

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has approved the Proposed Regularisation Plan (as defined herein) contained in this Circular. The approval of Bursa Securities shall not be taken to indicate that Bursa Securities recommends the Proposed Regularisation Plan or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Circular. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

The Securities Commission Malaysia ("**SC**") had on 7 July 2025 notified that it has no further comments to the contents of this Circular and independent advice letter ("**IAL**") relating to the Proposed Exemption (as defined herein). However, such notification shall not be taken to suggest that the SC recommends the Proposed Exemption or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAL. The SC is not responsible for the contents of this Circular, does not represent that this Circular is accurate or complete and disclaims any liability for any loss arising from, or due to, your reliance on this Circular.



SAPURA ENERGY BERHAD

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

PART A

CIRCULAR TO THE SHAREHOLDERS IN RELATION TO THE:

- (I) **PROPOSED CAPITAL RECONSTRUCTION (AS DEFINED HEREIN);**
- (II) **PROPOSED DEBT RESTRUCTURING (AS DEFINED HEREIN);**
- (III) **PROPOSED FUND-RAISING (AS DEFINED HEREIN); AND**
- (IV) **PROPOSED EXEMPTION (AS DEFINED HEREIN);**

(COLLECTIVELY, REFERRED TO AS THE "PROPOSED REGULARISATION PLAN")

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED EXEMPTION (AS DEFINED HEREIN)

Principal Adviser



A member of **MBSB** Group

MIDF AMANAH INVESTMENT BANK BERHAD

Registration No: 197501002077 (23878-X)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser



KENANGA INVESTMENT BANK BERHAD

Registration No: 197301002193 (15678-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") will be held via a physical mode whereby the member(s), proxy(ies), corporate representative(s), or attorney(s) will attend in person at Ballroom 1 & 2, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia.

As a shareholder, you are encouraged to participate, and vote at the EGM. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Khim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (for individual shareholders only) or via e-mail to bsr.helpdesk@boardroomlimited.com. The completed Form of Proxy must be deposited/lodged not less than **forty-eight (48)** hours before the time set for holding the EGM indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating in the EGM and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	: 28 July 2025 at 2.00p.m.
Date and time of our EGM	: 30 July 2025 at 2.00p.m.

This Circular is dated 8 July 2025

DEFINITIONS

In this Circular and the accompanying appendices, the following words and abbreviations shall have the following meanings unless otherwise stated:

Act	:	Companies Act 2016
Additional RCUIDS (Shortfall)	:	The additional RCUIDS to be issued to the SOMV Debt holders in the event that the SOMV Net Sale Proceeds are less than a certain aggregate outstanding amount under the SOMV Debt liabilities
Adjusted VWAP	:	VWAPs being adjusted for the Proposed Share Consolidation
Adjusted consolidated NA/(NL) per SEB Share	:	The consolidated NA/(NL) per SEB Share being adjusted for the Proposed Regularisation Plan
Agreed Debt Waiver	:	Waiver of debt owing to the Unsecured Creditors amounting up to approximately RM784.3 million
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of the Company
Brazil FSRA	:	Sustainable Debt (Brazil) Finance Service Reserve Accounts
Brazil JVs	:	The joint venture entities in which Sinar Brazil as joint venture partner will hold directly or indirectly 50.00% of all issued shares. Sinar Brazil holds an indirect 50.00% shareholding stake in each entities as below: <ol style="list-style-type: none"> 1. Seabras Sapura Holding, GmbH (Company No. FN 396037H) (incorporated in Austria); and 2. Seabras Sapura Participacoes S.A. (Company No. 14.081.225/0001-24) (incorporated in Brazil)
BRTF	:	Board Restructuring Task Force
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CDRC	:	Corporate Debt Restructuring Committee
CIDB	:	Construction Industry Development Board, established under the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994
Circular	:	This circular to the shareholders of the Company dated 8 July 2025
CMSA	:	Capital Markets and Services Act 2007
Composite Scheme	:	Collectively (and for convenience only), the interlocking 23 individual Schemes entered into by the Scheme Companies
Conditional Funding Agreement	:	The conditional funding agreement dated 4 March 2025 between the Company and MDH in relation to MDH's commitment to subscribe for RM1,100.0 million in nominal value of RCLS pursuant to the Proposed Fund-Raising
Consolidated SEB Share	:	Ordinary shares in the Company that have been consolidated following the completion of the Proposed Share Consolidation

DEFINITIONS (CONT'D)

Consolidated Warrants	:	Adjusted warrants in the Company following the completion of the Proposed Share Consolidation
Consolidated SEB Share Price	:	The theoretical share price of a Consolidated SEB Share, based on the reference price of SEB Shares of RM0.80 after the Proposed Share Consolidation, as set out in Section 3.1.2.1 , Part A of this Circular
Contingent Creditor	:	In respect of any Scheme Company, the creditors who have or may have a claim for Outstanding Liabilities against such Scheme Company which will only become due on the occurrence of a future event
Convening Order	:	The order granted by the Court to each of the Scheme Companies that Scheme Meetings be convened pursuant to section 366 of the Act
Conventional Facilities	:	Collectively, Conventional Facility A and Conventional Facility B
Conventional Facilities Agreement	:	The senior multicurrency term facilities agreement dated 29 March 2021 between, among others, the Conventional Facility Lenders as lenders
Conventional Facility A	:	The term loan facility denominated in USD with a maximum principal limit of USD602,101,857.01 (equivalent to RM2,496,314,299.16 based on the exchange rate of USD1:RM4.1460, being the middle rate quoted by BNM at 5.00 p.m. on 31 March 2021 (i.e. the granting date of Conventional Facility A)) granted by the Conventional Facility Lenders to Sapura TMC under the Conventional Facilities Agreement
Conventional Facility B	:	The term loan facility denominated in RM with a maximum principal limit of RM906,000,000 granted by the Conventional Facility Lenders to Sapura TMC under the Conventional Facilities Agreement
Conventional Facility Lenders	:	The following financial institutions that provided the Conventional Facilities to Sapura TMC: <ol style="list-style-type: none"> 1. EXIM Bank; 2. United Overseas Bank Limited, Labuan Branch; 3. United Overseas Bank Limited (incorporated in Singapore); 4. Sumitomo Mitsui Banking Corporation, Labuan Branch; 5. ING Bank N.V., Singapore Branch; 6. Standard Chartered Bank Offshore Labuan; and 7. CIMB Bank Berhad
Core Asset-Owning Company	:	A Scheme Company which is a member of the Core Asset-Owning Group
Core Asset-Owning Group	:	The Scheme Companies which hold core assets and businesses of the Group and whose continued operations are considered to be critical to the continued operations of the Group as a whole, being: <ol style="list-style-type: none"> 1. Sapura 1200; 2. Sapura 3500; 3. Sapura 900; 4. Sapura Dana; 5. Sapura Marine Ventures; 6. Sapura Geotechnics; 7. Sapura Subsea Corporation; and 8. Sapura Nautilus

DEFINITIONS (CONT'D)

Court	:	The High Court of Malaya
Court Order (Sanction)	:	An order of Court approving and/or sanctioning each of the Schemes in accordance with subsections 366(3) and (4) of the Act
COVID-19	:	An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Cut-Off Date	:	31 January 2022, being the cut-off date for determining the amount of the Outstanding Liabilities that shall be subject to the schemes of arrangement comprising the Composite Scheme, for purposes of voting and receipt of Scheme consideration, other than the Outstanding Liabilities of certain designated Contingent Creditors
Deed Poll	:	The deed poll dated 6 December 2018 constituting the Warrants
Director	:	Director of the Company
Disqualifying Transaction	:	Pursuant to subparagraph 4.08(2) of the Rules, any acquisition of SEB Shares or instruments convertible into shares and options in respect of SEB Shares (other than subscriptions for new shares or new instruments convertible into or options in respect of new shares which have been disclosed in this Circular) by MDH and its PACs, in the 6 months prior to the date of the Conditional Funding Agreement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Issuance of RCLS until the completion of the subscription of the RCLS
DOSH	:	Department of Occupational Safety and Health, Ministry of Human Resources, established under the Occupational Safety and Health Act 1994
Drilling FSRA	:	Sustainable Debt (Drilling) Finance Service Reserve Accounts
EBITDA	:	Earnings before interest, tax, depreciation and amortisation, which is computed by adding the profit or loss before tax with interest expense, depreciation, amortisation and impairment, and deducting interest income. It excludes the share of profit or loss from joint ventures and associate companies, and net gain or loss on disposal of associate companies
Ecosystem Creditor	:	Unsecured Creditors of the Scheme Companies who are Malaysian service providers in or to the O&G sector incorporated or registered in, and controlled by the residents of Malaysia and whose unsecured debts will, under the individual Schemes comprising the Composite Scheme, be settled in full in the interests of preserving and protecting the Malaysian O&G sector ecosystem
EGM	:	Extraordinary general meeting of the Company, which will be held on 30 July 2025
Energy Transition Plan	:	A long-term plan to address opportunities and risks arising from a major structural change to energy supply and consumption system of global economy. This includes pivoting the Group's business towards gas supply value chain and renewables, particularly wind energy. This also involves, amongst others, eliminating wastes and energy efficiency through digitalisation, standardisation and cost optimisation
EPS	:	Earnings per share

