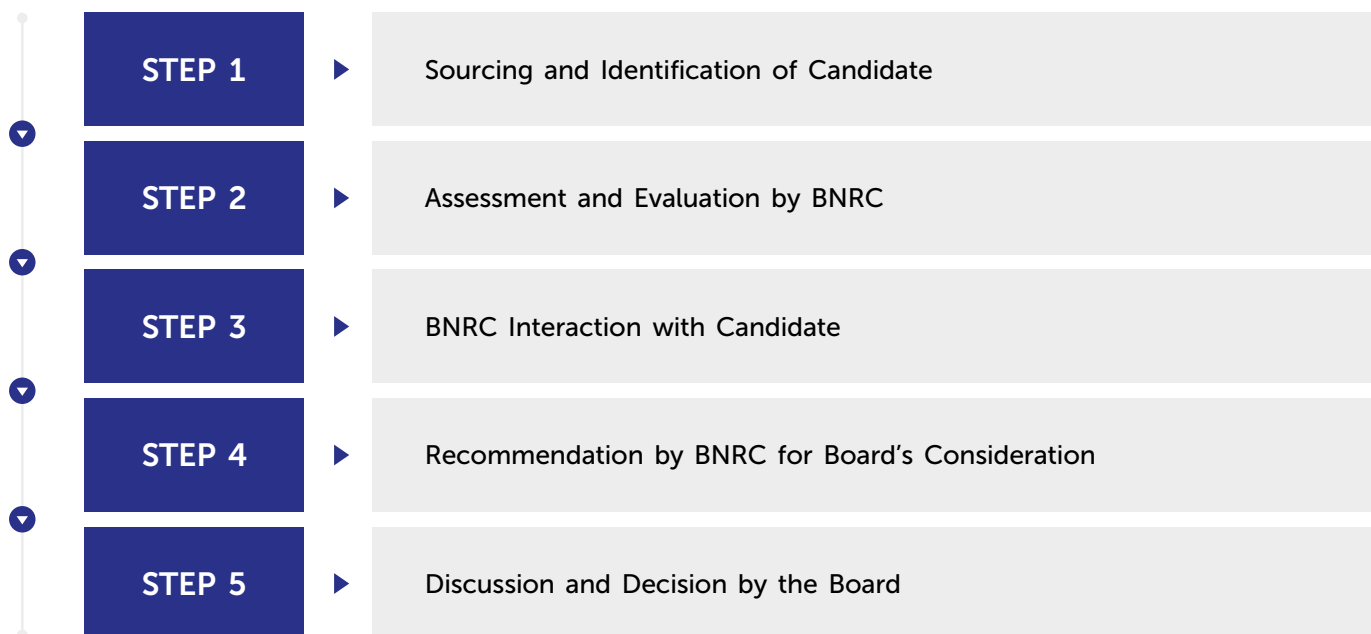
During the FY2024, the BNRC conducted a comprehensive review of the Board members' competency matrix to assess their skills and experience levels across three (3) key categories: Competent, Practice and Awareness.

Board Appointment Process

The appointment of Directors to the Board is subject to a formal, rigorous and transparent process. During nomination of new candidates for Board membership, the Board through BNRC will take into consideration the criteria, amongst others, the candidate's qualifications, functional knowledge, relevant experience, and expertise, including but not limited to, financial and accounting literacy and the relevant business experience with respect to the Group's core business activities with the view to complement and support the existing Board's composition.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The table below illustrates the procedures for the appointment of a new Board member:



The Board, through the BNRC, is tasked with identifying candidates possessing the requisite skills and experiences to enhance and bolster the current Board composition in alignment with the Company's strategic direction and principles of good governance. The BNRC will thoroughly evaluate all shortlisted candidates, employing a rigorous assessment process that includes a review of their skills competency matrix (pertaining to skills and experience) and an independence test for prospective Independent Directors. During the financial year under review, the Board appointed three (3) new members: Datuk Nur Iskandar A Samad (appointed on 26 May 2023), Wan Mashitah Wan Abdullah Sani (appointed on 26 May 2023), and Shahin Farouque Jammal Ahmad (appointed on 15 December 2023).

The Company employs a diverse array of sources to identify potential Board candidates, including the use of independent sources. The BNRC, or a representative thereof, conducts interaction sessions with potential candidates to assess their alignment with the Company's values and to review their overall suitability before recommending them for approval for appointment to the Board.

Board Effectiveness Assessment

The Board, the Board Committees, and each Director undergo an annual evaluation and assessment process through a self and peer assessment. Each Director completes the assessment, which is then reviewed by the BNRC.

The annual assessment encompasses a thorough review of several key areas, including:

- 1) **Board's Competency Matrix:** Evaluating the skills and experiences of Board members.
- 2) **Director's Level of Independence:** Assessing the independence of each Director.
- 3) **Board Mix and Composition:** Ensuring an optimal mix of skills and backgrounds on the Board.
- 4) **Quality of Information and Decision-Making:** Assessing the quality of information provided to the Board and the effectiveness of decision-making processes.
- 5) **Board Chairman's Role and Responsibilities:** Evaluating the effectiveness of the Chairman in leading the Board.
- 6) **Board's Relationship with the Management and Board Activities:** Assessing the relationship between the Board and management, as well as the overall activities of the Board.
- 7) **ESG issues:** Considering the Board's approach to ESG matters and its impact on the Company's operations and stakeholders.

The assessments for FY2024 confirmed that the Board maintains a balanced composition and operates efficiently, benefiting from a blend of Independent and Non-Independent Directors. The Board, the Board Committees, and individual Directors demonstrated effective discharge of their respective functions and responsibilities.

The BNRC is satisfied with the results of the assessment whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the MMLR and is of the view that all Independent Directors are independent of management and free of any interest, position, association or other relationship that might materially influence the Independent Director's capacity to bring an independent judgement and to act in the best interest of the Group and its stakeholders.

Re-election

The BNRC is also responsible for recommending Directors for re-election at the Annual General Meeting ("AGM"). In accordance with the Constitution of the Company, all newly appointed Directors are subject to re-election by the shareholders at the first AGM following their appointments. Additionally, at least one-third (1/3) of the Directors for the time being, or if their number

is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall be subject to retirement by rotation at least once every three (3) years, and shall be eligible for re-election. The retiring Directors would be those who have been longest in office since their last election. This provides shareholders the opportunity to evaluate the performance of the Directors and promote effective Board members.

Directors subject to retirement by rotation pursuant to the Constitution are initially considered by the BNRC, taking into consideration their required mix of skills, competencies, experience and other qualities required before they are recommended for re-election by shareholders.

Board Remuneration Policies and Procedures

Non-Executive Directors

The Directors' remuneration is set at a competitive level to attract and retain high-calibre individuals with the skills and experience necessary for effective management and operations. Non-Executive Directors with extra responsibilities, such as chairing Board Committees or serving as Board Committee members receive additional fees. This approach ensures that Directors' remuneration aligns with their contributions to the Group's success.

The remuneration of the Non-Executive Directors, which is subject to the approval of the shareholders at the AGMs, is recommended by BNRC to the Board as a whole to ensure that it is aligned to the market and to the Directors' duties and responsibilities.

Executive Director

The Board, acting through the BNRC, conducts an annual performance review of the Executive Director. This review serves as the basis for determining the Executive Director's annual remuneration, bonus, and other benefits. The BNRC assesses the Executive Director's performance against pre-approved objectives and KPIs set by the Board. This approach ensures that the Executive Director's remuneration is directly linked to his performance.

The basic salary of the Executive Director remains fixed for the duration of his contract. Any proposed revision to the basic salary is reviewed and recommended by the BNRC for approval by the Board. This review considers factors such as individual performance, inflation price index, and information from independent sources on salary rates for similar positions in other comparable companies within the industry. The Executive Director is not entitled to Directors' fees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the Directors' remuneration (both Executive and Non-Executive) for FY2024 are as follows:

Group	Company							Subsidiary	
	Salaries RM'000	Other Emoluments RM'000	Fees RM'000	Bonus RM'000	Defined contribution plan RM'000	Benefits- in-kind RM'000	Meeting Allowance RM'000	Fees RM'000	Total RM'000
Executive Director									
Datuk Mohd Anuar Taib	1,948	0	0	288	269	26	0	0	2,531
Non-Executive Directors									
Dato' Mohammad Azlan Abdullah	0	40	291	0	0	5	30	0	366
Dato' Shahrman Shamsuddin	0	0	145	0	0	0	28	0	173
Datuk Ramlan Abdul Rashid	0	0	170	0	0	0	42	0	212
Lim Tiang Siew	0	24	238	0	0	0	58	0	320
Dato' Azmi Mohd Ali	0	0	233	0	0	0	56	0	289
Lim Fu Yen ¹	0	128	175	0	0	0	48	0	351
Rohaizad Darus ²	0	0	204	0	0	0	58	0	262
Datuk Nur Iskandar A Samad ³	0	0	140	0	0	0	26	0	166
Wan Mashitah Wan Abdullah Sani ⁴	0	0	129	0	0	0	26	0	155
Shahin Farouque Jammal Ahmad ⁵	0	0	26	0	0	0	0	0	26
Datuk Muhamad Noor Hamid ⁶	0	0	125	0	0	0	46	0	171
Cosimo Borrelli ⁷	–	–	–	–	–	–	–	–	–
Total	1,948	192	1,876	288	269	31	418	0	5,022

Notes:

- 1) Redesignated as Non-Independent Non-Executive Director on 11 March 2023 following his appointment as Court Appointed Director. Resigned as member of BRMC on 24 May 2023 and BNRC on 15 December 2023.
- 2) Resigned as Non-Independent Non-Executive Director on 25 March 2024 and following his resignation, ceased as member of BAC and BRMC on 25 March 2024.
- 3) Appointed as Independent Non-Executive Director on 26 May 2023 and Chairman of BRMC and member of BNRC on 26 July 2023.
- 4) Appointed as Independent Non-Executive Director on 26 May 2023 and member of BAC and BRMC on 26 July 2023.
- 5) Appointed as Non-Independent Non-Executive Director on 15 December 2023 and member of BAC and BNRC on 15 December 2023.
- 6) Retired as Independent Non-Executive Director on 26 July 2023 and following his retirement, ceased as Chairman of BRMC and member of BAC and BNRC respectively on 26 July 2023.
- 7) Ceased to be Non-Independent Non-Executive Director (Court Appointed Director) on 10 March 2023.

Due to confidentiality and sensitivity of personal information, the remuneration of the top five (5) Senior Management's remuneration on a named basis is not disclosed herein.

Long-Term Incentive Programme ("LTIP") scheme

No LTIP shares were granted for FY2024 and no amount vested to a Director during the period under review.

PRINCIPLE**B****EFFECTIVE AUDIT AND RISK MANAGEMENT****Effectiveness of Audit Committee**

The Board is assisted by the BAC in reviewing the information on annual audited financial statements and announcements on unaudited quarterly financial results to be disclosed to shareholders. This ensures the accuracy, adequacy, and completeness of the information thereof as well as compliance with the applicable financial reporting standards. The BAC also supports the Board in its responsibility to oversee the effectiveness of the internal control systems of the Group.

The Board takes responsibility for presenting balanced and meaningful assessments of the financial performance and prospects of the Group. The financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved Financial Reporting Standards in Malaysia which give a true and fair view of the affairs of the Company and the Group.

The Board through the BNRC, evaluated the performance and terms of office of BAC and each of its members annually to ensure it functions effectively. The Board is satisfied that the BAC and members have effectively and efficiently discharged their duties.

Group Internal Audit

The internal audit function is carried out by the in-house Group Internal Audit ("GIA") and is independent of the activities it audits. It functionally reports to the BAC, and the GIA has the principal responsibility for undertaking a regular and systematic review of the systems and internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

The internal audit function of the Company is premised on the requirements of an independent and objective function. The GIA's direct reporting line to the BAC enables it to be independent of Management so as to exercise objectivity.

The Group Chief Internal Auditor meets with the BAC at least once a year for a private session without the presence of the Management team and the GCEO.

Both GIA and the external auditors provide integral support to the BAC by acting as a sounding board.

External Auditors

The external auditors, Ernst & Young PLT, report to the BAC their findings each year. In doing so, the Group has established a transparent arrangement to meet the professional requirements by the auditors. The BAC also reviews the results of the annual audit, the audit report and management letters, including Management's responses thereon with the auditors. During the financial year under review, four (4) private sessions were held between the auditors and the BAC, in the absence of the Management team and the GCEO.

In safeguarding and supporting the external auditors' independence and objectivity, the BAC had formalised the External Auditors Independence Policy for non-audit services.

The performance, suitability and independence of external auditors are annually reviewed and monitored by the BAC. The BAC has a set of criteria in assessing the suitability and independence of the external auditors. A written assurance from the external auditors is also sought in confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on pages 126 to 129 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE

C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication, Interaction and Relationship with Stakeholders

The Board recognises the importance of an effective communication channel between the Board, stakeholders, institutional investors and the investing public at large, both locally and internationally, with the objective of providing as much as possible a clear and complete picture of the Group's performance and position. The Company's Annual Report remains the primary channel of communication with the stakeholders.

In this respect, the Group is fully committed to maintain a high standard for the dissemination of relevant and material information relating to developments within the Group.

Evaluation of the timeliness, accuracy and quality of the information to be disclosed is guided by the Corporate Disclosure Guide issued by Bursa Securities and the Company's Corporate Disclosure Policy.

Analyst and Media Updates on Quarterly Results

The Company provides analysts and the media with press releases and information packs regarding its quarterly results. These updates provide a platform for analysts and media to receive a balanced and complete view of the Group's performance and the issues faced. The Company will also directly engage with analysts and members of the media who indicate that they require further information.

Investor Meetings

The Investor Relations team of the Company meets with analysts, investors and potential investors throughout the year to provide constant communication with the investment community. Reasonable access to the Senior Management ensures analysts and investors are able to engage with key executives within the Group. Dissemination of information during the briefings is confined to permissible disclosure within the MMLR that will further enhance the understanding of the Group's operations and activities.

Corporate Website

The corporate website of Sapura Energy at www.sapuraenergy.com provides quick access to information on the Group. Information on the website includes amongst others, the Group's corporate profile, Directors' profiles, announcements to Bursa Securities, press releases, share information, financial results, TOR of Board Committees and corporate news. The Company's website is regularly updated to provide current and comprehensive information about the Group.

Annual Report

The Company's Annual Report provides comprehensive coverage of the Group's operations and financial performance. An online version of the Annual Report is available on the Company's website.

Media Coverage

Media coverage of the Group and its business activities is initiated proactively at regular intervals to provide wider publicity and to improve the general understanding of the Group's business among investors and the public.

Conduct of General Meetings

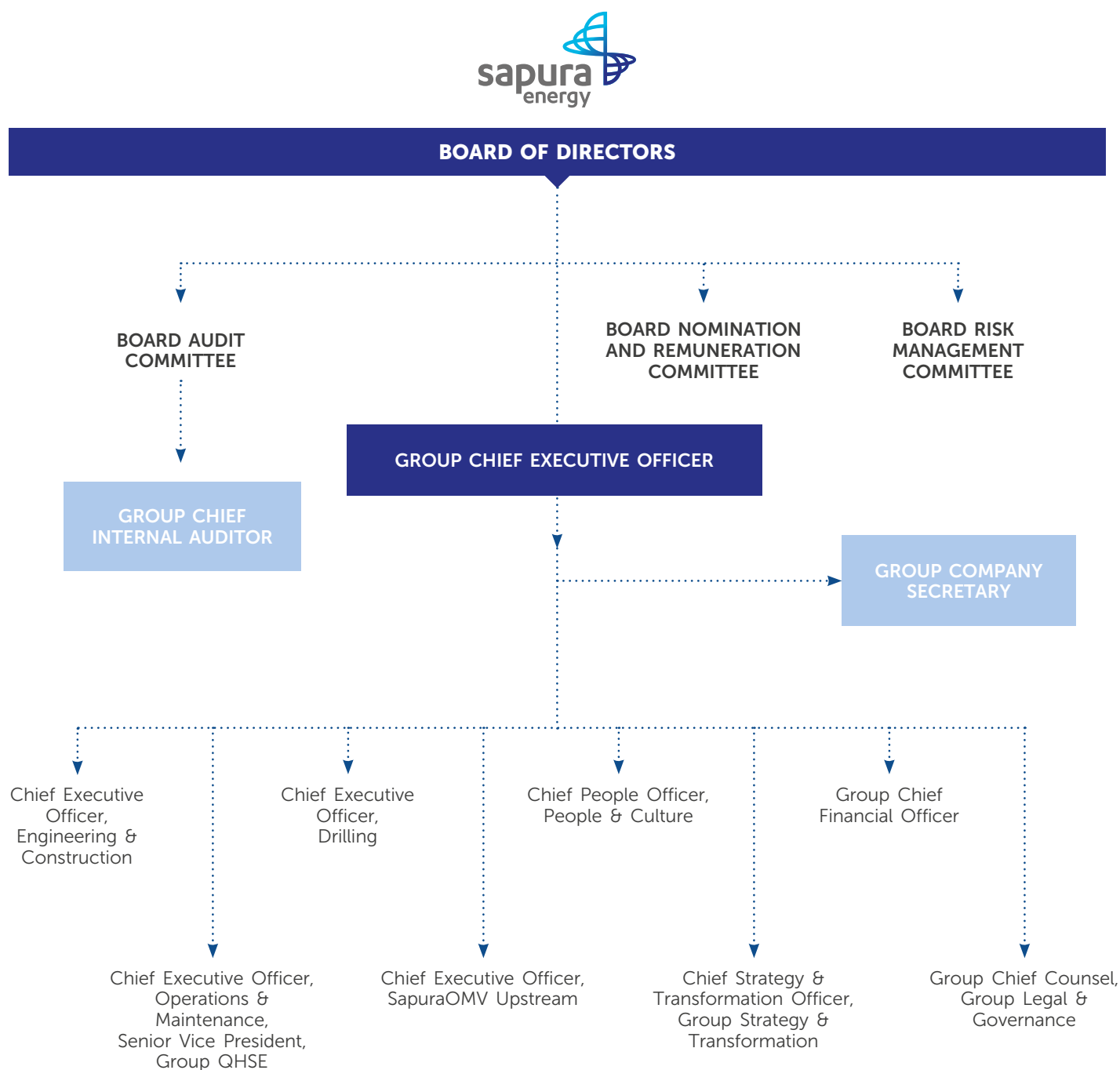
General meetings are the principal platform gathering of shareholders and the Board of Directors of a company. During general meetings, the questions-and-answers session is open to all shareholders who participate. The Board, Senior Management of the Group, as well as the Group's external auditors are present to respond to issues raised during general meetings.

The Company has leveraged on technology to facilitate remote shareholders' participation and remote voting at the general meetings via remote participation and electronic voting facilities. Notice of general meeting is issued to all shareholders before the meeting to provide sufficient time for shareholders to consider the resolutions that will be discussed and decided at the general meeting.

A comprehensive Administrative Notes accompanying the AGM Notice is also issued to ensure shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings. All the resolutions set out in the Notice of the AGM were put to vote by way of poll voting. The poll results were confirmed and verified by an independent scrutineer appointed by the Company. Minutes of AGM are published on the Company's website within thirty (30) days after the meeting.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors duly passed on 30 May 2024.

GROUP ORGANISATION STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

- ➔ **Dato' Mohammad Azlan Abdullah**
Chairman
Non-Independent Non-Executive Director
- ➔ **Datuk Mohd Anuar Taib**
Group Chief Executive Officer
Non-Independent Executive Director
- ➔ **Dato' Shahrman Shamsuddin**
Non-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**
Non-Independent Non-Executive Director
- ➔ **Datuk Nur Iskandar A Samad**
Independent Non-Executive Director
- ➔ **Wan Mashitah Wan Abdullah Sani**
Independent Non-Executive Director
- ➔ **Shahin Farouque Jammal Ahmad**
Non-Independent Non-Executive Director

BOARD AUDIT COMMITTEE

- Lim Tiang Siew**
Chairman
Senior Independent Non-Executive Director
- Dato' Azmi Mohd Ali**
Member
Independent Non-Executive Director
- Wan Mashitah Wan Abdullah Sani**
Member
Independent Non-Executive Director
- Shahin Farouque Jammal Ahmad**
Member
Non-Independent Non-Executive Director

BOARD NOMINATION AND REMUNERATION COMMITTEE

- Dato' Azmi Mohd Ali**
Chairman
Independent Non-Executive Director
- Datuk Ramlan Abdul Rashid**
Member
Independent Non-Executive Director
- Datuk Nur Iskandar A Samad**
Member
Independent Non-Executive Director
- Shahin Farouque Jammal Ahmad**
Member
Non-Independent Non-Executive Director

BOARD RISK MANAGEMENT COMMITTEE

- Datuk Nur Iskandar A Samad**
Chairman
Independent Non-Executive Director
- Lim Tiang Siew**
Member
Senior Independent Non-Executive Director
- Wan Mashitah Wan Abdullah Sani**
Member
Independent Non-Executive Director

COMPANY SECRETARIES

- Tai Yit Chan**
(SSM Practising Certificate No. 202008001023)
(MAICSA 7009143)
- Choong Siew Mun**
(SSM Practising Certificate No. 202008001881)
(MAICSA 7068632)

AUDITORS

- Ernst & Young PLT**
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Tel: +603-7495 8000
Fax: +603-2095 9076/78

SHARE REGISTRAR

- Boardroom Share Registrars Sdn Bhd**
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603-7890 4700
Fax: +603-7890 4670
Website: www.boardroomlimited.com

REGISTERED OFFICE

- Sapura@Mines**
No. 7, Jalan Tasik
The Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel: +603-8659 8800
Fax: +603-8659 8873

STOCK EXCHANGE LISTING

- Main Market of Bursa Malaysia Securities Berhad**
Stock Name: SAPNRG
Stock Code: 5218
Listing Date: 17 May 2012

PRINCIPAL BANKERS

- AmBank (M) Berhad/
AmBank Islamic Berhad
- CIMB Bank Berhad/
CIMB Islamic Bank Berhad
- Export-Import Bank of Malaysia Berhad
- ING Bank N.V.
- Maybank Islamic Berhad
- RHB Islamic Bank Berhad
- Standard Chartered Bank
- Sumitomo Mitsui Banking Corporation
- United Overseas Bank Limited

COMPANY WEBSITE

- www.sapuraenergy.com

PROFILE OF BOARD OF DIRECTORS

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Presently the Deputy President for CPA Australia Malaysia Division (2021 – Current).
- Presently the Trustee of Yayasan Bina Makmur (2021 – Current).
- Presently the Industry Advisory Panel for Universiti Tenaga Nasional (UNITEN) (2020 – Current).
- Presently the Group Chief Executive Officer of Projek Lintasan Kota Holdings Sdn Bhd (PROLINTAS) Group of Companies (2017 – Current).
- Board of Director of Universiti Teknikal Malaysia Melaka (UTeM) (2020 – 2023).
- Chairman of UTeM Holdings Sdn Bhd (2020 – 2022).
- Chief Executive Officer ("CEO") of The New Straits Times Press (Malaysia) Berhad ("NSTP") (2012 – 2017).
- Chief Operating Officer of NSTP (2011).
- General Manager and CEO of Big Tree Outdoor Sdn. Bhd., the Malaysia's leading outdoor advertising company (2001 – 2011).
- Senior Manager, President's Office of Renong Group (Property Division) (1999 – 2001).
- Involved in the pre and post construction of the development of the North-South Expressway privatisation project under Projek Lebuhraya Utara Selatan Bhd (PLUS) (1992 – 1999).
- Started his career with Coopers and Lybrand, a public accounting firm (1991 – 1992).
- Attended the Linkage Global Institute for Leadership Development Singapore (2018).
- Attended the Asean Senior Management Development Program by Harvard Business School Alumni Club Malaysia (2009).

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Bachelor of Business Degree, Accountancy, University of Tasmania, Australia.
- Fellow of the Certified Practising Accountant (CPA) Australia.
- Chartered Accountant, Malaysia Institute of Accountants (MIA).
- Fellow of the Institute of Corporate Directors Malaysia (ICDM).

DECLARATIONS:

- Dato' Mohammad Azlan has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Nominee Director of Permodalan Nasional Berhad.
- Dato' Mohammad Azlan has no conflict of interest with Sapura Energy Berhad.
- Dato' Mohammad Azlan has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

12/12



DATO' MOHAMMAD AZLAN ABDULLAH

Chairman, Non-Independent Non-Executive Director



DATE OF APPOINTMENT

1 October 2019

(Non-Independent Non-Executive Director)

7 May 2022

(Chairman of the Board of Directors)

BOARD COMMITTEE MEMBERSHIPS:

- Nil

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Nil

PROFILE OF BOARD OF DIRECTORS

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Executive Vice President Upstream PETRONAS (2016 – 2019).
- Non-Executive Chairman of PETRONAS Gas Berhad (2016 – 2019).
- Chief Executive Officer of PETRONAS Carigali Sdn Bhd (2012 – 2016).
- Vice President of Development and Production of PETRONAS (2012 – 2016).
- Non-Executive Chairman of Shell Refining Company (FOM) Berhad (2010 – 2012).
- Held various key positions at Shell with accountabilities in technical, finance, supply chain and procurement, commercial and leadership roles in exploration and production, LNG and gas-to-liquid, refining and retail business, in Malaysia, the US and the Asia-Pacific region (1990 – 2010).

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Master of Business Administration, International Management, RMIT University, Melbourne, Australia.
- Bachelor of Science, Mechanical Engineering, Case Western Reserve University, Cleveland, Ohio, United State of America.

DECLARATIONS:

- Datuk Mohd Anuar has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Datuk Mohd Anuar has no conflict of interest with Sapura Energy Berhad.
- Datuk Mohd Anuar has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

11/12



DATUK MOHD ANUAR TAIB

Non-Independent Executive Director



56



DATE OF APPOINTMENT

27 August 2020 – 1 October 2020

(Independent Non-Executive Director)

1 October 2020 – 22 March 2021

(Chief Operating Officer and CEO Designate)

23 March 2021

(Group Chief Executive Officer)

1 May 2021

(Executive Director)

BOARD COMMITTEE MEMBERSHIPS:

- Nil

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Sunway Berhad (Non-Executive Independent Director)

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Director of Sapura Technology Sdn. Bhd. and Sapura Holdings Sdn. Bhd.
- Director of SapuraCrest Petroleum prior to the merger between SapuraCrest Petroleum Group and Kencana Petroleum Group (2008 – 2012).
- Started his career with Sapura Group since 1991 and has held several key senior positions within the Group. He manages a diversified portfolio which includes aviation and property investment.

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Master of Science in Engineering Business Management from Warwick University, United Kingdom.
- Bachelor of Science in Industrial Technology from Purdue University, United States of America.

DECLARATIONS:

- Dato' Shahrman is the brother of Tan Sri Dato' Seri Shahril Shamsuddin and they are also the major shareholders of Sapura Energy Berhad.
- Dato' Shahrman has no conflict of interest with Sapura Energy Berhad.
- Dato' Shahrman has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

12/12**DATO' SHAHRIMAN SHAMSUDDIN***Non-Independent Non-Executive Director***DATE OF APPOINTMENT**

9 December 2011

BOARD COMMITTEE MEMBERSHIPS:

- Nil

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Managing Director, Sapura Resources Berhad

PROFILE OF BOARD OF DIRECTORS

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Director of NCB Holdings Berhad (2015 – 2016).
- Group Chief Operating Officer of MNRB Holdings Berhad ("MNRB") (2011 – 2014).
- Deputy Chief Executive Officer/Executive Vice President of MNRB Retakaful (2010 – 2011).
- Director of the Malaysian Insurance Institute and Malaysian Life Reinsurance Group Berhad (2006 – 2007).
- Chief Executive Officer/Executive Director of Malaysian Assurance Alliance Berhad ("MAA") (now known as Zurich Insurance Malaysia) (2002 – 2007).
- Held various key positions in MAA (1985 – 2002).

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Master of Arts in Actuarial Science, Ball State University, Indiana, United States of America.
- Bachelor of Science (Honours) in Mathematics, Universiti Sains Malaysia.
- Qualified Risk Director Program, Institute of Enterprise Risk Practitioners (IERP).
- Global Leadership Development Program, International Centre for Leadership in Finance (IClif).

DECLARATIONS:

- Datuk Ramlan has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Datuk Ramlan has no conflict of interest with Sapura Energy Berhad.
- Datuk Ramlan has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

12/12

DATUK RAMLAN ABDUL RASHID

Independent Non-Executive Director



65



DATE OF APPOINTMENT

23 September 2016

BOARD COMMITTEE MEMBERSHIPS:

- Member, Board Nomination and Remuneration Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Nil

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Retired as the Group Chief Internal Auditor of CIMB Group, after serving 27 years in CIMB (1991 – 2018).
- Member of CIMB's top management team, and a member of all its major risk committees (2006 – 2018).
- Chairman of the Audit Committee and member of Compliance & Risk Management Committee of MSIG Insurance (Malaysia) Berhad (2019 – present).
- Chairman of Risk Committee and member of Audit Committee and Nominations & Remuneration Committee of HSBC Amanah Malaysia Berhad (2023 – present).
- An examiner for the Malaysian Institute of Certified Public Accountants professional examinations in respect of a particular subject before being appointed as a reviewer for the same subject (1990 – present).
- Has more than 40 years of experience covering internal and external auditing, accounting, corporate finance and advisory, corporate governance and compliance.

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Member, Malaysian Institute of Certified Public Accountants.
- Chartered Accountant, Malaysian Institute of Accountants.

DECLARATIONS:

- Lim Tiang Siew has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Lim Tiang Siew has no conflict of interest with Sapura Energy Berhad.
- Lim Tiang Siew has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

12/12**LIM TIANG SIEW***Senior Independent Non-Executive Director***DATE OF APPOINTMENT****3 June 2020**

(Independent Non-Executive Director)

31 May 2022

(Senior Independent Non-Executive Director)

BOARD COMMITTEE MEMBERSHIPS:

- Chairman, Board Audit Committee
- Member, Board Risk Management Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- MSIG Insurance (Malaysia) Berhad
- HSBC Amanah Malaysia Berhad

PROFILE OF BOARD OF DIRECTORS

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Dato' Azmi is the Senior Partner of Azmi & Associates, a full service corporate and commercial law firm of around 95 lawyers, based in Kuala Lumpur, Malaysia. The firm, Azmi & Associates under his leadership is recognised as one of the largest law firms (by size) in Malaysia.
- He is an experienced and is one of the leading corporate lawyers in Malaysia with expertise in the areas of mergers and acquisitions, joint ventures, cross-border transactions, project finance, privatisation, energy, oil and gas and foreign investments.
- Prior to his endeavour in private practice, Dato' Azmi had spent 6 1/2 years as an in-house counsel of PETRONAS. He was involved in projects of national importance for Malaysia and negotiated and concluded the NGPSA, a major gas development project for Malaysia, in 1990. His accomplishments as a corporate lawyer are well noted and have earned him numerous awards, accolades and recognitions from reputed international legal publications. He won the prestigious Legal 500 Hall of Fame for M&A/Corporate for four consecutive years, 2020-2024, Distinguished M&A Practitioner for AsiaLaw 2020, International Law Office 2016 Clients Choice Award for Malaysia in Mergers & Acquisitions, and other international publications.
- Currently, he serves as a Director of Terralex, a Florida-based world-wide network of 155 law firms with 20,000 lawyers within its member firms spanning across 100 jurisdictions world-wide.

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Master of Laws (LLM) in the United States of America & Global Business Law, University of Suffolk, Boston Massachusetts, United States of America.
- Bachelor of Law LLB (Hons), Universiti Malaya.

DECLARATIONS:

- Dato' Azmi Mohd Ali has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Dato' Azmi has no other conflict of interest with Sapura Energy Berhad.
- Dato' Azmi Mohd Ali has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

12/12



DATO' AZMI MOHD ALI

Independent Non-Executive Director



64



DATE OF APPOINTMENT

1 October 2020

BOARD COMMITTEE MEMBERSHIPS:

- Chairman, Board Nomination and Remuneration Committee
- Member, Board Audit Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Director, S P Setia Berhad
- Director, Worldwide Holdings Berhad
- Director, Pelaburan Hartanah Berhad

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Lim Fu Yen was attached to Ekuiti Nasional Berhad ("Ekuinas") from April 2014 to July 2020. His extensive experience in private equity covered investment, business management, financial restructuring, and operational turnaround. His last position was Senior Director of Investment at Ekuinas.
- He was the Chief Subsidiary Management Officer ("CSMO") of Tenaga Nasional Berhad ("TNB") from August 2020 to August 2021. As CSMO, he oversaw the management and improvement of 12 TNB subsidiaries across 4 sectors; including Manufacturing, Engineering Services, Power, and Telco.
- Lim Fu Yen is currently the Independent Non-Executive Chairman of Malaysian Transformer Manufacturing (a wholly-owned TNB subsidiary) and the Independent Non-Executive Director of Malay-Sino Chemical Industries (majority-owned Batu Kawan Berhad subsidiary).

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Certified Fraud Examiner, Association of Certified Fraud Examiners.
- Master of Business Administration from Stanford University's Graduate School of Business in California, United States of America.
- Bachelor of Arts (Honours) in Engineering Science and Honours Economics from Dartmouth College in New Hampshire, United States of America.

DECLARATIONS:

- Lim Fu Yen has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Lim Fu Yen has no conflict of interest with Sapura Energy Berhad.
- Lim Fu Yen has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

12/12**LIM FU YEN***Non-Independent Non-Executive Director*

44

**DATE OF APPOINTMENT****1 June 2022**

(Independent Non-Executive Director)

11 March 2023

(Non-Independent Non-Executive Director)

BOARD COMMITTEE MEMBERSHIPS:

- Nil

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Nil

PROFILE OF BOARD OF DIRECTORS

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Datuk Nur Iskandar carries with him 41 years of experience in the downstream oil, gas and petrochemical industry; holding many senior leadership positions in PETRONAS (Petroliam Nasional Berhad), Malaysia's national oil company and Malaysia's only Fortune 500 organisation. His main skill sets are project management and business operation of manufacturing facilities.
- Datuk Nur Iskandar started his career in 1980 with PETRONAS as a Trainee Engineer and grew to become a Process Engineer. In 1987, he moved to Malaysia LNG Sdn Bhd as Head of Terminal (Operations) until 1989. In 1989, he joined Polypropylene Malaysia Sdn Bhd until 1997. In 1997, he was transferred to MTBE Malaysia Sdn Bhd as Project Director where he served until 2001 before being transferred to PETRONAS Gas Berhad as General Manager of Plant Operations Division. He held several Senior Managerial positions during his tenure with PETRONAS from 2001 to 2012 which included being Chief Executive Officer (CEO) of PETRONAS Fertilizer (Kedah) Sdn Bhd, Senior General Manager of PETRONAS Human Resource Management (Leadership & Capabilities Development), Managing Director/CEO of PETRONAS Penapisan Melaka Sdn Bhd & Malaysia Refining Company.
- Datuk Nur Iskandar was the Project Director (Petrochemical) of Pengerang Integrated Complex (PIC) in Johor, Malaysia for the period from 2012-2021. He was responsible in taking the lead in the execution of six grass root petrochemical project packages at an estimated value of USD2 billion.
- Datuk Nur Iskandar was a member of Industry Advisory Council of Universiti Sains Malaysia and Universiti Teknologi PETRONAS. He was also on the Board Directors of several PETRONAS's subsidiaries previously.
- Datuk Nur Iskandar is currently a member of Board of Trustees of Islamic Relief Malaysia, a humanitarian organisation.

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- BSc (Hons) Chemical Engineering, University of Leeds, United Kingdom.

DECLARATIONS:

- Datuk Nur Iskandar has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Datuk Nur Iskandar has no conflict of interest with Sapura Energy Berhad.
- Datuk Nur Iskandar has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

8/8



DATUK NUR ISKANDAR A SAMAD

Independent Non-Executive Director



66



DATE OF APPOINTMENT

26 May 2023

BOARD COMMITTEE MEMBERSHIPS:

- Chairman, Board Risk Management Committee
- Member, Board Nomination and Remuneration Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Nil

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Wan Mashitah has over 29 years' experience encompassing finance, strategic planning, project costing and supply chain management with the last position as Managing Director and Chief Executive Officer of Malaysia Marine and Heavy Engineering Holdings Berhad ("MHB") with market capitalisation of over RM1 billion.
- Wan Mashitah is an accountant by profession. She started her career in 1992 as Audit Assistant with Grant Thornton Malaysia and rose to the rank of Audit Principal. She left for MISC Berhad in 2002 and had served various capacities as the General Manager, Finance before being seconded to Malaysia Marine and Heavy Engineering Sdn Bhd and was subsequently appointed as Chief Financial Officer of MHB on 30 June 2010.
- Wan Mashitah took up the position as Acting Chief Executive Officer of MHB in May 2016 and assumed the position of Managing Director & Chief Executive Officer in 2017 and served until 2020.
- Wan Mashitah was the Chief Executive Officer of E&P Operations and Maintenance Services Sdn Bhd (EPOMS) from 31 March 2022 to 30 September 2022. During this 6-month position, she helped to transit the company from a wholly-owned subsidiary of PETRONAS to a privately owned company.

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Fellow of the Chartered Association of Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

DECLARATIONS:

- Wan Mashitah has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Wan Mashitah has no conflict of interest with Sapura Energy Berhad.
- Wan Mashitah has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has she been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

8/8

**WAN MASHITAH WAN ABDULLAH SANI***Independent Non-Executive Director*

57

**DATE OF APPOINTMENT**

26 May 2023

BOARD COMMITTEE MEMBERSHIPS:

- Member, Board Audit Committee
- Member, Board Risk Management Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Nil

PROFILE OF BOARD OF DIRECTORS

EXPERIENCE/ACHIEVEMENT AND OCCUPATION:

- Shahin Farouque Jammal Ahmad is currently the Group Head, Strategic Investments of Permodalan Nasional Berhad ("PNB"). He has over 20 years of investment banking experience.
- Previously, Shahin Farouque was an Executive Director in the Investment Division of Khazanah Nasional Berhad ("Khazanah"). He sat on the boards of various creative and media companies within the Khazanah portfolio companies. Prior to joining Khazanah in 2016, he worked with various commercial and investment banks in both domestic and regional roles.

ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Bachelor of Science in Economics (Accounting & Finance), London School of Economics and Political Science, University of London.

DECLARATIONS:

- Shahin Farouque has no family relationship with any Director and/or major shareholder of Sapura Energy Berhad.
- Shahin Farouque is the representative of PNB.
- Shahin Farouque has neither been convicted of any offence, other than traffic offences (if any), within the past five years nor has he been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 January 2024.

Board Meeting attendance in FY2024

1/1



SHAHIN FAROUQUE JAMMAL AHMAD

Non-Independent Non-Executive Director



51



DATE OF APPOINTMENT

15 December 2023

BOARD COMMITTEE MEMBERSHIPS:

- Member, Board Audit Committee
- Member, Board Nomination and Remuneration Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS:

- Axiata Group Berhad

EXECUTIVE COMMITTEE PROFILES

**DATUK MOHD ANUAR TAIB**

Group Chief Executive Officer

Date of Appointment:

1 October 2020

Directorship in other Public Companies and Listed Issuers:

- Independent Non-Executive Director, Sunway Berhad

Experience/Achievement and Occupation:

Datuk Anuar, the Group Chief Executive Officer of Sapura Energy Berhad since March 2021, joined the Group as a non-executive board member in August 2020, and in October 2020 redesignated as Group Chief Operating Officer.

Datuk Anuar has more than 30 years of experience in the oil and gas industry with Shell, PETRONAS, and Sapura Energy Berhad in various technical, commercial, and leadership positions covering upstream regulatory functions, exploration and production, refinery, gas, and LNG, downstream marketing commercial functions, and integrated service company with national, regional and global coverage.

Academic/Professional Qualifications:

- MBA, International Management, RMIT University, Melbourne, Australia
- BSc, Engineering (Mechanical), Case Western Reserve University, Cleveland, Ohio

EXECUTIVE COMMITTEE PROFILES



ANDY CHEW SENG HENG

Group Chief Financial Officer

Date of Appointment:

1 December 2021

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Andy Chew is currently the Group Chief Financial Officer of Sapura Energy. He was appointed to the role of Group Chief Financial Officer, effective 1 December 2021 after serving as Acting Group Chief Financial Officer since 1 October 2021. Andy Chew first began his journey here in Sapura Energy as VP, Group Controller on 19 April 2021.

Andy is a senior finance professional with 30 years of broad experience in the energy sector working for Royal Dutch Shell ("RDS") Group. He started his career in 1991 with Shell companies in Malaysia and held the Finance Director position before moving to the RDS head-office in 2013 based in The Hague for 7 years as the Head of Reporting. Prior to moving to The Hague, he held both country and regional roles responsible for Malaysia, Singapore, Brunei, Philippines, Thailand, China, India, New Zealand, and Australia.

Academic/Professional Qualifications:

- Bachelor's Degree (Hons.) in Accounting, University of Malaya (1991)
- Chartered Accountant, Malaysian Institute of Accountants (1996)
- Harvard Business School Senior Management Development Program (2000)
- INSEAD Group Business Leadership Program (2002)
- Mandatory Accreditation Programme for Directors of Public Listed Companies (2013)



STEPHANE THIERRY PROSPER DENOUN

Chief Executive Officer, Engineering & Construction

Date of Appointment:

1 March 2024

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Stephane Denoun joined Sapura Energy on 18 September 2023 as Chief Operating Officer, E&C and redesignated as Chief Executive Officer, E&C on 1 March 2024.

Stephane comes with more than 30 years of experience in the oil & gas industry mostly gained with Contractors. Stephane started his career with Bouygues Offshore in 1991, then worked for Stolt Comex Seaway, Technip, MMHE, McDermott and held various positions ranging from cost estimator, to project manager, project director, managing director, VP Subsea Asia and Global VP Commercial Subsea and Floating Facilities prior to joining Sapura. In his career, Stephane lived in France, Australia, Singapore, Angola and Malaysia and has executed projects in Europe, South America, Africa and Asia Pacific.

Academic/Professional Qualifications:

- INSEAD, Executive education management program, Building the Business, (2012)
- ESSEC, Executive education management program, General Management, (2005)
- Master of Science – Mechanical Engineering, INSA, France (1991)
- Bachelor Degree, Mechanical Engineering, IUT Evry, France (1988)



LOUAY LOUIS LAHAM

Chief Executive Officer, Drilling

Date of Appointment:

1 April 2023

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Louay Laham is currently the Chief Executive Officer for Drilling Business. In his early career days as management team member, Louay worked with Singapore based KS Drilling in managing a fleet of onshore and offshore drilling rigs in Asia and North Africa before becoming the General Manager for KS Drilling Indonesia until end of 2012. He joined Sapura Energy in 2013 as the Operations Performance Manager, then went on Head of Newbuilds, Head of Operations Support and Newbuilds, Head of Fleet Support for Sapura Energy and the group before being promoted in 2018 as Vice President, Drilling Operations. He was then re-designated as Chief Operations Officer in April 2021 before appointed as Chief Executive Officer, Drilling Business on 1 April 2023.

Academic/Professional Qualifications:

- BSc Thermal Engineering, Uni. of Technology, France
- MBA Reims NEOMA, France



MOHAMAD NASRI MEHAT

Chief Executive Officer, Operation & Maintenance
Senior Vice President Group QHSE

Date of Appointment:

1 April 2021

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Nasri Mehat is currently the Chief Executive Officer of Operation & Maintenance and the Senior Vice President Group QHSE at Sapura Energy Berhad. He assumed these roles since April 2021 and May 2023, respectively.

Nasri's journey with the company began in 2010 when he joined Kencana Pinewell Sdn Bhd, which is now known as Sapura Pinewell Sdn Bhd. Initially, he served as the General Manager of Topsides Major Maintenance and was later promoted to the position of Senior General Manager in 2014. In 2018, Nasri transitioned to become the Head of the Hook-up & Commissioning Division at Sapura Energy.

Before joining Sapura Energy, Nasri held the position of General Manager of Operations at Nam Fatt Corporation Bhd, where he was responsible for overseeing the company's operations in Sudan. Throughout his 33-year career in the engineering and construction industry, Nasri has primarily focused on the oil and gas sector. He has gained valuable experience working in various regions, including Malaysia, North Africa, and Europe.

Nasri's expertise lies in leadership and managerial positions, with a specialisation in business operations, project management, and contract management. He has successfully managed a diverse range of projects, including infrastructure projects, power plants, pipelines, crude oil pumping and heating stations, onshore plant construction, fabrication works, offshore transportation and installation works, hook-up and commissioning, facilities upgrading and modification, as well as brownfield rejuvenation and topsides major maintenance work.

Academic/Professional Qualifications:

- BSc in Civil Engineering Technology, Southern Illinois University, USA
- Diploma in Contract Law, University of Wolverhampton, UK

EXECUTIVE COMMITTEE PROFILES



MUHAMMAD ZAMRI JUSOH

Chief Executive Officer, SapuraOMV Upstream

Date of Appointment:

16 July 2019

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Muhammad Zamri Jusoh is currently the Chief Executive Officer of SapuraOMV Upstream Sdn. Bhd. (SapuraOMV). He assumed this position in July 2019 and provides overall leadership and direction in the development and implementation of the Company's strategic plans and policies. He is also responsible for directing and controlling various aspects of business operations and their global assets. He is accountable to the Board for the achievement of SapuraOMV's goals and objectives. Under his stewardship, SapuraOMV grew to become one of the largest independents in the region with strong growth portfolios.

Zamri is also a member of SapuraOMV's Executive Management Committee and sits on the Board of various SapuraOMV's subsidiaries. Prior to joining SapuraOMV, Zamri was the Vice President of Malaysia Petroleum Management (MPM), PETRONAS, with oversight of the overall policy and management of the domestic petroleum resources and development of the local oil & gas industry, to ensure energy security for the country. Zamri currently sits on SPE Asia Pacific Regional Advisory Council and OTC Asia 2024 Advisory Committee.

Academic/Professional Qualifications:

- Bachelor of Science, Mechanical Engineering from Polytechnic University, New York



PUSPA HANITA ABD AZIZ

Chief People Officer, People & Culture

Date of Appointment:

17 September 2019

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Puspa Hanita Abd Aziz is currently the Chief People Officer, People & Culture of Sapura Energy Berhad. She joined Sapura Energy in 2019 as the SVP, Group Human Resources.

Puspa started her career with PETRONAS in 1991. She progressed through various managerial and leadership roles in Human Resources ("HR"), Group Corporate Strategy, Business Development, Leadership and Capability Development and finally, was appointed as the HR Director for Prince Court Medical Centre, Kuala Lumpur. Subsequently, in 2010, Puspa set up and led her own independent HR Consultancy firm designing solutions and delivering projects on HR Strategy, Leadership Assessment, Capability Development, Performance, and Rewards Management. Within this context, she has worked with public listed companies, government agencies as well as local and international clients across various industries. Puspa is a Certified Coach and an experienced leadership assessor.

Academic/Professional Qualifications:

- Bachelor of Science in Economics from Salford University, England
- Master of Business Administration from the Strathclyde Graduate Business School, University of Strathclyde, Scotland
- Certified Solution-Focused Coach, Canadian Council of Professional Certification ("CCPC Global")

**PANDAI OTHMAN***Chief Strategy & Transformation Officer***Date of Appointment:**

1 February 2024

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Pandai is the Chief Strategy & Transformation Officer since 1 February 2024. Pandai has been working with PETRONAS for almost 29 years, mostly in project management field, with vast experience in engineering, procurement, construction, commissioning and contract management of LNG, petrochemical, utilities, and infrastructure projects dealing with multinational consultants and contractors at various international locations. Experienced in managing EPCC, EPCIC, EPCM, PMC, Alliance contract at various level of management and leading a team of various multinationals. Throughout the years of experience managing projects, he has served at various international locations other than Malaysia, namely the Netherlands, UK, Japan, US, Egypt, Germany, and Australia.

Pandai was on secondment assignment to Malaysia Marine & Heavy Engineering Berhad (MHB), a public-listed company under the MISC Group, as the Managing Director & Chief Executive Officer prior to join Sapura Energy Berhad.

Academic/Professional Qualifications:

- BEng. Mechanical Engineering, University of Manchester Institute of Science and Technology (UMIST), Manchester, England, 1994

**NORZAIMAH MAAROF***Group Chief Counsel, Group Legal & Governance***Date of Appointment:**

14 November 2022

Directorship in other Public Companies and Listed Issuers:

- Nil

Working Experience:

Norzaimah Maarof is the Group Chief Counsel of Sapura Energy Berhad. She leads the Group's legal and governance functions including compliance, corporate secretarial, managing legal risks and strengthening corporate governance and business policy.

She has over 30 years of extensive corporate commercial experience in diverse industries including renewable energy, healthcare, technology, pharmaceutical, chemical, agri-business and plantation. Norzaimah is well-versed in the areas of corporate and organisational restructuring, transformation and business turnaround, Mergers & Acquisitions, Capital and Debt markets and has strong governance, risk management, compliance, and legal background.

She has had working experiences with home-grown public listed companies, GLCs as well as MNCs. In addition, she has had regional and international responsibilities, with a stint at the corporate headquarters of an MNC in New York and a Regional role covering Asia, Japan, Australia, Latin America, the Middle East, and Africa. Norzaimah was the Group Chief Executive Officer of a major university holding company, where she oversaw, among others, the implementation and operation of two large-scale solar plants.

Academic/Professional Qualifications:

- LLB (Honours) from University of Southampton, Southampton, United Kingdom
- Barrister-at-Law, Inner Temple
- Institute of Corporate Directors Malaysia, Member
- Institute of Enterprise Risk Practitioners (IERP), Member

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

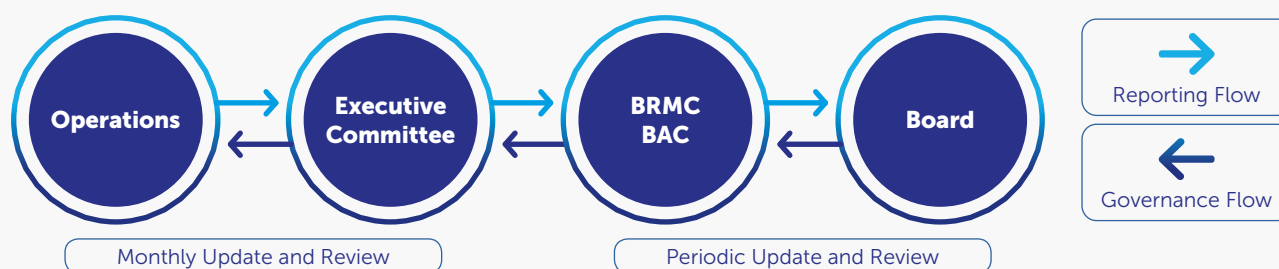
Sapura Energy Berhad ("Sapura Energy") and its subsidiaries (the "Group") place great importance on having a sound and robust system of oversight and management of risks related to its business activities. In support of effective risk governance and risk-informed decision making, the Group has set out a risk appetite for those risks which, to a lesser or greater extent, are within its control to manage and mitigate. The Group's risk appetite with appropriate risk thresholds or Key Risk Indicators ("KRI") specifies the amounts and types of risks the Group is willing to undertake in achieving its strategic business objectives. The Group employs a range of quantitative and qualitative indicators to monitor its risk profile whereby specific thresholds are set in line with its risk appetite.

The Group's Risk Management Framework is based on a governance process that sets forth clear responsibilities for identifying, assessing, controlling, monitoring, and reporting risks. These responsibilities are divided into three lines of defence, namely operations (risk-taking units), risk control units and Group Internal Audit. The framework also sets out how the Group organises and applies its risk management practices ensuring that all activities are conducted in line with principles underpinning the risk management framework and risk governance.

Risk management occurs at all levels within the organisation. Every employee and contractor staff are responsible for effective identification, evaluation, control, and reporting of the risks in their area of activity and managing them in accordance with approved risk guidelines and tolerance levels. The evaluations of those risks are incorporated into the decision-making process.

RISK GOVERNANCE

The risk governance structure facilitates the flow of information and effective oversight on the implementation of risk management practices in the Group.



The disclosures in this statement, however, do not cover joint venture and associate companies which the Group does not have direct operational control. Nevertheless, the Group's board representation in these joint ventures and the associate companies provide the appropriate governance and influence necessary for the safeguarding of the Group's interest in those companies.

BOARD OF DIRECTORS ("THE BOARD")

The Board is accountable for, and committed to, maintaining a sound and effective risk management and internal control system which is important for the Group to achieve its business strategies and objectives. The Board acknowledges that the risk management and internal control systems are designed to manage and minimise risks to as low as reasonably practicable. The Board acknowledges Management's function in implementation of the policies for risks and controls, followed with the design, operation, and monitoring of appropriate measures to mitigate these risks.

BOARD RISK MANAGEMENT COMMITTEE ("BRMC")

The BRMC is the principal Board Committee that oversees risk governance and verifies that the Group's enterprise risk management is implemented effectively, supported by the Chief Risk Officer and Group Risk Management. The key responsibility of the BRMC is to ensure the Management is managing the Group's enterprise risks with integrity and transparency, and with the objective of safeguarding the interest of shareholders and other stakeholders.

The BRMC remains focused on the Group's key enterprise risks. The BRMC reviews risk management initiatives, actions and measures implemented by the Management to ensure that the Group's risks are identified and assessed, and control measures are put in place and functioning as intended in addressing these risks.

BOARD AUDIT COMMITTEE ("BAC")

The key responsibility of the BAC is to ensure the effectiveness of governance and internal controls over financial reporting and risk management to ensure published financial statements and related disclosures are free from material errors or misstatements.

The BAC achieves this objective by:

- ➔ Assessing the internal control environment:
 - determine whether the Management has implemented policies and procedures ensuring that controls in place are adequate and functioning as intended;
 - determine the adequacy and effectiveness of risk management framework and its implementation; and
 - review the adequacy and integrity of the Group's internal control and management information systems.
- ➔ Overseeing financial reporting by reviewing and discussing the quarterly results and year-end financial statements.
- ➔ Discussing significant audit matters with external auditors.
- ➔ Assessing the suitability, objectivity, effectiveness, and independence of the external auditors.
- ➔ Ensuring the internal audit function is effective and able to function independently.
- ➔ Reviewing conflict of interest situations and related party transactions.

MANAGEMENT RESPONSIBILITY

All members of the Sapura Energy's Executive Committee ("ExCo"), inclusive of the Group Chief Executive Officer and Group Chief Financial Officer, are accountable for providing assurance to the respective Board committees, and ultimately the Board, that risk management policies and internal control systems are implemented effectively and monitored adequately.

GROUP RISK MANAGEMENT

Led by the Chief Risk Officer, Group Risk Management develops risk management standards, and procedures; provides guidance on risk related matters, coordinates risk management activities, as well as monitors the Group's enterprise risks. Group Risk Management's principal roles and responsibilities include:

- ➔ Provide risk management training to inculcate risk awareness culture within the Group.
- ➔ Review and update risk management methodologies, specifically those related to identification, assessment, controlling, monitoring, and reporting of risks.
- ➔ Development, review, and monitoring of various risk policies and related decisions by the BRMC on enterprise risks.
- ➔ Development, implementation, and coordination of Business Continuity Management procedures to restore critical business functions in the event of unplanned incidents causing business disruption.

GROUP INTERNAL AUDIT

Reporting functionally to the BAC, the main objective of the Group Internal Audit ("GIA") is to provide an independent assurance over the internal control framework of the Group to ensure it is functioning as intended. GIA discharges its responsibilities with a risk-based and disciplined approach to review and evaluate the effectiveness of governance, risk management and internal control processes.

During the financial year, audits were performed on the Group's business operations, projects, and corporate support functions. The scope, timing and frequency of such audits were based on the Annual Internal Audit Plan approved by the BAC.

On a periodic basis, internal audit reports and Management's agreed action plans were tabled to the BAC for review. Audit findings and action plans were deliberated to ensure appropriate improvements of the internal control framework were implemented by the Management accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

All the GIA processes and activities are guided by the approved Internal Audit Charter and Group Internal Audit Manual which are aligned with the International Professional Practices Framework issued by the Institute of Internal Auditors.

Further activities of the GIA are outlined in the Report of the BAC on pages 134 and 135 of this Annual Report.

BOARD STATEMENT

The Group is committed to maintain and continuously improve enterprise-wide risk management systems and processes to ensure its strategic goals and corporate governance responsibilities are met. The Group is exposed to a variety of risks that may impact its businesses, future performance, financial and legal positions, liquidity, asset values, growth potential, sustainable development, and reputation.

Risk management is one of the core responsibilities of the Sapura Energy Board and is central to its decision-making process. The Board acknowledges its responsibilities in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness within the Group.

An effective risk management and internal control system is essential to the governance, operations, and processes of the Group. This helps the Group anticipate risk exposures and introduce controls to mitigate threats and maximise opportunities. This is achieved by ensuring that the risk management framework and related internal control systems are in place to address and manage the Group's key risks so that appropriate risk appetites are established with acceptable risk thresholds in order to deliver on the Group's business objectives.

BOARD RESPONSIBILITY

The Board acknowledges its responsibilities in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness within the Group. The Board is assisted by the BRMC and the BAC, which have been delegated with oversight responsibilities over the Group's risk management and internal control system. The Board remains responsible for the governance of risk management and internal control, and all the actions of the Board committees with regards to the execution of the delegated oversight responsibilities. The risk management and internal control system is designed to manage risk exposures within the appropriate risk appetites to achieve the Group's business objectives.

Commentary Section on the adequacy and effectiveness of the risk management and internal control system

This year has remained challenging for the Group including escalating project and financing costs, as well as the lack of bank guarantees and working capital, which in turn affected order book replenishment.

The Group as a going concern is under threat from the circumstances mentioned above. In responding to the business risks, the Board and the Management have undertaken and continue to undertake the necessary steps to regularise the operations and the financial conditions of the Group. These steps include:

- 1 Established a Board Restructuring Taskforce since 28 September 2021 to steer and provide oversight on the regularisation plan;
- 2 Appointed principal advisor and other financial and legal advisors to assist in our debt restructuring exercise, which is under the purview of the Corporate Debt Restructuring Committee;
- 3 Applied for and was granted to Sapura Energy and 22 of its wholly owned subsidiaries Convening and Restraining Orders under Sections 366 and 368 of the Companies Act 2016 from the High Court of Malaya. The Orders under Section 366 of the Act enable each Applicant to summon meetings with its creditors, to consider and approve a proposed scheme of arrangement and compromise as part of the debt restructuring plan. The applicants were also granted a Restraining Order pursuant to Section 368 of the Act to restrain and stay legal proceedings against them. On 7 March 2024, Sapura Energy and its 22 wholly owned subsidiaries have been granted new Convening and Restraining Orders by the High Court of Malaya for a period of 3 months, commencing 11 March 2024; and
- 4 Restructuring the Group's business through a Reset Plan to divest non-core business and assets, improve bidding and project delivery capabilities and implement a robust financial framework to ensure financial discipline. On 22 April 2024, Sapura Upstream Assets Sdn Bhd entered into a conditional Sale and Purchase Agreement to divest its 50 percent equity interest in SapuraOMV Upstream Sdn Bhd to TotalEnergies Holdings SAS.

Notwithstanding the above-mentioned challenges, the Board and Management are committed to achieving the goal of returning the Group to a sound financial position.

The Board has also taken several significant steps in strengthening our Enterprise Risk Management foundation and its implementation:

- Strengthening the Enterprise Risk Management framework in identifying, evaluating, and managing key risks;
- Conducting risk management workshops across the Group to embed risk management culture; and
- Strengthening business accountabilities to ensure appropriate risk appetites/tolerances are proactively monitored and managed.

STRATEGIC RISK MANAGEMENT PRIORITIES IN FY2025

In line with the Group's strategy in FY2025 to improve the Group's cashflow and earnings, the Group will strengthen operational efficiencies to protect project margins and drive consistent results. In view of the operating context aforementioned, the Group's approach towards risk management continues to strengthen along the following dimensions:

➔ Review of key risk appetite and tolerance levels

Setting appropriate risk appetite is part of the Group's risk management framework as it helps the Group to better understand and manage risks in strategic decisions, reporting, and day-to-day business decisions. The risk appetite and tolerance levels will be reviewed by Group Risk Management to ensure its relevance in line with the Group's strategy in FY2025 and changing macro-environment factors.

➔ Continuous strengthening of risk management practices

As risk management remains a priority to strengthen operational efficiencies of the Group, a key focus area of Group Risk Management is to strengthen its analytical resources for greater granularity of information through an enhanced risk management system. This system will reinforce the Group's ability to monitor and control risks as it is geared to early risk detection and the identification as well as the timely implementation of appropriate countermeasures. In addition, Group Risk Management will undertake a review of Sapura Energy's Group Risk Management Policies to ensure its applicability, comprehensiveness, and relevance.

➔ Increasing operational resilience through Business Continuity Management ("BCM")

BCM, a risk management process that aims to build the Group's capabilities to recover and continuously deliver products and services at acceptable, predefined levels will be enhanced through the implementation of the Group's BCM Programme to minimise the impact of business disruptions.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control ("Statement") and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, nor is the Statement factually inaccurate.

The Statement is made in accordance with a resolution passed by the Board of Directors on 30 May 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

For the Audited Financial Statements

The Companies Act 2016 ("Act") requires the Board of Directors ("Board") to prepare financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, and the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and to lay these before the Company at its Annual General Meeting.

The Board is responsible for ensuring that the audited financial statements provide a true and fair view of the financial position of the Group and the Company as at 31 January 2024 and of their financial performance and cash flows for the financial year ended 31 January 2024.

In preparing the audited financial statements for FY2024 set out on pages 138 to 273 of this Annual Report, the Board has ensured that, the appropriate accounting policies were adopted and consistently applied, reasonable and prudent judgment and estimates were exercised and a going concern basis was adopted as disclosed in Note 2.1 in the audited financial statements.

The Board is responsible for ensuring that the Group and the Company maintain accounting records that disclose the financial position of the Group and the Company with reasonable accuracy which enable them to ensure that the financial statements are in compliance with the Act.

The Board also has the overall responsibility to take such steps that are reasonably available for them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud in addition to other irregularities.

This Statement of Directors' Responsibility is made in accordance with a resolution passed by the Board on 30 May 2024.

REPORT OF BOARD AUDIT COMMITTEE

The Board of Directors of Sapura Energy Berhad ("Sapura Energy") is pleased to present the report of the Board Audit Committee ("BAC") including a summary of the activities of the BAC and the Internal Audit Function for the financial year ended 31 January 2024 ("FY2024").

COMPOSITION

As at 31 January 2024, the BAC comprised five (5) members, of which two (2) are Non-Independent Non-Executive Directors and the other three (3) are Independent Non-Executive Directors. The members of the BAC during FY2024 are as follows:

Members	Designation
Lim Tiang Siew (Chairman)	Senior Independent Non-Executive Director
Datuk Muhamad Noor Hamid (Ceased to be a member with effect from 26 July 2023)	Independent Non-Executive Director
Dato' Azmi Mohd Ali	Independent Non-Executive Director
Rohaizad Darus (Ceased to be a member with effect from 25 March 2024)	Non-Independent Non-Executive Director
Wan Mashitah Wan Abdullah Sani (Appointed as a member with effect from 26 July 2023)	Independent Non-Executive Director
Shahin Farouque Jammal Ahmad (Appointed as a member with effect from 15 December 2023)	Non-Independent Non-Executive Director

The composition of the BAC fulfilled the requirements of Paragraphs 15.09(1)(a) and 15.09(1)(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

The BAC Chairman, Lim Tiang Siew, is a member of the Malaysian Institute of Accountants and a Senior Independent Non-Executive Director. Accordingly, Paragraphs 15.09(c)(i) and 15.10 of the MMLR have been complied with.

TERMS OF REFERENCE OF THE BOARD AUDIT COMMITTEE

In performing its duties and discharging its responsibilities, the BAC is guided by a Terms of Reference ("TOR"). The BAC TOR is available on the website of Sapura Energy at www.sapuraenergy.com.

On 12 March 2024, the Board, through the Board Nomination and Remuneration Committee, reviewed the performance of the BAC and its members for FY2024. The Board is satisfied that the BAC and its members discharged their functions, duties and responsibilities in accordance with the BAC's TOR, and that Sapura Energy complies with the requirements of Paragraph 15.20 of the MMLR.

REPORT OF BOARD AUDIT COMMITTEE

MEETINGS

A total of six (6) meetings were held during FY2024. The details of attendance of each member are as follows:

Members	Attendance	Percentage
Lim Tiang Siew (Chairman)	6/6	100%
Datuk Muhamad Noor Hamid (Ceased to be a member with effect from 26 July 2023)	4/4	100%
Dato' Azmi Mohd Ali	6/6	100%
Rohaizad Darus (Ceased to be a member with effect from 25 March 2024)	6/6	100%
Wan Mashitah Wan Abdullah Sani (Appointed as a member with effect from 26 July 2023)	2/2	100%
Shahin Farouque Jammal Ahmad (Appointed as a member with effect from 15 December 2023)	–	–

The Group Chief Executive Officer and the Group Chief Financial Officer are invited to all BAC meetings to facilitate direct communication and to deliberate the financial results and audit reports submitted by Group Internal Audit of Sapura Energy and its subsidiaries ("Group"). The Group Chief Internal Auditor is invited for deliberation of internal control and governance matters arising from internal audit reports while the attendance of other Management staff is by invitation depending on the matters deliberated by the BAC. This provides a platform for direct interaction between members of the BAC and Management. Discussions at the BAC have generally been robust and detailed, with the members of the BAC focused on improving internal controls, risk management and governance.

The external auditors were engaged to conduct a limited review of quarterly financial results of the Group before these were presented to the BAC for review and recommendation for the Board's approval and adoption.

The Chairman of the BAC presents reports to the Board highlighting key issues discussed in BAC meetings. The Secretary of the BAC records the deliberations by the members at the meetings and the outcome of these discussions. The minutes of each BAC meeting are tabled for confirmation at the subsequent BAC meeting and thereafter be presented to the Board for notation.

ATTENDANCE OF PROFESSIONAL DEVELOPMENT COURSES

All BAC members are aware of the need to continuously develop and increase their knowledge in the areas of accounting and auditing standards, practices and rules, given the changes and developments in these areas from time to time. In line with this and Practice 9.5 under Principle B of Malaysian Code on Corporate Governance ("MCCG 2021"), the BAC members have made continuous efforts in keeping themselves abreast of relevant developments by attending courses and other programmes related to financial reporting standards, practices and rules during the financial year.

The trainings attended by members of the BAC during the financial year are disclosed in the Corporate Governance Overview Statement included in this Annual Report.

SUMMARY OF ACTIVITIES OF THE BOARD AUDIT COMMITTEE

Over the course of FY2024, the BAC undertook the following activities:

Financial Reporting

Reviewed and discussed the unaudited quarterly consolidated financial results and the annual audited consolidated financial statements, as well as the performance of the Group before recommending the same for approval by the Board. In reviewing the financial reporting of the Group, the BAC discussed and made enquiries on, amongst others:

Reporting Matters

- i. Changes in or implementation of significant accounting policies and practices;
- ii. The integrity of the quarterly and annual financial information;
- iii. Compliance with accounting standards and other regulatory and legal requirements;
- iv. Management's assessment of going concern;
- v. Management's response to significant audit findings and recommendations;
- vi. Appointment of Production Sharing Contract auditors; and
- vii. Significant matters highlighted including financial reporting issues, significant judgement made by Management, significant and unusual events or transactions, and how these matters be addressed. Some of the key items discussed are as follows:

Key Areas Deliberated	Resolution
<p>i. Going concern and future viability The Group continues to manage liquidity constraints and adverse key financial ratios due to unfavourable business performance, lack of reserves to sustain operations and carrying an unsustainable level of debts. The Group has triggered two Practice Note 17 criteria under 8.04 (2) of the MMLR. These are threatening the Group as a going concern.</p> <p>Please refer to Page 159, Note 2.1 – Basis of Preparation of the Consolidated Financial Statements for details.</p>	<p>The BAC recognises that the situation is still in a flux with a number of significant factors and events that could impact the Group's going concern. In view of this, the BAC recommends the Group Consolidated Financial Statements are to be prepared on a going concern basis, taking into consideration the factors as disclosed in Note 2.1 of the Audited Consolidated Financial Statements.</p> <p>The BAC has taken note of the audit opinion expressed by the Group's external auditors, Messrs. Ernst & Young, and recognises that the Group has now triggered two Practice Note 17 criteria under 8.04 (2) – Prescribed Criteria of PN17, Paragraph 2.1 (a) & (e) of the MMLR.</p>
<p>ii. Divestment of investment and sale of assets Intended divestment of Upstream investment in Sapura OMV, judicial sale of vessel and its respective derecognition pursuant to MFRS 5.</p>	<p>The BAC considered and reviewed the criteria for assessment, recognition, accounting treatment and disclosure requirement for the reclassification of non-current assets held for sale. The recognition criteria takes into account that the asset is available for immediate sale in its present condition; the sale is highly probable with active programme to locate buyer; the sale is expected to complete within 1 year from date of classification.</p> <p>Assets that meet the criteria will be presented separately on the face of the balance sheet and measured at the lower of carrying amount and fair value less costs to sell.</p>
<p>iii. Provision for onerous contracts Costs to complete several contracts with customers were escalating due to a variety of reasons, including higher project execution cost, liquidated damages, and contract termination.</p>	<p>The BAC reviewed and deliberated on Management judgements and accounting estimates related to a number of contracts with customers, leading to recognition of foreseeable losses and onerous contract provisions under these contracts.</p>
<p>iv. Impairment of tangible and intangible assets The carrying amount of an asset should be tested for impairment when circumstances indicate that there is a possible change in carrying value such as a change in performance or future activity.</p>	<p>The BAC reviewed and deliberated on the business outlook and future cash flows of the business segments according to the approved Business Plan, critically assessing the key assumptions including discount rates applied and seeking the External Auditors views and input. The BAC concurred with the Management's impairment assessment, leading to a recognition of RM25.8 million of impairment charges for the financial year.</p>
<p>v. Material litigation Significant potential or pending litigation could have a material impact on the Group's financial position.</p>	<p>The BAC was briefed on material litigation matters and assessed the potential impact of these matters with inputs from the Group Legal team and external counsel.</p>

REPORT OF BOARD AUDIT COMMITTEE

Internal Audit

- i. Reviewed the Group Internal Audit Plan ("Audit Plan") presented by the Group Chief Internal Auditor to ensure adequate scope and coverage, in particular, on the appropriateness of the risk assessment for purpose of determining areas to be audited;
- ii. Deliberated audit findings including Management's response and remedial actions, root causes and extent of the non-compliances, mitigation action plans and deadlines for closures presented in the internal audit reports;
- iii. Reviewed the implementation status of agreed action plans to ensure all key risks and controls have been adequately addressed; and
- iv. Assessed the resource requirements of internal audit and evaluated the adequacy and effectiveness of the internal audit function.

External Audit

- i. Discussed with the external auditors before the audit commences, their audit plan, nature and scope of the audit;
- ii. Held five (5) private discussions with the external auditors on 23 March 2023, 22 May 2023, 19 June 2023, 25 September 2023 and 07 December 2023 without the presence of Management (including the Group Company Secretary) to discuss any areas of concern;
- iii. Discussed the external auditor's reviews of the quarterly financial results and financial statements of the Group;
- iv. Discussed and deliberated on significant audit and accounting matters identified during review of interim financial statements and annual statutory audit of the Group;
- v. Reviewed the independence, suitability, objectivity and effectiveness of the external auditors and services provided. In this respect, the BAC has received written assurance from the external auditors that in accordance with the requirements of all professional and regulatory requirements, they remained independent throughout the conduct of the audit engagement for FY2024;
- vi. Reviewed and approved the External Auditors Independent Policy to set out guidelines for engaging external auditors in non-audit services within the Group to ensure independence of the external auditors; and
- vii. Considered and recommended to the Board for re-appointment of the external auditors and the fees payable to them in respect of the Board's submission to the shareholders for approval at the Company's Annual General Meeting.

Related Party Transactions

- i. Reviewed and deliberated on related party transactions and recurrent related party transactions policy; and
- ii. Reviewed and deliberated on related party transactions entered or to be entered into by the Group and subsequently made its recommendations for the Board's consideration. In forming its recommendation, the BAC takes into consideration whether the proposed related party transactions are:
 - in the best interests of the Group;
 - fair, reasonable and on normal commercial terms; and
 - not detrimental to the interests of our minority shareholders.

Regularisation Plan

Reviewed the proposed appointment of reporting accountant.

Capital Management

The Group's objectives in managing capital is to safeguard the Group's ability to continue as a going concern. The Group aims to achieve a sustainable capital structure by strengthening the balance sheet through a restructuring of debts and maintaining an acceptable range of gearing levels.

During FY2024, the BAC reviewed the Group's capital structure and discussed options available to achieve a sustainable debt level. This includes reviewing proposed debt restructuring plans and schemes of arrangements with its creditors. This matter is still work-in-progress and being discussed and negotiated with the Group's lenders and other relevant stakeholders as part of the Group's Reset.

Annual Report

Reviewed the Report of the BAC, Statement on Risk Management and Internal Control, Additional Compliance Information, Corporate Governance Overview Statement, Corporate Governance Report, Statement of Directors' Responsibility and the Audited Financial Statements of the Group for inclusion in the Annual Report prior to recommending the same for consideration and approval of the Board.

Complaints Investigation Committee

- i. Reviewed the Complaints Investigation Committee ("CIC") policy;
- ii. Reviewed report by Chairman of the CIC; and
- iii. Noted the minutes of CIC meeting.

Other Matters

Reviewed the Group Governance Plan FY2024 and the following proposed policies:

- i. Corporate Disclosure;
- ii. Personal Data Protection; and
- iii. Signing Protocol.

INTERNAL AUDIT FUNCTION

Internal auditing is an independent and objective assurance activity designed to provide independent assurance over the internal control framework of the Group to ensure it is functioning as intended. Group Internal Audit ("GIA") discharged its responsibilities with a risk-based and disciplined approach to review and evaluate the effectiveness of governance, risk management and internal control processes.

The purpose, authority and responsibility of GIA are formally defined in the Internal Audit Charter, as approved by the BAC, which establishes the framework for the effective and efficient functioning of GIA. The standards and practices adopted by GIA are aligned to the International Professional Practices Framework issued by the Institute of Internal Auditors.

The internal audit function of the Group was carried out in-house and is headed by Mohd Khairil Nizam Alias, a Certified Internal Auditor and Chartered Member of The Institute of Internal Auditors Malaysia. As at 31 January 2024, GIA has a headcount of nine (9) full time internal auditors (FY2023:9) with relevant experience and qualifications such as certified internal auditor, chartered accountant/accountant and engineer (marine, production & operations, QA/QC and mechanical).

Further information on the resources, objectivity and independence of the internal auditors are provided in the Corporate Governance Report in accordance with Practice 11.2 of the MCCG 2021.

During FY2024, the following activities were carried out:

- i. Prepared and presented the Audit Plan which included budget and human capital planning for the review and approval by the BAC;
- ii. GIA adopted a risk-based approach by identifying and assessing significant risk areas in the Group to prepare the Audit Plan for the Group, taking into account the adequacy or need for additional resources;

- iii. Based on the Audit Plan which had been approved by the BAC:

- Performed compliance review on policies and procedures, limits of authority and other statutory and regulatory requirements within the Group; and
- Reviewed the adequacy and effectiveness of policies and procedures, internal controls, risk management and governance activities and provided suitable recommendations to Management for implementation within the Group.