DEFINITIONS (CONT'D)

Essential Creditor	:	The unsecured creditor of the Scheme Companies that are non-Malaysian O&G service providers to the Group which are considered to be essential to the continued operations of Scheme Companies, as set out in Appendix II of this Circular
ESOS	:	Existing employees' share grant plan of the Company
ESOS By-Laws	:	The by-laws dated 13 December 2018 which sets out the terms and conditions of the ESOS
ESOS Options	:	Existing options in the Company granted to eligible employees of the Group pursuant to the ESOS
EUR	:	Euro
EXIM Bank	:	Export-Import Bank of Malaysia Berhad (Registration No. 199501027992 (357198-K))
Explanatory Statement	:	The Explanatory Statement dated 27 January 2025 (as amended and restated by the Errata to the Explanatory Statement dated 17 February 2025)
External Auditors	:	Ernst & Young PLT (Registration No.:202006000003 (LLP0022760-LCA) & AF 0039)
First Announcement	:	The Company's announcement dated 31 May 2022 that the Company was an affected listed issuer of PN17 of the Listing Requirements
FLC	:	Federal Lands Commissioner
FYE	:	The financial year ended or ending 31 January, as the case may be
Group B Participating Group Members	:	In relation to any Scheme Company, the Scheme Creditors of such Scheme Company which are also members of the Group but who are incorporated or domiciled in any of the foreign jurisdictions listed in Part IV (Non-Participating Jurisdictions) of Schedule 1 of the Group Intercompany Agreement, and which will not have their Outstanding Liabilities settled under the relevant Scheme for such Scheme Company
Group Intercompany Agreement or GIA	:	The group intercompany agreement to be entered into between the members of the Group as an integral part of the Schemes
IAL	:	The Independent Advice Letter from Kenanga IB to the non-interested Directors and non-interested shareholders of the Company in relation to the Proposed Exemption, as set out in Part B of this Circular
IMR Report	:	Independent Market Research Report dated 4 July 2025 prepared by WGE as set out in Appendix V of this Circular
Independent Adviser or Kenanga IB	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H))
INR	:	Indian Rupee
Intercompany Creditors	:	In relation to any Scheme Company, the Scheme Creditors of such Scheme Company which are also members of the Group, but excluding (i) Non-Participating Group Members and (ii) Group B Participating Group Members

DEFINITIONS (CONT'D)

Interest/Profit Waiver	:	Waiver of all penalty charges, late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date
LAT	:	Loss after tax
Letter of Intent	:	The non-binding conditional letter of intent dated 10 February 2025, pursuant to which MDH expressed its interest to invest RM1,100.0 million in the Company, by way of subscription for RM1,100.0 million in nominal value of RCLS at the RCLS Issue Price
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities
Longstop Date	:	11 March 2026, being the date falling 12 months after the Sanction Date
LPD	:	10 June 2025, being the latest practicable date prior to the publication of this Circular
LTD	:	3 March 2025, being the last trading day of the existing SEB Shares in the Main Market of Bursa Securities prior to the date of the Conditional Funding Agreement
LTD II	:	13 May 2025, being the last trading day of the existing SEB Shares in the Main Market of Bursa Securities prior to the Requisite Announcement on 14 May 2025
Majority RCLS Holders	:	RCLS holders holding 66 2/3 in value of the RCLS
Mandatory Offer	:	The obligation of MDH and its PACs under subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, to undertake a mandatory take-over offer for all the remaining Consolidated SEB Shares and outstanding Consolidated Warrants not already owned by them upon conversion of the RCLS into RCLS Conversion Shares where such conversion would result in an increase of their interests in the voting shares or voting rights in the Company to more than 33.00%
Market Day	:	Any day between Monday to Friday (inclusive), excluding public holidays, on which Bursa Securities is open for trading of securities
Maximum Scenario	:	<p>The pro forma scenario which assumes that:</p> <p>(i) all the outstanding Warrants and ESOS are exercised into new SEB Shares prior to the effective date of the Proposed Share Capital Reduction and the Share Consolidation Entitlement Date, where the Warrants and ESOS are exercised into new SEB Shares at an exercise price of RM0.49 and a weighted average exercise price of RM0.30 respectively per SEB Share and the corresponding reclassification of the warrant reserve amount to the share capital amount; and</p> <p>(ii) all the RCLS and RCUIDS are converted into RCLS Conversion Shares and RCUIDS Conversion Shares respectively</p>
MCF Facilities	:	Collectively, the outstanding Sukuk Murabahah issued under the Multi-Currency Sukuk Programme, and the Conventional Facilities
MCF Financiers	:	Collectively, the Conventional Facility Lenders and the Sukukholders

DEFINITIONS (CONT'D)

MCF Intercreditor Agreement	:	The Intercreditor Agreement originally dated 15 January 2015 (as amended and restated by a Supplemental Agreement dated 24 August 2015, a Supplemental Agreement dated 14 December 2015 and a Supplemental Agreement dated 22 February 2017) relating to the MCF Facilities between, amongst other persons, Sapura TMC as borrower, the financial institutions named therein as creditors, Maybank Investment Bank Berhad and CIMB Investment Bank Berhad as co-ordinating banks, Maybank Investment Bank Berhad as conventional facility agent, sukuk facility agent and security agent, Maybank Trustees Berhad as sukuk trustee and Maybank Investment Bank Berhad as intercreditor agent
MCF Obligors	:	The obligors under the MCF Financiers, being: <ol style="list-style-type: none"> 1. Sapura TMC as borrower or issuer (as applicable) and security provider; 2. the Company as guarantor; 3. Sapura Fabrication as guarantor; 4. Sapura Offshore as guarantor; 5. Sapura Subsea as guarantor; 6. Sapura Pinewell as guarantor; 7. Sapura Drilling Labuan as guarantor; 8. Sapura Drilling Probadi as guarantor; 9. Sapura Petroleum Ventures as guarantor; and 10. Sapura Technology as guarantor
MCF Obligor (Subsidiary) Group	:	The Scheme Companies who are MCF Obligors, but excluding the Company
MCF Subsidiary Obligor	:	A Scheme Company in the MCF Obligor (Subsidiary) Group (i.e., an MCF Obligor other than the Company)
MDH or the Offeror	:	A special purpose vehicle of MOF (Inc), namely Malaysia Development Holding Sdn Bhd (Registration No. 200301014152 (616572-M)), which has executed the Conditional Funding Agreement, and is expected to subscribe for the RCLS pursuant to the Subscription Agreement
MIDF Investment or Principal Adviser	:	MIDF Amanah Investment Bank Berhad (Registration No. 197501002077(23878-X))
Minimum Brazil FSRA Balance	:	An aggregate amount equivalent to 6 months' principal instalments and interest/profit payable (calculated based on the monthly interest/profit that would accrue after the first eighteen months period after the Restructuring Effective Date) under the Sustainable Debt (Brazil)
Minimum Drilling FSRA Balance	:	An aggregate amount equivalent to 6 months' principal instalment and interest/profit payable under the Sustainable Debt (Drilling)
Minimum Scenario	:	The pro forma scenario which assumes that: <ol style="list-style-type: none"> (i) none of the outstanding Warrants and ESOS are exercised into new SEB Shares prior to the effective date of the Proposed Share Capital Reduction and the Share Consolidation Entitlement Date; (ii) none of the RCLS and RCUIDS are converted into RCLS Conversion Shares and RCUIDS Conversion Shares, respectively; and (iii) Assuming the Company will redeem the RCLS and RCUIDS within the 8 years tenure. However for clarity, the effects of such redemption will not be illustrated in the proforma.