- iv. Prepared audit reports and sought Management's responses including action plan(s) with specific timeline in regard to rectification of deficiencies identified in the existing internal control systems and thereafter, incorporated the pertinent information into the final reports which were then circulated to the BAC;
- v. Presented audit reports during the BAC meetings for deliberation; and
- vi. Followed up on the implementation status of Management's agreed action plans and thereafter report the status to the BAC.

During FY2024, GIA conducted audit reviews on the following areas:

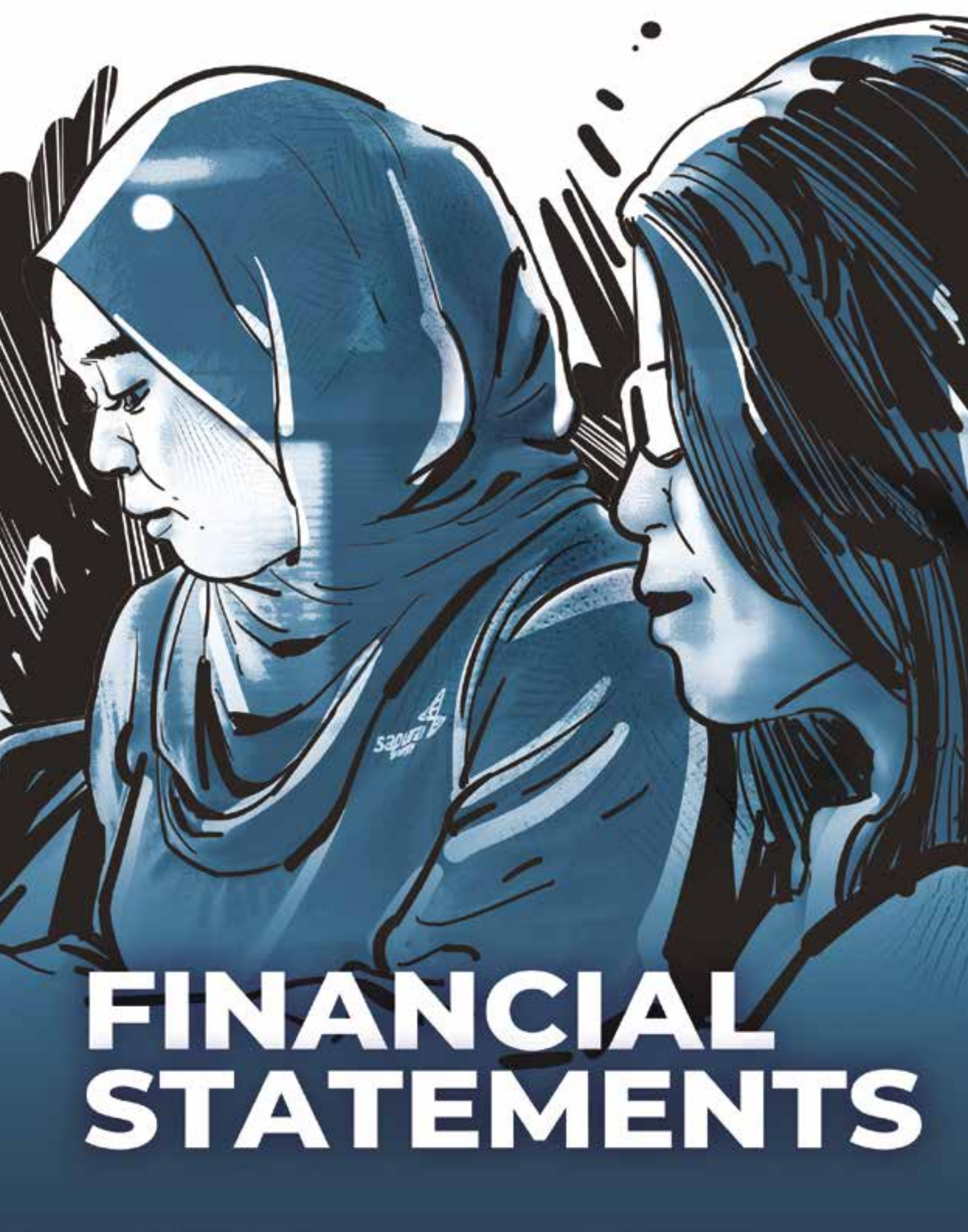
- i. Project management over selected high-risk projects;
- ii. Asset and inventory integrity;
- iii. Drilling base management;
- iv. Joint venture entity; and
- v. Follow-up on implementation status of agreed Management actions plans.

For FY2024, GIA utilised 1,566 man-days (FY2023: 2,117), which was 109% of total man-days available (FY2023: 107%). The total direct cost incurred by GIA in discharging its function and responsibilities during FY2024 was approximately RM1.95 million (FY2023: RM2.11 million). The lower cost incurred for FY2024 compared to FY2023 was principally due to resignation of one (1) headcount and prioritisation of audit activities which resulted in a number of audits being deferred and conducted through desktop review.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are as described in Note 44 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(518,700)	(430,005)
Loss attributable to:		
Owners of the Parent	(508,658)	(430,005)
Non-controlling interests	(10,042)	–
	(518,700)	(430,005)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Shahrman bin Shamsuddin
 Datuk Ramlan bin Abdul Rashid
 Dato' Mohammad Azlan bin Abdullah
 Lim Tiang Siew
 Dato' Azmi bin Mohd Ali
 Datuk Mohd Anuar bin Taib[^]
 Lim Fu Yen[^]
 Datuk Nur Iskandar bin A Samad
 Wan Mashitah binti Wan Abdullah Sani
 Shahin Farouque bin Jammal Ahmad
 Datuk Muhamad Noor bin Hamid
 Rohaizad bin Darus

(Appointed on 15 December 2023)
 (Retired on 26 July 2023)
 (Resigned on 25 March 2024)

[^] Director of the Company and certain subsidiaries.

DIRECTORS (CONT'D.)

The list of the directors of the Company's subsidiary/(ies) since the beginning of the financial year to the date of this report, excluding directors who are also directors of the Company:

Amar Bheenick
Austin Noel Airey
Awang Mohammad bin Haji Brahim
Ben Lim Kok Keong
Benoit Marie, Carayol
Bruna Ferreira Lima
Bundit Kittitanarux
Chew Seng Heng
Chung Chuan Fui
Daniel Richard William Vincent
Dharmesh Naik
Dominique Veyre De Soras
Gerald Stephen Grishaber
Giselle Patricia Rowe
Hazlinda binti Kasim
Ian Frederick John Nash
Kingsley John Wood
Kuang bin Sitim
Louay Louis Laham
Marisol Ovono Nchama
Metis Wong Kuan Lee
Mohd Azwan bin Azizan
Mohamad Nasri bin Mehat
Mohammad Nazmi bin Kamaruddin
Muhammad Khalid bin Ismail
Na'imah binti Mohd Noor
Nelson Anderson Cheong Boon Guan
Paul Standon Colley
Paulette Lopes
Phanindhar Chivukula
Puspa Hanita binti Abd Aziz
Quorum Services Limited
Rita Lydia Hartono
Roseleeni binte Ramlee
Sim Kim Siong
Sirlene Santos Brêtas de Noronha
Sofia binti Zakaria
Suhaimi bin Ismail
Sumithra a/p Krishnan

Appointed since the beginning of the financial year to the date of this report:

Eoin Duncan Christie	(Appointed on 17 April 2023)
Ong Lee Chiun	(Appointed on 24 July 2023)
Fiona Jasmin Kaur a/p Gurchan Singh	(Appointed on 24 July 2023)
Mohd Rahimi bin Yaacob	(Appointed on 29 August 2023)
Alhard Zwart	(Appointed on 31 October 2023)
Michael Thomas Urbanik	(Appointed on 2 August 2023)
Norzaimah binti Maarof	(Appointed on 29 February 2024)
Pandai bin Othman	(Appointed on 29 February 2024)
Rendyno bin Mohamed Ariffin	(Appointed on 29 February 2024)
Azmanira binti Ariff	(Appointed on 7 March 2024)
Bruno Picozzi	(Appointed on 30 April 2024)
Stephane Thierry Prosper Denoun	(Appointed on 30 April 2024)

DIRECTORS' REPORT

DIRECTORS (CONT'D.)

Resigned since the beginning of the financial year to the date of this report:

Richard Faria Ferreira	(Resigned on 31 March 2023)
Ashit Jain	(Resigned on 28 July 2023)
New Cheng Swee	(Resigned on 17 July 2023)
Muhd Nazif bin Muhamad	(Resigned on 24 July 2023)
Raphael Michel Francois Yves Siri	(Resigned on 28 August 2023)
Chiang Wai Ming	(Resigned on 14 September 2023)
Johannes Franciscus Maria Stinenbosch	(Resigned on 1 October 2023)
Richard Rowland Leetham	(Resigned on 31 October 2023)
Dale Hart	(Resigned on 10 January 2024)
Melissa binti Lokman	(Resigned on 29 February 2024)
Izzaty binti Izuddin	(Resigned on 7 March 2024)
Ravisankar Venkata Mamidanna	(Resigned on 2 April 2024)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the Executive Share Option Scheme ("ESOS"), as disclosed in Note 36 to the financial statements.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefits as shown below or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 January 2024 are as follows:

	Group and Company
	2024 RM'000
Salaries and fees	3,824
Defined contribution plan	269
Other emoluments	610
Bonus	288
Benefits-in-kind	31
	5,022

The director's remuneration are further disclosed in Note 10 to the financial statements.

The directors and officers of the Group and of the Company are covered by Directors and Officers Liability Insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of the Group was RM200.0 million. The insurance premium charged during the financial year amounted to RM814,443.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors of the Company in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	As at 1.2.2023 '000	Acquired '000	Sold '000	As at 31.1.2024 '000
The Company				
Indirect interest				
Dato' Shahrman bin Shamsuddin ¹	2,067,198	–	–	2,067,198
Direct interest				
Datuk Mohd Anuar bin Taib	2,200	–	–	2,200
Dato' Shahrman bin Shamsuddin	506	–	–	506

	Number of warrants			
	As at 1.2.2023 '000	Acquired '000	Sold '000	As at 31.1.2024 '000
The Company				
Indirect interest				
Dato' Shahrman bin Shamsuddin ¹	164,061	–	–	164,061

¹ Deemed interested by virtue of being a substantial shareholder of Sapura Holdings Sdn. Bhd. ("Sapura Holdings") pursuant to Section 8 of the Companies Act 2016. Sapura Holdings is a substantial shareholder of Sapura Technology Sdn. Bhd., Sapura Resources Berhad, Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd..

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company's issued and paid-up ordinary share capital has increased from RM10,872,078,000 to RM11,854,791,000 through an automatic conversion of matured 2,396,862,035 Islamic redeemable convertible preference shares ("RCPS-i") at the conversion ratio of one new ordinary share for every one RCPS-i held.

The key features and salient terms of the converted shares are disclosed in Note 26 in the financial statements.

DIRECTORS' REPORT

EXECUTIVE SHARE OPTION SCHEME ("ESOS")

During the Extraordinary General Meeting held on 29 November 2018, shareholders approved the establishment of the ESOS and the By-Laws for the granting of options to eligible executive directors and senior management to subscribe for new ordinary shares of the Company.

The Board Nomination and Remuneration Committee ("BNRC") which governs the ESOS, comprises directors appointed and duly authorised by the Board in accordance with the By-Laws.

The ESOS comprises of Tranche 1 and Tranche 2 granted in the previous financial years, where these options will expire on 12 December 2025 and 10 April 2026 respectively. The salient features and other terms of the ESOS are disclosed in Note 36 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance for expected credit losses had been made for receivables; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for expected credit losses on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year, except for those disclosed in Note 38 to the financial statements.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year; as the plan to address the Group's liquidity constraints, set out in Note 2.1 to the financial statements, is expected to be achievable; which may affect the ability of the Group or the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSEQUENT EVENTS

Other than the matters discussed in Note 2.1, Note 38 (b), Note 46 (d), (e) and (f) as well as Note 47 to the financial statements, there was no other material event subsequent to the financial year ended 31 January 2024.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT:		
– Statutory audits: Group auditors	4,570	533
– Other services: Group auditors	1,181	778
– Corporate exercise: Group auditors	1,626	1,626

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 May 2024.

Dato' Mohammad Azlan bin Abdullah

Datuk Mohd Anuar bin Taib

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Mohammad Azlan bin Abdullah and Datuk Mohd Anuar bin Taib, being two of the directors of Sapura Energy Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 150 to 273 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 May 2024.

Dato' Mohammad Azlan bin Abdullah

Datuk Mohd Anuar bin Taib

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chew Seng Heng, being the officer primarily responsible for the financial management of Sapura Energy Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 150 to 273 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Chew Seng Heng
at Kuala Lumpur in the Federal Territory
on 30 May 2024

Chew Seng Heng
MIA 10344

Before me,

Kapt. (B) Jasni bin Yusoff
No: W465
Lot 1.08, Tingkat 1
Bangunan KWSP, Jalan Raja Laut
50350 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Energy Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sapura Energy Berhad, which comprise the statements of financial position as at 31 January 2024 of the Group and of the Company, statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies as set out on pages 150 to 273.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the financial statements, which indicates that the Group and the Company reported a net loss of RM518.7 million and RM430.0 million respectively for the year ended 31 January 2024, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM14,528.6 million and RM2,173.2 million respectively, and that the Group is facing severe liquidity constraints. The Company and 22 of its subsidiaries ("the Applicants") have obtained Restraining Orders under Section 368 of the Companies Act 2016 in Malaysia ("the Act") which will expire on 11 June 2024 and is in the process of undertaking schemes of arrangement ("SOA") and compromise under Section 366 of the Act.

These events or conditions, along with other matters as set forth in Note 2.1 to the financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is highly dependent on obtaining extensions of the Restraining Orders; favourable outcomes of the legal claims for the terminated Engineering & Construction projects; and the successful and timely implementation of the proposed SOA which requires that the Applicants secure approvals from at least 75% of the scheme creditors in the court convened meetings.

Should the going concern basis for the preparation of the financial statement be no longer appropriate, adjustments would have to be made in the financial statements relating to the amounts and classification of the assets and liabilities. No such adjustments have been made to these financial statements.

Our opinion is not qualified in respect of this matter.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Energy Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters for the audit of the financial statements of the Group to be communicated in our report. We have determined that there are no further key audit matters to communicate in our report on the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

(a) Impairment assessment of goodwill on consolidation and property, plant and equipment ("PPE")

(Refer to Notes 2.32(b)(i), 13 and 14 to the financial statements)

As at 31 January 2024, the carrying values of the Group's goodwill and property, plant and equipment ("PPE") amounted to RM239.1 million and RM5,348.0 million respectively, which collectively represents 40% of the Group's total assets.

In accordance with MFRS 136: *Impairment of Assets*, the Group is required to perform annual impairment test of cash generating units ("CGUs") to which goodwill has been allocated and whenever there is an indication that the PPE may be impaired by comparing the carrying amount with its recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU").

The remaining goodwill relates to the Engineering & Construction ("E&C") segment (goodwill on Drilling segment has been fully impaired in the previous financial year). In relation to PPE (including vessels), management has identified them to be tested for impairment in view of the Group's loss-making position, continued challenges and volatility within the oil and gas industry.

Due to the significance of the carrying values of goodwill and PPE, and the complexity and subjectivity involved in the impairment assessment, we considered this as an area of audit focus.

In addressing the matters above, we have performed amongst others the following audit procedures:

- For the recoverable amounts of cash generating units ("CGUs") determined using VIU, we have:
 - (i) Obtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the CGUs.
 - (ii) Evaluated the key assumptions as disclosed in Notes 13 and 14 to the financial statements used by management in the cash flow projections on whether they are reasonable by comparing to past actual outcomes and by corroborating with industry analysts' views, management's plans, existing contracts and/or upcoming bidding opportunities, where applicable.
 - (iii) Evaluated the discount rates, terminal growth rate (for goodwill) and the methodology used in deriving the present value of the cash flows, with the support of our internal valuation specialists.
 - (iv) For CGUs to which goodwill and PPE are allocated, we have performed sensitivity analysis on key assumptions by assessing the impact of changes in the key assumptions to the recoverable amounts.
 - (v) Assessed the adequacy of the disclosures made in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)**Key audit matters (cont'd.)****(a) Impairment assessment of goodwill on consolidation and property, plant and equipment ("PPE") (cont'd.)**

(Refer to Notes 2.32(b)(i), 13 and 14 to the financial statements)

- For the recoverable amounts of the vessels determined using FVLCD, we have:
 - (i) Considered the independence, reputation and expertise of the independent valuers.
 - (ii) Obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of vessels and assessed whether such methodology is consistent with those used in the industry.
 - (iii) Discussed with the independent valuers to obtain an understanding of the assumptions and related data used as input to the valuation models.

(b) Revenue from construction contracts recognised on percentage of completion method

(Refer to Notes 2.22(i)(a) and 3 to the financial statements)

Revenue from construction contracts contributed approximately 60% of the Group's total revenue for the year ended 31 January 2024. To measure progress over time, the Group applied the input method which is based on the percentage-of-completion ("POC"). POC is determined by the proportion of cost incurred for work performed to date over the estimated total contract cost. The use of POC requires management to exercise significant judgement in estimating the costs to complete. Accordingly, we considered this as an area of audit focus.

In estimating the costs to complete, management considered the completeness and accuracy of its costs estimation including its obligations in respect of contract variations, claims and cost contingencies. It also involved appropriately identifying, estimating and providing for contracts with foreseeable losses. The costs to complete can vary with market conditions and unforeseen events during the contract period.

In addressing the matter above, we have performed amongst others the following audit procedures:

- (i) Obtained an understanding of the processes and internal controls over the accuracy and timing of revenue and profit recognised in the financial statements, including the process and controls performed by management to estimate the total contract cost, profit margin and POC of the projects.
- (ii) Discussed the basis for estimating total contract cost of significant projects with management.
- (iii) Evaluated the assumptions applied in determining the estimated total contract cost of significant projects, by comparing the estimated costs to complete with documentary evidence such as original signed contracts and variation orders. We also considered the historical accuracy of management's budgets.
- (iv) Assessed the adequacy of provision for foreseeable losses made for ongoing contracts, where applicable.
- (v) Agreed the contract sum used in management's calculations of revenue to the original contracts and approved variation orders where applicable, on a sampling basis.
- (vi) Tested management's calculations of POC and revenue.

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Energy Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's 2024 Annual Report and the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or have no realistic but alternative to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards in Auditing ("ISA"), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)***Auditors' responsibilities for the audit of the financial statements (cont'd.)***

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards in Auditing ("ISA"), we exercise professional judgement and maintain professional skepticism throughout the audit. We also (cont'd.):

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
30 May 2024

Ismed Darwis Bin Bahatiar
No. 02921/04/2026 J
Chartered Accountant

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 January 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	3	4,318,494	4,551,254	59,350	101,305
Cost of sales	4	(4,186,775)	(3,974,379)	–	–
Gross profit		131,719	576,875	59,350	101,305
Other income	5	555,722	195,274	76,556	25,511
Administrative expenses		(405,081)	(329,553)	(256,489)	(295,837)
Other expenses		(206,485)	(264,550)	–	–
		75,875	178,046	(120,583)	(169,021)
Provision for impairment	6	(25,825)	(2,620,172)	(4,983)	(3,248,798)
Finance costs	7	(800,115)	(622,831)	(303,993)	(251,368)
Share of profit/(loss) from associates and joint ventures		337,223	(38,600)	–	–
Loss before taxation	8	(412,842)	(3,103,557)	(429,559)	(3,669,187)
Income tax expense	11	(105,858)	(71,970)	(446)	(518)
Loss after taxation		(518,700)	(3,175,527)	(430,005)	(3,669,705)
Loss attributable to:					
Owners of the Parent		(508,658)	(3,157,680)	(430,005)	(3,669,705)
Non-controlling interests		(10,042)	(17,847)	–	–
		(518,700)	(3,175,527)	(430,005)	(3,669,705)
Loss per share attributable to owners of the Parent (sen per share)					
Basic/Diluted	12	(3.17)	(19.76)	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 January 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss after taxation	(518,700)	(3,175,527)	(430,005)	(3,669,705)
Other comprehensive (loss)/income:				
Items that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences	(1,270,564)	184,722	–	–
Share of other comprehensive income/(loss) of associates and joint ventures:				
– Foreign currency translation differences	473,906	(23,407)	–	–
– Net changes in cash flow hedge	–	16,917	–	–
Item that has been reclassified to profit or loss in current year:				
Share of other comprehensive income of associates and joint ventures:				
– Net changes in cash flow hedge	–	13,305	–	–
Total other comprehensive (loss)/income	(796,658)	191,537	–	–
Total comprehensive loss for the year	(1,315,358)	(2,983,990)	(430,005)	(3,669,705)
Total comprehensive loss attributable to:				
Owners of the Parent	(1,303,768)	(2,964,345)	(430,005)	(3,669,705)
Non-controlling interests	(11,590)	(19,645)	–	–
	(1,315,358)	(2,983,990)	(430,005)	(3,669,705)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	5,348,014	5,079,520	19,871	35,790
Intangible assets	14	242,491	246,068	–	–
Investment in subsidiaries	15	–	–	1,748,496	1,753,479
Investment in associates	16	1,878,854	1,694,204	–	–
Investment in joint ventures	17	2,740,233	2,444,014	–	–
Deferred tax assets	18	116,427	106,727	–	–
Trade and other receivables	22	54,955	227,361	–	–
Deferred mobilisation cost	19	33,979	84,070	–	–
Amounts due from subsidiaries	21	–	–	1,798	–
		10,414,953	9,881,964	1,770,165	1,789,269
Current assets					
Inventories	20	431,718	386,193	–	–
Amounts due from subsidiaries	21	–	–	1,440	10,379
Trade and other receivables	22	1,092,350	782,985	12,508	11,994
Deferred mobilisation cost	19	54,302	22,111	–	–
Contract assets	23	462,530	687,586	–	–
Tax recoverable		80,083	92,421	3,599	8,502
Cash, deposits and bank balances	24	1,453,506	850,125	3,629	4,562
		3,574,489	2,821,421	21,176	35,437
Non-current asset classified as held for sale	25	6,447	–	–	–
		3,580,936	2,821,421	21,176	35,437
Total assets		13,995,889	12,703,385	1,791,341	1,824,706

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Equity and liabilities					
(Deficit in shareholders' funds)/Equity attributable to equity holders of the Company					
Share capital	26	11,854,791	10,872,078	11,854,791	10,872,078
Islamic redeemable convertible preference shares ("RCPS-i")	27	–	982,713	–	982,713
Shares held under trust	28	–	–	–	–
Warrants reserve	29	109,110	109,110	109,110	109,110
Other reserves	30	1,166,498	1,970,284	81,852	90,528
Accumulated losses		(17,313,257)	(16,813,275)	(16,218,574)	(15,797,245)
		(4,182,858)	(2,879,090)	(4,172,821)	(3,742,816)
Non-controlling interests					
		(38,222)	(26,632)	–	–
Shareholders' deficit					
		(4,221,080)	(2,905,722)	(4,172,821)	(3,742,816)
Non-current liabilities					
Amount due to a subsidiary	32	–	–	3,767,595	3,767,595
Contract liabilities	23	19,160	51,694	–	–
Trade and other payables	33	20,571	11,808	–	–
Lease liabilities	35	15,028	22,935	2,185	14,980
Deferred tax liabilities	18	52,656	38,287	–	–
		107,415	124,724	3,769,780	3,782,575
Current liabilities					
Amounts due to subsidiaries	32	–	–	1,988,821	1,621,068
Borrowings	31	10,982,446	10,615,934	–	–
Trade and other payables	33	5,511,426	3,716,758	192,766	151,608
Contract liabilities	23	667,301	558,602	–	–
Provisions	34	787,384	426,549	–	–
Lease liabilities	35	24,418	18,720	12,795	12,271
Provision for tax		136,579	147,820	–	–
		18,109,554	15,484,383	2,194,382	1,784,947
Total liabilities					
		18,216,969	15,609,107	5,964,162	5,567,522
Total equity and liabilities					
		13,995,889	12,703,385	1,791,341	1,824,706

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2024

	<----- Attributable to the owners of the Parent ----->							Non-controlling interests RM'000	Shareholders' deficit RM'000
	<----- Non-distributable ----->					Distributable	Total equity attributable to owners of the Parent RM'000		
	Share capital RM'000	RCPS-i RM'000	Shares held under trust RM'000	Warrants reserve RM'000	Other reserves RM'000	Accumulated losses RM'000			
At 1 February 2023	10,872,078	982,713	–	109,110	1,970,284	(16,813,275)	(2,879,090)	(26,632)	(2,905,722)
Total comprehensive loss	–	–	–	–	(795,110)	(508,658)	(1,303,768)	(11,590)	(1,315,358)
	10,872,078	982,713	–	109,110	1,175,174	(17,321,933)	(4,182,858)	(38,222)	(4,221,080)
Transactions with owners:									
Conversion of matured RCPS-i into ordinary shares (Notes 26, 27)	982,713	(982,713)	–	–	–	–	–	–	–
Lapse of certain ESOS, representing total transaction with owners (Note 30)	–	–	–	–	(8,676)	8,676	–	–	–
Total transactions with owners	982,713	(982,713)	–	–	(8,676)	8,676	–	–	–
At 31 January 2024	11,854,791	–	–	109,110	1,166,498	(17,313,257)	(4,182,858)	(38,222)	(4,221,080)
At 1 February 2022	10,872,078	982,713	(11,587)	109,110	1,791,355	(13,658,696)	84,973	(6,987)	77,986
Total comprehensive income/(loss)	–	–	–	–	193,335	(3,157,680)	(2,964,345)	(19,645)	(2,983,990)
	10,872,078	982,713	(11,587)	109,110	1,984,690	(16,816,376)	(2,879,372)	(26,632)	(2,906,004)
Transactions with owners:									
Disposal of shares held under trust (Note 28)	–	–	11,587	–	–	(11,305)	282	–	282
Lapse of certain ESOS, representing total transaction with owners (Note 30)	–	–	–	–	(14,406)	14,406	–	–	–
Total transactions with owners	–	–	11,587	–	(14,406)	3,101	282	–	282
At 31 January 2023	10,872,078	982,713	–	109,110	1,970,284	(16,813,275)	(2,879,090)	(26,632)	(2,905,722)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2024

	<----- Non-distributable ----->					Distributable	
	Share capital RM'000	RCPS-i RM'000	Shares held under trust RM'000	Warrants reserve RM'000	Other reserves RM'000	Accumulated losses RM'000	Shareholders' deficit RM'000
At 1 February 2023	10,872,078	982,713	–	109,110	90,528	(15,797,245)	(3,742,816)
Total comprehensive loss	–	–	–	–	–	(430,005)	(430,005)
	10,872,078	982,713	–	109,110	90,528	(16,227,250)	(4,172,821)
Transactions with owners:							
Conversion of matured RCPS-i into ordinary shares (Notes 26, 27)	982,713	(982,713)	–	–	–	–	–
Lapse of certain ESOS, representing total transaction with owners (Note 30)	–	–	–	–	(8,676)	8,676	–
Total transactions with owners	982,713	(982,713)	–	–	(8,676)	8,676	–
At 31 January 2024	11,854,791	–	–	109,110	81,852	(16,218,574)	(4,172,821)
At 1 February 2022	10,872,078	982,713	(11,587)	109,110	104,934	(12,130,641)	(73,393)
Total comprehensive loss	–	–	–	–	–	(3,669,705)	(3,669,705)
	10,872,078	982,713	(11,587)	109,110	104,934	(15,800,346)	(3,743,098)
Transactions with owners:							
Disposal of shares held under trust (Note 28)	–	–	11,587	–	–	(11,305)	282
Lapse of certain ESOS, representing total transaction with owners (Note 30)	–	–	–	–	(14,406)	14,406	–
Total transactions with owners	–	–	11,587	–	(14,406)	3,101	282
At 31 January 2023	10,872,078	982,713	–	109,110	90,528	(15,797,245)	(3,742,816)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2024

	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Loss before taxation	(412,842)	(3,103,557)
Adjustments for:		
Allowance for ECL on trade and other receivables (Note 22)	3,873	123,101
Amortisation of intangible assets (Note 14)	4,240	4,402
Depreciation of property, plant and equipment (Note 13)	406,735	544,364
Finance costs (Note 7)	800,115	622,831
Gain on disposal of property, plant and equipment	(98)	(8,670)
Interest income (Note 5)	(18,423)	(14,035)
Inventories written down (Note 20)	–	51,180
Net changes in provision (Note 34)	155,355	(187,983)
Net unrealised foreign exchange (gain)/loss (Note 5 and Note 8)	(449,108)	(40,072)
Provision for impairment on:		
– Goodwill (Note 6)	–	1,463,671
– Property, plant and equipment (Note 6)	25,825	1,156,501
Property, plant and equipment written off (Note 13)	163	334
Share of (profit)/loss from associates and joint ventures	(337,223)	38,600
	178,612	650,667
(Increase)/decrease in inventories	(45,525)	10,716
(Increase)/decrease in trade and other receivables	(183,110)	176,239
Increase/(decrease) in trade and other payables	300,592	(620,840)
Net changes in balances with joint ventures and associates	275,587	(45,067)
Cash generated from operating activities	526,156	171,715
Taxes paid	(125,360)	(63,649)
Net cash generated from operating activities	400,796	108,066

	2024 RM'000	2023 RM'000
Cash flows from investing activities		
Interest received	12,234	6,055
Dividends received from a joint venture	21,083	22,348
Proceeds from disposal of plant and equipment	183	349,333
Purchase of plant and equipment^ (Note 13)	(208,104)	(234,453)
Purchase of intangible asset (Note 14)	–	(3,263)
Repayment from a joint venture	471,483	–
Net cash generated from investing activities	296,879	140,020
Cash flows from financing activities		
Finance costs paid	(40,876)	(17,730)
Net repayment of revolving credit, term loans (Note 31(c))	(15,686)	(89,596)
Repayment of lease liabilities (Note 35)	(23,838)	(11,226)
(Placement)/withdrawal of cash pledged with bank (restricted)	(26,412)	123,142
Proceeds from disposal of shares held under trust	–	258
Net cash (used in)/generated from financing activities	(106,812)	4,848
Net increase in cash and cash equivalents	590,863	252,934
Effects of exchange rate changes	(13,894)	2,582
Cash and cash equivalents at beginning of the year	697,730	442,214
Cash and cash equivalents at end of the year	1,274,699	697,730
Add: Cash pledged with banks (restricted)	178,807	152,395
Cash, deposits and bank balances (Note 24)	1,453,506	850,125

^ In the previous financial year, cash outflow includes for rigs activation cost amounting RM32.5 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2024

	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Loss before taxation	(429,559)	(3,669,187)
Adjustments for:		
Depreciation of plant and equipment (Note 13)	19,847	18,693
Net unrealised foreign exchange gain (Note 5)	(46,911)	(5,275)
Provision for impairment (Note 6)	4,983	3,248,798
Allowance for expected credit losses on amounts due from subsidiaries, trade and other receivables, net (Note 8)	65,935	153,087
Finance costs (Note 7)	303,993	251,368
Interest income (Note 5)	(15,642)	(11,181)
Net changes in provision (Note 34)	–	(44,700)
	(97,354)	(58,397)
(Increase)/decrease in other receivables	(962)	12,609
Increase in other payables	39,699	49,195
Net changes in balances with subsidiaries companies	73,763	15,945
Cash generated from operating activities	15,146	19,352
Taxes refunded/(paid)	1,027	(129)
Net cash generated from operating activities	16,173	19,223
Cash flows from investing activities		
Purchase of plant and equipment (Note 13), representing net cash used in investing activities	(3,928)	(5,157)
Cash flows from financing activities		
Proceeds from disposal of shares held under trust	–	258
Repayment of lease liabilities (Note 35)	(13,178)	(10,981)
Net cash used in financing activities	(13,178)	(10,723)
Net (decrease)/increase in cash and cash equivalents	(933)	3,343
Cash, deposits and bank balances at beginning of the year	4,562	1,219
Cash, deposits and bank balances at end of the year (Note 24)	3,629	4,562

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

1. CORPORATE INFORMATION

Sapura Energy Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office is located at Sapura@Mines, No.7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 44.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 May 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated Financial Statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The Consolidated Financial Statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

The Consolidated Financial Statements have been prepared on the historical cost basis unless otherwise disclosed in the financial statements.

The Group and the Company incurred a net loss of RM518.7 million and RM430.0 million respectively (2023: RM3,175.5 million and RM3,669.7 million respectively) for financial year ended 31 January 2024 and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM14,528.6 million and RM2,173.2 million respectively (2023: RM12,663.0 million and RM1,749.5 million respectively).

The Consolidated Financial Statements have been prepared on a going concern basis. In arriving at that conclusion, the Board of Directors have considered the following:

- (i) The Group is faced with a severe liquidity constraint mainly due to its financial losses, lack of access to working capital and bank guarantee facilities and an unsustainable level of debts, the combined effect of which is threatening the Group and the Company as a going concern.
- (ii) A Board Restructuring Taskforce was established on 28 September 2021 to provide oversight and steer on the proposed regularisation plan to improve the financial condition of the Group and the Company.
- (iii) On 8 March 2023, in view of the expiry of the earlier Orders granted by the High Court of Malaya at Kuala Lumpur (the "Court"), the Company and twenty-two (22) of its wholly owned subsidiaries (the "Applicants") filed a fresh application under Sections 366 and 368 of the Companies Act 2016 (the "Act"). The Orders were granted under Sections 366 and 368 and took effect on 11 March 2023 to 11 June 2023.

On 6 June 2023, the Restraining Orders were extended by the Court for a further period of nine (9) months until 10 March 2024.

On 7 March 2024, the Company and its twenty-two (22) subsidiaries obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024 until 10 June 2024.

- (a) The Order under Section 366(1) of the Act allows each Applicant to summon meetings with various classes of its creditors (collectively, "Creditors") and to consider and approve a Proposed Scheme of Arrangement ("PSA") between the Applicants and its Creditors to settle the Creditors' claims.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation (cont'd.)

- (b) The Applicants were granted a restraining order pursuant to Section 368(1) of the Act (the "Restraining Order") to restrain and stay all proceedings, further proceedings, intended future proceedings in any action or proceeding against any Applicant and/or its respective assets. The Restraining Order is to facilitate negotiations between each Applicant and its Creditors and finalise the terms of its PSA without the disruption of threatened and ongoing legal proceedings in the interim.
- (c) The Restraining Order will not apply to certain financial institutions (collectively, the "MCF Financiers") who have provided multi-currency financing facilities to Sapura TMC Sdn. Bhd. (as defined in Note 31(d)(ii)) on the basis that the MCF Financiers are bound by a Corporate Debt Restructuring Committee ("CDRC") standstill (Note 2.1 (iv)). The Company's Proof of Debt ("POD") exercise with its trade creditors in connection with the PSA is on track. The exercise involves claims submitted by approximately 2,300 trade creditors, including the claim as described in Note 46(f).
- (iv) On 1 September 2022, the CDRC approved the Company's application for assistance to mediate in its debt restructuring negotiations with the MCF Financiers. Following the Company's admission to the CDRC regime, the relevant financial institutions were required to observe an informal standstill and withhold all legal proceedings and/or any other recovery action initiated or intended against the Company and its relevant subsidiaries. The Company has since submitted Proposed Restructuring Scheme (the "PRS") and has participated in several meetings between the Company and the MCF Financiers mediated by CDRC.

On 28 February 2023, the Company received a formal notification from the CDRC dated 24 February 2023 stating that the CDRC Committee has decided to extend the standstill period for the Company and nine (9) subsidiaries under the CDRC regime, up to 9 September 2023.

On 6 September 2023, the Company received a formal notification from CDRC dated 5 September 2023, stating of a further extension of the standstill period for the Company and its relevant subsidiaries until 10 March 2024.

On 12 December 2023, CDRC has provided a written confirmation that at least seventy-five percent (75%) of the MCF Financiers have granted their requisite Approval-in-Principle ("AIP") for the PRS.

On 11 March 2024, CDRC provided an extension of the standstill period with the MCF Financiers until 10 June 2024, in line with the extension of RO. Further details are disclosed in Note 31.

- (v) On 15 February 2023, the Company received a formal letter from a white knight supporting the Company's restructuring initiatives and Regularisation Plan. The support from the white knight will be in the form of an investment into the Company, subject to the following conditions:
 - (a) The amount and terms to be discussed and finalised by the white knight and the Company;
 - (b) Agreement to the Schemes with the MCF Financiers.

The white knight has also reaffirmed its support on 26 February 2024 subsequent to the AIP received from MCF Financiers on the PRS.

- (vi) Financial, legal and other advisors have been appointed to develop, negotiate and implement a debt restructuring scheme to attain a sustainable level of debt for the Group. A Principal Advisor has been appointed to facilitate the proposed regularisation plan pursuant to Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Bursa Malaysia Securities via its letter dated 13 December 2023 has granted a time extension of up to 31 May 2024, to submit its Practice Note 17 ("PN17") regularisation plan to the relevant regulatory authorities, of which the Company is seeking for further extension.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation (cont'd.)

- (vii) Restructuring Sapura Energy Berhad's business through a Reset Plan to divest non-core businesses and assets (including as disclosed in Note 47(c)), improve bidding and project delivery capabilities, continue to secure contracts with acceptable margins and cash flows, and implementing a robust financial framework to ensure financial discipline.
- (viii) The Group has engaged its legal counsels to provide advice and the necessary legal actions to preserve its contractual and legal position regarding terminated contracts and subsequent arbitration cases related to the Engineering and Construction ("E&C") projects. A detailed assessment has been carefully conducted to evaluate possible impact of these cases to the Group and the Company, as disclosed in Note 34 (b).