DEFINITIONS (CONT'D)

MITI	:	Ministry of Investment, Trade and Industry
MOF (Inc)	:	Minister of Finance (Incorporated), a body corporate under the Minister of Finance (Incorporation) Act 1957
Multi-Currency Sukuk Programme	:	The multi-currency <i>Sukuk</i> programme of up to RM10,000.0 million in nominal value (or the equivalent in USD, converted at a notional exchange rate of USD1.00 = RM4.15) established for Sapura TMC under the Sukuk Programme Agreement, under the <i>Shariah</i> principle of <i>Murabahah</i> (via a <i>Tawarruq</i> arrangement) for the purposes of financing the capital expenditure, expansion and working capital requirements of the Group's O&G related businesses
NA	:	Net assets
NL	:	Net liabilities
Non-Core Group	:	The following Scheme Companies holding assets and businesses which are not considered to be critical or core to the continued operations of the Group as a whole: <ol style="list-style-type: none"> 1. Sapura Engineering; 2. Sapura Geosciences; 3. Sapura Geosurvey; 4. Sapura Engineering Offshore; and 5. Sarku Engineering
Non-Core Group Company	:	A Scheme Company in the Non-Core Group
Non-Participating Group Members	:	In relation to any Scheme Company, the Scheme Creditors of such Scheme Company which are also members of the Group, but which are not named as "Participating Group Members" in the Group Intercompany Agreement, and which will not have their Outstanding Liabilities (Intercompany) settled under the relevant Scheme for such Scheme Company
OPEC	:	Organisation of the Petroleum Exporting Countries, including Algeria, Republic of the Congo, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, United Arab Emirates, and Venezuela
OPEC+	:	Includes OPEC member countries and other non-OPEC including Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, Sudan and South Sudan
Other Unsecured Creditors	:	Unsecured Creditors other than MCF Financiers, as set out in Appendix II of this Circular
Outstanding Liabilities	:	In relation to any Scheme Company, all and any current, future and contingent indebtedness, obligations and liabilities of such Scheme Company, including all amounts outstanding or due from or owing, incurred or accrued by (or claimed to be outstanding or due from or owing, incurred or accrued by) the Scheme Company howsoever arising with respect to or in connection with its Scheme Creditors up to and as at the Cut-Off Date (except that the Cut-Off Date shall not apply to certain Outstanding Liabilities of specific Contingent Creditors, or to Outstanding Liabilities (Intercompany)), but excluding the excluded claims and excluded contingent claims, as set out in Section 3.2 , Part A of this Circular

DEFINITIONS (CONT'D)

Outstanding Liabilities (Intercompany)	: In relation to any Scheme Company, all and any Outstanding Liabilities of such Scheme Company owed to or due to Intercompany Creditors, up to and as at the Restructuring Effective Date, taking into consideration, <i>inter alia</i> : <ul style="list-style-type: none"> (i) intercompany balances up to and including the Cut-Off Date; (ii) intercompany entries from 1 February 2022 up to the Restructuring Effective Date; and (iii) intercompany entries arising from the Schemes taking effect, but disregarding any transfer of assets between Group members on the Restructuring Effective Date as described in the Scheme Paper
Outstanding Receivables (Intercompany)	: In relation to any Scheme Company, all and any receivables owed or due to such Scheme Company by entities which are also members of the Group up to and as at the Restructuring Effective Date, taking into consideration, <i>inter alia</i> : <ul style="list-style-type: none"> (i) intercompany balances up to and including the Cut-Off Date; (ii) intercompany entries from 1 February 2022 up to the Restructuring Effective Date; and (iii) intercompany entries arising from the Schemes taking effect, but disregarding any transfer of assets between Group members on the Restructuring Effective Date as described in the Scheme Paper
PAC	: Persons acting in concert with MDH in accordance with subsections 216(2) and/or 216(3) of the CMSA. As at the LPD, there are no PACs with MDH that hold shares in the Company
Pacific Trustees	: Pacific Trustees Berhad (Registration No.: 199401031319 (317001-A))
P/B Multiple	: Price to book multiple
PETRONAS	: Petroliaam Nasional Berhad (Registration No.: 197401002911 (20076-K))
PIK	: Payment-in-kind
PIK Payment	: The PIK by way of issuance of additional RCUIDS in an amount of 2.00% per annum
PIK Payment Date	: The last day of each PIK Payment Period
PIK Payment Period	: A period of 12 months computed as follows: <ul style="list-style-type: none"> (i) the first PIK Payment Period shall commence on and from the 1st anniversary of the First Issue Date and end on the date falling 12 months thereafter; and (ii) each subsequent PIK Payment Period shall commence on the day after the last day of the preceding PIK Payment Period and end on the date falling 12 months thereafter
PN17	: Practice Note 17 issued by Bursa Securities under the Listing Requirements

DEFINITIONS (CONT'D)

PNB	:	Permodalan Nasional Berhad (Registration No. 197801001190 (38218-X))
POD Exercise	:	In relation to any Scheme Company, the proof of debt exercise conducted in relation to the Scheme Creditors of such Scheme Company (which exercise commenced on 21 April 2022) in accordance with the order of the Court handed down on 10 March 2022 and granted under Originating Summons No. WA-24NCC-148-03/2022, the order of the Court handed down on 8 March 2023 and granted under Originating Summons No. WA-24NCC-121-03/2023, and the order of the Court handed down on 7 March 2024 and granted under Originating Summons No. WA-24NCC-85-02/2024
Preferred Unsecured Creditors	:	In relation to any Scheme Company, the Ecosystem Creditors and the Essential Creditors of such Scheme Company
Pricewaterhouse Coopers Risk Services	:	PricewaterhouseCoopers Risk Services Sdn Bhd (Registration No. 201501028687 (1154008-H))
Proof of Debt	:	In relation to a Scheme Creditor of any Scheme Company, a validly completed proof of debt in or substantially in the form attached to the notice calling for proof of debt issued to the Scheme Creditors by such Scheme Company pursuant to the order of the Court dated 10 March 2022 granted in Originating Summons No. WA-24NCC-148-03/2022 (or in the case of the Contingent Creditors, pursuant to the order of the Court handed down on 8 March 2023 and granted under Originating Summons No. WA-24NCC-121-03/2023, or the order of the Court handed down on 7 March 2024 and granted under Originating Summons No. WA-24NCC-85-02/2024, as applicable), which proof of debt was required to have been submitted to the Scheme Company for purposes of determining the Scheme Creditor's accepted Outstanding Liabilities and its entitlement to vote at the relevant Scheme Meetings of the Scheme Company and to receive Scheme consideration
Proposed Capital Reconstruction	:	Collectively, the Proposed Share Capital Reduction and Proposed Share Consolidation
Proposed Conversion into SOMV Debt	:	Proposed conversion of 20.22% of the Outstanding Liabilities of the Unsecured Creditors, amounting up to approximately RM2,249.5 million, into SOMV Debt pursuant to the Composite Scheme
Proposed Conversion into Sustainable Debts	:	Proposed conversion of 46.98% of the Outstanding Liabilities of the Unsecured Creditors, amounting up to approximately RM5,226 million, into Sustainable Debt (Brazil) and Sustainable Debt (Drilling) pursuant to the Composite Scheme
Proposed Debt Restructuring	:	Collectively, Agreed Debt Waiver, the Proposed Conversion into SOMV Debt, Proposed Conversion into Sustainable Debts, Proposed Issuance of RCUIDS and Proposed Issuance of Settlement Shares
Proposed Exemption	:	Proposed exemption under subparagraph 4.08(1)(c) of the Rules for MDH and its PACs from the obligation to undertake the Mandatory Offer
Proposed Fund-Raising	:	Proposed fund-raising by way of the Proposed Issuance of RCLS
Proposed Issuance of RCUIDS	:	Proposed issuance of up to RM1,770,030,265 in nominal value of RCUIDS to Unsecured Creditors as part settlement of the Outstanding Liabilities pursuant to the Proposed Debt Restructuring

DEFINITIONS (CONT'D)