Premised on the above, the Board expects that the extension on the Restraining Order will be obtained and with standstill arrangements in place, a mutually beneficial PSA is likely to be agreed with the scheme creditors by achieving majority support in the Court-Convened Meeting ("CCM") within the stipulated timeframe.

This is premised on the basis that the Group is able to offer higher recovery under the PSA compared to the recovery under liquidation, and that the Group has sufficient funds to sustain its operations until such a scheme is concluded.

Accordingly, whilst the above conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as a going concern, the Board is of the opinion that the going concern basis used in the preparation of financial statements is appropriate and no adjustments were necessary to be made to the financial statements relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities. Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise.

2.2 Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except as follows:

On 1 February 2023, the Group and the Company adopted the following amended MFRSs:

Description	Effective for annual periods beginning
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts (Initial application of MFRS 17 and MFRS 9 Comparative Information)	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements (Disclosure of Accounting Policies)	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023
Amendments to MFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules	1 January 2023

Adoption of the above amended standards did not have material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies (cont'd.)

Amendments to MFRS 112 Income Taxes International Tax Reform – Pillar Two Model Rules

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The Group is in scope of the enacted or substantively enacted legislation. However, the legislation was enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at 31 January 2024. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable.

The Group expects to be in a position to report the potential exposure in the period of application.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standards are not expected to have material impact on the financial statements in the period of application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss are recognised in statement of profit or loss which calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests.

The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income ("OCI") and accumulated in equity are reclassified to statement of profit or loss or where applicable, transferred directly to retained profit. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment.

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Business combinations under common control are accounted for using the pooling of interests method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Business Combinations (cont'd.)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2.5 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. The method of assessing impairment of the investment in subsidiary companies is as disclosed in Note 2.12.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

2.6 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.6 Investments in associates and joint ventures (cont'd.)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associates and joint ventures are prepared for the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 9: Financial Instruments to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136: Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value-in-use or fair value less costs of disposal) with its carrying amount. Any impairment loss is recognised in the statement of profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in the profit or loss.

2.7 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRS applicable to the particular assets, liabilities, revenues and expenses.

2.8 Transaction with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2.9 Foreign currency

(a) Functional and presentation currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency. The consolidated financial statements are presented in RM, which is also the Company's functional currency.

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at their respective functional currency spot rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items which are measured at historical costs denominated in foreign currencies are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items which are measured at fair values denominated in foreign currencies are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.9 Foreign currency (cont'd.)

(b) Transactions and balances in foreign currencies

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in statement of profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to statement of profit or loss of the Group on disposal of the foreign operation.

When an entity's ownership interest in an associate or a joint venture is reduced, but the entity continues to apply the equity method, the entity reclassifies to profit or loss the proportion of gain or loss that has been previously recognised in OCI relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit and loss upon the disposal of the related assets or liabilities.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date. Income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are recognised in OCI. On disposal of a foreign operation, the cumulative amount recognised in OCI and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Dry docking costs which enhance the useful lives of the assets are capitalised when incurred and the remaining carrying amount of the cost during the previous dry docking, if any, is derecognised. The costs capitalised is amortised over a period of 60 months or the period until the next dry docking date, whichever is shorter.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.10 Property, plant and equipment (cont'd.)

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold land	1% – 2%
Buildings and structures	2%
Vessels and related dry docking, remotely operated vehicles ("ROVs") and saturation diving system ("SAT system")	4% – 20%
Tender assisted drilling rigs and related dry docking	3% – 20%
Plant and machinery, tools and implements	10% – 50%
Equipment, furniture and motor vehicles	10% – 50%
Right-of-use assets	Depends on lease term

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

Right-of-use ("ROU") assets

ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of ROU assets includes the following:

- The amount of lease liabilities recognised;
- Any initial direct costs; and
- Any lease payments made at or before the commencement date less any lease incentive received.

The Group presents ROU assets as part of property, plant and equipment.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.11 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's Cash Generating Unit ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the CGU retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Software development costs is amortised over the period of three years on a straight-line basis and other development costs is amortised over the period of expected sales from the related projects on a straight-line basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset that has a finite economic useful life may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal or its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable CGU.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of profit or loss. Impairment loss recognised on goodwill is not reversed in a subsequent period.

2.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in revenue from contracts with customers in Note 2.22 (i).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.13 Financial assets (cont'd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(a) Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables (excluding prepayment), amounts due from subsidiaries and cash, deposits and bank balances.

(b) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(c) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.13 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity instruments which the Group and the Company had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's and the Company's statement of financial position) when:

- (a) The rights to receive cash flows from the asset have expired; or
- (b) The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - (i) The Group and the Company have transferred substantially all the risks and rewards of the asset; or
 - (ii) The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in OCI for debt instruments is recognised in profit or loss.

Where the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continue to recognise the transferred asset to the extent of its continuing involvement.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.14 Impairment of financial assets

The Group and the Company recognise a provision for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a provision for impairment is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, amount due from subsidiaries and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a provision for impairment based on lifetime ECLs at each reporting date. The Group and the Company have established a process to monitor the recoverability of the receivables, based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment, if any.

The Group and the Company consider whether a financial asset is in default when contractual payments are more than 90 days past due. In certain cases, the Group and the Company may consider a financial asset to be in default when internal or external information indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 Cash, deposits and bank balances

Cash, deposits and bank balances comprise cash at banks and on hand, short-term deposits with licensed banks, short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first-in-first-out basis. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

(a) Onerous contract

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group and the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e. both incremental costs and an allocation of costs directly related to contract activities).

If the Group and the Company have a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group and the Company recognise any impairment loss that has occurred on assets dedicated to that contract.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.17 Provisions (cont'd.)

(b) Other provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, lease liabilities, loans and borrowings and amounts due to subsidiaries.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.18 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

(b) Financial liabilities at amortised cost

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings, trade and other payables, and amounts due to subsidiaries.

(c) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantee contracts are measured at the higher of the amount of ECL determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs commences when the Group undertakes activities that are necessary to prepare the asset for its intended use or sale and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in statement of profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.20 Employee benefits

(a) Short term benefit

Wages, salaries and bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated leave. Short term non-accumulating compensated leave such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the statement of profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(c) Long Term Incentive Plan ("LTIP")

Eligible executive directors and employees of the Group and of the Company receive remuneration in the form of shares as consideration for services rendered, subject to the approval of the BNRC. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the shares at the date on which the shares are vested. This cost is recognised in profit or loss over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(e) Executive Share Option Scheme

ESOS, an equity-settled, share-based compensation plan, allows the Company's eligible executive directors and senior management ("Executives") to acquire ordinary shares of the Company. The total fair value of share options granted to Executives of the Company is recognised as an employee cost with a corresponding increase in the ESOS reserve within equity.

The equity amount is recognised in the ESOS reserve until the option is exercised, or until the option expires.

When the share options are exercised, the ESOS reserve relating to the exercised options is transferred to retained earnings. When the share options or share awards are lapsed, the ESOS reserve relating to the lapsed share options is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.21 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets as disclosed in Note 2.10 representing the right to use the underlying assets.

(i) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(ii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income.

When the assets are leased out under an operating lease, the assets are included in the statement of financial position based on the nature of the assets. Lease income is recognised over the term of the lease on a straight-line basis.

Identifying and separating of lease and non-lease components of a contract and allocating contract consideration

For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

When applying MFRS 16, lessors are required to apply of MFRS 15 to allocate the consideration in the contract between the lease and non-lease components on a relative stand-alone selling price basis. In addition, lessors are required to apply MFRS 15 to allocate any subsequent changes in the consideration of the contract between the lease and non-lease components. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. When stand-alone selling prices are not directly observable, the lessor must estimate the stand-alone selling price.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group or the Company expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group or the Company satisfies a performance obligation by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Construction contracts

The Group's construction contracts include engineering, procurement, construction, installation and commissioning services ("EPCIC"), transportation and installation ("T&I"), fabrication and hook-up and commissioning works, which may last several years.

The Group determined that contracts of this nature have generally one performance obligation. In these contracts, the final product is highly customised to the specifications of the field and the customer's requirements as the customised products do not have an alternative use. The Group has an enforceable right to payment plus reasonable profit for performance completed to date.

Therefore, the customer obtains control of the asset over time, and thus revenue is recognised over time using an input measure (i.e., costs incurred to date relative to total estimated costs at completion) to measure progress. Under this method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Contracts are often modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of the Group's contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract.

The effect of a contract modification on the transaction price and the Group measures of progress for the performance obligation to which it relates is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

The transaction prices for the contract with customers may include variable considerations such as change orders, claims, performance bonuses, and reduction to transactions prices for liquidated damages. Variable considerations in the transaction price are recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Should the customer terminate a contract early, the Group may be entitled to shortfall commitment revenue on the contract. The Group recognises shortfall commitment revenue when payment from the customer is certain. At the inception of a contract, an estimate for shortfall commitment revenue is not recognised, as the Group expects the customer to use its services for the full term of the contract. As a result, determining when to recognise shortfall commitment revenue requires judgment to ensure that revenue is recognised when the performance obligation has been satisfied and collectability assured.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

(a) Construction contracts (cont'd.)

Foreseeable losses for construction contracts

The requirements of MFRS 137 prescribe that a provision for onerous contract must be calculated on a least net cost basis, which includes unavoidable costs only and comparing these costs to the cost of cancelling a contract including any termination fees. The policy on provision for onerous contracts is in Note 2.17(a).

Contracts with significant procurement

In circumstances where there is significant procurement of materials for that contract, the Group assessed whether the procurement of items are specifically designed for the project and if so, would include the costs of such materials in the percentage-of-completion calculation. Non-customised procurement are excluded from percentage-of-completion calculation.

(b) Revenue from other services

Revenue from other services includes offshore support, subsea services, geotechnical, maintenance and consultation services.

Revenue from contracts with customers is recognised when or as the Group satisfies a performance obligation by transferring services to a customer, which is when the customer obtains control of the services. The Group principally satisfies its performance obligations over time.

The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time by recognising revenue in the amount that the Group has a right to invoice the customer, which corresponds directly with the value transferred to the customer for the performance completed to date.

The Group has elected to use the right-to-invoice practical expedient in certain service contracts where the Group invoices its customers on a per day basis that directly corresponds with the value received by the customer.

As days are worked on the customer's contract, the Group satisfies its performance obligation to the customer and recognises revenue on a per day basis. When this practical expedient is used, the Group does not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes.

(c) Drilling related services

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue from contracts with customers is recognised when or as the Group satisfies a performance obligation by transferring goods or services to a customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The Group principally satisfies its performance obligations over time.

Revenue from drilling related services include supply of manpower, mobilisation costs, demobilisation fees and performance bonuses.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

(c) Drilling related services (cont'd.)

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

In relation to mobilisation services, the Group makes payments to vendor or related companies for the mobilisation of rigs prior to commencement of drilling services. Mobilisation cost are recognised as contract costs capitalised to fulfil a contract, and recognised on a straight-line basis over the period that the related drilling services are performed. Correspondingly, mobilisation fees are deferred and recognised on a straight-line basis over the period that the related drilling services are performed.

Demobilisation fees are recognised as and when the services are rendered, or at a point when it becomes known and certain that demobilisation fee can be charged to the customer.

The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time by recognising revenue in the amount that the Group has a right to invoice the customer for, which corresponds directly with the value transferred to the customer for the performance completed to date.

The Group has elected to use the right-to-invoice practical expedient in certain service contracts where the Group invoices its customers on a per day basis that directly corresponds with the value received by the customer. As days are worked on the customer's contract, the Group satisfies its performance obligation to the customer and recognises revenue on a per day basis. When this practical expedient is used, the Group does not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes.

(d) Contract balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the consolidated statements of financial position.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies on financial assets in Note 2.13.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligation under the contract.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue (cont'd.)

(ii) Other revenue

(a) Leases

Lease income is recognised over the term of the lease on a straight-line basis.

(b) Interest income

Interest income is recognised on the accrual basis using the effective interest method.

(c) Dividend income

Dividend income is recognised when the Group's or the Company's right to receive payment is established.

2.23 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside statement of profit or loss, either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.23 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision-maker to decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be reasonably allocated to the segment.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

2.25 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Shares held under trust

When shares of the Company, that have not been cancelled, recognised as equity are purchased by the Company, the amount of consideration paid is recognised directly in equity. Purchased shares are classified as shares held under trust and presented as a deduction from total equity.

Shares transferred to the recipient under the LTIP scheme is measured at the weighted average cost of the shares on the date of transfer. The difference between the weighted average cost and the fair value of the shares transferred is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.27 Warrants

Warrants are classified as equity instrument and the value is allocated based on the closing price of the first trading day, if the warrant is listed, or estimated using option pricing models, if the warrant is not listed, and recognised in the warrant reserves.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group or of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.29 Current and non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- i) Expected to be realised or intended to sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within 12 months after the reporting period; or
- iv) Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- i) It is expected to be settled in normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within 12 months after reporting period; or
- iv) There is unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.30 Fair value measurement

Fair value is measured at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability; or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

– 31 January 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.31 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

2.32 Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact on the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Treatment of contract variation

In relation to liquidated damages, significant judgements are involved on the amounts to be accounted in the transaction price. Historical track record shown that in majority cases in which the Group had potential exposure for liquidated damages, such damages were eventually not asserted by the customers. Management considers, on a case-by-case basis, all corroborative and contrary evidence (including industry practice, customer behaviour, precedence and project progress) in making the judgement on the timing and amounts of liquidated damages which would reduce or increase the transaction price. The complexity of estimation process, risks and uncertainties will affect the amounts reported in the financial statements.

While management concluded that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty subsequently resolved based on best available information, depending on the outcome of negotiations with customers, this could result in reduction or increase in attributable profits or losses is still possible.

Management is of the opinion that the contract variations recognised in the financial statements represents the best estimate, with justifiable grounds and favourable progress of discussions with the customers.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.32 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment

(a) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated.

Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 14.

(b) Property, plant and equipment

Impairment test has been carried out based on variety of estimations, including value-in-use of the CGU of which the specific property, plant and equipment is allocated or fair value less costs of disposal. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows and also to determine the appropriate discount rate to calculate the present value of those cash flows.

The future cash flows are subject to change as new information become available and the changes may eventually affect the statement of profit or loss through impairment charges or reversal of impairment.

In establishing the recoverable amount that is based on fair value less costs of disposal, the Group engaged independent external valuers to assess the fair value of the property, plant and equipment, adjusted for the condition of the specific assets. External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

The management decides, after discussions with the Group's and the Company's external valuers, which valuation techniques and inputs to use for each case. Further details are disclosed in Note 13.

(ii) Construction contracts

Where the performance obligations are satisfied over time, the Group recognises contract revenue in statement of profit or loss by using the input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation.

Significant estimate is required in determining the extent of the contract costs incurred, the estimated total contract revenue and costs, the recoverability of the contract costs as well as assessing potential deductions to revenue due to delays in delivery or other contractual penalties. In making these estimates, the Group evaluates based on past experience and historical information. Further details are disclosed in Note 22 and Note 23.

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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.32 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iii) Allowance for expected credit losses of receivables and contract assets

For major oil and gas customers and national oil companies, the Group undertakes a specific review of the receivables and contract assets through an analysis of the customer's credit risk and the ageing of the receivable balances. Further details of how the credit risk is determined and managed is described in Note 40(d).

The information about the provision for impairment on the Group's receivables is disclosed in Note 22 and Note 23.

(iv) Provision for other liabilities

The Group received several claims from clients, as disclosed in Note 38 (c), 46 (d), 46 (e) and 46 (f) to the financial statements. Significant judgement is required in determining the potential liabilities arising from these litigations. The Group has taken into consideration various factors including relevant legal and contractual agreements, past historical outcomes, consultation with external legal counsels, and other available information in order to determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3. REVENUE

Disaggregation of revenue

The Group disaggregates revenue by type of services, geographic location and timing of transfer of services.

3.1 Type of services

The following tables represent revenue by type of services:

		Group	
		2024 RM'000	2023 RM'000
(i)	Revenue from contracts with customers:		
	Engineering and Construction		
	Construction contracts	2,256,944	2,167,932
	Offshore support and subsea services	250,174	513,715
	Operations and Maintenance		
	Construction contracts	345,432	266,225
	Geotechnical, maintenance and consultation services	108,113	91,053
	Drilling		
	Drilling related services	724,190	1,010,510
		3,684,853	4,049,435
(ii)	Lease:		
	Drilling		
	Charter of rigs	512,141	363,595
	Engineering and Construction		
	Charter of vessels and other assets	121,500	138,224
		633,641	501,819
		4,318,494	4,551,254

		Company	
		2024 RM'000	2023 RM'000
	Revenue from contracts with customers:		
	Management fees from subsidiaries	59,350	101,305

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3. REVENUE (CONT'D.)

3.2 Geographic location

The following tables represent revenue by geographic location:

Group	Engineering and Construction RM'000	Operations and Maintenance RM'000	Drilling RM'000	Total RM'000
31 January 2024				
Malaysia	475,467	409,162	497,028	1,381,657
Asia*	845,071	44,383	528,253	1,417,707
Africa	745,030	–	211,050	956,080
Australia	322,724	–	–	322,724
Americas	143,140	–	–	143,140
Middle East	73,576	–	–	73,576
Others	23,610	–	–	23,610
Total revenue	2,628,618	453,545	1,236,331	4,318,494
31 January 2023				
Malaysia	1,049,149	357,278	615,077	2,021,504
Asia*	720,000	–	458,230	1,178,230
Australia	435,076	–	–	435,076
Americas	399,486	–	–	399,486
Africa	76,707	–	300,798	377,505
Middle East	7,408	–	–	7,408
Others	132,045	–	–	132,045
Total revenue	2,819,871	357,278	1,374,105	4,551,254

* Excluding Malaysia and Middle East

3.3 Timing of transfer of services

The Group recognises its revenue from contracts with customers predominantly over time.

3.4 Transaction price allocated to the remaining unsatisfied performance obligations

Remaining unsatisfied performance obligations ("RUPO") represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the RUPO includes the base transaction price, variable consideration and changes in transaction price. As a practical expedient, the RUPO does not include contracts for which the Group has recognised revenue at the amount to which the Group has the right to invoice for services performed or the performance obligation is part of a contract that has an original expected duration of one year or less.

As of 31 January 2024, the aggregate amounts of the transaction price allocated to the remaining unsatisfied performance obligations of the Group is RM3,226.2 million (2023: RM3,067.9 million). The Group is expecting to recognise the revenue over the next 2-4 years.

4. COST OF SALES

Cost of sales comprise costs related to construction contracts, geotechnical, maintenance services and related drilling services and other services recognised.

5. OTHER INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income:				
– third parties	12,234	4,170	–	–
– joint ventures	6,189	9,865	–	–
– subsidiaries	–	–	15,642	11,181
Net gain on disposal of property, plant and equipment	98	8,670	–	–
Foreign exchange differences:				
– net realised exchange gain	47,690	–	4,551	–
– net unrealised exchange gain	449,108	40,072	46,911	5,275
Net gain on disposal of scrap materials	1,773	–	–	–
Technical and management fees charged to joint ventures	18,281	5,401	–	–
Miscellaneous income*	20,349	127,096	9,452	9,055
	555,722	195,274	76,556	25,511

*In the previous financial year, included in the miscellaneous income of the Group were settlement income amounting RM54.7 million and liquidation gain amounting RM45.8 million from loss of control of a subsidiary.

6. PROVISION FOR IMPAIRMENT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Provision for impairment:				
– property, plant and equipment (Note 13)	25,825	1,156,501	–	–
– goodwill (Note 14)	–	1,463,671	–	–
– investment in subsidiaries (Note 15)	–	–	4,983	3,248,798
	25,825	2,620,172	4,983	3,248,798

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7. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on borrowings	302,031	217,307	–	–
Profit sharing on Islamic financing	496,105	403,162	–	–
Interest on lease liabilities (Note 35)	1,979	2,362	907	1,141
Interest expense on amount due to a subsidiary	–	–	303,086	250,227
	800,115	622,831	303,993	251,368

8. LOSS BEFORE TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
This is arrived at after charging/(crediting):				
Employee benefits expense (Note 9)	1,180,463	1,106,546	65,446	61,838
Non-executive directors' remuneration (Note 10)	2,486	3,147	2,486	3,147
Auditors' remuneration:				
– Statutory audits: Group auditors	4,570	4,062	533	430
– Other services: Group auditors	1,181	1,505	778	788
– Corporate exercise: Group auditors	1,626	–	1,626	–
Charter of vessels, barges and rigs and hire of equipment*	321,506	310,588	–	–
Foreign exchange differences:				
– net realised exchange loss	–	37,337	–	513
Depreciation of property, plant and equipment (Note 13)	406,735	544,364	19,847	18,693
Property, plant and equipment written off (Note 13)	163	334	–	–
Amortisation of intangible assets (Note 14)	4,240	4,402	–	–
Inventories written down (Note 20)	–	51,180	–	–
Rental of premises*	16,590	5,142	–	695
Allowance for/(reversal of) for expected credit losses:				
– amounts due from subsidiaries (Note 21)	–	–	65,551	153,464
– trade and other receivables (Note 22)	3,873	123,101	384	(377)
Net changes in provisions^ (Note 34)	625,513	274,076	–	(44,700)

* As allowed under MFRS 16, the Group and the Company had elected not to recognise the right-of-use assets and lease liabilities in relation to short-term leases.

^ In the previous financial year, reversal of provision relates to the mutual termination of the previous breach of a tenancy agreement, as disclosed in Note 34.

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	1,005,619	961,614	58,259	56,344
Social security contributions	18,606	14,146	168	80
Contributions to defined contribution plan	41,333	41,282	4,160	2,827
Other benefits	114,905	89,504	2,859	2,587
	1,180,463	1,106,546	65,446	61,838

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration as disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	Group and Company	
	2024 RM'000	2023 RM'000
Directors of the Company		
Executive:		
Salaries	1,948	1,476
Defined contribution plan	269	178
Bonus	288	–
Benefits-in-kind	26	9
	2,531	1,663
Non-Executive:		
Fees	1,876	2,750
Other emoluments	610	397
Total remuneration (Note 8)	2,486	3,147
Benefits-in-kind	5	8
	2,491	3,155
	5,022	4,818
Analysis excluding benefits-in-kind:		
Total executive directors' remuneration	2,505	1,654
Total non-executive directors' remuneration	2,486	3,147
Total directors' remuneration	4,991	4,801

No ESOS has been exercised by the directors in the current and previous financial year.

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11. INCOME TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax:				
Malaysian income tax	51,844	52,192	–	1,102
Foreign tax	50,306	70,212	–	–
	102,150	122,404	–	1,102
(Over)/under provision in prior years:				
Malaysian income tax	(3,166)	4,688	446	(584)
Foreign tax	(2,843)	(14,427)	–	–
	(6,009)	(9,739)	446	(584)
	96,141	112,665	446	518
Deferred tax (Note 18):				
Relating to origination of temporary differences	(559)	(34,123)	–	–
Under/(over) provision in prior years	10,276	(6,572)	–	–
	9,717	(40,695)	–	–
Total income tax expense	105,858	71,970	446	518

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate expense to income tax expense, at the effective income tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss before taxation	(412,842)	(3,103,557)	(429,559)	(3,669,187)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	(99,082)	(744,854)	(103,094)	(880,605)
Effect of different tax rates in other countries and jurisdictions	194,126	409,885	–	–
Effect of income not subject to tax	(337,048)	(196,011)	(17,255)	(13,575)
Effect of expenses not deductible for tax purposes	391,803	482,164	107,360	893,773
Effect of share of results of associates and joint ventures	80,980	61,691	–	–
Effect of utilisation of previously unrecognised deferred tax	(166,254)	(27,224)	–	(26)
Deferred tax assets not recognised during the year	37,066	102,630	12,989	1,535
(Over)/under provision of income tax in prior years	(6,009)	(9,739)	446	(584)
Under/(over) provision of deferred tax in prior years	10,276	(6,572)	–	–
Total income tax expense for the year	105,858	71,970	446	518

12. LOSS PER SHARE

Basic/diluted loss per share are calculated by dividing loss for the year attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the financial year is as follows:

	Group	
	2024	2023
In respect of financial year:		
Loss for the year attributable to owners of the Parent (RM'000)	(508,658)	(3,157,680)
Weighted average number of ordinary shares in issue ('000)* – Basic/Diluted*	16,024,318	15,979,080
Loss per share from continuing operations (sen) – Basic/Diluted*	(3.17)	(19.76)

* Warrants of 998,692,020 units as well as 691,938,153 and 586,388,264 options under the ESOS granted have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

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13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings and structures RM'000	Vessels and related dry docking, ROVs, and SAT system RM'000	Tender assisted drilling rigs and related dry docking RM'000	Plant and machinery, tools and implements RM'000	Equipment, furniture and motor vehicles RM'000	Assets under construction RM'000	Right-of-use assets* RM'000	Total RM'000
At 31 January 2024									
Cost									
At 1 February 2023	4,520	447,943	5,002,811	9,499,051	744,504	347,685	1,397,567	212,683	17,656,764
Additions	–	20	38,865	105,367	19,290	9,228	35,334	17,315	225,419
Disposals	–	–	–	–	(100)	(374)	–	–	(474)
Write-off	–	(1,295)	–	–	(192)	–	(163)	–	(1,650)
Reclassification	–	(260)	25,599	–	7,770	–	(33,109)	–	–
Transfer to assets held for sale (Note 25)	–	–	(84,285)	–	–	–	–	–	(84,285)
Exchange differences	–	–	411,962	1,082,060	8,230	6,813	3,171	4,178	1,516,414
At 31 January 2024	4,520	446,408	5,394,952	10,686,478	779,502	363,352	1,402,800	234,176	19,312,188
Accumulated depreciation and impairment									
At 1 February 2023	–	121,102	2,519,212	7,512,704	642,247	327,328	1,370,092	84,559	12,577,244
Depreciation charge for the year (Note 8)	–	8,219	161,932	172,829	23,240	14,071	389	26,055	406,735
Impairment (Note 6)	–	–	25,819	–	–	6	–	–	25,825
Disposals	–	–	–	–	(15)	(374)	–	–	(389)
Write-off	–	–	–	–	(192)	–	–	–	(192)
Reclassification	–	(4,505)	(448)	–	4,953	–	–	–	–
Transfer to assets held for sale (Note 25)	–	–	(77,838)	–	–	–	–	–	(77,838)
Exchange differences	–	469	177,176	851,583	7,593	6,637	164	(10,833)	1,032,789
At 31 January 2024	–	125,285	2,805,853	8,537,116	677,826	347,668	1,370,645	99,781	13,964,174
Net carrying amount									
At 31 January 2024	4,520	321,123	2,589,099	2,149,362	101,676	15,684	32,155	134,395	5,348,014

* Represents leasehold land and buildings.

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Buildings and structures RM'000	Vessels and related dry docking, ROVs, and SAT system RM'000	Tender assisted drilling rigs and related dry docking RM'000	Plant and machinery, tools and implements RM'000	Equipment, furniture and motor vehicles RM'000	Assets under construction RM'000	Right-of- use assets* RM'000	Total RM'000
At 31 January 2023									
Cost									
At 1 February 2022	4,520	439,760	4,966,718	11,680,900	717,168	342,962	1,380,132	197,442	19,729,602
Additions [^]	–	1,632	26,497	149,621	3,435	6,694	14,912	46,346	249,137
Disposals [~]	–	–	–	(2,528,408)	(2,037)	(1,017)	–	–	(2,531,462)
Write-off	–	–	–	–	–	(326)	(8)	–	(334)
Reclassification	–	2,401	–	–	13,136	–	(15,537)	(29,428)	(29,428)
Exchange differences	–	4,150	9,596	196,938	12,802	(628)	18,068	(1,677)	239,249
At 31 January 2023	4,520	447,943	5,002,811	9,499,051	744,504	347,685	1,397,567	212,683	17,656,764
Accumulated depreciation and impairment									
At 1 February 2022	–	107,058	2,399,542	8,424,379	628,126	312,350	1,368,524	52,590	13,292,569
Depreciation charge for the year (Note 8)	–	11,727	126,626	337,808	26,446	16,824	374	24,559	544,364
Impairment (Note 6)	–	–	–	1,156,355	–	146	–	–	1,156,501
Disposals [~]	–	–	–	(2,500,084)	(2,037)	(1,021)	–	–	(2,503,142)
Exchange differences	–	2,317	(6,956)	94,246	(10,288)	(971)	1,194	7,410	86,952
At 31 January 2023	–	121,102	2,519,212	7,512,704	642,247	327,328	1,370,092	84,559	12,577,244
Net carrying amount									
At 31 January 2023	4,520	326,841	2,483,599	1,986,347	102,257	20,357	27,475	128,124	5,079,520

* Represents leasehold land and buildings.

[^] Additions consist of cash additions of RM201.9 million and accruals of RM0.8 million.[~] Disposals consist of Sapura T-19, Sapura T-20 and Sapura Setia.

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Equipment, furniture and motor vehicles RM'000	Right-of-use assets* RM'000	Total RM'000
At 31 January 2024			
Cost			
At 1 February 2023	124,390	37,091	161,481
Additions	3,928	–	3,928
At 31 January 2024	128,318	37,091	165,409
Accumulated depreciation			
At 1 February 2023	115,388	10,303	125,691
Charge for the year (Note 8)	7,483	12,364	19,847
At 31 January 2024	122,871	22,667	145,538
Net carrying amount			
At 31 January 2024	5,447	14,424	19,871
At 31 January 2023			
Cost			
At 1 February 2022	119,393	–	119,393
Additions	5,157	37,091	42,248
Adjustment during the year	(160)	–	(160)
At 31 January 2023	124,390	37,091	161,481
Accumulated depreciation			
At 1 February 2022	107,191	–	107,191
Charge for the year (Note 8)	8,390	10,303	18,693
Adjustment during the year	(193)	–	(193)
At 31 January 2023	115,388	10,303	125,691
Net carrying amount			
At 31 January 2023	9,002	26,788	35,790

* Represents leasehold buildings.

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) The Group has estimated the recoverable amount of its property, plant and equipment that are subject to impairment assessment during the financial year. The assessment has led to the recognition of impairment of RM25.8 million (2023: RM1,156.5 million) as disclosed in Note 6.

Included in the current year total impairments are impairment loss of RM25.8 million (2023: nil) on two vessels, with recoverable amounts of RM37.2 million. The recoverable amounts were determined based on fair value less cost of disposal. The fair values were based on valuations performed by an independent valuer, based on comparable vessels adjusted for the current condition of the assets. The fair value measurement was derived based on level 3 of the fair value hierarchy. Further details of fair value hierarchy are disclosed in Note 2.30.

In the previous financial year, the Group recognised impairment loss of RM1,156.5 million on 10 drilling rigs, with a recoverable amount of RM1,848.7 million, based on value in-use. In determining the value-in-use of these assets, the future cash flows are discounted at a pre-tax rate of 13.23% (2023: 12.68%).

- (b) Included in the Group's accumulated depreciation and impairment of property, plant and equipment are accumulated impairment losses carried forward of RM8,170.8 million (2023: RM8,145.0 million).

14. INTANGIBLE ASSETS

Group	Software development costs RM'000	Other development costs RM'000	Goodwill RM'000	Total RM'000
At 31 January 2024				
Cost				
At 1 February 2023	41,778	26,251	8,213,156	8,281,185
Exchange differences	3,367	3,273	–	6,640
At 31 January 2024	45,145	29,524	8,213,156	8,287,825
Accumulated amortisation and impairment				
At 1 February 2023	39,726	21,342	7,974,049	8,035,117
Charge for the year (Note 8)	1,615	2,625	–	4,240
Exchange differences	3,255	2,722	–	5,977
At 31 January 2024	44,596	26,689	7,974,049	8,045,334
Net carrying amount				
At 31 January 2024	549	2,835	239,107	242,491

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14. INTANGIBLE ASSETS (CONT'D.)

Group	Software development costs RM'000	Other development costs RM'000	Goodwill RM'000	Total RM'000
At 31 January 2023				
Cost				
At 1 February 2022	38,427	26,010	8,187,152	8,251,589
Additions	3,263	–	–	3,263
Exchange differences	88	241	26,004	26,333
At 31 January 2023	41,778	26,251	8,213,156	8,281,185
Accumulated amortisation and impairment				
At 1 February 2022	37,720	18,458	6,490,035	6,546,213
Charge for the year (Note 8)	1,555	2,847	–	4,402
Impairment (Note 6)	–	–	1,463,671	1,463,671
Exchange differences	451	37	20,343	20,831
At 31 January 2023	39,726	21,342	7,974,049	8,035,117
Net carrying amount				
At 31 January 2023	2,052	4,909	239,107	246,068

Included in the Group's intangible assets are accumulated impairment of RM7,095.4 million (2023: RM7,095.4 million).

Impairment tests for goodwill

Goodwill of RM239.1 million (2023: RM239.1 million) relates to E&C CGU and there was no impairment made in E&C CGU during the financial year.

In the previous financial year, the Group recognised an impairment loss on goodwill in E&C of RM1,061.4 million and a full impairment loss on goodwill in Drilling of RM402.3 million.

Key assumptions used in value-in-use calculations

The recoverable amount of E&C CGU have been determined based on a 10-year period, representing the foreseeable period based on the cyclical nature of the industry.

14. INTANGIBLE ASSETS (CONT'D.)

Key assumptions used in value-in-use calculations (cont'd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Revenue projection

Management has taken into consideration the order book, the likelihood of securing work within the bid book and expectations of the future revenue growth in determining the revenue projection for E&C CGU.

(ii) Margin forecast

Gross margins are based on margin forecast of the order book, customer contract, management's expectation and past experience for new work. Impact of expected prolonged recovery to the industry has been considered.

(iii) Discount rate

The discount rate reflect specific risks relating to the relevant CGU. The pre-tax discount rate used by E&C is 15.79% (2023: 15.47%). In the previous financial year's impairment testing for Drilling, the pre-tax discount rate used was 12.68%.

(iv) Terminal growth rate

Cash flow beyond the terminal period is extrapolated using the growth rate of 3.0% (2023: 3.0%) for E&C. In the previous financial year's impairment testing for Drilling, 3.0% terminal growth rate was used.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	11,392,708	11,393,077
Capitalisation of amounts due from subsidiaries	6,325,856	6,325,856
Total	17,718,564	17,718,933
Less: Accumulated impairment losses	(15,970,068)	(15,965,454)
	1,748,496	1,753,479

The details of the subsidiaries are set out in Note 44.

- The capitalisation of amounts due from subsidiaries are unsecured, non-interest bearing and treated as deemed investment.
- The Company write-off RM0.3 million investment in a subsidiary that has been dissolved and fully impaired since the previous reporting date.
- As at 31 January 2024, certain subsidiaries have reported continuing operating losses and/or depleting shareholders' funds. These are indicators that the investment in these subsidiaries may be impaired. This resulted in impairment losses on its investment in subsidiaries of RM4.9 million (2023: RM3,248.8 million).

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16. INVESTMENTS IN ASSOCIATES

	Group	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	2,265,501	2,265,501
Share of post-acquisition reserves	(386,647)	(571,297)
	1,878,854	1,694,204

(i) Details of the associates are as follows:

Name of Company	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(a) Held through SapuraCrest Ventures Sdn. Bhd.				
Labuan Shipyard & Engineering Sdn. Bhd.	Malaysia	Shipbuilding, ship repair, naval craft maintenance and oil and gas fabrication	50	50
(b) Held through Sapura Upstream Assets Sdn. Bhd.				
SapuraOMV Upstream Sdn. Bhd. and its subsidiaries	Malaysia	Investment holding, exploration, development and production of crude, oil and natural gas	50	50
(c) Held through Sapura Engineering Sdn. Bhd.				
Matrix Maintenance Sdn. Bhd.	Malaysia	Maintenance contractors for petrol chemical plants and general industries	30	30
(d) Held through Sapura Technology Solutions Sdn. Bhd.				
Geowell Sdn. Bhd.	Malaysia	Wireline and well completion services	30	30
Subang Properties Sdn. Bhd.	Malaysia	Dormant	36.2	36.2

The financial statements of the associates that are not coterminous with those of the Company are as follows:

	Financial year end
(i) Labuan Shipyard & Engineering Sdn. Bhd.	31 December
(ii) SapuraOMV Upstream Sdn. Bhd.	31 December
(iii) Matrix Maintenance Sdn. Bhd.	31 December
(iv) Geowell Sdn. Bhd.	31 December

For the purpose of applying the equity method of accounting, the 12 months ended 31 January 2024 management accounts have been used.

16. INVESTMENTS IN ASSOCIATES (CONT'D.)

- (ii) Information relating to the associates:

Summarised financial information of the Group's material associates comprising SapuraOMV Upstream and its subsidiaries ("SapuraOMV Group") is set out below.

- (a) Summarised statement of financial position and reconciliation to the carrying amount of the Group's interest in material associates:

	2024 RM'000	2023 RM'000
Current assets		
Cash and cash equivalents	436,746	528,759
Other current assets	917,786	778,292
Total current assets	1,354,532	1,307,051
Non-current assets		
Other non-current assets	7,085,234	6,167,648
Total assets	8,439,766	7,474,699
Current liabilities		
Other current liabilities	1,268,309	1,108,600
Non-current liabilities		
Borrowings	1,656,025	1,480,325
Other non-current liabilities	1,798,433	1,559,302
Total non-current liabilities	3,454,458	3,039,627
Total liabilities	4,722,767	4,148,227
Net assets	3,716,999	3,326,472
Interest in associates	50%	50%
Carrying value of interest in the associates	1,858,500	1,663,236

During the financial year, SapuraOMV Group issued a corporate guarantee in favour of National Hydrocarbons Commission of Mexico for an amount up to USD750.0 million (equivalent to approximately RM3,548.6 million).

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16. INVESTMENTS IN ASSOCIATES (CONT'D.)