Proposed Issuance of RCLS	:	Proposed issuance of RM1,100.0 million in nominal value of RCLS to MDH pursuant to the Proposed Fund-Raising
Proposed Issuance of Settlement Shares	:	Proposed issuance of up to RM1,094,726,449 in value of Settlement Shares pursuant to the Proposed Debt Restructuring
Proposed Regularisation Plan or Proposals	:	Collectively, the Proposed Capital Reconstruction, Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption
Proposed Share Capital Reduction	:	Proposed reduction of up to 99.99% of the issued share capital of the Company pursuant to section 116 of the Act
Proposed Share Consolidation	:	Proposed share consolidation of every 20 existing SEB Shares into 1 Consolidated SEB Share
RCLS	:	The redeemable convertible loan stock proposed to be issued by the Company and subscribed for by MDH pursuant to the Proposed Fund-Raising, as set out in Section 3.3.1 and Section 3.3.3 , Part A of this Circular
RCLS Conversion Share	:	New Consolidated SEB Shares to be issued pursuant to the conversion of the RCLS based on the terms and conditions set out in the Conditional Funding Agreement
RCLS Issue Price	:	RM0.48 per RCLS, the amount equivalent to 100.00% of the nominal value of the RCLS
RCPS-i	:	The 5-year Islamic redeemable convertible preference shares issued by the Company on 24 January 2019 pursuant to the Rights Issue
RCUIDS	:	The redeemable convertible unsecured Islamic debt securities to be issued by the Company to the Unsecured Creditors of the Company, in part settlement of the Outstanding Liabilities owing to such creditors, as set out in Section 3.2.4.1 , Part A of this Circular
RCUIDS Conversion Share	:	New Consolidated SEB Shares to be issued pursuant to the conversion of the RCUIDS based on the terms and conditions set out in Section 3.2.4.1 , Part A of this Circular
RCUIDS Issue Price	:	RM1.20 per RCUIDS, the amount equivalent to 100.00% of the nominal value of the RCUIDS
Record of Depositors	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
Registrar	:	The Registrar designated under subsection 20A(1) of the Companies Commission of Malaysia Act 2001
Requisite Announcement	:	The announcement of the Proposed Regularisation Plan dated 14 May 2025
Reset Plan	:	A strategic plan of the Group to structurally and sustainably turnaround the financial and operational performance of the Group
Restraining Order	:	The order granted by the Court to each of the Scheme Companies pursuant to section 368 of the Act to restrain and stay all legal proceedings against such Scheme Company (excluding certain legal proceedings that might be undertaken by the MCF Financiers in the event of default under the MCF Facilities)

DEFINITIONS (CONT'D)

Restructuring Effective Date	:	In relation to each Scheme, the date on which the compromise and settlement of the Outstanding Liabilities of the Scheme Creditors under the terms of such Scheme becomes effective, being the date on which all of the conditions precedent is satisfied or waived
Rights Issue	:	The rights issue undertaken in 2018 by the Company to raise RM3,978.8 million, from which up to RM2,996.1 million was raised through a rights issue of SEB Shares with free warrants and RM982.7 million through a rights issue of RCPS-i
RM and sen	:	Ringgit Malaysia and sen, respectively
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
Sanction Date	:	In relation to each Scheme Company, the date on which the scheme of arrangement of such Scheme Company becomes effective pursuant to section 366(5) of the Act, being the date on which the Court Order (Sanction) with respect to such Scheme is lodged with the Registrar designated under subsection 20A(1) of the Companies Commission of Malaysia Act 2001 (i.e. 11 March 2025)
Sapura Upstream	:	Sapura Upstream Assets Sdn Bhd (Registration No. 201801040227 (1302258-K))
Sapura Upstream's Account 1	:	A designated account in the name of Sapura Upstream for the SOMV Disposal Net Cash Consideration following the completion of the SOMV Disposal
Sapura Upstream's Account 2	:	Segregated accounts in the name of Sapura Upstream comprising the SOMV Net Sale Proceeds
SC	:	Securities Commission Malaysia
Scheme	:	In relation to any Scheme Company, the scheme of arrangement entered into between such Scheme Company and its Scheme Creditors
Scheme Companies	:	The 23 companies within the Group that have filed an application to the Court under section 366 of the Act, and have entered into schemes of arrangement with their Scheme Creditors as set out in Appendix II of this Circular (each referred to individually as " Scheme Company ")
Scheme Creditors	:	In relation to any Scheme Company, its creditors
Scheme Exchange Rate	:	The rate of exchange for the conversion of a currency other than RM to its equivalent in RM, which shall be the rate quoted on the official website of BNM on 11 November 2024
Scheme Meeting	:	In relation to a Scheme Company, a meeting of a class of Scheme Creditors of that Scheme Company convened pursuant to the order of the Court handed down on 7 March 2024 and granted under section 366 of the Act in proceedings under Originating Summons No. WA-24NCC-85-02/2024
Scheme Paper	:	The document which is issued collectively by all of the Scheme Companies and sets out the detailed terms of the individual scheme of arrangement for each of the Scheme Companies

DEFINITIONS (CONT'D)

SEB Group or the Group	:	SEB and its group of companies
SEB Scheme	:	The individual scheme of arrangement entered into by the Company
SEB Share	:	Ordinary shares in the Company
Settlement Shares	:	New Consolidated SEB Shares to be issued pursuant to the Proposed Issuance of Settlement Shares
Settlement Share Issue Price	:	RM0.80 per Settlement Share
Share Consolidation Entitlement Date	:	The date to be determined and announced by the Board at a later date for the purpose of determining the entitlement of the Company's shareholders to the Proposed Share Consolidation
Sinar Brazil	:	<p>Sinar Brazil Sdn Bhd (Registration No. 202501001320 (1602734-T)), a limited liability company incorporated under the Act which will hold all of the Group's existing joint venture interests in Brazil, comprising 50.00% shareholding stakes in each of:</p> <ol style="list-style-type: none"> 1. Seabras Sapura Holding, GmbH (Company No. FN 396037 H) (incorporated in Austria); and 2. Seabras Sapura Participacoes S.A. (Company No. 14.081.225/0001-24) (incorporated in Brazil)
Sinar Drilling	:	Sinar Drilling Sdn Bhd (Registration No. 202501001561 (1602975-T)), a limited liability company incorporated in Malaysia under the Act which will hold all of the Group's drilling businesses
SOMV	:	TotalEnergies EP Malaysia International Sdn Bhd (<i>formerly known as SapuraOMV Upstream Sdn Bhd</i>) (Registration No. 201801040231(1302262-U)), previously an associate company of the Company via a 50.00% equity interest held by Sapura Upstream, a wholly-owned subsidiary of the Company. SOMV has been derecognised as an associate company of the Company following the completion of the SOMV Disposal
SOMV Debt	:	The debt and sukuk obligations to be assumed and settled by Sapura Upstream pursuant to the SEB Scheme on the terms set out in Section 3.2.2 , Part A of this Circular, representing 20.22% of the Outstanding Liabilities owed to the Unsecured Creditors of the MCF Obligors under the SEB Scheme
SOMV Debt Surplus	:	Surplus from the estimated proceeds from the SOMV Disposal available after the full settlement of SOMV Debt to be utilised pursuant to the terms of SOMV Debt
SOMV Disposal	:	The disposal by Sapura Upstream to TotalEnergies of its entire 50.00% equity interest in SOMV pursuant to the SOMV SPA
SOMV Disposal Circular	:	The Company's circular dated 29 October 2024 in relation to the SOMV Disposal
SOMV Disposal Net Cash Consideration	:	The net cash disposal consideration of USD581.9 million (equivalent to approximately RM2,451.7 million) for the SOMV Disposal as set out in Section 8.3 , Part A of this Circular

DEFINITIONS (CONT'D)

SOMV MCF Security	:	Charge which has been created by Sapura Upstream over the SOMV Net Sale Proceeds and Sapura Upstream's Account 2 in favour of the security trustee of the MCF Financiers
SOMV Net Sale Proceeds	:	SOMV Disposal Net Cash Consideration, after exclusion of capital gains tax and expenses related to the SOMV Disposal and net of any claims properly made by TotalEnergies under the terms of the SOMV SPA, after the release of the security arrangements under the SOMV Net Sale Proceeds Trust Deed
SOMV Net Sale Proceeds Trust Deed	:	The security trust deed dated 9 December 2024 between Sapura Upstream as chargor, the Company as parent and beneficiary, TotalEnergies as beneficiary and CIMB Commerce Trustee Berhad as security trustee, relating to the SOMV Disposal Net Cash Consideration
SOMV SPA	:	The sale and purchase agreement dated 22 April 2024 between Sapura Upstream as seller, TotalEnergies as purchaser and the Company as guarantor, relating to the SOMV Disposal
SPV	:	Special purpose vehicle
Subscription Agreement	:	The subscription agreement to be entered into between the Company and MDH in respect of the Proposed Issuance of RCLS
Sukuk Murabahah	:	The sukuk issued by Sapura TMC from time to time under the Multi-Currency Sukuk Programme, as constituted under a trust deed dated 20 August 2015 between <i>inter alia</i> Sapura TMC as issuer, Maybank Trustees Berhad as sukuk trustee and Maybank Investment Bank Berhad as security agent, as amended and supplemented by a first supplemental trust deed dated 14 December 2015, a second supplemental trust deed dated 22 February 2017, a third supplemental trust deed dated 21 February 2019, and a fourth supplemental trust deed dated 29 March 2021
Sukuk Programme Agreement	:	The programme agreement originally dated 20 August 2015 between Sapura TMC as issuer, Maybank Investment Bank Berhad as lead arranger, and Maybank Investment Bank Berhad as facility agent, by which the Multi-Currency Sukuk Programme was established, as amended and supplemented by a first supplemental programme agreement dated 14 December 2015, a second supplemental programme agreement dated 22 February 2017, a third supplemental programme agreement dated 29 March 2021, and a fourth supplemental programme agreement dated 22 June 2021
Sukukholders	:	The following holders of the outstanding Sukuk Murabahah issued under the Multi-Currency Sukuk Programme: <ol style="list-style-type: none"> 1. Maybank Islamic Berhad; 2. RHB Islamic Bank Berhad; 3. CIMB Islamic Bank Berhad; 4. CIMB Bank Berhad; 5. AmBank Islamic Berhad; 6. AmBank (M) Berhad; and 7. EXIM Bank
Sustainable Debts	:	Collectively, the Sustainable Debt (Brazil) and the Sustainable Debt (Drilling), together representing 46.98% of the Outstanding Liabilities owed to the Unsecured Creditors of the MCF Obligors to be settled under the SEB Scheme

DEFINITIONS (CONT'D)

Sustainable Debt (Brazil)	:	The debt to be assumed and settled by, or sukuk to be issued by, Sinar Brazil, pursuant to the SEB Scheme, on the terms set out in Section 3.2.3 , Part A of this Circular, representing 23.49% of the Outstanding Liabilities owed to the Unsecured Creditors of the MCF Obligors to be settled under the SEB Scheme
Sustainable Debt (Drilling)	:	The debt to be assumed and settled by, or sukuk to be issued by, Sinar Drilling, pursuant to the SEB Scheme, on the terms set out in Section 3.2.3 , Part A of this Circular, representing 23.49% of the Outstanding Liabilities owed to the Unsecured Creditors of the MCF Obligors to be settled under the SEB Scheme
TotalEnergies	:	TotalEnergies Holdings SAS (Registration No. 552 120 784) (incorporated in France)
Unsecured Creditors	:	In relation to any Scheme Company, the unsecured creditors (other than the Preferred Unsecured Creditors and Intercompany Creditors) of such Scheme Company, whose claims have been admitted for the purposes of the Composite Scheme and any other designated unsecured Contingent Creditor of such Scheme Company, as more particularly set out in Appendix II of this Circular
USD	:	United States Dollar
VWAP	:	Volume-weighted average price
Warrants	:	Warrants 2019/2026 in the Company
WGE	:	Westwood Global Energy Pte. Ltd., a company incorporated in Singapore (Registration No. 201308419N)

Scheme Companies

Sapura 1200	:	Sapura 1200 Ltd (Bermuda Company No. 48796)
Sapura 3500	:	Sapura 3500 Ltd (Bermuda Company No. 48797)
Sapura 900	:	Sapura 900 Pte. Ltd. (Labuan Company No. LL09526)
Sapura Dana	:	Sapura Dana SPV Pte. Ltd. (Labuan Company No. LL04453)
Sapura Drilling Labuan	:	Sapura Drilling Pte. Ltd. (Labuan Company No. LL09580)
Sapura Drilling Probadi	:	Sapura Drilling Probadi Sdn Bhd (Registration No. 199101000830 (211140-X))
Sapura Engineering	:	Sapura Engineering Sdn Bhd (Registration No. 199501019532 (348735-P))
Sapura Engineering Offshore	:	Sapura Engineering (Offshore) Sdn Bhd (Registration No. 200001011713 (514319-T))
Sapura Fabrication	:	Sapura Fabrication Sdn Bhd (Registration No. 198201003562 (83307-K))
Sapura Geosciences	:	Sapura Geosciences Sdn Bhd (Registration No. 198801003067 (170424-M))
Sapura Geosurvey	:	Sapura Geosurvey Sdn Bhd (Registration No. 199001017772 (209441-K))
Sapura Geotechnics	:	Sapura Geotechnics Sdn Bhd (Registration No. 199001007023 (198593-P))

DEFINITIONS (CONT'D)

Sapura Marine Ventures	:	Sapura Marine Ventures Sdn Bhd (Registration No. 198601007188 (156370-K))
Sapura Nautilus	:	Sapura Nautilus Sdn Bhd (Registration No. 200901039320 (882459-A))
Sapura Offshore	:	Sapura Offshore Sdn Bhd (Registration No. 199001007042 (198612-P))
Sapura Petroleum Ventures	:	Sapura Petroleum Ventures Sdn Bhd (Registration No. 200701029355 (787379-D))
Sapura Pinewell	:	Sapura Pinewell Sdn Bhd (Registration No. 199901010868 (485768-A))
Sapura Subsea	:	Sapura Subsea Services Sdn Bhd (Registration No. 198801008937 (176294-K))
Sapura Subsea Corporation	:	Sapura Subsea Corporation (Labuan Company No. LL06534)
Sapura Technology	:	Sapura Technology Solutions Sdn Bhd (Registration No. 199201003330 (234834-M))
Sapura TMC	:	Sapura TMC Sdn Bhd (Registration No. 201201005117 (978642-A))
Sarku Engineering	:	Sarku Engineering Services Sdn Bhd (Registration No. 197301000824 (13911-D))
SEB or the Company	:	Sapura Energy Berhad (Registration No. 201101022755 (950894-T))

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “**the Company**” in this Circular are to SEB, references to “**the Group**” are to the Company and its subsidiaries, collectively.

All references to “**you**” in this Circular are to shareholders of the Company who are entitled to attend and vote at the forthcoming EGM, unless the context otherwise requires.

Any reference in this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment or re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. All references to the Rules must be read together with the Malaysia Code on Take-overs and Mergers 2016 and any rulings issued by the SC pursuant to section 217 of the CMSA.

Any references to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, respectively, unless otherwise stated. Any discrepancy in the tables included in this Circular between the amount listed, actual figures and the totals thereof are due to rounding.

Unless otherwise stated, where applicable, the exchange rate of USD1.00:RM4.2350, EUR1.00:RM4.8313 and INR100.00:RM4.9456, being the middle rate quoted by BNM at 5.00 p.m. on the LPD, is used throughout this Circular for illustration purposes. Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amount stated in this Circular could have been or would have been converted into such amounts or vice versa.

DEFINITIONS (CONT'D)

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Group's plans and objectives will be achieved.

[The remainder of this page is intentionally left blank]

TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Circular in connection with the Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

Brownfield O&G production projects	:	Projects for the development of new wells in established O&G fields
CPP	:	Central processing platforms perform the extraction, consolidation and processing of crude oil / natural gas, and exporting crude oil / natural gas via pipelines or tankers to onshore facilities
Decommissioning services	:	Decommissioning services include EPRD services provided when the O&G oilfield site is no longer commercially viable. The Group provide decommissioning services for offshore platforms, jackets, subsea pipelines, including subsea umbilicals, risers, flowlines (SURFs), manifolds and subsea control modules
E&C	:	Engineering and Construction
E&P	:	Exploration and Production
Engineering services	:	This includes providing the technical expertise necessary to transform conceptual designs into feasible, functional, and safe O&G offshore facilities
EPCIC	:	Engineering, Procurement, Construction, Installation, and Commissioning
EPCIC services	:	Engineering, Procurement, Construction, Installation, and Commissioning services are services provided under an end-to-end EPCIC contract previously secured by our E&C business division prior to FYE 2022
EPRD	:	Engineering, Preparation, Removal and Disposal
EPRD services	:	EPRD services include engineering, preparation, removal and disposal of offshore facilities and restoring the site to a safe and stable environmental condition
E&C services	:	Engineering and construction services are O&G services provided by the Group, including engineering services, construction services, transport and installation services
Fabrication	:	Fabrication of various O&G structures by the Group. This involves the cutting, welding and assembly of steel pieces, components, fixtures and fittings according to the FEED and specifications to form the structures
FEED	:	Front-end engineering design
Greenfield O&G development projects	:	Projects for the development of new O&G fields
HUC	:	Hook-up and Commissioning
HUC services	:	Hook-up and commissioning services involve the connection of all O&G structures, subsea pipelines, equipment and systems, as well as integration of the various processes and control systems of the CPP, WHP and other subsea components

TECHNICAL GLOSSARY (CONT'D)

Jackets	:	These are large steel structures used as foundations for offshore O&G platforms, and modules which are pre-assembled units that contain various equipment and systems necessary for the operation of these platforms
mmbpd	:	Million barrels per day
O&G	:	Oil and gas
O&G platforms	:	O&G platforms are large structures with facilities, comprising WHP, CPP and jackets, to extract crude oil / natural gas from the reservoir
O&M	:	Operations and Maintenance
O&M services	:	Operations and maintenance services are provided by the Group, and includes topside maintenance services, HUC services, subsea services, offshore support vessels services as well as geotechnical and survey services
Offshore support vessels	:	These are support vessels used to facilitate the Group's provision of O&G services and solutions
Semi-tender	:	Semisubmersible tender
T&I	:	Transportation and Installation
T&I services	:	Transport and installation services are provided by the Group, and includes transportation of structures and installation of pipelines
WHP	:	Wellhead platforms perform the extraction of crude oil / natural gas from the reservoir and transports them via pipelines to the CPP