(ii) Information relating to the associates (cont'd.):

(b) Summarised statement of comprehensive income:

	2024 RM'000	2023 RM'000
Revenue	1,356,247	1,501,488
Operating expenses	(800,175)	(529,586)
Depletion, depreciation and amortisation	(264,313)	(416,031)
Provision for impairment	–	(1,008,823)
Interest income	14,130	831
Interest expense	(150,918)	(84,512)
Profit/(loss) before tax	154,971	(536,633)
Income tax expense	(159,133)	(216,349)
Loss after tax	(4,162)	(752,982)
Other comprehensive income	394,689	67,132
Total comprehensive income/(loss)	390,527	(685,850)

(c) Aggregate information of other associates that are not individually material:

	2024 RM'000	2023 RM'000
Carrying value of interest in associates	20,354	30,968
Share of (loss)/profit before tax	(10,614)	1,407
Share of total comprehensive (loss)/income	(10,614)	1,407

17. INVESTMENT IN JOINT VENTURES

	Group	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	192,531	192,531
Share of post-acquisition reserves	2,440,772	1,961,945
	2,633,303	2,154,476
Shareholders' advances to joint ventures*	106,930	289,538
	2,740,233	2,444,014

* The shareholders' advances are unsecured, non-interest bearing and treated as deemed investment.

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

(i) Details of the joint ventures are as follows:

Name of Company	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(a) Held through Sapura Nautical Essence Sdn. Bhd.				
SapuraAcergy Sdn. Bhd.	Malaysia	Dormant	50	50
SapuraAcergy Assets Pte. Ltd.	Federal Territory of Labuan, Malaysia	Dormant	49	49
(b) Held through Sapura Nautical Power Pte. Ltd.				
L&T Sapura Shipping Private Limited	India	Vessel owner and chartering	40	40
*L&T Sapura Offshore Private Limited	India	Provision of engineering and installation services	–	40
(c) Held through Sapura Offshore Sdn. Bhd.				
Seabras Sapura Participações S.A.	Brazil	Investment holding	50	50
Seabras Sapura Holding, GmbH	Austria	Investment holding	50	50
(d) Held through Seabras Sapura Participações S.A.				
Sapura Navegação Marítima S.A.	Brazil	Vessel owner and chartering	50	50
(e) Held through Seabras Sapura Holding, GmbH				
Seabras Sapura PLSV Holding, GmbH	Austria	Investment holding	50	50
(f) Held through Seabras Sapura PLSV Holding, GmbH				
Seabras Sapura Holdco Ltd.	Bermuda	Investment holding	50	50
Sapura Diamante GmbH	Austria	Vessel owner and chartering	50	50
Sapura Topazio GmbH	Austria	Vessel owner and chartering	50	50
Sapura Onix GmbH	Austria	Vessel owner and chartering	50	50
Sapura Jade GmbH	Austria	Vessel owner and chartering	50	50
Sapura Rubi GmbH	Austria	Vessel owner and chartering	50	50

* Disposed on 27 December 2023

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17. INVESTMENT IN JOINT VENTURES (CONT'D.)

(i) Details of the joint ventures are as follows (cont'd.):

Name of Company	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(g) Held through Seabras Sapura Holdco Ltd.				
Seabras Sapura Talent Ltd.	Bermuda	Provision for manpower services	50	50
TL Offshore PLSV1 Ltd.	Bermuda	Dormant	50	50
TL Offshore PLSV2 Ltd.	Bermuda	Dormant	50	50
TL Offshore PLSV3 Ltd.	Bermuda	Dormant	50	50
TL Offshore PLSV4 Ltd.	Bermuda	Dormant	50	50
TL Offshore PLSV5 Ltd.	Bermuda	Dormant	50	50
(h) Held through Sapura Navegação Marítima S.A.				
Let's Log Serviços Intergrados de Logística Ltda.	Brazil	Management of general warehouses and deposits	50	50
(i) Held through Sapura Energy Ghana Limited				
Intesoll Sapura Offshore Limited	Ghana	Offshore engineering services	49	49
(j) Held through Sapura Services Sdn. Bhd.				
Sapura Baker Hughes TPS Sdn. Bhd.	Malaysia	Provision of repair and maintenance services and sales of parts to the energy sector	51	51
(k) Held through Sapura Saudi Arabia Company				
Rawabi Sapura Limited Company	Saudi Arabia	Dormant	50	50
(l) Held through Sinar E&C Sdn. Bhd.				
*Kitar Decommissioning Sdn. Bhd.	Malaysia	To perform offshore oil and gas decommissioning, dismantling and recycling	50	–

* Incorporated on 19 December 2023

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

- (i) Details of the joint ventures are as follows (cont'd.):

The annual financial statements of the joint ventures that are not coterminous with those of the Company are as follows:

	Financial year end
(i) L&T Sapura Shipping Private Limited	31 March
(ii) Seabras Sapura Holding, GmbH	31 December
(iii) Seabras Sapura Participações S.A.	31 December
(iv) Seabras Sapura Talent Ltd.	31 December
(v) Sapura Navegação Marítima S.A.	31 December
(vi) Seabras Sapura PLSV Holding GmbH	31 December
(vii) Sapura Diamante GmbH	31 December
(viii) Sapura Topazio GmbH	31 December
(ix) Seabras Sapura Holdco Ltd.	31 December
(x) Sapura Onix GmbH	31 December
(xi) Sapura Jade GmbH	31 December
(xii) Sapura Rubi GmbH	31 December
(xiii) Intesoll Sapura Offshore Limited	31 December
(xiv) Rawabi Sapura Limited Company	31 December

For the purpose of applying the equity method of accounting, the 12 months ended 31 January 2024 management accounts have been used.

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17. INVESTMENT IN JOINT VENTURES (CONT'D.)

(ii) Information relating to the joint ventures:

(a) Summarised statements of financial position and reconciliation to the carrying amount of the Group's interest in material joint venture:

	2024 RM'000	2023 RM'000
Current assets		
Cash and cash equivalents [^]	210,228	180,807
Other current assets	664,888	661,713
Total current assets	875,116	842,520
Non-current assets		
Total non-current assets	6,177,356	5,744,646
Total assets	7,052,472	6,587,166
Current liabilities		
Borrowings [#]	56,337	51,360
Other current liabilities	1,516,054	2,021,776
Total current liabilities	1,572,391	2,073,136
Non-current liabilities		
Borrowings [#]	434,132	429,084
Other non-current liabilities	158,585	135,272
Total non-current liabilities	592,717	564,356
Total liabilities	2,165,108	2,637,492
Net assets	4,887,364	3,949,674
Interest in joint ventures	50%	50%
Carrying value of interest in joint ventures	2,443,682	1,974,837
Shareholders' advances	106,930	289,538
Net carrying value of interest in joint ventures	2,550,612	2,264,375

[^] Included in the cash and cash equivalents are RM20.5 million (2023: RM44.0 million), pledged as security over the borrowings as at 31 January 2024.

[#] The borrowings are secured by the joint ventures' vessels.

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

(ii) Information relating to the joint ventures (cont'd.):

(b) Summarised statements of comprehensive income:

	2024 RM'000	2023 RM'000
Revenue	1,972,750	1,846,483
Operating expenses	(762,000)	(687,661)
Depreciation and amortisation	(373,223)	(358,928)
Interest income	4,787	35,456
Interest expense	(114,840)	(189,459)
Profit before tax	727,474	645,891
Income tax expense	(47,600)	(69,605)
Profit after tax	679,874	576,286
Other comprehensive income	257,816	31,694
Total comprehensive income	937,690	607,980

(c) Aggregate information of joint ventures that are not individually material:

	Group	
	2024 RM'000	2023 RM'000
Carrying value of interest in joint ventures	189,621	179,639
Share of profit after tax	9,982	27,413
Share of total comprehensive income/(loss)	31,065	(9,593)
Dividends paid during the year to the Group	21,083	22,348

18. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 February 2023/2022	(68,440)	(17,568)	—	—
Recognised in the profit or loss (Note 11)	9,717	(40,695)	—	—
Exchange differences	(5,048)	(10,177)	—	—
At 31 January	(63,771)	(68,440)	—	—
Presented after appropriate offsetting as follows:				
Deferred tax assets	(116,427)	(106,727)	—	—
Deferred tax liabilities	52,656	38,287	—	—
	(63,771)	(68,440)	—	—

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18. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
At 1 February 2023	60,425	70,468	130,893
Recognised in the profit or loss	(3)	9,885	9,882
Exchange differences	573	6,392	6,965
At 31 January 2024	60,995	86,745	147,740
At 1 February 2022	107,360	74,146	181,506
Recognised in the profit or loss	(35,504)	(5,191)	(40,695)
Exchange differences	(11,431)	1,513	(9,918)
At 31 January 2023	60,425	70,468	130,893

Deferred tax assets of the Group:

	Unutilised tax losses and unabsorbed capital allowances RM'000	Provisions for liabilities RM'000	Others RM'000	Total RM'000
At 1 February 2023	(118,278)	(66,869)	(14,186)	(199,333)
Recognised in the profit or loss	(14,503)	9	14,329	(165)
Exchange differences	9,590	(14,762)	(6,843)	(12,015)
At 31 January 2024	(123,191)	(81,622)	(6,700)	(211,513)
At 1 February 2022	(137,815)	(49,236)	(12,023)	(199,074)
Recognised in the profit or loss	19,631	(17,633)	(1,998)	–
Exchange differences	(94)	–	(165)	(259)
At 31 January 2023	(118,278)	(66,869)	(14,186)	(199,333)

18. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D.)**Deferred tax assets of the Company:**

	Unutilised tax losses and unabsorbed capital allowances RM'000	Provisions for liabilities RM'000	Total RM'000
At 1 February 2023/2022	1,696	(1,696)	—
Reclassification adjustments	(1,696)	1,696	—
At 31 January 2024	—	—	—
At 1 February 2022/31 January 2023	1,696	(1,696)	—

During the financial year, the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group and the Company that have not been recognised as deferred tax assets amounted to RM4,413.5 million (2023: RM4,978.9 million) and RM107.7 million (2023: RM80.6 million) respectively.

The unutilised tax losses of the entities in the Group are available for offsetting against future taxable profits, subject to no substantial changes in shareholdings under Income Tax Act 1967 and guidelines issued by the tax authority. Deferred tax asset has not been recognised in respect of these items as the entities in the Group does not foresee its ability to utilise the business losses in near future.

In accordance with the provision of Income Tax Act 1967 of Malaysia, the utilisation of unused tax losses will be limited to ten years (2023: ten years) with effect from year of assessment 2019.

19. DEFERRED MOBILISATION COST

	Group	
	2024 RM'000	2023 RM'000
At 1 February 2023/2022	106,181	13,790
Additions	3,600	112,473
Amortisation	(26,835)	(16,212)
Exchange differences	5,335	(3,870)
At 31 January	88,281	106,181
Deferred mobilisation cost		
Non-current assets	33,979	84,070
Current assets	54,302	22,111
	88,281	106,181

In connection with drilling contracts, the Group makes payments to third parties for the mobilisation of rigs prior to commencement of drilling services.

Mobilisation costs are deferred and recognised on a straight-line basis over the period that the related drilling services are performed.

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20. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost		
Consumables, materials and spares	425,757	314,981
Work-in-progress	5,961	71,212
	431,718	386,193

The cost of inventories recognised as an expense during the financial year amounted to RM134.9 million (2023: RM61.7 million).

In the previous financial year, the Group has written down inventories totalling RM51.2 million to nil based on their net realisable values.

21. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Non-current assets		
Amounts due from subsidiaries	787,630	550,080
Less: Allowance for expected credit loss	(785,832)	(550,080)
	1,798	–
Current assets		
Amounts due from subsidiaries	1,088,568	1,290,919
Less: Allowance for expected credit loss	(1,087,128)	(1,280,540)
	1,440	10,379

Amounts due from subsidiaries are unsecured, interest free and repayable on demand except for RM134.6 million (2023: RM126.4 million) which is subject to interest rates ranging from 7.46% to 9.00% (2023: 3.71% to 8.00%) per annum.

The Company recognised a net allowance for expected credit loss on amounts due from its subsidiaries of RM42.3 million consisting of gross allowance for expected credit loss of RM65.5 million (2023: RM153.4 million) and write-off of RM23.2 million (2023: RM Nil) for subsidiaries that have been dissolved and fully impaired since the previous reporting date.

In the previous financial year, amount of RM133.5 million (and the corresponding allowance for expected credit losses of RM133.1 million) was reclassified to other receivables due to loss of control of a subsidiary.

Further details on related party transactions are disclosed in Note 39.

Other information on financial risks are disclosed in Note 40.

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current assets				
Trade receivables				
Retention sums	61,891	37,066	–	–
Less: Allowance for expected credit loss	(10,360)	(10,360)	–	–
	51,531	26,706	–	–
Other receivables				
Third parties	3,424	–	–	–
Amounts due from joint ventures	–	201,656	–	–
	3,424	201,656	–	–
Less: Allowance for expected credit loss	–	(1,001)	–	–
	3,424	200,655	–	–
Total non-current trade and other receivables	54,955	227,361	–	–
Current assets				
Trade receivables				
Third parties	694,696	463,723	–	–
Less: Allowance for expected credit loss	(131,374)	(200,470)	–	–
	563,322	263,253	–	–
Other receivables				
Amounts due from:				
Related parties	186	–	186	3,183
Associates and joint ventures	193,814	234,712	20,949	20,492
	194,000	234,712	21,135	23,675
Deposits and prepayments	135,714	12,471	13,439	10,729
Sundry receivables	515,273	545,152	135,645	134,827
	650,987	557,623	149,084	145,556
Less: Allowance for expected credit loss	(315,959)	(272,603)	(157,711)	(157,237)
	529,028	519,732	12,508	11,994
Total current trade and other receivables	1,092,350	782,985	12,508	11,994

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22. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables

Trade receivables are non-interest bearing. The Group's normal trade credit term ranges from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Overdue balances are reviewed regularly by senior management. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group are retention sums from contract customers of RM61.9 million (2023: RM37.1 million). These retention sums from contract customers are unsecured, interest free and are expected to be collected in accordance with the terms of the respective contract agreements.

Movement in allowance for expected credit loss of trade receivables based on lifetime ECL are as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 February 2023/2022	210,830	88,838
(Reversal)/charge for the year (Note 8)	(1,580)	121,992
Reclassification	(78,071)	–
Exchange differences	10,555	–
At 31 January	141,734	210,830

(b) Other receivables

Sundry receivables, which include GST and VAT receivables, are unsecured, interest free and repayable on demand.

Movement in allowance for expected credit loss of other receivables based on lifetime ECL are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 February 2023/2022	273,604	41,008	157,237	24,440
Charge/(reversal) for the year (Note 8)	5,453	1,109	384	(377)
Reclassification	78,071	231,487	90	133,174
Derecognition (i)	(53,158)	–	–	–
Exchange differences	11,989	–	–	–
At 31 January	315,959	273,604	157,711	157,237

- (i) In the previous financial year, the Group has made an allowance for expected credit loss on the outstanding balances following conclusion of contract negotiation, and subsequently has been derecognised in the current financial year due to cessation of the joint venture agreement (unincorporated).

(c) Amounts due from joint ventures

Non-current assets

Amounts due from joint ventures are unsecured and interest free.

Current assets

Amounts due from joint ventures are unsecured, interest free and repayable on demand, except for RM76.1 million (2023: RM202.3 million) provided to certain joint ventures which is subject to interest of 3.0% (2023: ranging from 3.0% to 4.5%) per annum.

23. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM'000	2023 RM'000
Contract assets		
Current	510,527	737,405
Less: allowance for expected credit loss	(47,997)	(49,819)
	462,530	687,586

Movement in allowance for expected credit loss of contract assets based on lifetime ECL are as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 February 2023/2022	49,819	49,819
Reclassification (Note 22)	(1,822)	–
At 31 January	47,997	49,819

	Group	
	2024 RM'000	2023 RM'000
Contract liabilities		
Non-current	(19,160)	(51,694)
Current	(826,361)	(558,602)
Reclassified to provision for other liabilities (Note 34 (b))	159,060	–
	(667,301)	(558,602)
Total contract liabilities	(686,461)	(610,296)

	Group	
	2024 RM'000	2023 RM'000
Revenue recognised which was included in construction contract liabilities at the beginning of the financial year	558,602	817,139
Revenue recognised from performance obligations satisfied in the previous periods	–	4,102

The Group receives payments from customers based on a billing schedule, as established in the contracts. The contract asset relates the rights to consideration in exchange for goods or services transferred to the customer before the customer pays the consideration or before payment is due. The contract liability relates to payments received in advance of performance under the contract. Changes in the contract asset and liabilities are due to the progress billings during the year and Group's performance under the contract.

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24. CASH, DEPOSITS AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash on hand and at banks	1,186,883	574,424	3,629	4,562
Deposits with licensed banks	87,816	123,306	–	–
Cash pledged with banks (restricted)	178,807	152,395	–	–
Cash, deposits and bank balances	1,453,506	850,125	3,629	4,562

Included in cash, deposits and bank balances of the Group is an amount of RM178.8 million (2023: RM152.4 million) which are restricted for use due to the loan covenants and business requirements.

Other information on financial risks of cash and cash equivalents are disclosed in Note 40.

The range of the interest rate on deposit with licensed banks (per annum) and the range of remaining maturities as at the reporting date are as follows:

	Group		Company	
	2024	2023	2024	2023
Interest rate (%)	0.02 - 5.02	0.01 - 3.95	–	–
Maturities (days)	1 - 90	1 - 90	–	–

25. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

During the financial year, a non-current asset within the Group has been identified for disposal through judicial sale, subsequent to the Court succession in filing payment on demand from one of the Group's subsidiary.

Consequently, the asset with carrying value of RM6.5 million has been reclassified from property, plant and equipment to non-current asset held for sale. Impairment to the asset prior to the reclassification is disclosed in Note 13.

26. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid:				
Ordinary shares				
At 1 February 2023/2022	15,979,080	15,979,080	10,872,078	10,872,078
RCPS-i conversion (Note 27)	2,396,862	–	982,713	–
At 31 January	18,375,942	15,979,080	11,854,791	10,872,078

Each RCPS-i has been automatically converted into new ordinary shares of the Company on 24 January 2024 at the conversion ratio of one new ordinary share for every one RCPS-i held.

All new converted shares rank equally in all respects with the existing ordinary shares except that the holder of the new converted shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the members, of which the entitlement date is before the allotment date of the new ordinary shares.

The holders of the existing ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Group's and the Company's assets.

27. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i")

	Group and Company			
	Number of shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
RCPS-i				
At 1 February 2023/2022	2,396,862	2,396,862	982,713	982,713
Conversion to share capital (Note 26)	(2,396,862)	–	(982,713)	–
At 31 January	–	2,396,862	–	982,713

The key features of the RCPS-i are as follows:

- The RCPS-i has matured on 23 January 2024 and converted into new ordinary shares of the Company on 24 January 2024 without the payment of any consideration (cash or otherwise) and in accordance with the conversion ratio.
- The conversion ratio of the RCPS-i is one new ordinary share of the Company for every one RCPS-i held.

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28. SHARES HELD UNDER TRUST

	Group and Company			
	Number of shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
At 1 February 2023/2022	–	7,276	–	11,587
Disposed during the year	–	(7,276)	–	(11,587)
At 31 January	–	–	–	–

The trustee appointed by the Company purchased its issued ordinary shares from the open market for the purpose of the share bonus scheme in relation to LTIP through its internally generated funds. The LTIP scheme which have been fully vested in the previous financial years had the following features:

- (a) The LTIP scheme is intended for eligible executive directors and employees of the Group of which annual grants may be made to attract, retain and incentivise such key employees and executive directors for the long-term success and growth of the Group as well as to enhance shareholders' value.
- (b) The selected executive directors and employees must elect in writing to participate in the scheme.
- (c) The vesting of the new shares is over a period of two (2) years (subsequent to grant date), provided that the recipient remains in the Group's employment.

In the previous financial year, the Company appointed a trustee to dispose the entire 7,276 million units of the issued ordinary shares in the open market at an average price of RM0.04 per shares. The difference between the weighted average cost and the fair value of the shares have been recognised in equity.

29. WARRANTS RESERVE

The warrants reserve represents the cumulative fair value of the warrants yet to be exercised.

The warrants are valid to be exercised for a period of 7 years from its issue date and ending on 23 January 2026 ("Exercise Period"). During the Exercise Period, each warrant shall entitle the registered holder to subscribe for one new ordinary share of the Company at an exercise price of RM0.49 per warrant in accordance with the provisions of the Deed Poll dated 6 December 2018. Any warrants not exercised will lapse thereafter and cease to be valid.

As at 31 January 2024, the entire 998,692,020 (2023: 998,692,020) warrants remain unexercised.

30. OTHER RESERVES

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Foreign currency translation reserve	(a)	1,032,657	1,827,767	–	–
Merger reserve	(b)	51,989	51,989	–	–
ESOS reserve	(c)	81,852	90,528	81,852	90,528
		1,166,498	1,970,284	81,852	90,528

(a) Foreign currency translation reserve

	Group	
	2024 RM'000	2023 RM'000
At 1 February 2023/2022	1,827,767	1,638,044
Exchange differences on translation of foreign subsidiaries, joint ventures and associates	(795,110)	189,723
At 31 January	1,032,657	1,827,767

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Merger reserve

The merger reserve relates to the excess of the consideration paid over the share capital and reserves of Sapura Drilling Probadi Sdn. Bhd. in previous years.

The difference between the recorded carrying value of the investment in Sapura Drilling Probadi Sdn. Bhd. (that is the value of the shares of the Company issued as consideration) and the value of Sapura Drilling Probadi Sdn. Bhd.'s shares transferred to the Company had been reflected within equity as merger reserve in the consolidated financial statements.

(c) ESOS reserve

	Group and Company	
	2024 RM'000	2023 RM'000
At 1 February 2023/2022	90,528	104,934
Lapse of certain ESOS	(8,676)	(14,406)
At 31 January	81,852	90,528

The ESOS reserve represents the equity-settled share options granted to the eligible executive directors and senior management as further discussed in Note 36.

The reserve is made up of the cumulative value of services received from the eligible executive directors and senior management recorded from the grant date of equity-settled share options, and is reduced by the expiry, exercise or lapsed of the share options.

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31. BORROWINGS

	Group	
	2024 RM'000	2023 RM'000
Unsecured:		
Conventional borrowings		
Revolving credits	355,400	355,393
Term loans	3,316,102	3,038,916
	3,671,502	3,394,309
Islamic financings		
Sukuk Programme	7,310,944	7,221,625
Total short-term borrowings	10,982,446	10,615,934

Short-term borrowings maturity is within one year. Term loans and Sukuk Programme were classified as current liabilities due to breach of loan covenants as further described in the Note 31(e).

- (a) The range of the interest rates and profit sharing (per annum) during the financial year for borrowings was as follows:

	Group	
	2024 %	2023 %
Revolving credits	5.43 to 6.18	4.43 to 6.15
Term loans and Sukuk Programme	4.85 to 8.65	2.91 to 6.92

- (b) Included in the Group's short-term borrowings are as follows:

	As at 31 January 2024		As at 31 January 2023	
	USD denomination RM'000	RM denomination RM'000	USD denomination RM'000	RM denomination RM'000
Revolving credits	–	355,400	–	355,393
Term loans	2,457,635	858,467	2,193,788	845,128
Sukuk Programme	940,053	6,370,891	841,546	6,380,079
	3,397,688	7,584,758	3,035,334	7,580,600
		10,982,446		10,615,934

31. BORROWINGS (CONT'D.)

- (c) Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statements of cash flows as cash flows from financing activities.

A reconciliation of liabilities arising from financing activities is as follows:

	At 1.2.2023 RM'000	Net cash changes RM'000	Non-cash changes		At 31.1.2024 RM'000
			Amortisation of borrowing cost [^] RM'000	Foreign exchange movement RM'000	
Borrowings	10,615,934	(15,686)	21,489	360,709	10,982,446

	At 1.2.2022 RM'000	Net cash changes RM'000	Non-cash changes		At 31.1.2023 RM'000
			Amortisation of borrowing cost [^] RM'000	Foreign exchange movement RM'000	
Borrowings	10,658,021	(89,596)	21,731	25,778	10,615,934

[^] Charged to profit or loss.

- (d) Other information relating to borrowings:

- (i) In the previous financial year, Sapura TMC Sdn. Bhd. ("Sapura TMC") entered into a supplemental letter of offer for the utilisation of a revolving credit facility of RM300.0 million under the Maybank Islamic Facility (the "RCF"). The RCF was inter alia secured by a mortgage over a pipe-laying and crane vessel (the "S3000 Vessel") owned by Sapura 3000 Pte. Ltd. The S3000 Vessel was disposed on 11 August 2022, and the proceeds of the sale amounting to RM312.8 million was deposited with Maybank Islamic Berhad and as required under the terms of the RCF. The RCF was subsequently repaid on 1 December 2022.
- (ii) In the FY2022, Sapura TMC had executed multi-currency financing facilities agreements (collectively, the "MCF Facilities") with the MCF Financiers consisting of:
 - (a) the senior multi-currency term facilities agreement dated 29 March 2021 between, inter alia, Sapura TMC as borrower, and the MCF Financiers named therein as conventional facility MCF Financiers; and/or
 - (b) the Multi-Currency Sukuk Programme of up to RM10.0 billion in nominal value based on the Shariah principle of murabahah (via a tawarruq arrangement), established under a programme agreement originally dated 20 August 2015 (as announced on 8 September 2015) between Sapura TMC Sdn. Bhd. as issuer, Maybank Investment Bank Berhad as lead arranger, and Maybank Investment Bank Berhad as facility agent, and as thereafter amended and supplemented.

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31. BORROWINGS (CONT'D.)

(d) Other information relating to borrowings (cont'd.):

(iii) In March and June 2022, and subsequently in March and June 2023, Sapura TMC and the Obligors requested the MCF Financiers of the MCF Facilities to waive any event of default which may arise as a result of:

- (a) failure by Sapura TMC and the Obligors to comply with certain financial covenants of the MCF Facilities;
- (b) granting of Restraining Order in relation to Sapura TMC and the Obligors, and the filing of any documents in connection with that Restraining Order; and
- (c) failure by Sapura TMC or any of the Obligor of the MCF Facilities to pay certain amounts due and payable under the MCF Facilities during the 90-day period commencing from 7 March 2022 and a further 6 months from 6 June 2022 to 10 December 2022.

In relation to (a) and (b) above, the majority of the MCF Financiers consented to these requests and agreed not to take any enforcement action in relation to any default which may arise as a result of:

- (aa) the failure by Sapura TMC and the Obligors to comply with certain financial covenants of the MCF Facilities; and
- (bb) the Restraining Orders in relation to Sapura TMC and the Obligors and the filing of any documents in connection with the Restraining Order.

(iv) On 1 September 2022, the Company received approval from the CDRC approving the Company's application for assistance to mediate in its debt restructuring negotiations with certain financial institutions who have provided multi-currency facilities to Sapura TMC.

The CDRC is a committee established under the purview of Bank Negara Malaysia for the purpose of providing a platform for corporate borrowers and their creditors to work out feasible debt resolutions without having to resort to legal proceedings. The Company and nine of its subsidiaries which are obligors under the MCF Facilities ("Admitted Group Companies"), were admitted to the CDRC regime with effect from 1 September 2022.

Following the CDRC's acceptance of the Company's application, CDRC has issued a letter addressed to the Company stating that:

- (a) the Lenders are expected to observe an informal standstill and withhold from any proceedings and the Company is expected to submit a proposal for a restructuring of its debts within 60 days from 1 September 2022; and
- (b) the Company and the Admitted Group Companies are required to adhere to and be bound by Bank Negara Malaysia CDRC Participant's Code of Conduct and any variations thereof as determined at the discretion of the CDRC from time to time.

The Company submitted a draft PRS to the CDRC on 29 September 2022 and has since been participating in CDRC meetings with the MCF Financiers to seek feedback on and to refine the terms of the PRS.

On 28 February 2023, the Company received a formal notification dated 24 February 2023 from the CDRC stating that the CDRC Committee extended the standstill period for the Company and its relevant subsidiaries under the CDRC regime, up to 9 September 2023.

On 6 September 2023, the Company received a formal notification from CDRC dated 5 September 2023, stating of a further extension of the standstill period for the Company and its nine (9) subsidiaries until 10 March 2024.

On 12 December 2023, CDRC confirmed at least 75% of the MCF Financiers have provided their requisite AIP of the PRS.

31. BORROWINGS (CONT'D.)

(d) Other information relating to borrowings (cont'd.):

On 11 March 2024, the Company has received a letter from CDRC stating CDRC has extended the standstill period for the Company and its relevant subsidiaries until 10 June 2024 after taking into consideration of the current state of progress of the Company's PRS and the recent three (3) months extension of the Convening and Restraining Orders granted by the Court on 7 March 2024 which will take effect on 11 March 2024.

The MCF Financiers are to continue to observe the informal standstill and withhold all legal proceedings and/or any other recovery action initiated or intended against the Company and/or the Company's subsidiaries under the CDRC regime.

- (v) On 26 October 2022, the Company completed the disposal of Sapura T-19, Sapura T-20 and Sapura Setia for a net disposal proceeds of USD8.1 million. The net disposal proceeds were deposited into a disposal proceeds account and were utilised to repay the multi-currency financing facilities, subject to the terms of the MCF Facilities.
- (e) As required under MFRS 101: Presentation of Financial Statements, in the event of a breach of loan covenants on or before the end of reporting date, which gives lender the rights to demand for immediate repayment, an entity is required to classify a liability as current as it no longer has the unconditional right to defer its settlement for at least twelve months after that date.

Since the previous reporting date, the Group has breached certain financial covenants pursuant to the MCF Facilities. As a result, the borrowings have been classified as current liabilities.

32. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Non-current liability		
Amount due to a subsidiary	3,767,595	3,767,595
Current liabilities		
Amounts due to subsidiaries	1,988,821	1,621,068

Amounts due to subsidiaries are unsecured, interest free and repayable on demand, except for RM3,767.6 million (2023: RM3,767.6 million) which is subject to interest rate of 2.0% (2023: 2.0%) per annum above the cost of funds.

Further details on related party transactions are disclosed in Note 39.

Other information on financial risks of amounts due to subsidiaries are disclosed in Note 40.

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33. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current liabilities				
Trade payables	10,651	2,941	–	–
Other payables	9,920	8,867	–	–
Total non-current trade and other payables	20,571	11,808	–	–
Current liabilities				
Trade payables				
Third parties	2,043,204	1,757,607	–	–
Other payables				
Amounts due to:				
Joint ventures and associates	100,560	98,882	177	46
Related parties	1,813	1,628	35	36
	102,373	100,510	212	82
Staff costs	13,865	42,159	1,700	435
Accruals	2,891,433	1,412,623	114,275	69,921
Sundry payables	460,551	403,859	76,579	81,170
	3,365,849	1,858,641	192,554	151,526
Total current trade and other payables	5,511,426	3,716,758	192,766	151,608

(a) Trade payables – Third parties

Trade payables are non-interest bearing and trade credit terms granted to the Group range from 30 days to 90 days (2023: 30 days to 90 days).

(b) Amounts due to joint ventures, associates and related parties

These amounts are unsecured, non-interest bearing and are repayable on demand.

34. PROVISIONS

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Provision for foreseeable losses	(a)	210,044	426,549	–	–
Provision for other liabilities	(b)	577,340	–	–	–
		787,384	426,549	–	–

(a) Provision for foreseeable losses

Provision for foreseeable losses are arising from certain construction contracts. The movement of provision during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 February 2023/2022	426,549	609,356	–	44,700
Recognised during the year (Note 8)	926,807	706,461	–	–
Utilised during the year	(470,158)	(462,059)	–	–
Reversal during the year (Note 8)	(301,294)	(432,385)	–	(44,700)
Reclassified to provision for other liabilities (Note 34 (b))	(418,280)	–	–	–
Exchange differences	46,420	5,176	–	–
At 31 January	210,044	426,549	–	–

In the previous financial year, the Company has made a reversal of RM44.7 million provision in relation to the breach of a tenancy agreement with a related party.

(b) Provision for other liabilities

During the financial year, amounts of RM418.3 million and RM159.1 million have been reclassified from provision for foreseeable losses and contract liabilities, respectively, to provision for other liabilities which relates to ongoing claims upon termination of certain construction contracts by the customers. Further details are disclosed in Note 38(c) and 46 (d), (e) and (f).

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35. LEASE LIABILITIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Lease liabilities	15,028	22,935	2,185	14,980
Current				
Lease liabilities	24,418	18,720	12,795	12,271
Total lease liabilities	39,446	41,655	14,980	27,251

The movement of lease liabilities during the year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 February 2023/2022	41,655	16,721	27,251	–
Additions	18,976	30,952	–	37,091
Payments	(23,838)	(11,226)	(13,178)	(10,981)
Interest expense (Note 7)	1,979	2,362	907	1,141
Exchange differences	674	2,846	–	–
As at 31 January	39,446	41,655	14,980	27,251

As allowed under MFRS 16, the Group and the Company had elected not to recognise the right-of-use assets and lease liabilities in relation to short-term lease.

The Group has total cash outflows for lease liabilities and short-term leases of RM361.9 million (2023: RM327.0 million).

The maturities of the lease liabilities as at 31 January 2024 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within one year	24,418	18,720	12,795	12,271
More than 1 year but not later than 2 years	14,140	20,729	2,185	12,795
More than 2 years but not later than 5 years	888	2,206	–	2,185
	39,446	41,655	14,980	27,251

36. EXECUTIVE SHARE OPTION SCHEME

The ESOS has been implemented effective from 13 December 2018.

Options are granted to the eligible executive directors and senior management employed on a full time basis at the discretion of the BNRC.

The key features of the ESOS are as follows:

- (a) The maximum number of new ordinary shares of the Company which may be allotted and issued pursuant to the options that may be granted under the ESOS shall not in aggregate exceed ten percent (10%) of the total number of issued ordinary shares of the Company (excluding shares held under trust);
- (b) The maximum number of options that may be granted under the ESOS to any one eligible person shall be at the sole and absolute discretion of the BNRC after taking into consideration the position, performance and length of service of the eligible person in the Group, or such other factors which the BNRC may in its absolute discretion deem fit, subject to the following:
 - (i) the eligible executive directors and senior management do not participate in the deliberation or discussion in respect of his/her own allocation; and
 - (ii) the number of new ordinary shares of the Company to be allocated to any eligible person who, either singly or collectively through persons connected with such eligible person, holds twenty percent (20%) or more of the total issued ordinary shares of the Company (excluding shares held under trust), does not exceed ten percent (10%) (or such percentage as allowable by the relevant authorities) of the total number of new ordinary shares of the Company to be issued under the ESOS.
- (c) The option exercise price shall be determined by the Board upon recommendation of the BNRC based on five (5) days weighted average market price of the ordinary shares of the Company, as quoted on Bursa Securities, immediately preceding the date of offer or with a premium or discount. In the event of a discount, the discount shall not be more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (d) The ESOS shall be in force for a duration of seven (7) years from the effective date of implementation of the ESOS. The BNRC may terminate the ESOS at any time during the duration of the ESOS subject to a notice period of at least thirty days being provided; and
- (e) The ESOS is immediately exercisable upon granting. However, the grantee must not sell, transfer or assign any new ordinary shares of the Company obtained through the exercise of the options offered to the person under the ESOS within three (3) years from the date of offer.

Movement of share options

The following table illustrates the number of, and movements in, share options during the financial year:

	Group and Company	
	2024 '000	2023 '000
Outstanding and exercisable at 1 February 2023/2022	883,643	1,024,259
Lapsed during the year	(84,689)	(140,616)
Outstanding and exercisable at 31 January	798,954	883,643

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36. EXECUTIVE SHARE OPTION SCHEME (CONT'D.)

The remaining contractual life and expiry date for these options are as follows:

	Group and Company	
	Tranche 1	Tranche 2
Remaining contractual life	1.87 years	2.19 years
Exercise price	0.31	0.39
Granted date	14 December 2018	12 April 2019
Expiry date	12 December 2025	10 April 2026

Following the grant of options on 12 April 2019, the weighted average exercise price of the options granted to date was RM0.30.

Fair value of share options granted

The fair value of the share options granted under the ESOS is estimated at the grant date using a trinomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing models are as follows:

	Group and Company	
	Tranche 1	Tranche 2
Dividend yield	1.52%	1.52%
Expected volatility	35.5%	37.8%
Risk-free interest rate (per annum)	3.80%	3.80%
Expected life of option	7 years	7 years

The expected life of the options is based on the ESOS duration and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period, similar to the life of the options is indicative of future trends.

37. COMMITMENTS

	Group	
	2024 RM'000	2023 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	38,402	24,914

38. FINANCIAL GUARANTEE CONTRACTS AND CONTINGENT LIABILITIES

The nominal value of the financial guarantee contracts given by the Group and the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Secured				
Financial guarantee contracts given to financial institutions for credit facilities and performance bonds granted to joint ventures and associate	529,808	524,916	—	—
Unsecured				
Financial guarantee contracts given on behalf of subsidiaries	—	—	515,003	747,829
	529,808	524,916	515,003	747,829

The fair value of the financial guarantee contracts given to financial institutions for credit facilities granted to joint ventures are deemed immaterial as the value of the underlying collateral provided by the respective joint ventures is sufficient to cover the outstanding loan amounts. The credit facilities are secured by way of deposit pledged and legal charges over the vessels of the joint ventures.