[The remainder of this page is intentionally left blank]

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	xxi
<u>PART A</u>	
LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED REGULARISATION PLAN	
1. INTRODUCTION	1
2. BACKGROUND	4
3. DETAILS OF THE PROPOSED REGULARISATION PLAN	6
4. UTILISATION OF PROCEEDS	31
5. RATIONALE FOR THE PROPOSED REGULARISATION PLAN	31
6. ENVISAGED OUTCOME OF THE PROPOSED REGULARISATION PLAN	33
7. COMPOSITION OF BOARD MEMBERS AND KEY SENIOR MANAGEMENT	49
8. EFFECTS OF THE PROPOSED REGULARISATION PLAN	59
9. PROSPECTS AND OUTLOOK	82
10. RISK FACTORS	90
11. HISTORICAL SHARE PRICES	102
12. APPROVALS REQUIRED AND CONDITIONALITY	103
13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM	104
14. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	105
15. DIRECTORS' STATEMENT AND RECOMMENDATION	105
16. ESTIMATED TIMEFRAME FOR COMPLETION	105
17. EGM	106
18. INDEPENDENT ADVISER	106
19. FURTHER INFORMATION	107

TABLE OF CONTENTS (<i>CONT'D</i>)

	Page
<u>PART B</u>	
IAL TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED EXEMPTION	108
APPENDICES	
APPENDIX I	
(A) INFORMATION ON THE GROUP	I-1
(B) QUALITATIVE ASSESSMENT ON THE GROUP	I-20
(C) MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP	I-65
APPENDIX II	
DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS	II-1
APPENDIX III	
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	III-1
APPENDIX IV	
REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT	IV-1
APPENDIX V	
IMR REPORT	V-1
APPENDIX VI	
FURTHER INFORMATION	VI-1
NOTICE OF EGM	ENCLOSED
FORM OF PROXY	ENCLOSED

PART A

**LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED
REGULARISATION PLAN**

EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION OF THE PROPOSED REGULARISATION PLAN. SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN IN ITS ENTIRETY FOR FURTHER DETAILS AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN ARRIVING AT A DECISION ON THE PROPOSED REGULARISATION PLAN BEFORE VOTING AT THE FORTHCOMING EGM.

1. BACKGROUND

The Group's financial performance and global expansion were impacted by the significant oil price decline in 2014 which adversely impacted the O&G industry. The Group operated with a highly leveraged balance sheet, primarily due to the use of debt financing to fund its merger and acquisition activities and in 2017, it became evident that the Group faced challenges meeting its debt service obligations due to unsustainable high debt levels, reaching RM18,647.0 million with a gearing ratio of RM1.17 times.

Between 2017 and 2019, the Group underwent a long-term capital management exercise i.e.:

- Commenced negotiation with financial institution creditors;
- Successful conclusion of an approximately USD1.5 billion (or equivalent to approximately RM6.7 billion, based on the exchange rate of USD1.00:RM4.4550, being the middle rate quoted by BNM at 5.00 p.m. as at 22 February 2017) seven-year refinancing with a consortium of Malaysian, regional and international banks in February 2017;
- Raised proceeds of RM3,978.8 million from a Rights Issue predominantly utilised as part repayment of the Group's bank borrowings; and
- Divested a 50.0% stake in its E&P business to OMV Aktiengesellschaft, an Austrian-based entity, for approximately RM3,639.2 million, of which 80.0% or RM2,936.5 million was utilised towards repayment of the Group's bank borrowings while the balance 20.0% or RM702.7 million was utilised as working capital and repayment of revolving credit facilities.

As at FYE 2020, after accounting for the repayment using the proceeds from the abovementioned capital management exercises, the outstanding borrowings stood at RM10,256.1 million.

The Group's recovery was disrupted by the COVID-19 pandemic as the Group faced substantial operational and financial challenges. In addition, the Group's profitability encountered additional headwinds stemming from the lingering effects of the previous (2014) downturn of the O&G industry. These factors weakened margins, strained cash flow, and led to financial distress for the Group, which triggered the prescribed criteria under PN17 of the Listing Requirements, requiring the Company to regularise its condition and submit a regularisation plan to Bursa Securities.

In response, the Company and the MCF Obligors sought assistance from the CDRC to mediate in the debt restructuring negotiations with the MCF Financiers. On 12 December 2023 and 11 January 2025 respectively, the CDRC confirmed that at least 75.00% of the MCF Financiers had provided their approvals-in-principle for the Proposed Debt Restructuring, covering approximately 85.00% of the total scheme debts of the Company.

EXECUTIVE SUMMARY (CONT'D)

Following this, and pursuant to the Convening Orders granted by the Court under section 366(1) of the Act, the creditors' Scheme Meetings were held from 21 February 2025 to 27 February 2025 between the Scheme Companies with their Scheme Creditors, where the requisite majority of at least 75.00% in value of Scheme Creditors present and voting at the Scheme Meetings approved the Composite Scheme. On 6 March 2025, the Court granted the Court Order (Sanction), and each of the Schemes became effective and binding on the Scheme Companies and their Scheme Creditors on 11 March 2025 following the lodgement of the Court Order (Sanction) with the relevant authorities. In conjunction, the Court also granted a consequential order that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is the earlier, unless with the leave of the Court.

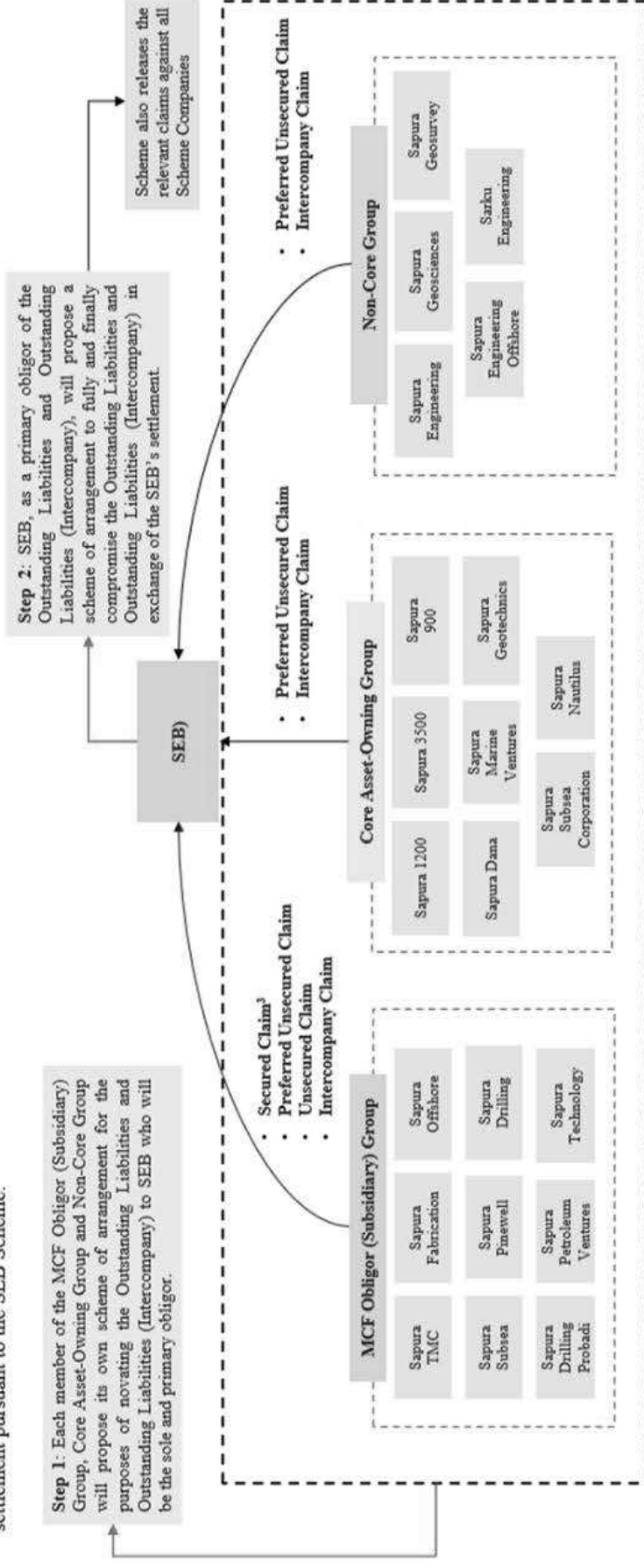
To facilitate the implementation of the Composite Scheme, the Outstanding Liabilities of the Scheme Companies (other than the Company and specified exceptions) will, under the individual Schemes, after the waiver of penalty charges, late payment charges and interest accruing from the Cut-Off Date to the Restructuring Effective Date, be novated to or assumed by the Company on the Restructuring Effective Date. These novated or assumed Outstanding Liabilities will then be fully and finally settled under the terms of the SEB Scheme, as illustrated in the ensuing page. For information, the accumulated losses of the Company as at 31 January 2025 is RM17,124 million. This was due to, amongst others, the following:

- the significant decline in oil prices which affected the O&G industry;
- a highly leveraged balance sheet;
- the impact of COVID-19 pandemic; and
- increased global competition among O&G service providers which impacted the Group's profit margin and impeded cashflow generation.

[The remainder of this page is intentionally left blank]

Illustration 1: Step-by-Step Schematic

As part of the implementation of the restructuring, the Outstanding Liabilities¹ and Outstanding Liabilities (Intercompany)² of the Scheme Companies will firstly be novated to and assumed solely by SEB under the respective individual schemes of arrangement to be undertaken by the members of the MCF Obligor (Subsidiary) Group, Core Asset-Owning Group and Non-Core Group. These Outstanding Liabilities and Outstanding Liabilities (Intercompany) will be fully and finally compromised in exchange for SEB's settlement pursuant to the SEB Scheme.



¹ After waiver of accrued penalty charges, accrued late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date

² After waiver of accrued penalty charges, accrued late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date, and the netting-off with Outstanding Receivables (Intercompany)

³ Only applicable to Sapura TMC

The illustration above summarises the mechanics of the SEB Scheme in relation to the novation or assumption of the Outstanding Liabilities of the Scheme Companies to or by the Company.

Further information is set out in **Section 1** and **Section 2**, Part A and **Appendix II** of this Circular

2. DETAILS OF THE PROPOSED REGULARISATION PLAN

2.1 Proposed Capital Reconstruction

(i) Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails a reduction of 99.99% of the Company's issued share capital via cancellation of issued share capital amounting to RM11,853.6 million pursuant to Section 116 of the Act to offset the accumulated losses of the Company.

Further information is set out in **Section 3.1.1**, Part A of this Circular.

(ii) Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 20 SEB Shares into 1 Consolidated SEB Share to improve the Company's capital structure and to facilitate the Proposed Debt Restructuring. The Proposed Share Consolidation will not have an effect on the percentage of shareholding of the shareholders.

Further information is set out in **Section 3.1.2**, Part A of this Circular.

2.2 Proposed Debt Restructuring

The Proposed Debt Restructuring will enable the Group to reduce its borrowings, resulting in interest savings of approximately RM521.2 million per annum which amounts to approximately 60.36% of the total interest cost.

In respect of Unsecured Creditors

(i) Agreed Debt Waiver

The waiver of debt owing to the Unsecured Creditors amounting to approximately RM784.3 million, which amounts to the extinguishment of 7.05% of the Outstanding Liabilities.

Further information is set out in **Section 3.2.1**, Part A of this Circular.

(ii) Proposed Conversion into SOMV Debt

Proposed conversion of 20.22% of the Outstanding Liabilities amounting up to approximately RM2,249.5 million into SOMV Debt pursuant to the Composite Scheme.

Further information is set out in **Section 3.2.2**, Part A of this Circular.

(iii) Proposed Conversion into Sustainable Debts

Proposed conversion of 46.98% of the Outstanding Liabilities amounting up to approximately RM5,226 million into Sustainable Debt (Drilling) and Sustainable Debt (Brazil).

Further information is set out in **Section 3.2.3**, Part A of this Circular.

(iv) Proposed Issuance of RCUIDS

Proposed issuance of up to RM1,770,030,265 in nominal value of RCUIDS to convert up to 15.91% of the Outstanding Liabilities into RCUIDS.

Further information is set out in **Section 3.2.4**, Part A of this Circular.

EXECUTIVE SUMMARY (CONT'D)

(v) Proposed Issuance of Settlement Shares

Proposed issuance of up to 1,368,408,062 Settlement Shares at the Settlement Share Issue Price of RM0.80 to convert up to 9.84% of the Outstanding Liabilities into Settlement Shares.

Further information is set out in **Section 3.2.5**, Part A of this Circular.

2.3 Proposed Fund-Raising

Pursuant to the Conditional Funding Agreement with MDH, MDH has agreed to subscribe for RM1,100.0 million in nominal value of RCLS which entails the issuance of up to 2,291,666,667 RCLS at the RCLS Issue Price of RM0.48 to raise funds and strengthen the capital structure of the Company.

Further information on the Proposed Fund-Raising and the details of the RCLS are set out in **Section 3.3** and **Section 3.3.1**, Part A of this Circular respectively.

The Company intends to utilise the proceeds arising from the Proposed Fund-Raising in the following manner:

<u>Details of utilisation</u>	<u>Amount (RM'mil)</u>	<u>Estimated time frame of use from date of issuance of RCLS, i.e. on the Restructuring Effective Date</u>
Estimated payment in respect of Outstanding Liabilities attributable to the Ecosystem Creditors, which includes the following:		
(i) Outstanding Liabilities currently owed to the Ecosystem Creditors as at 31 January 2022	Up to 728	Within 3 months
(ii) Outstanding Liabilities payable to Ecosystem Creditors from 1 February 2022 onwards	Up to 372	Within 6 months
Total proceeds	<u>Up to 1,100</u>	

Further information on the utilisation of proceeds is set out in **Section 4**, Part A of this Circular.

2.4 Proposed Exemption

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares, MDH will hold a total of up to 2,291,666,667 Consolidated SEB Shares, representing 35.92% while MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA., will have an indirect interest of 1.81% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 37.73% in the Company under the Maximum Scenario, and will emerge as the controlling shareholder of the Company.

However, in the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in the Company.

EXECUTIVE SUMMARY (CONT'D)

Accordingly, MDH and its PACs would trigger the obligation to undertake the Mandatory Offer pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules. As it is not the intention of MDH and its PACs to undertake the Mandatory Offer, the Proposed Exemption has been included as part of the Proposed Regularisation Plan. The Proposed Regularisation Plan is conditional upon the resolution pertaining to the Proposed Exemption having been approved by the non-interested shareholders of the Company and the Proposed Exemption being granted by the SC.

Further information is set out in **Section 3.4**, Part A of this Circular.

3. EFFECTS OF THE PROPOSED REGULARISATION PLAN

Based on the latest audited consolidated statement of financial position of the Company as at 31 January 2025, the pro forma effects of the Proposed Regularisation Plan shall be illustrated based on the Minimum Scenario and Maximum Scenario:

(i) Share capital

Under both the Minimum Scenario and Maximum Scenario, the Proposed Share Consolidation will not affect the Company's issued share capital. However, the Proposed Share Capital Reconstruction will reduce the share capital significantly, followed by an increase after the Proposed Debt Restructuring and the Proposed Fund-Raising.

Under the Minimum Scenario, the Company's share capital will reduce from approximately RM11,855 million as at 31 January 2025 to approximately RM1 million after the Proposed Share Capital Reduction, and then increase to approximately RM1,096 million after the Proposed Debt Restructuring. The accumulated losses will decrease from approximately RM17,124 million as at 31 January 2025 to approximately RM2,515 million after the Proposed Debt Restructuring.

Under the Maximum Scenario, assuming full conversion of warrants and ESOS options, share capital will decrease from approximately RM12,775 million to approximately RM1 million after the Proposed Share Capital Reduction, and then increase to approximately RM1,096 million after the Proposed Debt Restructuring, and further increase to approximately RM4,249 million upon full conversion of RCLS and RCUIDS. The accumulated losses will decrease from approximately RM17,124 million as at 31 January 2025 to approximately RM1,879 million after the Proposed Debt Restructuring.

(ii) NA

Under both the Minimum Scenario and Maximum Scenario, the Company's NA is expected to improve significantly following the Proposed Debt Restructuring and Proposed Fund-Raising.

Under the Minimum Scenario, NA will turnaround from a NL position of approximately RM3,602 million (RM0.19 per share) as at 31 January 2025 to a NA of approximately RM1,934 million (RM0.92 per share) after the Proposed Debt Restructuring, and further increase to approximately RM3,034 million (RM1.40 per share) after the Proposed Fund-Raising.