Other contingent liabilities:

- (a) On 31 January 2019, SapuraOMV Upstream Sdn. Bhd. ("SapuraOMV"), an associate company held through Sapura Upstream Assets Sdn. Bhd. ("SUA"), entered into a facility agreement with OMV Exploration & Production GmbH to SapuraOMV ("OMV E&P") for the OMV financing amounting to USD350.0 million (equivalent to approximately RM1,431.2 million). As security for this, SUA has pledged shares of SapuraOMV with a value of USD175.0 million (equivalent to approximately RM715.6 million) in favour of OMV E&P. Further details are disclosed in Note 47 (c).
- (b) On 17 November 2019, PETRONAS approved a 2-year extension for the Exploration Period for SB331 and SB332 Production Sharing Contracts ("PSC") to Sapura Exploration & Production (Sabah) Inc. ("SEPS") subject to the fulfilment of certain minimum work commitments, failure of which there will be a sum payable to PETRONAS. On 29 December 2021, PETRONAS approved a further extension for 3 years allowing SEPS to complete its commitments by 19 November 2024. SEPS is currently in discussion with PETRONAS in relation to the terms and conditions stipulated in the extension.

Subsequent to the year end, on 7 May 2024, SEPS has received a letter from PETRONAS stating that all parties to the PSC, including SEPS is required to complete the acceptance of their approval letter by 30 June 2024.

- (c) In prior years, Sapura Offshore Sdn. Bhd. ("SOSB") has been awarded a contract by Shell Eastern Petroleum (Pte) Ltd. ("Shell") for an Engineering, Procurement, Construction and Installation for the SBM Pipeline Rejuvenation Phase II Project ("Contract").

During the current financial year, Shell has requested for rescaling or descoping of the Contract. Following that, there have been several discussions between both parties. Subsequently, Shell has issued Letter of Demand ("LOD") in September 2023, followed by a clarification meeting held on 5 October 2023. Accordingly, SOSB considered this Contract has been terminated.

- (d) Other than as disclosed above and Note 46 (b), (c), (d), (e) and (f) there are no other changes to contingent liabilities in the current financial year.

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39. RELATED PARTY DISCLOSURES

(a) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year:

	Group Expense/(income)		Company Expense/(income)	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(i) Transactions with companies connected to directors and current substantial shareholders				
Rental of office premises paid and payable to Sapura Resources Berhad*	13,178	(31,530)	3,795	(40,671)

* In the previous financial year, reversal of provision relates to the mutual termination of the previous breach of a tenancy agreement, as disclosed in Note 34.

	Company (Income)/expense	
	2024 RM'000	2023 RM'000
(ii) Transactions with subsidiaries		
(a) Management fees from subsidiaries	(59,350)	(101,305)
(b) Interest charged to subsidiaries	(15,642)	(11,181)
(c) Interest charged by a subsidiary	303,086	250,227
(d) Shared service fees charged by a subsidiary	10,883	9,918

The transactions above have been entered into in the normal course of business and on a negotiated basis.

Other than as disclosed above, there were no material contracts subsisting as at 31 January 2024 or if not then subsisting, entered into since the end of the financial year by the Company or its subsidiaries which involved the interests of substantial shareholders.

(b) Compensation of key management personnel

The remuneration of the key management personnel, including directors, during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Employee benefits and other emoluments	14,457	11,228	9,269	6,101
Contributions to defined contribution plan	987	779	823	571
	15,444	12,007	10,092	6,672

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk and credit risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its interest rate, foreign currencies, liquidity and credit risks. The Group and the Company operates within clearly defined guidelines approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and of the Company will fluctuate because of changes in market interest rates.

The Group's and the Company's earnings are affected by changes in interest rates due to the changes in interest bearing financial assets and liabilities. The Group's exposure to interest rate risk arises primarily from its borrowings, whereas the Company's exposure to interest rate arises mainly from its amount due to a subsidiary which is subject to floating interest rates.

At the reporting date, approximately 99.9% (2023: 99.9%) of the Group's borrowings are at floating interest rates. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's loss before tax (through the impact on interest expense and profit sharing on floating rate loans and borrowings).

	2024		2023	
	Increase/ decrease in basis points	Effect on loss before tax RM'000	Increase/ decrease in basis points	Effect on loss before tax RM'000
Group				
– Ringgit Malaysia	+ 25	(19,066)	+ 25	(19,350)
– US Dollar	+ 25	(8,439)	+ 25	(8,016)
– Ringgit Malaysia	– 25	19,066	– 25	19,350
– US Dollar	– 25	8,439	– 25	8,016
Company				
– Ringgit Malaysia	+ 25	(9,824)	+ 25	(9,824)
– US Dollar	+ 25	(191)	+ 25	(132)
– Ringgit Malaysia	– 25	9,824	– 25	9,824
– US Dollar	– 25	191	– 25	132

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Foreign currency risk

Foreign currency (a currency which is other than the functional currency of the Group entities) risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising mainly from revenue or costs and advances that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM and US Dollar ("USD"). The foreign currencies in which these transactions are denominated are mainly USD and RM respectively.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the assets or investment is located or by borrowing in the currencies that match the future revenue stream to be generated from its investments. Where possible, the strategy is to match the payments for foreign currency payables against receivables denominated in the same foreign currency.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's loss before tax to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Loss before tax Group Decrease/(increase)		Loss before tax Company Decrease/(increase)	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
USD/RM – strengthened 5%	477,375	369,749	22,642	20,816
– weakened 5%	(477,375)	(369,749)	(22,642)	(20,816)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from its various payables, loans and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

As of 31 January 2024, the Group and the Company's current liabilities exceeded their current assets by RM14,528.6 million and RM2,173.2 million respectively. This may cast significant doubt on the ability of the Group and the Company to meet their obligations as and when they fall due.

The ability of the Group and the Company to meet their obligations is dependent on the successful implementation of those initiatives as disclosed in Note 2.1

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(c) Liquidity risk (cont'd.)****Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
At 31 January 2024				
Financial liabilities:				
Trade and other payables	5,511,426	20,571	–	5,531,997
Lease liabilities	24,418	15,028	–	39,446
Borrowings	14,319,153	–	–	14,319,153
	19,854,997	35,599	–	19,890,596
Financial guarantee contracts	104,103	271,769	153,936	529,808
Total undiscounted financial liabilities	19,959,100	307,368	153,936	20,420,404
At 31 January 2023				
Financial liabilities:				
Trade and other payables	3,716,758	11,808	–	3,728,566
Lease liabilities	18,720	22,935	–	41,655
Borrowings	13,583,180	–	–	13,583,180
	17,318,658	34,743	–	17,353,401
Financial guarantee contracts	45,069	275,746	204,101	524,916
Total undiscounted financial liabilities	17,363,727	310,489	204,101	17,878,317

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Company	On demand or within one year RM'000	One to five years RM'000	Total RM'000
At 31 January 2024			
Financial liabilities:			
Amount due to subsidiaries	2,274,293	4,054,540	6,328,833
Trade and other payables	192,766	–	192,766
Lease liabilities	12,795	2,185	14,980
	2,479,854	4,056,725	6,536,579
Financial guarantee contracts	515,003	–	515,003
Total undiscounted financial liabilities	2,994,857	4,056,725	7,051,582
At 31 January 2023			
Financial liabilities:			
Amount due to subsidiaries	1,888,870	4,304,580	6,193,450
Trade and other payables	151,608	–	151,608
Lease liabilities	12,271	14,980	27,251
	2,052,749	4,319,560	6,372,309
Financial guarantee contracts	747,829	–	747,829
Total undiscounted financial liabilities	2,800,578	4,319,560	7,120,138

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade receivables, contract assets and financial guarantee contracts.

Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Credit approvals are performed in accordance to approved limits of authority. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

For trade receivables and contract assets, the Group apply a simplified approach in calculating ECLs. Therefore, the Group do not track changes in credit risk, but instead recognises a provision for impairment based on lifetime ECLs at each reporting date. Management monitors the recoverability of the receivables based on its historical credit loss experience and also considers available forward-looking information, which could indicate whether a customer is experiencing significant financial difficulty or it becomes probable that a customer will enter into bankruptcy or other financial reorganisation.

The Group categorises a receivable for potential impairment when the customer fails to make contractual payments beyond the agreed credit terms. The receivable is impaired if there is no reasonable expectation of recovery, such as the customer failing to engage in a repayment plan with the Group.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Credit risk (cont'd.)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position as disclosed in Note 41.
- The carrying amount of contract assets as disclosed in Note 23.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:

	Group			
	2024		2023	
	RM'000	% of total	RM'000	% of total
By country/region				
Malaysia	234,902	38%	48,554	17%
Asia*	190,992	31%	83,022	29%
Africa	93,957	15%	29,197	10%
Americas	48,028	8%	32,920	11%
Australia	36,593	6%	69,946	24%
Middle East	7,663	1%	19,730	7%
Others	2,718	0%	6,590	3%
	614,853	100%	289,959	100%

* Exclude Malaysia and Middle East

Exposure to expected credit losses increases with concentrations of credit risk which may exist when a number of counterparties are involved in similar activities or operate in the same industry sector or geographical area, which may result in their ability to meet contractual obligations being impacted by changes in economic, political or other conditions.

The Group's principal customers with which it conducts business are diversified and there is no significant concentration of credit risk to any single customer or a group of customers at the reporting date.

Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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41. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The accounting policies in Note 2.13 and Note 2.18 describe how the categories of financial instruments are measured, and how income and expenses are recognised.

The table below reflects the financial assets and liabilities in the statement of financial position by the categories of financial instrument to which they are assigned:

	Note	Debt instruments at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
As at 31 January 2024				
Assets				
Trade and other receivables	*	812,277	–	812,277
Cash, deposits and bank balances	24	1,453,506	–	1,453,506
Total financial assets		2,265,783	–	2,265,783
Total non-financial assets				11,730,106
Total assets				13,995,889
Liabilities				
Borrowings	31	–	10,982,446	10,982,446
Trade and other payables	33	–	5,531,997	5,531,997
Lease liabilities	35	–	39,446	39,446
Total financial liabilities		–	16,553,889	16,553,889
Total non-financial liabilities				1,663,080
Total liabilities				18,216,969

* These balances exclude non-financial instrument balances which are not within the scope of MFRS 9: Financial Instruments.

41. FINANCIAL INSTRUMENTS (CONT'D.)**(a) Classification of financial instruments (cont'd.)**

The table below reflects the financial assets and liabilities in the statement of financial position by the categories of financial instrument to which they are assigned (cont'd.):

	Note	Debt instruments at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
As at 31 January 2023				
Assets				
Trade and other receivables	*	725,326	–	725,326
Cash, deposits and bank balances	24	850,125	–	850,125
Total financial assets		1,575,451	–	1,575,451
Total non-financial assets				11,127,934
Total assets				12,703,385
Liabilities				
Borrowings	31	–	10,615,934	10,615,934
Trade and other payables	33	–	3,728,566	3,728,566
Lease liabilities	35	–	41,655	41,655
Total financial liabilities		–	14,386,155	14,386,155
Total non-financial liabilities				1,222,952
Total liabilities				15,609,107

* These balances exclude non-financial instrument balances which are not within the scope of MFRS 9: Financial Instruments.

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41. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

The table below reflects the financial assets and liabilities in the statement of financial position by the categories of financial instrument to which they are assigned (cont'd.):

	Note	Debt instruments at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company				
As at 31 January 2024				
Assets				
Amounts due from subsidiaries	21	3,238	–	3,238
Other receivables	*	4	–	4
Cash, deposits and bank balances	24	3,629	–	3,629
Total financial assets		6,871	–	6,871
Total non-financial assets				1,784,470
Total assets				1,791,341
Liabilities				
Amounts due to subsidiaries	32	–	5,756,416	5,756,416
Trade and other payables	33	–	192,766	192,766
Lease liabilities	35	–	14,980	14,980
Total financial liabilities		–	5,964,162	5,964,162
Total non-financial liabilities				–
Total liabilities				5,964,162

* These balances exclude non-financial instrument balances which are not within the scope of MFRS 9: Financial Instruments.

41. FINANCIAL INSTRUMENTS (CONT'D.)**(a) Classification of financial instruments (cont'd.)**

The table below reflects the financial assets and liabilities in the statement of financial position by the categories of financial instrument to which they are assigned (cont'd.):

	Note	Debt instruments at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company				
As at 31 January 2023				
Assets				
Amounts due from subsidiaries	21	10,379	–	10,379
Other receivables	*	1	–	1
Cash, deposits and bank balances	24	4,562	–	4,562
Total financial assets		14,942	–	14,942
Total non-financial assets				1,809,764
Total assets				1,824,706
Liabilities				
Amounts due to subsidiaries	32	–	5,388,663	5,388,663
Trade and other payables	33	–	151,608	151,608
Lease liabilities	35	–	27,251	27,251
Total financial liabilities		–	5,567,522	5,567,522
Total non-financial liabilities				–
Total liabilities				5,567,522

* These balances exclude non-financial instrument balances which are not within the scope of MFRS 9: Financial Instruments.

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41. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	22
Trade and other payables	33
Borrowings	31
Amounts due from subsidiaries	21
Amounts due to subsidiaries	32

The carrying amounts of the financial assets and liabilities (except for the fixed rate borrowings) are reasonable approximation of fair values either due to their short-term nature or that they are floating rate instruments that are re-priced to the market interest rates on or near reporting date.

The carrying amounts of the fixed rate borrowings are reasonable approximations of fair values due to the insignificant impact of incremental market rate.

(c) Fair value hierarchy

The Group's and the Company's financial instruments are analysed in a three level fair value hierarchy based on the significance of inputs as disclosed in Note 2.30.

42. CAPITAL MANAGEMENT

Capital management refers to implementing measures to maintain sufficient capital to support the Group's business and growth plans. The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and maximise shareholders' value.

One of the key considerations in this regard is to maintain ready access to capital markets and to preserve the Group's ability to repay and service debt obligations over time.

The Group manages its capital structure and monitors capital using a gearing ratio, which is net debt divided by total capital. The Group endeavours to maintain an optimal gearing ratio and regularly monitors its gearing level.

	Note	Group	
		2024 RM'000	2023 RM'000
Borrowings	31	10,982,446	10,615,934
Add: Unamortised transaction cost		83,665	100,608
Less: Cash, deposits and bank balances	24	(1,453,506)	(850,125)
Net debt		9,612,605	9,866,417

42. CAPITAL MANAGEMENT (CONT'D.)

	Group	
	2024 RM'000	2023 RM'000
Total shareholders' deficit	(4,221,080)	(2,905,722)
Add: Non-controlling interests	38,222	26,632
Total capital	(4,182,858)	(2,879,090)
Net gearing ratio	N/A	N/A

The Group has not presented its gearing ratio since previous financial year due to the shareholders' deficit position.

43. SEGMENT INFORMATION**(a) Operating segments**

The Group organised its businesses as follows:

- (i) Engineering and Construction ("E&C");
- (ii) Operations and Maintenance ("O&M");
- (iii) Drilling;
- (iv) Exploration and Production ("E&P"); and
- (v) Corporate

Major activities of the E&C business segment are:

- Offshore Construction and Subsea Services ("OCSS") which provide complete offshore construction and installation works for offshore platforms, submarine pipelines and Subsea facilities, Umbilicals, Risers and Flowlines ("SURF").
- Engineering, Procurement, Construction ("EPC") which provide end-to-end, turnkey EPCIC solutions for the energy industry.

O&M works ranging from major upgrading, modification and rejuvenation, to topside life extension preventive, corrective maintenance works and Hook-up & Commissioning ("HUC") which provide services for new and existing facilities in the oil and gas industry.

The Drilling segment is involved in the charter of oil drilling rigs and provision of drilling related services.

Sapura Exploration & Production (Sabah) Inc. remains in E&P segment. The share of profit from SapuraOMV is recorded under the E&P segment.

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43. SEGMENT INFORMATION (CONT'D.)

(a) Operating segments (cont'd.)

	Engineering and Construction RM'000	Operations and Maintenance RM'000	Drilling RM'000	Exploration and Production RM'000	Corporate RM'000	Eliminations* RM'000	Consolidated RM'000
31 January 2024							
Revenue							
External sales	2,628,618	453,545	1,236,331	–	–	–	4,318,494
Inter-segment sales	81,790	126,800	–	–	106,263	(314,853)	–
Total revenue	2,710,408	580,345	1,236,331	–	106,263	(314,853)	4,318,494
Results							
Segment (loss)/profit	(513,294)	(55,191)	371,801	1,584	50,287	176,440	31,627
Finance costs							(800,115)
Interest income							18,423
Share of profit/(loss) from associates and joint ventures	332,199	19,385	–	(2,081)	(12,280)	–	337,223
Loss before tax							(412,842)
Income tax expense							(105,858)
Loss net of tax							(518,700)
Non-controlling interests							10,042
Loss for the year attributable to owners of the Parent							(508,658)
Assets							
Segment assets	5,319,906	787,441	3,028,914	175	2,012,544	(2,127,712)	9,021,268
Investment in associates and joint ventures	2,719,058	40,017	–	1,858,500	1,512	–	4,619,087
Goodwill on consolidation	239,107	–	–	–	–	–	239,107
Deferred tax assets	92,832	17,611	5,984	–	–	–	116,427
Consolidated total assets							13,995,889
Liabilities							
Segment liabilities	4,578,926	459,542	672,300	2,403	1,744,656	(275,960)	7,181,867
Borrowings	2,129	5,400	–	–	10,974,917	–	10,982,446
Deferred tax liabilities	24,078	–	28,578	–	–	–	52,656
Consolidated total liabilities							18,216,969
Other Information							
Capital expenditure	72,370	36,092	95,714	–	3,928	–	208,104
Depreciation of property, plant and equipment	169,814	52,488	164,427	–	19,895	111	406,735
Provision for impairment on property, plant and equipment	–	25,825	–	–	–	–	25,825

* Inter-segment transactions are eliminated on consolidation.

43. SEGMENT INFORMATION (CONT'D.)**(a) Operating segments (cont'd.)**

	Engineering and Construction RM'000	Operations and Maintenance RM'000	Drilling RM'000	Exploration and Production RM'000	Corporate RM'000	Eliminations* RM'000	Consolidated RM'000
31 January 2023							
Revenue							
External sales	2,819,871	357,278	1,374,105	–	–	–	4,551,254
Inter-segment sales	1,708	160,545	–	–	140,593	(302,846)	–
Total revenue	2,821,579	517,823	1,374,105	–	140,593	(302,846)	4,551,254
Results							
Segment (loss)/profit	(1,075,064)	111,173	(1,415,123)	(138)	(3,439,072)	3,362,063	(2,456,161)
Finance costs							(622,831)
Interest income							14,035
Share of profit/(loss) from associates and joint ventures	291,432	26,607	–	(355,564)	(1,075)	–	(38,600)
Loss before tax							(3,103,557)
Income tax expense							(71,970)
Loss net of tax							(3,175,527)
Non-controlling interests							17,847
Loss for the year attributable to owners of the Parent							(3,157,680)
Assets							
Segment assets	4,951,641	561,799	2,819,862	725	2,218,262	(2,332,956)	8,219,333
Investment in associates and joint ventures	2,423,818	37,207	–	1,663,236	13,957	–	4,138,218
Goodwill on consolidation	239,107	–	–	–	–	–	239,107
Deferred tax assets	86,790	17,676	2,261	–	–	–	106,727
Consolidated total assets							12,703,385
Liabilities							
Segment liabilities	4,399,609	259,122	770,954	3,736	947,952	(1,426,487)	4,954,886
Borrowings	1,815	5,400	–	–	10,608,719	–	10,615,934
Deferred tax liabilities	16,239	36	22,012	–	–	–	38,287
Consolidated total liabilities							15,609,107
Other Information							
Capital expenditure	41,646	10,875	145,002	–	5,268	–	202,791
Depreciation of property, plant and equipment	165,857	28,517	331,054	–	18,731	205	544,364
Amortisation of intangible assets	2,847	22	1,533	–	–	–	4,402
Provision for impairment on property, plant and equipment	–	–	1,156,355	–	–	146	1,156,501
Provision for impairment on goodwill	1,061,446	–	402,225	–	–	–	1,463,671

* Inter-segment transactions are eliminated on consolidation.

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43. SEGMENT INFORMATION (CONT'D.)

(a) Operating segments (cont'd.)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Corporate assets, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on a negotiated basis in a manner similar to transactions with third parties.

(b) Geographical information

The Group operates in various geographical areas in the world. In Malaysia, its home country, the Group's areas of operation are installation of pipelines and facilities, engineering, procurement, construction and commissioning, offshore oil and gas drilling services, subsea and offshore support services and geotechnical and maintenance services. Malaysia is also the main country of operation for exploration and production business that involved in exploration, development and production of crude oil and natural gas. Other operations in Malaysia include oilfield development and production, investment holding and provision of management services.

The Group also operates in other countries/regions:

- (i) Asia (excluding Malaysia and Middle East) – installation of pipelines and facilities, provision of engineering, procurement, construction and commissioning, provision for drilling rigs and services, provision of geotechnical and geophysical services to the oil and gas industry and vessel chartering.
- (ii) Australia – installation of pipelines and facilities and development of marine technology and marine chartering, specialising on ROV.
- (iii) Americas – installation of pipelines and facilities, provision of technical consulting, advising to oil and gas companies and provision of offshore oil and gas drilling services.
- (iv) Middle East – 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 and construction.
- (v) Africa – provision of offshore oil and gas drilling services and installation of pipelines and facilities.
- (vi) Others – provision of advanced subsea and floating systems engineering and project management services to offshore projects.

Further details of revenue from external customers by geographical areas are disclosed in Note 3.2.

Majority of the Group's segment assets are highly mobile and moves from one geographical area to another in order to maximise revenue generation opportunities. Consequently, segment assets by geographical area are not presented.

44. SUBSIDIARIES AND ACTIVITIES

(i) Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(a) Subsidiaries of Sapura Energy Berhad				
Total Marine Technology (Malaysia) Sdn. Bhd.	Malaysia	Act as agent and service provider for oil and gas industry	100	100
Sapura Deepwater Pte. Ltd	Bermuda	Dormant	100	100
Sapura GeoSciences Sdn. Bhd.	Malaysia	Provision of offshore geotechnical and geophysical services	100	100
Sapura Technology Solutions Sdn. Bhd.	Malaysia	Investment holding, provision of operation and maintenance services and provision of management services	100	100
SapuraCrest Ventures Sdn. Bhd.	Malaysia	Investment holding	100	100
Crest Hidayat (L) Ltd.	Federal Territory of Labuan, Malaysia	Dormant	100	100
Sapura Perdana Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Dana SPV Pte. Ltd.	Federal Territory of Labuan, Malaysia	Chartering and hiring out of vessels and barges	100	100
SapuraCrest Petroleum Berhad	Malaysia	Dormant	100	100
Sapura Management Services Sdn. Bhd.	Malaysia	Management services	100	100
Sapura Nautical Essence Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Offshore Sdn. Bhd.	Malaysia/Taiwan/Singapore	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	100	100
Sapura Petroleum Sdn. Bhd.	Malaysia	Investment holding	100	100

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44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(a) Subsidiaries of Sapura Energy Berhad (cont'd.)				
Sapura Fabrication Sdn. Bhd.	Malaysia/Qatar/ Brunei	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	100	100
Geomark Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Energy Ventures Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Marine Engineering Sdn. Bhd.	Malaysia	Provision of offshore construction and diving equipment	100	100
Momentum Energy Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Onshore Sdn. Bhd.	Malaysia	Provision of engineering, fabrication and construction services	100	100
Sapura Engineering Sdn. Bhd.	Malaysia	Provision of front-end engineering design ("FEED") and detailed design engineering ("DDE")	100	100
SE Petroleum Berhad	Malaysia	Dormant	100	100
Sapura Pinewell Sdn. Bhd.	Malaysia	Hook-up, commissioning, maintenance brownfield rejuvenation and onshore construction	100	100
Sapura Petroleum Ventures Sdn. Bhd.	Malaysia	Investment holding	100	100
SEB Energy Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Subsea Services Sdn. Bhd.	Malaysia	Provision of offshore diving and related services and the provision of diving equipment for rental	100	100
Sapura TMC Sdn. Bhd.	Malaysia	Provision of treasury management services	100	100
Sapura 900 Pte. Ltd.	Federal Territory of Labuan, Malaysia	Vessel owner and chartering	100	100

44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(a) Subsidiaries of Sapura Energy Berhad (cont'd.)				
Sapura 3000 Pte. Ltd.	Federal Territory of Labuan, Malaysia	Dormant	100	100
Sapura Energy Services Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Drilling Pte. Ltd.	Federal Territory of Labuan, Malaysia	Investment holding	100	100
Sapura Drilling Probadi Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Upstream Assets Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Global Services Sdn. Bhd.	Malaysia	Provision of strategic services to the operating companies, training and consultancy services	100	100
Sinar E&C Sdn. Bhd.	Malaysia	Dormant	100	100
(b) Held through Sapura GeoSciences Sdn. Bhd.				
Sapura Jaya Sdn. Bhd.	Malaysia	Chartering of vessels	100	100
(c) Held through Sapura Jaya Sdn. Bhd.				
Sapura GeoSurvey Sdn. Bhd.	Malaysia	Hydrographic surveys and related services	100	100
Sapura GeoTechnics Sdn. Bhd.	Malaysia	Soil investigation and geotechnical services	100	100
(d) Held through Sapura GeoSurvey Sdn. Bhd.				
Sapura GeoSurvey Pte. Ltd.	Singapore	Dormant	100	100
(e) Held through Sapura GeoTechnics Sdn. Bhd.				
Sapura GeoTechnics (S) Pte. Ltd.	Singapore	Soil investigation and geotechnical services	100	100
Sapura Oilserve Sdn. Bhd.	Malaysia	Dormant	100	100
(f) Held through Sapura Oilserve Sdn. Bhd.				
Sapura Oilserve Labuan Pte. Ltd.	Federal Territory of Labuan, Malaysia	Dormant	100	100

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44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(g) Held through Sapura Technology Solutions Sdn. Bhd.				
Sapura Digital Solutions Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Power Services Sdn. Bhd.	Malaysia	Provision of maintenance services to the power utility and oil and gas industries	94.4	94.4
Sapura Diving Services Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Maintenance Services Sdn. Bhd.	Malaysia	Provision of maintenance services to the power, utility and oil and gas industries	100	100
Sapura Petroleum Technologies Sdn. Bhd.	Malaysia	Dormant	99.7	99.7
Sapura Services Sdn. Bhd.	Malaysia	Investment holding	100	100
Sapura Vessels Pte. Ltd.	Federal Territory of Labuan, Malaysia	Dormant	100	100
Sapura Energy Infinite Sdn. Bhd.	Malaysia	Investment holding	100	100
(h) Held through Sapura Energy Infinite Sdn. Bhd.				
Sapura Energy Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
(i) Held through Sapura Energy Resources Sdn. Bhd.				
Sarku Engineering Services Sdn. Bhd.	Malaysia	Provision of offshore engineering services, marine support and logistic assistance for the oil and gas industry	100	100
Sapura Marine Ventures Sdn. Bhd.	Malaysia	Provision of crew, chartering and hiring out of barges	100	100
Sapura Engineering (Offshore) Sdn. Bhd.	Malaysia	Chartering and hiring out of barges, vessels and operational equipment including provision of crew	100	100
(j) Held through SapuraCrest Ventures Sdn. Bhd.				
Sapura Exploration and Production (RSC) Sdn. Bhd.	Malaysia	Dormant	100	100

44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(k) Held through Sapura Exploration and Production (RSC) Sdn. Bhd.				
Sapura Sambang Sdn. Bhd.	Malaysia	Dormant	100	100
(l) Held through Sapura Management Services Sdn. Bhd.				
Sapura Talent Pte. Ltd.	Singapore	Manpower contracting services, manage crews, seafarers including marine crews	100	100
(m) Held through Sapura Offshore Sdn. Bhd.				
Sapura Talent Ltd.	Bermuda/Mexico	Provision of manpower services	100	100
Sapura 1200 Ltd.	Bermuda	Vessel owner and chartering	100	100
Sapura 3500 Ltd.	Bermuda	Vessel owner and chartering	100	100
Sapura FLB-1 Ltd	Bermuda	Vessel owner and chartering	100	100
Sapura Saudi Arabia Company	Saudi Arabia	Engineering, procurement, construction, offshore transportation and installation, hook-up and commissioning of offshore structures, pipelines and cables	100	100
Sapura Energy DMCC	Dubai, United Arab Emirates	Onshore and offshore oil and gas field services	100	100
Sapura Energy B.V.	Amsterdam, the Netherlands and Azerbaijan	Design, fabricate, install, commission and maintenance of marine offshore facilities	100	100
Sapura Energy (UK) Ltd.	England and Wales/Libya	Other specialised construction activities n.e.c, engineering design activities for industrial process and production, provision and management of human resources functions, and combined facilities support activities	100	100
Sapura Energy, (EG) S.L.	Republic of Equatorial Guinea	Provision of engineering and construction services, operations and maintenance services, drilling and oil well completion services hydrocarbons for the industry	65	65
Sapura Energy (Thailand) Limited	Thailand	Provision of offshore diving and related services	49	49

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44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(n) Held through Sapura Offshore Sdn. Bhd. and Sapura Energy DMCC				
Sapura Energy Do Brasil LTDA.	Brazil	Maintenance and installation of offshore/submarine platforms and marine pipelines	100	100
(o) Held through Sapura Energy DMCC				
Alta Navegación de México, S. de. R.L. de C.V.	Mexico	The acquisition, lease, chartering, flagging, administration, matriculation and operation of vessels	49	49
(p) Held through Sapura Energy (UK) Ltd.				
Sapura Energy Ghana Limited	Ghana	Engineering, procurement, construction, installation, commissioning, maintenance and decommissioning fixed and floating oil and gas facilities, marine construction, marine conversion, marine repair, infrastructure construction, construction and installation of offshore renewable facilities	100	100
(q) Held through Sapura Petroleum Sdn. Bhd.				
Sapura Nautical Bay Pte. Ltd.	Singapore	Investment holding	100	100
*Sapura Petroleum Inc.	The State of Texas, United States of America	Dormant	—	100
SapuraMex Pte. Ltd.	Singapore	Investment holding	100	100
SapuraKencana Enerji Çözümleri Anonim Şirketi	Turkey	Dormant	100	100
(r) Held through Sapura Nautical Bay Pte. Ltd.				
Sapura Nautical Power Pte. Ltd.	Singapore	Investment holding	100	100
(s) Held through Sapura Offshore Sdn. Bhd. and SapuraMex Pte. Ltd.				
Sapura Energy Mexicana, S.A.P.I. de C.V.	Mexico	Engineering, procurement, construction, installation and commissioning of offshore facilities and pipelines	100	100

* Dissolved effective 22 February 2023

44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(t) Held through SapuraMex Pte. Ltd.				
Sapura 3500 (S) Pte. Ltd.	Singapore	Chartering and hiring out of vessel	100	100
(u) Held through Sapura Fabrication Sdn. Bhd.				
Sapura Marine Sdn. Bhd.	Malaysia	Operation and management of fabrication yard	100	100
Sapura Energy Vietnam Limited	Vietnam	Dormant	100	100
(v) Held through Sapura Fabrication Sdn. Bhd. and Sapura Petroleum Sdn. Bhd.				
Sapura Engineering & Construction (India) Pvt. Ltd.	India	Engineering, procurement, construction, installation and commissioning of offshore facilities and pipelines	100	100
(w) Held through Sapura Offshore Sdn. Bhd. and Sapura Fabrication Sdn. Bhd.				
Sapura Energy Engineering & Construction, LDA	Angola	Supply of services to oil and gas industry	100	100
(x) Held through Geomark Sdn. Bhd.				
Quippo Prakash Pte. Ltd.	Singapore	Dormant	100	100
(y) Held through Sapura Energy Ventures Sdn. Bhd.				
Sapura Exploration and Production (Sabah) Inc.	Bahamas/ Malaysia	Dormant	100	100
(z) Held through Momentum Energy Sdn. Bhd.				
Sapura Australia (Holdings) Pty. Ltd.	Australia	Investment holding	100	100

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44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(aa) Held through Sapura Australia (Holdings) Pty. Ltd.				
Sapura USA Holdings Incorporated	State of Delaware, United States of America	Investment holding	100	100
Sapura Australia Pty. Ltd.	Australia	Investment holding	100	100
Peritus International Limited	United Kingdom	Provision of advanced subsea and floating systems engineering, project management services to offshore oil and gas projects and developments in remote, hostile and deepwater environments	100	100
Peritus International Pty. Ltd.	Australia	Provision of advanced subsea and floating systems engineering and project management services to offshore projects	100	100
(ab) Held through Sapura Australia Pty. Ltd.				
Sapura Petroleum (Australia) Pty. Ltd.	Australia	Investment holding	100	100
Sapura Projects Pty. Ltd.	Australia	Investment holding	100	100
SC Projects Australia Pty. Ltd.	Australia	Investment holding	100	100
Sapura Constructor Pte. Ltd.	Singapore	Vessel owner and chartering	100	100
Sapura Assets Pty. Ltd.	Australia	Owner and operator of marine assets	100	100
Normand Sapura Pty. Ltd.	Australia	Sub-charter and provision of project delivery capabilities, technology and proprietary offshore assets	100	100
(ac) Held through Sapura USA Holdings Incorporated				
Ocean Flow International LLC	The State of Texas, United States of America	Provision of technical consulting and advising to oil and gas operating companies	100	100
Peritus International Inc.	The State of Texas, United States of America	Provision of advanced subsea and floating systems engineering and project management services to offshore projects	100	100

44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(ad) Held through Sapura Constructor Pte. Ltd.				
Sapura Projects Singapore Pte. Ltd.	Singapore	Dormant	100	100
(ae) Held through Peritus International Pty. Ltd.				
Peritus International Sdn. Bhd.	Malaysia	Provision of engineering consultancy services for the oil and gas industry	100	100
(af) Held through Sapura Onshore Sdn. Bhd.				
Sapura Subsea Sdn. Bhd.	Malaysia	Provision of engineering, fabrication and construction works	100	100
Sapura Assets Sdn. Bhd.	Malaysia	Property investment	100	100
(ag) Held through Sapura Fabrication Sdn. Bhd. and Sapura Petroleum Ventures Sdn. Bhd.				
Sapura Energy (B) Sdn. Bhd.	Brunei	Investment holding	100	100
(ah) Held through Sapura Energy (B) Sdn. Bhd.				
Sapura Energy Services (B) Sdn. Bhd.	Brunei	Service provider for oil and gas industry	70	70
(ai) Held through Sapura Petroleum Ventures Sdn. Bhd.				
*Sapura Marine Drilling Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Nautilus Sdn. Bhd.	Malaysia	Service provider for offshore support vessels	100	100
(aj) Held through Sapura Nautilus Sdn. Bhd.				
Sapura Gemia (Labuan) Pte. Ltd.	Federal Territory of Labuan, Malaysia	Provision of offshore support vessels for oil and gas industry	100	100
Sapura Teras Ventures Sdn. Bhd.	Malaysia	Provision of offshore support vessels for oil and gas industry	100	100
Sapura Redang (Labuan) Pte. Ltd.	Federal Territory of Labuan, Malaysia	Provision of offshore support vessels for oil and gas industry	100	100

* In the midst of members' voluntary winding-up.

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44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(ak) Held through Sapura Subsea Services Sdn. Bhd.				
Sapura Marine Services Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Subsea Corporation	Federal Territory of Labuan, Malaysia	Leasing of vessels and related equipment	100	100
Maju Hydro Sdn. Bhd.	Malaysia	Dormant	100	100
Sapura Subsea Robotics Corporation	Federal Territory of Labuan, Malaysia	Leasing of ROV and Hyperbaric Reception Facility	100	100
Sapura SS Corporation	Federal Territory of Labuan, Malaysia	Dormant	100	100
(al) Held through Sapura Energy Services Sdn. Bhd.				
Total Marine Technology Pty. Ltd.	Australia	Development of marine technology and marine chartering, specialising on ROVs	94	94
(am) Held through Total Marine Technology Pty. Ltd.				
Sapura Excersize Pty. Ltd.	Australia	Owner and operator of ROVs for the offshore oil and gas industries	94	94
Sapura Babalon Pty. Ltd.	Australia	Owner and operator of ROVs for the offshore oil and gas industries	94	94
(an) Held through Total Marine Technology Pty. Ltd. and Sapura Babalon Pty. Ltd.				
ROV TMT Nigeria Limited	Federal Republic of Nigeria	Lease equipment and subcontract manpower services	94	94
(ao) Held through Sapura Drilling Pte. Ltd.				
Sapura Drilling (S) Pte. Ltd.	Singapore	Leasing of offshore oil and gas drilling rigs and providing management services	100	100
Sapura Drilling (Bermuda) Ltd.	Bermuda	Investment holding	100	100
Sapura Drilling Resources Ltd.	Bermuda	Provision of crew services	100	100
Sapura Drilling Labuan Leasing Ltd.	Federal Territory of Labuan, Malaysia	Hire and charter of the oil drilling rigs	100	100

44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(ap) Held through Sapura Drilling (S) Pte. Ltd.				
Sapura Drilling T-10 Ltd.	Mauritius	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-11 Ltd.	Mauritius	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-12 Ltd.	Mauritius	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-17 Ltd.	Mauritius	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-18 Ltd.	Mauritius	Leasing of offshore oil and gas drilling rig	100	100
(aq) Held through Sapura Drilling (Bermuda) Ltd.				
Sapura Drilling T-10 Ltd.	Bermuda	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-11 Ltd.	Bermuda	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-12 Ltd.	Bermuda	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-17 Ltd.	Bermuda	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-18 Ltd.	Bermuda	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling T-19 Ltd.	Bermuda	Dormant	100	100
Sapura Drilling T-20 Ltd.	Bermuda	Dormant	100	100
Sapura Drilling Berani Ltd.	Bermuda/ Indonesia	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling Alliance Ltd.	Bermuda	Dormant	100	100
*Sapura Drilling Setia Ltd.	Bermuda	Dormant	–	100
Sapura Drilling Esperanza Ltd.	Bermuda	Leasing of drilling rig and providing drilling services to offshore oil and gas industry	100	100
Sapura Drilling Jaya Ltd.	Bermuda/ Republic of Trinidad & Tobago	Leasing of drilling rig and providing drilling services to offshore oil and gas industry	100	100

* Dissolved effective 25 January 2024

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44. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

(i) Details of the subsidiaries are as follows (cont'd.):

Name of Subsidiaries	Country of Incorporation/ Principal Place of Business	Principal Activities	Proportion of Ownership Interest	
			2024 %	2023 %
(aq) Held through Sapura Drilling (Bermuda) Ltd. (cont'd.)				
Sapura Drilling Raiqa Ltd.	Bermuda	Leasing of offshore oil and gas drilling rig	100	100
Sapura Drilling Asia Limited	Hong Kong/ Thailand	Investment holding and provision of oil drilling services	100	100
Sapura Drilling Services Sdn. Bhd.	Malaysia	Provision of management services for tender rig business	100	100
[^] Sapura Drilling Holdings (Panama) Inc.	Panama	Dormant	–	100
[*] Sapura Drilling Kinabalu Pte. Ltd.	Federal Territory of Labuan, Malaysia	Dormant	–	100
(ar) Held through Sapura Drilling Asia Limited				
Sapura Drilling Holdings Limited	Hong Kong/ Ivory Coast	Investment holding and provision of oil drilling services	100	100
(as) Held through Sapura Drilling Asia Limited and Sapura Drilling Holdings Limited				
Sapura Energy Angola, LDA	Republic of Angola	Provision of drilling services to offshore oil and gas industry	100	100
(at) Held through Sapura Drilling Pte. Ltd. and Sapura Drilling Asia Limited				
Sapura Drilling Sdn. Bhd.	Brunei	Offshore drilling, workover and development of oil and gas wells	100	100
PT Sapura Nordrill Indonesia	Indonesia	Dormant	95	95
(au) Held through Sapura Drilling Probadi Sdn. Bhd. and Sapura Drilling Asia Limited				
Sapura Drilling Asia Sdn. Bhd.	Malaysia	Provision of oil drilling services	100	100
Varia Perdana Sdn. Bhd.	Malaysia	Dormant	100	100

[^] Dissolved effective 3 August 2023

^{*} Dissolved effective 26 December 2023

45. JOINT OPERATION ARRANGEMENTS

Details of the joint operation arrangements are as follows:

Production Sharing Contracts:	Participating Interest	
	2024 %	2023 %
Sabah		
SB331	70	70
SB332	70	70

46. MATERIAL LITIGATION

(a) Sarku Engineering Services Sdn. Bhd. vs Oil and Natural Gas Corporation Limited

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 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 a revised list of documents was exchanged and recorded.

The cross examination of ONGC's witness was held from 22 to 24 December 2014 and 5 to 6 January 2015.

In January 2018 and February 2018, SESSB 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 SESSB's arguments were concluded.

ONGC's counsels submitted and concluded their arguments in defence on 6 February 2018 and on 2 to 4 May 2018.

The proceedings continued on 21, 22 and 23 November 2018 with submissions from SESSB's counsel. The tribunal heard ONGC's counsel's submissions on 12 and 13 February 2019. Final written submissions were submitted to the tribunal on 15 April 2019. ONGC presented its submissions on 31 July 2019.

On 30 November 2019, SESSB was awarded the sum of USD3,009,789 ("First Award") by the arbitral tribunal, comprising claims of work done valued at USD1,983,521 (subject to 4.368% withholding tax to be deducted by ONGC) and interests of USD1,026,267 (subject to income tax of 43.68%).

SESSB has instructed its solicitors to file an appeal against the above award.

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

- (i) The arbitral tribunal had failed to consider the record and detailed written and oral submissions on behalf of SESSB in arriving at its findings and they have made an error in rejecting most of SESSB's claims; and
- (ii) There were instances of procedural irregularities in favour of ONGC in the arbitration which may be grounds to a successful challenge of the award in High Court of Judicature at Bombay (the "Bombay High Court").

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46. MATERIAL LITIGATION (CONT'D.)

(a) Sarku Engineering Services Sdn. Bhd. vs Oil and Natural Gas Corporation Limited (cont'd.)

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

The application by ONGC for correction of the errors in the award was allowed by the arbitral 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 Bombay High Court.

Our solicitors had accordingly filed an appeal on 8 December 2020 to challenge or set aside parts of the First Award and the Final Award which reject the claims of SESSB. The matter is now pending admission stage where it is to be listed for hearing upon filing of petition.

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

Considering the lack of response from ONGC on the LOD, our solicitors are weighing further options and possible enforcement actions. The advice from our solicitors with regards to the hearing date for the appeal, was matters which require urgent/interim reliefs are usually taken up in normal course. Since no interim relief has been sought in the appeal, it is taking time for the petition to be listed.

We have instructed our solicitors to appoint a junior counsel to appear before the Bombay High Court to expedite the listing process of the appeal filed by SESSB.

With respect to the sums awarded under the Final Award, SESSB has been advised to file an Execution Petition in court and we were in the process of filing the Execution Petition.

However, after several attempts by our solicitors, the Appeal had been considered for listing or admission on 27 June 2024. As such, SESSB will no longer be appointing junior counsel nor filing the Execution Petition.

(b) Petrofac (Malaysia) Limited vs 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 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 in relation to disputes arising from the Contract 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. 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 filed their Points of Claim on 21 September 2018 and SFSB 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 requested to amend their Points of Claim and the same was filed on 8 March 2019. SFSB filed its rejoinder on 18 March 2019. The deadline for parties to exchange the bundle of documents was on 5 April 2019 and any request for discovery/disclosure was to be filed on 9 May 2019. The documents ordered to be produced by SFSB were 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.

46. MATERIAL LITIGATION (CONT'D.)

(b) Petrofac (Malaysia) Limited vs Sapura Fabrication Sdn. Bhd. (cont'd.)

The hearing proceeded on 26, 27 and 28 April 2021 as scheduled with two (2) of PML's witnesses giving evidence. The hearing continued on the following dates:

- (i) 30 April 2021;
- (ii) 3, 4, 5, 6, 7 & 10 May 2021;
- (iii) 20 to 24 September 2021;
- (iv) 27 September 2021 to 1 October 2021; and
- (v) 4 to 6 October 2021.

During the case management on 6 April 2021, the tribunal vacated the May 2021 dates as two of PML's witnesses were unable to attend the April and May 2021 hearing dates.

The hearing proceeded on the following dates as scheduled:

- (i) 20 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 fixed the following dates for continued hearing:

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

The matter was scheduled for case management on 22 April 2022 and the tribunal vacated the earlier fixed hearing dates due to the Restraining Order obtained in Originating Summons WA-24NCC-148-03/2022 which came into effect on 10 March 2022.

PML indicated that they are currently awaiting to receive the applicable notice from SFSB to allow them to proceed with the filing of POD. Subject to the outcome of their POD, PML will then consider whether or not to seek leave to proceed with the arbitration in accordance with the terms of the Restraining Order.

A case management conference was scheduled to be conducted on 11 August 2022 for the 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.

SFSB was verifying the POD submitted by PML.

The case management conference on 11 August 2022 was vacated as the Tribunal instructed the parties to provide a joint status report on the POD by 11 November 2022.

On 11 November 2022, the tribunal directed the parties to provide a brief update to the tribunal on status of PML's POD claims and a case management was scheduled on 18 January 2023.

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46. MATERIAL LITIGATION (CONT'D.)

(b) Petrofac (Malaysia) Limited vs Sapura Fabrication Sdn. Bhd. (cont'd.)

During the case management on 18 January 2023, SFSB's solicitors informed the tribunal that a Notice of Admission of POD was issued to PML on 16 January 2023 in response to PML's POD Form. The tribunal was also made aware of the contents of the said Notice of Admission from SFSB. SFSB's solicitors further informed the tribunal that moving forward, SFSB will provide an Explanatory Statement in relation to the PSA to PML which sets out the payment terms and the date of the CCM.

In light of the current Restraining Order that would expire on early 10 March 2023, the tribunal had requested parties to provide the tribunal with a status update on the SOA and Restraining Order by 20 March 2023.

During the Case Management on 20 March 2023, SFSB's solicitors updated the tribunal that SFSB had obtained a new Restraining Order dated 8 March 2023 and SFSB will provide further update to tribunal on the ongoing POD exercise under the SOA.

There is no further case management date fixed by the tribunal. The tribunal only directed parties to update on the status of the restructuring exercise under the SOA.

SFSB informed its solicitors that on 7 March 2024, the Company and its twenty-two (22) subsidiaries including SFSB was granted a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Tribunal.

On 23 April 2024, SFSB's solicitors informed the Tribunal of the fresh Restraining Order dated 7 March 2024. Additionally, they addressed the Tribunal's inquiry about the parties' intentions concerning the arbitration process moving forward, stating that both parties have agreed to wait for the outcome of the Group's SOA before making any decisions on how to proceed with the arbitration.

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A.

On 5 January 2020, the Company's subsidiary, Sapura Energy do Brasil Ltda. ("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 ("the 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 arbitration proceedings against CELSE 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.

- (i) SE Brasil filed their Statement of Claim for the sum of USD84,606,035 on 29 March 2021.
- (ii) CELSE filed Respondent's Statement of Claim for the sum of USD89,799,186 on 29 March 2021.
- (iii) SE Brasil filed Claimant's and Additional Party's Statement of Defence against Respondent's Statement of Claim on 28 May 2021.
- (iv) CELSE filed Respondent's Statement of Defence against Claimant's Statement of Claim on 28 May 2021.
- (v) SE Brasil filed Claimant's Reply on 28 June 2021.
- (vi) CELSE filed Respondent's Reply on 28 June 2021.
- (vii) SE Brasil filed Claimant's and Additional Party's Rejoinder on 28 July 2021.
- (viii) CELSE filed Respondent's Rejoinder on 28 July 2021.

46. MATERIAL LITIGATION (CONT'D.)

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A. (cont'd.)

Submissions on the issues to be determined by the Arbitration Tribunal, witness statements and request for additional evidence were submitted on 27 September 2021. Thereafter, a hearing for the presentation of the case shall take place.

On 30 September 2021, SE Brasil requested for leave to file expert rebuttal and this was granted on 10 November 2021. SE Brasil filed a rebuttal against the Technomar report on 10 December 2021.

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

- (i) 28 March 2022 – Parties submitted their application for document production by the counterparty in the form of a Redfern Schedule;
- (ii) 12 April 2022 – SE Brasil and the Company informed they did not object against the production of the documents requested by CELSE;
- (iii) 12 April 2022 – CELSE objected to the production of the documents requested by SE Brasil and the Company in their Answer to the Redfern Schedule;
- (iv) April 2022 – SE Brasil and the Company submitted their answer to the objections presented by CELSE to the production of the requested documents (Reply to the Redfern Schedule);
- (v) 27 April 2022 – CELSE submitted a motion to the Arbitration Tribunal requesting that SE Brasil and the Company produce the non-objected documents immediately;
- (vi) 28 April 2022 – SE Brasil and the Company presented a submission to the Arbitration Tribunal in response to CELSE's submission dated 27 April 2022;
- (vii) 3 May 2022 – The Arbitral Tribunal determined that SE Brasil and the Company provide the non-objected documents to CELSE by 10 May 2022;
- (viii) 10 May 2022 – SE Brasil and the Company produced the non-objected documents to CELSE.

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

Parties are waiting for the Arbitration Tribunal to rule on the latest production of the documents requested by SE Brasil and the Company and to decide on the next steps in evidence production.

The Arbitration Tribunal had also ruled on the latest production of the documents requested by SE Brasil and the Company and ordered CELSE to produce only a certain category of documents that the Arbitration Tribunal find relevant to the proceedings.

The Arbitration Tribunal also requested parties to file a joint submission on the technical issues that still require expert determination on 5 November 2022, which CELSE refused. As such, only SE Brasil and the Company filed the said submission 4 November 2022.

On 7 November 2022, SE Brasil and the Company presented their proposal of a calendar for production of their additional documents. On the same date, CELSE also presented a submission requesting the Arbitration Tribunal to hold a hearing on the merits to allow the Parties to present their case prior to any expert determination.

Since the Parties were not able to reach an agreement regarding the procedural calendar for SE Brasil and the Company's production of additional documents, as well as on the calendar for the production of the expert determination, on 2 January 2023 the Arbitration Tribunal rendered the Procedural Order No. 19 ("PO 19"), deciding on those issues.

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46. MATERIAL LITIGATION (CONT'D.)

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A. (cont'd.)

By means of PO 19, the Arbitration Tribunal:

- (i) granted SE Brasil and the Company the opportunity to produce additional evidence until 16 January 2023; and
- (ii) invited CELSE to comment on such evidence until 30 January 2023.

The Arbitration Tribunal held an Evidentiary Hearing in order to assess the evidence already produced by the Parties and also to determine whether it should appoint experts for additional expert determination. Therefore, the Parties were invited to present, by 30 January 2023, a joint submission with the points of agreement and disagreement regarding some issues related to the hearing.

On 16 January 2023, SE Brasil and the Company complied with PO 19 and submitted the settlement agreements entered into with the subcontractors, in order to prove the losses and financial damages SE Brasil faced as a result of CELSE's default of its payment obligations.

In turn, on 30 January 2023 CELSE presented its comments on SE Brasil and the Company's abovementioned submission and documents, whereby it requested the Arbitration Tribunal to deny the claims and documents produced, by alleging that it referred to new claims which was time-barred.

On 30 January 2023, the Parties presented a joint submission in response to PO 19, whereby both submitted partial agreement on the Evidentiary Hearing's agenda. The Arbitration Tribunal shall soon issue a new procedural order in order to establish the hearing dates.

A two-week Evidentiary Hearing took place from 11 September to 22 September 2023.

The Arbitral Tribunal asked the Parties to present their requests for additional document production and additional evidence by 16 October 2023 and to reply to the counterparty's requests by 30 October 2023. These have been submitted accordingly, and the Arbitral Tribunal will then render its decision regarding the production of new evidence and documents submission, establishing the deadlines for the submission of permissible documents.

Following the submission of additional documents, the Arbitral Tribunal issued another Procedural Order outlining the following:

- (i) A 75-day timeframe for the submission of the Parties' closing statements, which may include any requests for partial awards;
- (ii) A 45-day timeframe, following each party's submission, for responding to the opposing party's final statements; and
- (iii) 15 days for the Parties' submissions on costs, followed by an additional 15 days for comments on the opposing party's statement of costs.

As of 6 December 2023, no further Procedural Order have been issued by the Arbitral Tribunal as the Arbitral Tribunal has yet to decide regarding the production of new evidence and documents submission.

On 8 February 2024, the Arbitral Tribunal granted most of the Parties' requests for production of additional documents and evidence and determined that the Parties shall produce them by 1 March 2024.

The Parties were further invited to comment on the documents and evidence produced by its counterparty by 22 March 2024.

46. MATERIAL LITIGATION (CONT'D.)**(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A. (cont'd.)**

On 20 March 2024, the Arbitral Tribunal issued Procedural Order No. 29, outlining the next steps of these proceedings and the following calendar:

- (i) 7 June 2024 – Post-Hearing Briefs
- (ii) 24 July 2024 – Reply to Post-Hearing Briefs
- (iii) 8 August 2024 – Submission of costs and expenses related to this arbitration

(d) Brunei Shell Petroleum Company Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd.

On 30 August 2019, Sapura Fabrication Sdn. Bhd. ("SFSB") a wholly owned subsidiary of the Company entered into a contract with Brunei Shell Petroleum Company Sdn. Bhd. ("BSP") for engineering, procurement, construction and installation works related to the Salman project ("the Contract", or the "Salman").

On 29 September 2023, BSP commenced an arbitration proceeding at the Singapore International Arbitration Centre ("SIAC") by filing a Notice of Arbitration ("NoA") against SFSB in relation to disputes pursuant to the Contract for the following reliefs:

- (i) A declaration that the BSP had validly terminated part of the Contract for cause;
- (ii) A declaration that SFSB had breached certain provisions of the Contract;
- (iii) Award of monetary relief to the extent necessary to fully compensate the Claimant for the damages suffered resulting from the breaches and termination event;
- (iv) An order for indemnification of the BSP for all costs, expenses, and fees in the arbitration; and
- (v) Pre- and post-award interest.

On 20 November 2023, Singapore High Court has issued an order to recognise the Malaysian Convening and Restraining Order dated 8 March 2023 ("Singapore Recognition Order"). This arbitration is currently stayed pursuant to the Singapore Recognition Order until the Order is lifted.

As disclosed in Note 2.1 (iii), on 7 March 2024, the Company and its twenty-two (22) subsidiaries which includes SFSB obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024.

On 7 March 2024, the following applications were filed in the Singapore Court:

- (i) Application to recognise the Malaysian Convening and Restraining Order dated 7 March 2024 – filed by the Company and SFSB; and
- (ii) Application to lift the Singapore Recognition Order dated 20 November 2023 – filed by SFSB.

The matter is stayed until SFSB's discharge application to lift the Singapore Recognition Order dated 20 November 2023 is heard.

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46. MATERIAL LITIGATION (CONT'D.)

(d) Brunei Shell Petroleum Company Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. (cont'd.)

The hearing for aforesaid applications (i) and (ii) has been fixed on 8 May 2024.

On 8 May 2024, the Singapore Court granted the following:

- (a) the recognition application for the Company and SFSB i.e. the (i) application as mentioned above. Thus, with effect from today an automatic moratorium applies in Singapore to restrain all claims (including the BSP arbitration claims).
- (b) the discharge application i.e. the (ii) application as mentioned above.

(e) Brunei Shell Petroleum Company Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.

On 29 February 2020, Sapura Offshore Sdn. Bhd. ("SOSB") a wholly owned subsidiary of the Company entered into a contract with Brunei Shell Petroleum Company Sdn. Bhd. ("BSP") to fabricate transport, install and pre-commission the pipelines relating to the PRP-7 ("the Contract").

On 29 September 2023, BSP commenced an arbitration proceeding at the SIAC by filing a NoA against SOSB in relation to disputes pursuant to the Contract for the following reliefs:

- (i) a declaration that SOSB had breached certain provisions of the Contract;
- (ii) award of monetary relief to the extent necessary to fully compensate the Claimant for the damages suffered resulting from the breaches and termination event;
- (iii) an order for indemnification of the Claimant for all costs, expenses, and fees in the arbitration; and
- (iv) pre- and post-award interest.

On 20 November 2023, Singapore High Court has issued an order to recognise the Malaysian Convening and Restraining Order. This arbitration is currently stayed pursuant to the Singapore Recognition Order until the Order is lifted.

As disclosed in Note 2.1 (iii), on 7 March 2024, the Company and its twenty-two (22) subsidiaries which includes SOSB obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024.

On 7 March 2024, the following applications were filed in the Singapore Court:

- (i) Application to recognise the Malaysian Convening and Restraining Order dated 7 March 2024 – filed by the Company & SOSB; and
- (ii) Application to lift the Singapore Recognition Order dated 20 November 2023 – filed by SOSB.

The matter is stayed until SOSB's discharge application to lift the Singapore Recognition Order dated 20 November 2023 is heard.

The hearing for aforesaid applications (i) and (ii) has been fixed on 8 May 2024.

On 8 May 2024, the Singapore Court granted the following Orders:

- a) the recognition application for the Company and SOSB i.e. the (i) application as mentioned above. Thus, with effect from today an automatic moratorium applies in Singapore to restrain all claims (including the BSP arbitration claims).
- b) the discharge application i.e. the (ii) application as mentioned above.

46. MATERIAL LITIGATION (CONT'D.)**(f) Yunneng Wind Power Co. Ltd. vs Sapura Offshore Sdn. Bhd. and Sapura Energy Berhad**

On 15 March 2019, Sapura Offshore Sdn. Bhd. ("SOSB"), a wholly-owned subsidiary of the Company entered into a contract with Yunneng Wind Power Co. Ltd ("Yunneng") for the provision of Transportation and Installation ("T&I") of Offshore Wind Turbine Substructures of which the scope of work include T&I of substructures (foundations) for the offshore wind turbines at the Yunlin Offshore Wind Farm in Taiwan ("the Contract"). The Contract was subsequently terminated by SOSB on 3 February 2022.

On 22 January 2024, SOSB and the Company was served with a request for arbitration dated 29 December 2023 which was filed by Yunneng at the German Arbitration Institute (Deutsche Institution für Schiedsgerichtsbarkeit e.V.) ("DIS") (the "Request for Arbitration", or the "Request"). This Request for Arbitration was only brought to our attention after the end of business on 26 January 2024.

In brief, in the Request for Arbitration, the Claimant:

- (i) has claimed a provisional claim amount of EUR50,000,000 for certain alleged breaches of the Contract (but has reserved the right to further specify and expand its claims, and to claim damages for any damage incurred);
- (ii) has stated that the Claimant filed the Request for Arbitration primarily to suspend the statute of limitations under German law in respect of the claims specified in the Request for Arbitration;
- (iii) has acknowledged its submission of a POD with SOSB and the Company as at 31 December 2023 for purposes relating to the PSA (as described and defined in our announcement dated 8 March 2023) proposed to be undertaken by SOSB and the Company under Section 366 of the Companies Act 2016; and
- (iv) has acknowledged that its claims in relation to the Contract would be determined through and be subject to the assessment procedure for the PSA (as stipulated in the order of the Court dated 10 March 2022 granted under Originating Summons No. WA-24NCC-148-03/2022 and the order of the Court dated 8 March 2023 granted under Originating Summons No. WA-24NCC-121-03/2023).

SOSB and the Company have filed nomination of its Arbitrator and have indicated that they will be reserving rights to formally challenge the jurisdiction of the arbitral tribunal and the admissibility of the arbitration proceedings.

On 11 March 2024, Secretary General of the DIS has appointed Prof. Dr. Christian Borris and Dr. Daniel Busse as co-arbitrators pursuant to Article 13.2, 13.3 DIS Arbitration Rules.

SOSB and the Company are currently seeking legal advice from their external counsels on the strength and merits of the claims set out in the Request, as well as SOSB's and the Company's legal position in relation thereto. In addition, the POD submitted by the Claimant in connection with the PSA for SOSB and the Company is currently being assessed by the nominated chairman for the relevant CCM in accordance with the assessment procedure for such PSA.

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46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions

The following are the list and status of the Winding Petitions served to the Company or its subsidiaries. On 10 March 2022, in view of the Restraining Orders obtained by the Group, the case management and hearing of the Petitions against SFSB, SOSB, Sapura Pinewell Sdn. Bhd., Sapura Subsea Services Sdn. Bhd. and Sapura Geosciences Sdn. Bhd. were vacated as the winding up proceedings has been stayed for three months. By the Court order dated 8 June 2022, the Restraining Orders were now extended for a further period of nine months until 10 March 2023. The Company and its twenty-two (22) subsidiaries filed a fresh application under Sections 366 and 368 of the Companies Act and were granted a Restraining Order for the period of three months by the Court on 8 March 2023, and such Restraining Order is to take effect from 11 March 2023. On 6 June 2023, the Restraining Orders were extended by the Court for a further period of nine months until 10 March 2024.

As disclosed in Note 2.1 (iii), on 7 March 2024, the Company and its twenty-two (22) subsidiaries including SFSB, SOSB, Sapura Pinewell Sdn. Bhd., Sapura Subsea Services Sdn. Bhd. and Sapura Geosciences Sdn. Bhd. obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays all the current proceedings before the Court.

(i) Hycotech Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. – Shah Alam High Court (BA-28NCC-638-12/2021)

(a) Winding up petition date - 17 December 2021

(b) On 17 February 2022 SOSB's solicitors informed the court that SOSB has entered into a settlement agreement with Hycotech Sdn. Bhd., and that full payment has been made to Hycotech Sdn. Bhd., subject to deductions on withholding tax.

Hycotech Sdn. Bhd. refused to withdraw the winding up petition as they claimed that they are entitled to receive the full outstanding sum including the withholding tax.

Following the dispute, on 1 March 2022 SOSB filed an application under Order 14A Rules of Court 2012 and to Strike Out the Petition.

On 9 March 2022, the Court fixed 22 April 2022 for the hearing of the Order 14A Rules of Court 2012 and Striking Out Application, and for the hearing of the Petition itself.

The hearing on 22 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

(c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Offshore Sdn Bhd obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.

(d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.

(e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that it has obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(ii) **Perdana Nautika Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. – Kuala Lumpur High Court (WA-28NCC-920-12/2021)**

- (a) Winding up petition date – 20 December 2021
- (b) On 22 February 2022 Notices of Intention to Appear on Petition were filed by two creditors, namely:
 - i. Tumpuan Megah Development Sdn. Bhd.; and
 - ii. Vallianz Offshore Marine Pte. Ltd.

The hearing on 27 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- (c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 12 June 2023.
- (d) During the Case Management on 12 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 12 March 2024.
- (e) During the Case Management on 12 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.

(iii) **Perdana Nautika Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. – Kuala Lumpur High Court (WA-28NCC-921-12/2021)**

- (a) Winding up petition date – 20 December 2021
- (b) On 23 February 2022, the solicitors for Perdana Nautika informed the Court that they were just instructed to advertise and gazette the Petition. Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that Sapura Pinewell Sdn. Bhd. will file an affidavit to oppose the Petition if they are required to do so.

The hearing on 26 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- (c) During the Case Management on 14 March 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 13 March 2024.
- (e) During the Case Management on 13 March 2024, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.

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46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(iv) Hycotech Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. – Shah Alam High Court (BA-28NCC-639-12/2021)

- (a) Winding up petition date – 20 December 2021
- (b) On 28 February 2022, Petitioner informed the Court that the Petitioner wishes to withdraw the petition during the hearing on 9 March 2022.

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

- (c) During the Case Management on 13 March 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn Bhd obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.

(v) Fast Global Link Services vs Sapura Subsea Services Sdn. Bhd. – Shah Alam High Court (BA-28NCC-27-01/2022)

- (a) Winding up petition date – 13 January 2022
- (b) On 14 February 2022 Sapura Subsea Services Sdn. Bhd. sought for a further case management date to be fixed on 15 March 2022 to determine whether Sapura Subsea Services Sdn. Bhd. will be contesting the winding-up petition or otherwise.

The Case management date on 15 March 2022 and hearing date on 12 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- (c) During the Case Management on 13 March 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.

46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(v) **Fast Global Link Services vs Sapura Subsea Services Sdn. Bhd. – Shah Alam High Court (BA-28NCC-27-01/2022) (cont'd.)**

- (e) During the Case Management on 14 March 2024, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(vi) **Mectra Synergy (M) Sdn. Bhd. vs Sapura Subsea Services Sdn. Bhd. – Shah Alam High Court (BA-28NCC-31-01/2022)**

- (a) Winding up petition date – 25 January 2022
- (b) On 17 February 2022 Sapura Subsea Services Sdn. Bhd.'s solicitors sought further case management date to be fixed by the Court and the Court has fixed the next case management on 15 March 2022.

The Case Management date on 15 March 2022 and hearing date on 20 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- (c) During the Case Management on 13 March 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

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46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(vii) Equatorial Marine Fuel Management vs Sapura Offshore Sdn. Bhd – Shah Alam High Court (BA-28NCC-68-01/2022)

- (a) Winding up petition date – 25 January 2022
- (b) On 28 February 2022, Petitioner informed the Court that a further date is required for compliance with winding up procedures.

SOSB's solicitors informed the Court that a further date is required to confirm whether the debt under the winding up petition may be disputed.

Hearing date on 25 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(viii) Dura International Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. – Shah Alam High Court (BA-28NCC-83-02/2022)

- (a) Winding up petition date – 7 February 2022
- (b) The case management on 10 March 2022 and hearing date on 18 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

46. MATERIAL LITIGATION (CONT'D.)**(g) Winding up petitions (cont'd.)****(ix) Astro Offshore Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. – Shah Alam High Court (BA-28NCC-87-02/2022)**

- (a) Winding up petition date – 7 February 2022
- (b) The case management on 14 March 2022 and hearing date on 19 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, Sapura Fabrication Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Fabrication Sdn Bhd obtained a fresh Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(x) Public Crane Heavy Equipment Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. – Shah Alam High Court (BA-28NCC-92-02/2022)

- (a) Winding up petition date – 9 February 2022
- (b) The case management on 14 March 2022 and hearing date on 19 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Fabrication Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(xi) MMA Offshore Malaysia Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. – Kuala Lumpur High Court (WA-28NCC-111-02/2022)

- (a) Winding up petition date – 14 February 2022
- (b) The case management on 15 March 2022 and hearing date on 8 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During case management on 23 June 2022 Sapura Pinewell Sdn. Bhd. updated that the Restraining Order is extended for nine (9) months.

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46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(xi) MMA Offshore Malaysia Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. – Kuala Lumpur High Court (WA-28NCC-111-02/2022) (cont'd.)

- (d) During the Case Management on 14 March 2023 Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (e) During the Case Management on 13 June 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 13 March 2024.
- (f) During the Case Management on 13 March 2024, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.

(xii) Icon Offshore Group Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. – Shah Alam High Court (BA-28NCC-119-02/2022)

- (a) Winding up petition date – 25 February 2022
- (b) The case management on 17 March 2022 and hearing date on 24 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(xiii) Posh Subsea Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. – Shah Alam High Court (BA28NCC-145-03/2022)

- (a) Winding up petition date – 3 March 2022
- (b) The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.

46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(xiii) Posh Subsea Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. – Shah Alam High Court (BA28NCC-145-03/2022) (cont'd.)

- (e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(xiv) Lincoln Energy Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. – Shah Alam High Court (BA-28NCC-146-03/2022)

- (a) Winding up petition date – 4 March 2022
- (b) The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(xv) Semco Salvage (V) Pte. Ltd. vs Sapura Offshore Sdn. Bhd. – Shah Alam High Court (BA28NCC-144-03/2022)

- (a) Winding up petition date – 3 March 2022
- (b) The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

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– 31 January 2024

46. MATERIAL LITIGATION (CONT'D.)

(g) Winding up petitions (cont'd.)

(xvi) VKI Marketing Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. – Shah Alam High Court (BA-28NCC-159-03/2022)

- (a) Winding up petition date – 22 February 2022
- (b) The case management on 11 April 2022 and hearing on 13 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) Next case management was fixed on 29 June 2022.
- (d) Due to the extension of the Restraining Order, the next Case Management was fixed on 13 March 2023.
- (e) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- (f) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (g) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

(xvii) Tumpuan Megah Development Sdn. Bhd. vs Sapura Geosciences Sdn. Bhd. – Shah Alam High Court (BA-28NCC-181-03/2022)

- (a) Winding up petition date – 17 March 2022
- (b) The case on 14 April 2022 and hearing on 20 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- (c) Next case management was fixed on 29 June 2022.
- (d) Due to the extension to the Restraining Order, the next Case Management was fixed on 13 March 2023.
- (e) During the Case Management on 13 March 2023, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained a new Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- (f) During the Case Management on 13 June 2023, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- (g) During the Case Management on 14 March 2024, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. Details of the status is disclosed in Note 2.1 (iii). This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

47. SUBSEQUENT EVENTS

- (a) On 23 February 2024, Sapura Energy Mexicana Sociedad Anónima Promotora de Inversión de Capital Variable ("Sapura Mexicana S.A.P.I. de C.V." or "SEM"), a wholly owned subsidiary through SOSB and SapuraMex Pte Ltd, which are both ultimately wholly owned subsidiaries of the Company, was declared bankrupt by Second District Insolvency Court in Mexican Republic. With effect from 29 February 2024, a liquidator was appointed. An appeal was filed by SEM on 27 February 2024. The appeal was withdrawn by SEM on 24 May 2024.
- (b) On 23 February 2024, Sapura Engineering & Construction (India) Pvt. Ltd ("SE&C"), a wholly owned subsidiary through Sapura Fabrication Sdn. Bhd. and Sapura Petroleum Sdn. Bhd., received an order of initiation of Corporate Insolvency Resolution Process from the National Company Law Tribunal ("NCLT"). Subsequently SE&C filed an appeal against the order to the National Company Law Appellate Tribunal ("NCLAT") and was granted stay of the order until the appeal is heard, which is scheduled for 12 July 2024.
- (c) On 22 April 2024, SUA, a wholly owned subsidiary of the Company, entered into an agreement to divest its 50% equity interest in SapuraOMV to TotalEnergies Holdings SAS. The total disposal consideration for the transaction amounts to USD705.3 million (equivalent to approximately RM3,370.8 million). SUA will receive a cash consideration of USD530.3 million (equivalent to approximately RM2,534.5 million), and the Company will be relieved of a USD175.0 million (equivalent to approximately RM836.4 million) debt obligation related to a financing facility extended by OMV E&P.

The agreement is subject to the fulfilment of conditions precedent and is expected to be completed by no later than the second half of 2025.

- (d) On 26 May 2015, SFSB was awarded a contract by Oil And Natural Gas Corporation Ltd. ("ONGC") for the redevelopment of the Mumbai High South field ("MHSRD-III") project. During or after the execution of the contract works, there were several claims raised by SFSB to ONGC which were not amicably settled. Due to the disputes, SFSB initiated arbitration through a notice dated 28 December 2021.

On 4 May 2024, the arbitration order was received in favour of SFSB for an approximately USD22.2 million (equivalent to an approximately RM106.1 million), excluding GST and interest.

48. COMPARATIVES

Certain comparative amounts have been reclassified to conform with the current year's presentation:

	As previously disclosed RM'000	Reclassification RM'000	As adjusted RM'000
Group			
At 31 January 2023			
Statement of profit or loss			
Administrative expenses	(348,956)	19,403	(329,553)
Other expenses	(245,147)	(19,403)	(264,550)

ANALYSIS OF SHAREHOLDINGS

As At 30 April 2024

ORDINARY SHARES

Total Number of Issued Shares : 18,375,942,267 Ordinary Shares
 Class of Security : Ordinary Shares
 Voting Rights : One vote per Ordinary Share
 Number of Shareholders : 67,020

DISTRIBUTION BY SIZE OF SHAREHOLDINGS BASED ON RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
Less than 100	2,464	3.68	86,894	0.00
100 - 1,000	7,022	10.48	4,406,867	0.02
1,001 - 10,000	23,014	34.34	123,614,466	0.67
10,001 - 100,000	24,714	36.87	1,011,048,523	5.51
100,001 - to less than 5% of issued shares	9,804	14.63	8,694,045,257	47.31
5% and above of issued shares	2	0.00	8,542,740,260	46.49
Total	67,020	100.00	18,375,942,267	100.00

THIRTY (30) LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS

No. Shareholders	No. of Shares Held	% of Shares
1. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	6,894,061,239	37.52
2. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAPURA TECHNOLOGY SDN BHD (420284)	1,648,679,021	8.97
3. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	262,261,480	1.43
4. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	201,182,560	1.09
5. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR JURUDATA SDN BHD (PB)	188,569,600	1.03
6. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SHAHRIL BIN SHAMSUDDIN (12020671) (430412)	152,808,688	0.83
7. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JURUDATA SDN BHD (443462)	144,000,000	0.78
8. PERMODALAN NASIONAL BERHAD	130,497,948	0.71
9. QUECK HAN TIONG	130,000,000	0.71
10. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 – DIDIK	107,434,407	0.59
11. LEE BENG SENG	94,900,000	0.52

No. Shareholders	No. of Shares Held	% of Shares
12. AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 – WAWASAN	86,866,667	0.47
13. CHAI KIN LOONG	85,061,900	0.46
14. CHOONG KEAN LEANG	62,400,000	0.34
15. KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KONG LIH CHING	59,590,000	0.32
16. MUTHUKUMAR A/L AYARPADDE	50,740,000	0.28
17. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SAPURA CAPITAL SDN BHD (PB)	46,387,227	0.25
18. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	40,752,188	0.22
19. IOANNIS KOROMILAS	40,000,000	0.22
20. CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	39,709,700	0.22
21. SAPURA TECHNOLOGY SDN BHD	37,658,787	0.21
22. LIEW JUN KUAN	31,000,000	0.17
23. LIM FONG PENG @ LIM FUNG FENG	30,300,000	0.16
24. CHIENG HOCK LAY	30,000,000	0.16
25. SOUTHERN REALTY RESOURCE SDN BHD	30,000,000	0.16
26. LIM SIANG HEE	28,500,000	0.16
27. ZAINAL ABIDIN BIN MOHD KASSIM	28,070,000	0.15
28. AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN IMBANG (MIXED ASSET BALANCED) 2	27,698,949	0.15
29. TAY HOCK SOON	27,500,000	0.15
30. NG CHOON KIAT	25,300,000	0.14
Total	10,761,930,361	58.57

ANALYSIS OF SHAREHOLDINGS

As At 30 April 2024

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	% of Shares	No. of Shares Held	% of Shares
AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	6,894,061,239	37.52	–	–
Sapura Technology Sdn Bhd	1,686,337,808	9.18	332,569,600 ⁽¹⁾	1.81
Sapura Holdings Sdn Bhd	–	–	2,067,197,390 ⁽²⁾	11.25
Tan Sri Dato' Seri Shahril Shamsuddin	174,811,600	0.95	2,067,197,390 ⁽²⁾	11.25
Dato' Shahrman Shamsuddin	506,385	0.00*	2,067,197,390 ⁽²⁾	11.25
Brothers Capital Sdn Bhd	–	–	2,067,197,390 ⁽³⁾	11.25

Notes:

* Negligible.

⁽¹⁾ Deemed interested, pursuant to Section 8(4) of the Companies Act 2016 ("the Act"), by virtue of its shareholding in Jurudata Sdn Bhd.

⁽²⁾ Deemed interested, pursuant to Section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Jurudata Sdn Bhd and Indera Permai Sdn Bhd.

⁽³⁾ Deemed interested, pursuant to Section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Holdings Sdn Bhd ("Sapura Holdings"). Sapura Holdings is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.

DIRECTORS' SHAREHOLDINGS BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	% of Shares	No. of Shares Held	% of Shares
Dato' Mohammad Azlan Abdullah	–	–	–	–
Datuk Mohd Anuar Taib	2,200,000	0.01	–	–
Dato' Shahrman Shamsuddin	506,385	0.00*	2,067,197,390 ⁽¹⁾	11.25
Datuk Ramlan Abdul Rashid	–	–	–	–
Lim Tiang Siew	–	–	–	–
Dato' Azmi Mohd Ali	–	–	–	–
Lim Fu Yen	–	–	–	–
Datuk Nur Iskandar A Samad	–	–	–	–
Wan Mashitah Wan Abdullah Sani	–	–	–	–
Shahin Farouque Jammal Ahmad	–	–	–	–

Notes:

* Negligible.

⁽¹⁾ Deemed interested, pursuant to Section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Holdings. Sapura Holdings is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.

WARRANTS 2019/2026

Class of Security	: Warrants 2019/2026 ("Warrants")
Number of Warrants Not Exercised	: 998,692,020 Warrants
Number of Warrant Holders	: 4,964

DISTRIBUTION BY SIZE OF WARRANT HOLDINGS BASED ON RECORD OF DEPOSITORS

Size of Warrant Holdings	No. of Warrant Holders	% of Total Warrant Holders	No. of Warrants Held	% of Total Warrants
Less than 100	192	3.87	8,887	0.00
100 – 1,000	783	15.77	408,381	0.04
1,001 – 10,000	1,309	26.37	6,801,534	0.68
10,001 – 100,000	1,739	35.03	78,299,567	7.84
100,001 – to less than 5% of Warrants	939	18.92	729,840,318	73.08
5% and above of Warrants	2	0.04	183,333,333	18.36
Total	4,964	100.00	998,692,020	100.00

THIRTY (30) LARGEST WARRANT HOLDERS BASED ON RECORD OF DEPOSITORS

No.	Name of Warrant Holders	No. of Warrants Held	% of Warrants
1.	SAPURA TECHNOLOGY SDN BHD	133,333,333	13.35
2.	AMANAH RAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	50,000,000	5.01
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR JURUDATA SDN BHD (PB)	30,700,000	3.07
4.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY SEANG WAH (MP0471)	24,200,000	2.42
5.	LIM TSUI PHENG	23,030,066	2.31
6.	MOHD AZMI BIN MAHBUB	15,203,900	1.52
7.	REUBENDRA A/L JEGANATHAN	15,000,000	1.50
8.	RAVI A/L PULLAIYAR	14,600,000	1.46
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHI KAIN SANG	11,840,000	1.19
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SHAHRIL BIN SHAMSUDDIN (12020671) (430412)	11,822,608	1.18
11.	MD NOR BIN MANSOR	11,300,000	1.13
12.	CHIA HANG KIAN	10,502,000	1.05
13.	ANUCIA A/P MUTHUCUMARU	10,250,000	1.03
14.	EE SOO YIM	8,000,000	0.80

ANALYSIS OF SHAREHOLDINGS

As At 30 April 2024

No.	Name of Warrant Holders	No. of Warrants Held	% of Warrants
15.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHI KAIN SANG (LBU)	7,700,000	0.77
16.	CHOO KWANG WAH	6,500,000	0.65
17.	HAM YEAN MING	6,483,800	0.65
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD AB RAZAK BIN ALI	6,234,500	0.62
19.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	6,031,535	0.60
20.	SHAMSULBAHRIN BIN SALLEH	6,000,000	0.60
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHEK KENG (E-TAI)	5,900,000	0.59
22.	CHU AI MOI	5,800,000	0.58
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD JEYASILAN A/L KARPUDEWAN	5,745,000	0.58
24.	MUHAMMAD SYAFIQ BIN ISHAK	5,597,000	0.56
25.	TAY JIN SAI	5,500,000	0.55
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD ALIM BIN HARON	5,362,300	0.54
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOH HIUNG	5,250,000	0.53
28.	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMAD NAIM BIN FATEH MOHAMED (SMT)	5,100,000	0.51
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	5,013,000	0.50
30.	BAY TEONG TAT	5,000,000	0.50
Total		462,999,042	46.36

DIRECTORS' WARRANT HOLDINGS BASED ON REGISTER OF DIRECTORS' WARRANT HOLDINGS

Directors	Direct Interest		Indirect Interest	
	No. of Warrants Held	% of Warrants	No. of Warrants Held	% of Warrants
Dato' Mohammad Azlan Abdullah	—	—	—	—
Datuk Mohd Anuar Taib	—	—	—	—
Dato' Shahriman Shamsuddin	—	—	164,033,333 ⁽¹⁾	16.42
Datuk Ramlan Abdul Rashid	—	—	—	—
Lim Tiang Siew	—	—	—	—
Dato' Azmi Mohd Ali	—	—	—	—
Lim Fu Yen	10	0.00*	—	—
Datuk Nur Iskandar A Samad	—	—	—	—
Wan Mashitah Wan Abdullah Sani	—	—	—	—
Shahin Farouque Jammal Ahmad	—	—	—	—

Notes:

* Negligible.

⁽¹⁾ Deemed interested, pursuant to Section 8(4) of the Companies Act 2016, by virtue of being a substantial shareholder of Sapura Holdings. Sapura Holdings is a substantial shareholder of Sapura Technology Sdn Bhd and Jurudata Sdn Bhd.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting ("13th AGM") of Sapura Energy Berhad ("the Company") that will be held as a virtual meeting at the broadcast venue at Conference Room, Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Tuesday, 30 July 2024 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 January 2024 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note A

2. To re-elect the following Directors who retire by rotation pursuant to Article 80 of the Constitution of the Company and who being eligible offer themselves for re-election:

- (a) Datuk Mohd Anuar Taib
- (b) Lim Tiang Siew
- (c) Datuk Ramlan Abdul Rashid

Please refer to Explanatory Note B

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

3. To re-elect the following Director who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election:

- (a) Shahin Farouque Jammal Ahmad

Please refer to Explanatory Note C

Ordinary Resolution 4

4. To approve the payment of Directors' fees and benefits up to an amount of RM3,000,000 to the Non-Executive Directors of the Company with effect from 30 July 2024 until the next Annual General Meeting of the Company in 2025.

Please refer to Explanatory Note D

Ordinary Resolution 5

5. To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to determine their remuneration.

Please refer to Explanatory Note E

Ordinary Resolution 6

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution:

6. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 7

"THAT, subject to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("**Group**") be and are hereby authorised to enter into the 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 31 May 2024, 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 are carried out at arm's length basis 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 Companies Act 2016 ("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."

Please refer to Explanatory Note F

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)
CHOONG SIEW MUN (MAICSA 7068632) (SSM PC No.: 202008001881)
Company Secretaries

Selangor Darul Ehsan
31 May 2024

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Mode of Meeting

The Thirteenth Annual General Meeting ("13th AGM") of the Company will be conducted on a virtual basis through live streaming and online remote voting by shareholders via the Remote Participation and Electronic Voting ("RPEV") Platform at <https://meeting.boardroomlimited.my>. Please follow the steps and procedures provided in the Administrative Notes for the 13th AGM of the Company in order to register, participate and vote remotely via the RPEV Platform.

The primary mode of communication by shareholders for the 13th AGM is via text messaging facilities provided under the RPEV Platform. In the event of any technical glitch in the primary mode of communication, all other reasonable modes of communication is acceptable for the 13th AGM.

2. Broadcast Venue

The broadcast venue of the 13th AGM is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue and in accordance with Article 60 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and exercise their right to speak and vote at the general meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present nor admitted at the broadcast venue on the day of the 13th AGM.

3. Voting

All resolutions in the Notice of the 13th AGM are to be conducted by poll voting as per Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") via the RPEV Platform.

4. Proxy(ies)

A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of the members of the Company, subject to the Constitution of the Company.

A member entitled to attend and vote at the 13th AGM is entitled to appoint up to two (2) proxies to attend and vote on a poll in his stead. A proxy may, but need not be a member of the Company and there is no restriction as to the qualification of the proxy.

Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

The instrument appointing a proxy must be deposited with the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for the holding of the meeting, i.e., no later than 28 July 2024 at 10.00 a.m. or any adjournment thereof.

Alternatively, the instrument appointing a proxy may be deposited via electronic means through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically not less than forty-eight (48) hours before the time appointed for the holding of the meeting, i.e., no later than 28 July 2024 at 10.00 a.m. or any adjournment thereof.

5. Corporate Representatives

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the 13th AGM pursuant to Section 333 of the Companies Act 2016. For this purpose and pursuant to Section 333(5) of the Companies Act 2016, the corporate member shall provide a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

6. Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend the 13th AGM in accordance with Article 59(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 22 July 2024. Only a depositor whose name appears on the Record of Depositors as at 22 July 2024 shall be entitled to attend the 13th AGM or appoint proxies to attend and/or vote on his/her behalf.

7. Explanatory Note A

This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution, the Audited Financial Statements need not be approved by the shareholders and hence, the matter will not be put forward for voting.

8. Explanatory Note B for Ordinary Resolutions 1, 2 and 3

Article 80 of the Company's Constitution expressly states that in every subsequent Annual General Meeting, at least one-third (1/3) of the Directors for the time being or the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years and the retiring Directors shall be eligible to seek for re-election thereof.

Pursuant to Article 80, Datuk Mohd Anuar Taib, Lim Tiang Siew and Datuk Ramlan Abdul Rashid ("Retiring Directors") are standing for re-election at the 13th AGM.

For the purpose of determining the eligibility of the Directors to stand for re-election at this 13th AGM and in line with Malaysian Code on Corporate Governance 2021, the Board Nomination and Remuneration Committee ("BNRC") has reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board for the FY2024.

The BNRC had recommended the re-election of Retiring Directors based on the following consideration:- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities; (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company; (iii) level of independence demonstrated by the Independent Directors; and (iv) their ability to act in the best interest of the Company in decision-making.

Based on the assessment of the BNRC, the BNRC is satisfied that the Retiring Directors had demonstrated their commitment and continue to be diligent and competent in their role as Directors and the Board has endorsed the BNRC's recommendation for the Retiring Directors for re-election subject to the shareholders' approval at this AGM.

The profiles of the Retiring Directors who are standing for re-election are provided on pages 112, 114 and 115 of the Company's Annual Report 2024.

9. Explanatory Note C for Ordinary Resolution 4

Article 85 of the Company's Constitution expressly states that the Directors shall have power at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Shahin Farouque Jammal Ahmad who was recently appointed to the Board on 15 December 2023, being eligible, has offered himself for re-election pursuant to Article 85 of the Company's Constitution.

The profile of the Director who is standing for re-election is provided on page 120 of the Company's Annual Report 2024.

10. Explanatory Note D for Ordinary Resolution 5

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of the Company will have to be approved at a general meeting.

The amount of up to RM3,000,000 (2023: RM3,000,000) under the proposed Ordinary Resolution 5 comprising Directors' fees and benefits to the Non-Executive Directors of the Company is estimated for the period from 30 July 2024 until the next Annual General Meeting of the Company to be held in 2025.

The Directors' fees have been reduced in the financial year ended 31 January 2016 (10% reduction), financial year ended 31 January 2018 (5% reduction), from the Annual General Meeting held on 30 July 2020 (15% reduction) and the financial year ended 31 January 2022 (50%).

Benefits for Non-Executive Chairman of the Company comprising medical and insurance coverage, car allowance, driver, petrol and other claimable benefits. Benefits for other Non-Executive Directors comprise of medical and insurance coverage and other claimable benefits.

Payment of Directors' fees will be made on a monthly basis and/or as and when incurred.

11. Explanatory Note E for Ordinary Resolution 6

The Board Audit Committee and the Board have considered the re-appointment of Ernst & Young PLT as Auditors of the Company following the annual assessment of the suitability and independence of the Auditors and collectively agreed that Ernst & Young PLT have met the relevant criteria prescribed by Paragraph 15.21 of Main Market Listing Requirements of Bursa Securities.

12. Explanatory Note F for Ordinary Resolution 7

The proposed resolution 7, if passed, will empower the Group 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 31 May 2024 which are necessary for the Group's day-to-day operations and/or in the ordinary course of business of the Group on normal commercial terms and to facilitate the conduct of the Group's business in a timely manner. Details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 31 May 2024 which is circulated together with the Annual Report 2024 of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities

INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS AT THE 13TH ANNUAL GENERAL MEETING OF THE COMPANY

There is no individual standing for election as Director (excluding the Directors standing for re-election).

Details of the Directors who are standing for re-election are provided in the "Profiles of Board of Directors" on pages 112, 114, 115 and 120 of Annual Report 2024 and Notice of 13th Annual General Meeting. Details of their interests in the securities of the Company are set out in the "Analysis of Shareholdings" on pages 276 and 279 of Annual Report 2024.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR")

1. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors, Ernst & Young PLT and its affiliated companies for the services rendered to Sapura Energy Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 January 2024 ("FY2024") are as follows:

	Company RM'000	Group RM'000
Audit Fees (Group) (A)	533	4,570
Non-Audit fees		
a) Tax related:		
• Expatriate employee personal income tax	2	31
• Tax audit	–	73
• Tax filing	–	285
b) Review of interim financial statements	771	771
c) Production Sharing Contract Audit	–	16
d) Review of Statement on Risk Management and Internal Control	5	5
e) Reporting Accountant for Regularisation Plan	1,626	1,626
Total (B)	2,404	2,807
Grand Total (A) + (B)	2,937	7,377

2. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the Directors and major shareholders during the FY2024 save as disclosed in Note 39(a)(i) to the financial statements as set out on page 228 of this Annual Report.

3. EXECUTIVE SHARE OPTION SCHEME ("ESOS")

(a) Brief details on the total number of options granted, exercised and outstanding since the establishment of the ESOS on 13 December 2018 and up to the FY2024 are set out below:

Description	Number of options	
	Grand Total	Former Executive Director/ PGCEO
Granted as at 31 January 2023	883,643,137	798,954,012
Lapsed as at 31 January 2024	(84,689,125)	–
Exercised	–	–
Outstanding	798,954,012	798,954,012

(b) Pursuant to the Company's ESOS By-Laws, the maximum allowable allocation to the Executive Director and Senior Management is up to 10 percent of the total number of issued ordinary shares of the Company. No share options were granted to the Company's Executive Director and Senior Management during FY2024. The actual share options granted to Executive Director and Senior Management since the commencement of the ESOS up to 31 January 2024 is 50 percent of the maximum allowable allocation after deducting the share options lapsed during FY2024.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR")

- (c) The lapsed of share options during FY2024 reflect the lapses of share options granted to one Senior Management who have ceased employment in FY2024.
- (d) As at 31 January 2024, there was no share options granted to Non-Executive Directors as they are not entitled to any options pursuant to the ESOS By-Laws.
- (e) Tan Sri Dato' Seri Shahril Shamsuddin, the former Executive Director retired as President & Group Chief Executive Officer ("PGCEO") on 22 March 2021. Thereafter, he was a Non-Executive Director from 23 March 2021 until 30 April 2021. Upon fulfilment of the requirements under the ESOS By-Laws, he continues to be entitled to exercise the share options granted to him whilst he was the PGCEO/Executive Director until the expiry of the ESOS period in December 2025.

4. RECURRENT RELATED PARTY TRANSACTIONS

At the Twelfth Annual General Meeting ("AGM") held on 26 July 2023, the Company obtained a general mandate from its shareholders for recurrent related party transactions of a revenue or trading nature, to be entered into by the Company and/or its subsidiaries set out in the Circular to Shareholders dated 31 May 2023 ("RRPT Mandate"). The RRPT Mandate is valid until the conclusion of the forthcoming Thirteenth AGM of the Company to be held on 30 July 2024.

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the MMLR, details of the recurrent related party transactions of a revenue or trading nature entered into during the FY2024 are as follows:

No.	Transacting Companies in Sapura Energy Berhad Group	Transacting Related Party	Nature of Recurrent Related Transactions	Interested Related Party	Aggregate Value (RM'000)
1.	Sapura Subsea Services Sdn Bhd Sapura Offshore Sdn Bhd Sapura Technology Solutions Sdn Bhd Sapura Geotechnics Sdn Bhd Sapura Nautilus Sdn Bhd Sapura Marine Ventures Sdn Bhd Sapura Engineering (Offshore) Sdn Bhd Sapura 900 Pte Ltd Sapura Fabrication Sdn Bhd Sapura Subsea Corporation	SDISB ⁽⁴⁾	Supply of equipment and spare parts and service support for vessels to Sapura Subsea Services Sdn Bhd, Sapura Offshore Sdn Bhd, Sapura Technology Solutions Sdn Bhd, Sapura Geotechnics Sdn Bhd, Sapura Nautilus Sdn Bhd, Sapura Marine Ventures Sdn Bhd, Sapura Engineering (Offshore) Sdn Bhd, Sapura 900 Pte Ltd, Sapura Fabrication Sdn Bhd and Sapura Subsea Corporation	<ul style="list-style-type: none"> ASB⁽¹⁾ Dato' Mohammad Azlan Abdullah⁽²⁾ Rohaizad Darus⁽³⁾ Shahin Farouque⁽⁷⁾ 	1,713
2.	Sapura Fabrication Sdn Bhd	UI(1985)SB ⁽⁵⁾	Supply of equipment, spare parts and service support for vessels to Sapura Fabrication Sdn Bhd	<ul style="list-style-type: none"> ASB⁽¹⁾ Dato' Mohammad Azlan Abdullah⁽²⁾ Rohaizad Darus⁽³⁾ Shahin Farouque⁽⁷⁾ 	Nil
3.	Sapura Fabrication Sdn Bhd	UIPSSB ⁽⁵⁾	Supply of equipment, spare parts and service support for vessels to Sapura Fabrication Sdn Bhd		Nil

No. Transacting Companies in Sapura Energy Berhad Group	Transacting Related Party	Nature of Recurrent Related Transactions	Interested Related Party	Aggregate Value (RM'000)
4. Sapura Drilling Sdn Bhd Sapura Drilling Berani Ltd Sapura Drilling Esperanza Ltd Sapura Drilling Jaya Ltd Sapura Drilling Labuan Leasing Ltd Sapura Drilling T-10 Ltd (Bermuda) Sapura Drilling T-11 Ltd (Bermuda) Sapura Drilling T-12 Ltd (Bermuda) Sapura Drilling T-17 Ltd (Bermuda) Sapura Drilling T-18 Ltd (Bermuda) Sapura Drilling Asia Sdn Bhd Sapura Drilling Asia Limited Sapura Drilling Asia Ltd (Thailand Branch) Sapura Drilling Holdings Ltd Sapura Drilling Holdings Ltd (Ivory Coast Branch) Sapura Energy Angola, LDA Sapura Drilling Services Sdn Bhd Sapura Drilling (S) Pte Ltd Sapura Drilling (Bermuda) Ltd Sapura Drilling T-10 Ltd (Mauritius) Sapura Drilling T-11 Ltd (Mauritius) Sapura Drilling T-12 Ltd (Mauritius) Sapura Drilling T-17 Ltd (Mauritius) Sapura Drilling T-18 Ltd (Mauritius)	TSL ⁽⁴⁾	Supply of equipment, spare parts and service support for Caterpillar main engines, air compressors, Favco cranes and associated spare parts (for maintenance and overhaul)	<ul style="list-style-type: none"> ASB⁽¹⁾ Dato' Mohammad Azlan Abdullah⁽²⁾ Rohaizad Darus⁽³⁾ Shahin Farouque⁽⁷⁾ 	1,663

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR")

No.	Transacting Companies in Sapura Energy Berhad Group	Transacting Related Party	Nature of Recurrent Related Transactions	Interested Related Party	Aggregate Value (RM'000)
5.	Sapura Drilling Sdn Bhd Sapura Drilling Berani Ltd Sapura Drilling Esperanza Ltd Sapura Drilling Jaya Ltd Sapura Drilling Labuan Leasing Ltd Sapura Drilling T-10 Ltd (Bermuda) Sapura Drilling T-11 Ltd (Bermuda) Sapura Drilling T-12 Ltd (Bermuda) Sapura Drilling T-17 Ltd (Bermuda) Sapura Drilling T-18 Ltd (Bermuda) Sapura Drilling Asia Sdn Bhd Sapura Drilling Asia Limited Sapura Drilling Asia Ltd (Thailand Branch) Sapura Drilling Holdings Ltd Sapura Drilling Holdings Ltd (Ivory Coast Branch) Sapura Energy Angola, LDA Sapura Drilling Services Sdn Bhd Sapura Drilling (S) Pte Ltd Sapura Drilling (Bermuda) Ltd Sapura Drilling T-10 Ltd (Mauritius) Sapura Drilling T-11 Ltd (Mauritius) Sapura Drilling T-12 Ltd (Mauritius) Sapura Drilling T-17 Ltd (Mauritius) Sapura Drilling T-18 Ltd (Mauritius)	SDISB ⁽⁴⁾	Supply of equipment, spare parts and service support for Caterpillar main engines, air compressors, Favco cranes and associated spare parts (for maintenance and overhaul)	<ul style="list-style-type: none"> ASB⁽¹⁾ Dato' Mohammad Azlan Abdullah⁽²⁾ Rohaizad Darus⁽³⁾ Shahin Farouque⁽⁷⁾ 	7,966
6.	Sapura Drilling Services Sdn Bhd Sapura Drilling Asia Sdn Bhd Sapura Energy Berhad	<ul style="list-style-type: none"> Sapura Ventures Sdn Bhd Sapura Resources Berhad 	Rental of venue at Sapura@Mines, event management services and supply of food & beverages	<ul style="list-style-type: none"> Dato' Shahriman Shamsuddin⁽⁶⁾ 	127

No.	Transacting Companies in Sapura Energy Berhad Group	Transacting Related Party	Nature of Recurrent Related Transactions	Interested Related Party	Aggregate Value (RM'000)
7.	Sapura Drilling Sdn Bhd Sapura Drilling Berani Ltd Sapura Drilling Esperanza Ltd Sapura Drilling Jaya Ltd Sapura Drilling Labuan Leasing Ltd Sapura Drilling T-10 Ltd (Bermuda) Sapura Drilling T-11 Ltd (Bermuda) Sapura Drilling T-12 Ltd (Bermuda) Sapura Drilling T-17 Ltd (Bermuda) Sapura Drilling T-18 Ltd (Bermuda) Sapura Drilling Asia Sdn Bhd Sapura Drilling Asia Limited Sapura Drilling Asia Ltd (Thailand Branch)	SDI(B)SB ⁽⁴⁾	Supply of equipment, spare parts and service support for Caterpillar main engines, air compressors, Favco cranes and associated spare parts (for maintenance and overhaul)	<ul style="list-style-type: none"> ASB⁽¹⁾ Dato' Mohammad Azlan Abdullah⁽²⁾ Rohaizad Darus⁽³⁾ Shahin Farouque⁽⁷⁾ 	Nil
Total					11,469

Notes:

⁽¹⁾ AmanahRaya Trustees Berhad – Amanah Saham Bumiputera ("ASB"), a unit trust fund managed by Amanah Saham Nasional Berhad which is a unit trust management company that is a wholly owned subsidiary of Permodalan Nasional Berhad ("PNB"), is deemed a Major Shareholder of the Company, having equity interest of 37.52% as at 2 May 2024.

⁽²⁾ Dato' Mohammad Azlan Abdullah is deemed interested by virtue of his directorship in the Company and nominee director of PNB.

⁽³⁾ Rohaizad Darus is deemed interested by virtue of his directorship in the Company and nominee director of PNB. He was a Director of the Company until his resignation on 25 March 2024.

⁽⁴⁾ ASB is deemed interested as it is a Major Shareholder of Tractor Singapore Limited ("TSL"), Sime Darby Industrial Sdn Bhd ("SDISB") and Sime Darby Industrial(B) Sdn Bhd ("SDI(B)SB") by virtue of 36.48% direct equity interest in Sime Darby Berhad, the ultimate holding company of TSL, SDISB and SDI(B) SB as at 2 May 2024.

⁽⁵⁾ ASB is deemed interested as it is a Major Shareholder of UMW Industries (1985) Sdn Bhd ("UI(1985)SB") and UMW Industrial Power Services Sdn Bhd ("UIPSSB") by virtue of 36.48% direct equity interest in Sime Darby Berhad, the ultimate holding company of UI(1985)SB and UIPSSB as at 2 May 2024.

⁽⁶⁾ Dato' Shahrman Shamsuddin is deemed interested by virtue of his directorship in the Company and director of Sapura Resources Berhad. He is also a Major Shareholder of the Company.

⁽⁷⁾ Shahin Farouque Jammal Ahmad is deemed interested by virtue of his directorship in the Company and nominee director of PNB.

The Company proposes to seek shareholders' approval for the proposed renewal of the RRPT Mandate at its forthcoming Thirteenth AGM.

The renewal of the RRPT Mandate if approved by the shareholders, will be valid until the conclusion of the next AGM of the Company. Details of the renewal of the RRPT Mandate being sought are provided in the Circular to Shareholders dated 31 May 2024.

ADMINISTRATIVE GUIDE

For The Thirteenth Annual General Meeting ("AGM")



Sapura Energy Berhad
Registration No: 201101022755 (950894-T)
(Incorporated in Malaysia)

Day, Date and Time	: Tuesday, 30 July 2024 at 10.00 a.m.
Broadcast Venue	: Conference Room, Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.
Online Meeting Platform	: https://meeting.boardroomlimited.my ("Boardroom Meeting Portal")

MODE OF MEETING – VIRTUAL MEETING

The Thirteenth AGM ("13th AGM") of the Company will be held virtually through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facility which is available on Boardroom Share Registrars Sdn Bhd ("Boardroom")'s website at <https://meeting.boardroomlimited.my>. With the online meeting platform, Shareholders may exercise their rights as a member to participate (including to pose questions to the Board and/or Management of the Company) and vote at the 13th AGM.

The Securities Commission Malaysia had on 7 April 2022, revised the Guidance Note and Frequently Asked Questions ("FAQs") on the conduct of General Meetings for listed Issuers which was originally issued on 18 April 2020 (the "Guidance Note"), to allow general meetings to be conducted virtually.

Pursuant to the Guidance Note, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia. In addition, the FAQs issued by the Companies Commission of Malaysia on 8 June 2021, provides that an online meeting platform shall be deemed to be in Malaysia if the registered domain name is registered with MYNIC Berhad.

SHAREHOLDERS ENTITLED TO PARTICIPATE AND VOTE

Only Shareholders whose names appear in the Record of Depositors and Register of Members as at 22 July 2024 shall be eligible to participate and vote at the 13th AGM or appoint proxy to participate and vote on his or her behalf.

HOW TO JOIN THE MEETING

Step 1 – Register/Sign-up as Online User

[Note: The registration/sign-up as online user will be opened on 31 May 2024 and closed at 10.00 a.m. on 28 July 2024.]

Register online with Boardroom Smart Investor Portal (for first time registration only) in the manner stated below. Please proceed to Step 2, if you have already registered/signed up with Boardroom Smart Investor Portal ("BSIP") earlier.

Step 1 – Register Online with BSIP (for first time registration only)

[Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2]

- Access the website <https://investor.boardroomlimited.com>.
- Click **Register** to sign up as a user.
- Please select the correct account type i.e. sign up as a **Shareholder** or **Corporate Holder**.
- Complete registration with all required information. Upload and attach your MyKad front and back image and click **Sign Up**.
- For Corporate Holder, kindly upload the authorisation letter/ Certificate of Appointment of Corporate Representative/ Power of Attorney and click **Sign Up**.
- You will receive an email from BSIP Online for email address verification. Click on **Verify Email Address** from the email received to continue with the registration.
- Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. Click on **Request OTP Code** and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click **Enter** to complete the process.
- Once your mobile number is verified, registration of your new BSIP account will be pending for final verification.
- An email will be sent to you to inform the approval of your BSIP account within one (1) business day. Subsequently, you can login at <https://investor.boardroomlimited.com> with the email address and password filled up by you during registration to proceed.

Step 2 – Online Registration Procedure

[Note: The registration for remote access will be opened on 31 May 2024 and closed at 10.00 a.m. on 28 July 2024.]

Individual and Corporate Shareholders

- Login to <https://investor.boardroomlimited.com> using your user ID and password from Step 1 above.
[Note: If you do not have an account with BSIP, please sign-up/register with Boardroom Smart Investor Portal for free - refer to Item Step 1 for guide.]
- Click "Meeting Event" and select from the list of companies "**SAPURA ENERGY BERHAD THIRTEENTH (13TH) ANNUAL GENERAL MEETING**" and click **Enter**.
- To attend the virtual AGM remotely
 - Click **Register for RPEV**
 - Enter your CDS account number
 - Read and accept the General Terms and Conditions to submit your request
- To appoint proxy
 - Click **Submit eProxy Form**
 - For Corporate Shareholder, select the company you would like to represent (if more than one)
 - Read and accept the General Terms and Conditions and enter your CDS account number. Then, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate **Discretionary**

For Authorised Nominees and Exempt Authorised Nominees

- (a) Log in to <https://investor.boardroomlimited.com>.
- (b) Click "Meeting Event(s)" and select from the list of companies – SAPURA ENERGY BERHAD THIRTEENTH (13TH) ANNUAL GENERAL MEETING and click **Enter**.
- (c) Click '**Submit eProxy Form**'.
- (d) Select the company you would like to represent (if more than one).
- (e) Proceed to download the file format for **Submission of e-Proxy Form**.
- (f) Prepare the file for the appointment of proxy(ies) by inserting the required data.
- (g) Proceed to upload the duly completed Proxy Appointment file.
- (h) Review and confirm your proxy(ies) appointment(s) and click **Submit**.
- (i) Download or print the e-Proxy Form as acknowledgement.

For Corporate Shareholders, Authorised Nominees/Exempt Authorised Nominees and Attorney, you may also write to bsr.helpdesk@boardroomlimited.com and provide the name of the Shareholder, CDS number and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.

For any of the above request:

- (a) An email notification will be sent by Boardroom to notify that request for remote participation has been received for system verification.
- (b) Upon system verification against the **General Meeting Record of Depositor** as of **22 July 2024**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
- (c) You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
- (d) Please note that the closing time to submit your request is at 10.00 a.m. on 28 July 2024 (48 hours before the commencement of the virtual AGM).

- (e) The Login User Guide for participation, posing questions and voting at the 13th AGM, will be emailed to you together with your remote access user ID and password once your registration has been approved.

Step 3 – Login to RPEV (<https://meeting.boardroomlimited.my>)

[The quality of the connectivity to the RPEV for live webcast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

- (a) The RPEV will be opened for login starting one (1) hour before the commencement of the 13th AGM at 10.00 a.m. on 30 July 2024.
- (b) Follow the steps given to you in the email along with your remote access user ID and password to login to the RPEV Platform, Boardroom Smart Investor Portal. (refer to item (e) of step 2 above).
- (c) The steps will also guide you on how to view live webcast, ask questions and vote.
- (d) The live webcast will end and the messaging window will be disabled upon the Chairman announces the closure of the 13th AGM.
- (e) You can then logout from the RPEV.

VIRTUAL MEETING

- (1) In line with the Malaysian Code on Corporate Governance 2021 Practice 13.0, by conducting a virtual AGM, this would allow greater participation as it facilitates electronic voting and remote Shareholders'/proxies' participation. With the RPEV, you may exercise your right as a member/proxy holder of the Company to participate remotely (including to pose questions to the Board of Directors and/or Management of the Company) and vote via electronic voting at the virtual AGM.
- (2) Alternatively, you may also appoint the Chairman as your proxy to attend and vote on your behalf at the virtual AGM.

PROXY

- (1) Shareholders are encouraged to go online, participate, and vote at the 13th AGM using RPEV. Shareholders who are unable to join the virtual AGM are encouraged to appoint the Chairman or their proxy to vote on their behalf.
- (2) If you wish to attend the virtual AGM yourself, please do not submit any Proxy Form. You will not be allowed to attend the virtual AGM together with a proxy appointed by you.
- (3) The Proxy Form can be deposited with the Share Registrars, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or by electronic means through BSIP, not later than forty-eight (48) hours before the Meeting, i.e., no later than 28 July 2024 at 10.00 a.m. Kindly refer to Step 2 – Online Registration Procedure above in order to login and deposit your e-Proxy Form electronically.

ADMINISTRATIVE GUIDE

For The Thirteenth Annual General Meeting ("AGM")

REMOTE PARTICIPATION AND ELECTRONIC VOTING

- (1) Please note that the remote participation and electronic voting is available to:
 - (a) Individual member;
 - (b) Corporate shareholder;
 - (c) Authorised Nominee; and
 - (d) Exempt Authorised Nominee.
- (2) If you choose to participate in the virtual AGM, you will be able to view a live webcast of the AGM proceedings, pose questions to the Board, and submit your votes in real-time whilst the meeting is in progress.

VOTING

- (1) The voting will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (2) The Company has appointed Boardroom Share Registrars Sdn. Bhd. as the poll administrator to conduct the poll by way of electronic voting ("**E-Voting**") and SKY Corporate Services Sdn. Bhd. as scrutineers to verify the poll result.
- (3) During the AGM, real-time voting will be implemented and the Chairman will make the declaration of the poll result of each resolution after completion of voting for each resolution.
- (4) For the purposes of this AGM, E-Voting will be carried via personal smart mobile phones, tablets or laptops.
- (5) There are two (2) methods for members and proxies who wish to use their personal voting device to vote remotely. The methods are:
 - (a) Use QR Scanner Code given to you in the email received after successful registration; OR
 - (b) Go to the website with URL <https://meeting.boardroomlimited.my>.

PROCEDURES DURING ONLINE AGM

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

You must ensure that you are connected to the internet at all times in order to participate and vote when the AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the 13th AGM meeting is maintained. Kindly note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

SUBMISSION OF QUESTIONS

(a) Prior to the virtual AGM

Shareholders may submit questions in relation to the agenda items by logging in to BSIP at <https://investorboardroomlimited.com> latest by Sunday, 28 July 2024 at 10.00 a.m. Click "Submit Questions" after selecting "SAPURA ENERGY BERHAD THIRTEENTH (13th) VIRTUAL ANNUAL GENERAL MEETING" from 'Corporate Meeting'.

(b) During the virtual AGM

Shareholders may type their questions in the messaging box at any time during the virtual AGM on the online meeting platform.

In order to ensure a smooth and efficient conduct of the AGM, questions that are repetitive in nature and/or have been previously answered will not be specifically addressed. The Board and Management of the Company will endeavour to provide the responses at the virtual AGM. However, being mindful of time constraints, some responses may be emailed after the conclusion of the virtual AGM.

NO VOUCHERS AND DOOR GIFTS

There will be no voucher(s) or any door gift(s) for Shareholders/proxies who participate in the 13th AGM.

ANNUAL REPORT AND CIRCULAR TO SHAREHOLDERS

The Annual Report 2024 and Circular to Shareholders are available on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com under Company Announcements of Sapura Energy Berhad and also at the Company's website at www.sapuraenergy.com. Alternatively, you may scan the QR code which is printed on the 13th AGM Notification which was circulated to Shareholders on 31 May 2024 for the Annual Report 2024. No CD-ROM for Annual Report 2024 be provided to Shareholders.

ENQUIRIES

If you have any queries prior to the 13th AGM, please contact the following persons during office hours:

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone Number

General Line: +603-7890 4700
Hastini Hassim: +603-7890 4702
Hastini.Hassim@boardroomlimited.com

Sapura Energy Berhad

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

Telephone Number

Norain Mohammad Madsom: +603-8659 9212
Syazlyana Suhaime: +603-8659 8433

PROXY FORM



Sapura Energy Berhad
Registration No: 201101022755 (950894-T)
(Incorporated in Malaysia)

CDS Account No.		
Total number of ordinary shares held		

I/We _____
(Full Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

NRIC/Passport No./Certificate of Incorporation No. _____

of _____
(Full Address)

being a Member of SAPURA ENERGY BERHAD, do hereby appoint _____

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Tel no.:	Email address:		

and/or (delete as appropriate)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Tel no.:	Email address:		

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting ("13th AGM") of Sapura Energy Berhad ("the Company") that will be held as a virtual meeting at the broadcast venue at Conference Room, Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Tuesday, 30 July 2024 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS		FOR	AGAINST
ORDINARY RESOLUTION 1	Re-election of Datuk Mohd Anuar Taib as Director of the Company		
ORDINARY RESOLUTION 2	Re-election of Mr Lim Tiang Siew as Director of the Company		
ORDINARY RESOLUTION 3	Re-election of Datuk Ramlan Abdul Rashid as Director of the Company		
ORDINARY RESOLUTION 4	Re-election of Encik Shahin Farouque Jammal Ahmad as Director of the Company		
ORDINARY RESOLUTION 5	Payment of Directors' fees and benefits up to an amount of RM3,000,000 to the Non-Executive Directors of the Company with effect from 30 July 2024 until the next Annual General Meeting of the Company in 2025		
ORDINARY RESOLUTION 6	Re-appointment of Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to determine their remuneration		
ORDINARY RESOLUTION 7	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Signature/Common Seal of Shareholder

Dated this _____ day of _____ 2024

Notes:

- (1) A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of the members of the Company, subject to the Constitution of the Company.
- (2) A member entitled to attend and vote at the 13th AGM is entitled to appoint up to two (2) proxies to attend and vote on a poll in his stead. A proxy may, but need not be a member of the Company and there is no restriction as to the qualification of the proxy.
- (3) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (4) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (5) An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
- (6) The instrument appointing a proxy must be deposited with the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time appointed for the holding of the meeting, i.e., no later than 28 July 2024 at 10.00 a.m. or any adjournment thereof. Alternatively, the instrument appointing a proxy may be deposited via electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically not less than forty-eight (48) hours before the time appointed for the holding of the meeting, i.e., no later than 28 July 2024 at 10.00 a.m. or any adjournment thereof.
- (7) Pursuant to Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 13th AGM will be put to vote on a poll.
- (8) By submitting the duly executed proxy form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this Annual General Meeting and any adjournment thereof.

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AFFIX STAMP

Share Registrar for **Sapura Energy Berhad**

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

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

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www.sapuraenergy.com

Sapura Energy Berhad 201101022755 (950894-T)

No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor, Malaysia

Tel : (6)03 8659 8800 Fax : (6)03 8659 8873



sapuraenergy.com



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