Under the Maximum Scenario, NA will increase from a NL position of approximately RM2,873 million (RM2.69 per share) upon the conversion of Warrants and ESOS to a NA of approximately RM2,662 million (RM1.19 per share) after the Proposed Debt Restructuring, and then increase to approximately RM3,762 million (RM1.65 per share) after the Proposed Fund-Raising. The conversion of RCLS and RCUIDS will have no impact on the Company's NA.

(iii) Borrowings and gearing level

Following the Proposed Debt Restructuring and Proposed Fund-Raising, the Company's gearing level is expected to improve under both the Minimum Scenario and Maximum Scenario. Under the Minimum Scenario, gearing level will decrease from 2.69 times to 1.76 times, while under the Maximum Scenario, it will decrease from 1.99 times to 1.43 times. The conversion of RCUIDS and RCLS will not affect the gearing level. The Company's borrowing level will also be reduced from approximately RM10,759 million to approximately RM5,626 million under both scenarios.

(iv) EPS

The EPS of the Company will increase proportionately from 1.03 sen to 18.79 sen as a result of the decrease in the weighted average number of SEB Shares in issue arising from the Proposed Share Consolidation. The EPS of the Company will increase to 264 sen pursuant to the gain derived from the Proposed Debt Restructuring, and diluted to 112 sen as a result of the increase in the weighted average number of SEB Shares in issue upon the Proposed Issuance of Settlement Shares. The EPS of the Company will be further diluted from 112 sen to 42 sen as a result of the increase in number of SEB Shares arising from the conversion of the RCUIDS and RCLS during the conversion period under the Maximum Scenario.

4. RISK FACTORS

- (i) Risks relating to the Proposed Regularisation Plan:
 - (a) The Proposed Regularisation Plan may be delayed or terminated.
- (ii) Risks relating to the Group's business and operations:
 - (a) The Group's business operations may be affected by implementation or changes in law, regulations or policies and if it is unable to obtain, renew or maintain the necessary licences, permits and/or registrations;
 - (b) The Group is dependent on its key management team;
 - (c) The Group may not be able to successfully implement its business strategies;
 - (d) The Group's business is largely dependent on its ability to secure new contracts to replenish its orderbook;
 - (e) The Group is exposed to fluctuations in foreign exchange rates;
 - (f) The Group may not be able to fulfil its contractual obligations in respect of project schedule and costs and are exposed to the risk of delay or termination of secured contracts;
 - (g) The breakdowns of key assets could cause losses for the Group;
 - (h) The Group's business may have significant working expenditure and financing requirements;
 - (i) The Group is subject to claims for defects on work performed;
 - (j) The Group is dependent on the services and quality of its subcontractors;
 - (k) The Group is dependent on the Essential Creditors;
 - (l) The Group is subject to labour shortages and rising labour costs;

- (m) The Group's business operations are exposed to occurrences of health, safety and environmental incidences;
 - (n) The Group is exposed to cybersecurity risks;
 - (o) The Group is exposed to risks relating to pandemics and outbreak of diseases; and
 - (p) The Group is subject to reputational risks due to real or perceived failures of governance, social and environmental obligations.
- (iii) Risks relating to the O&G industry:
- (a) The Group's business may be subject to fluctuations in oil and natural gas prices;
 - (b) The Group's business may be subject to demands on energy transition to a low-carbon future;
 - (c) The Group faces risks arising from climate change, adverse weather conditions and natural hazards; and
 - (d) The Group faces risks arising from political, socio-political, economic and regulatory changes.

Further information is set out in **Section 10**, Part A of this Circular.

5. RATIONALE OF THE PROPOSED REGULARISATION PLAN

The primary objective of the Proposed Regularisation Plan is to revitalise the Company by strengthening its financial standing and profitability, to sustain its listing status and benefit all stakeholders of the Group.

(i) Proposed Share Capital Reduction

The Proposed Share Capital Reduction seeks to offset the Company's accumulated losses to improve its capital structure. This will better reflect the Company's financial fundamentals after the Proposed Regularisation Plan and facilitate a stronger financial position.

(ii) Proposed Share Consolidation

The Proposed Share Consolidation seeks to improve the Company's capital structure and facilitates the Proposed Debt Restructuring by reducing the number of SEB Shares available in the market, which is expected to increase the trading price for SEB Shares while potentially reducing volatility of the trading price of the SEB Shares.

(iii) Proposed Debt Restructuring

The Proposed Debt Restructuring seeks to reduce the Group's borrowings and improve its gearing level, resulting in reduction in interest cost and enhanced cash flow towards the service of debt, via the following:

- (a) restructured tenure and payment and interest/profit terms of up to RM7,475.5, representing 67.20% of the Outstanding Liabilities attributable to the Unsecured Creditors, via :
 - Proposed Conversion into SOMV Debt of up to RM2,249.5 million, representing 20.22% of the Outstanding Liabilities into SOMV Debt; and

- Proposed Conversion into Sustainable Debts of up to RM5,226 million, representing 46.98% of the Outstanding Liabilities into Sustainable Debts;
- (b) conversion of up to RM3,649.0 million, representing 32.80% of the Outstanding Liabilities attributable to Unsecured Creditors via :
 - Proposed Issuance of Settlement Shares of up to RM1,094.7 million, representing 9.84% of the Outstanding Liabilities;
 - Proposed Issuance of RCUIS of up to RM1,770 million, representing 15.91% of the Outstanding Liabilities; and
 - extinguishment of a portion of the Outstanding Liabilities attributable to the Agreed Debt Waiver of up to RM784.3 million, representing 7.05% of the Outstanding Liabilities.
- (c) prevention of immediate dilution of the Company's EPS, which would otherwise arise from a direct equity issuance.

(iv) Proposed Fund-Raising

The Company seeks to raise funds through the issuance of RCLS, which is considered the most appropriate funding options as it will bolster the Company's credit profile and enable the Group to gain access to financing and working capital. The RCLS will minimise immediate dilution of the Company's EPS and enhances its capital structure.

(v) Proposed Exemption from Mandatory Offer

The Proposed Exemption seeks to provide a relief to MDH and its PACs from the obligation to undertake a Mandatory Offer, which will be triggered by the increase of their interests in the voting shares or voting rights of the Company, upon the conversion of the RCLS as it is not their intention to undertake a Mandatory Offer.

Further information is set out in **Section 5**, Part A of this Circular.

6. INDEPENDENT ADVISER

Kenanga IB has been appointed to act as the Independent Adviser pursuant to the Proposed Exemption and paragraph 3.06 of the Rules to provide the non-interested Directors and non-interested shareholders of the Company with an independent evaluation on the fairness and reasonableness of the Proposed Exemption and Independent Adviser's recommendation whether the Proposed Exemption is to the detriment of the non-interested Directors and non-interested shareholders of the Company and whether the non-interested shareholders should vote in favour or otherwise of the Proposed Exemption. Kenanga IB's scope as the Independent Adviser is to provide comments, opinions, information and recommendation on the Proposed Exemption in an independent advice letter pursuant to paragraph 3.06 of the Rules.

Opinion

In arriving at the conclusion and recommendation, Kenanga IB has assessed and evaluated the Proposed Exemption holistically in accordance with paragraphs 8 to 10 of Schedule 2: Part III of the Rules, taking into consideration the various factors set out in **Section 6** of the IAL. The Proposed Exemption, forming an integral part of the Proposed Regularisation Plan, will facilitate the required regularisation within the timeframe, thus, reducing the risk of trading of SEB Shares being suspended or delisted. The potential advantages and disadvantages of the Proposed Exemption are set out in **Section 10** of the IAL.

Kenanga IB, based on its overall evaluation of the Proposed Exemption on a holistic basis, is of the view that the Proposed Exemption is fair and reasonable. As such, Kenanga IB recommends that the non-interested shareholders of the Company to vote in favour of the ordinary resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

7. APPROVALS REQUIRED

The Proposed Regularisation Plan is subject to the following approvals being obtained:

- (i) Bursa Securities, which was obtained on 30 June 2025, for the:
 - (a) Proposed Regularisation Plan;
 - (b) Proposed Share Consolidation;
 - (c) listing and quotation of the Consolidated SEB Shares on the Main Market of Bursa Securities;
 - (d) listing and quotation of the Settlement Shares on the Main Market of Bursa Securities;
 - (e) listing and quotation of the RCLS Conversion Shares on the Main Market of Bursa Securities;
 - (f) listing and quotation of the RCUIDS Conversion Shares on the Main Market of Bursa Securities;
 - (g) listing and quotation of the Consolidated Warrants on the Main Market of Bursa Securities; and
 - (h) relief from having to comply with Paragraph 6.50 of the Listing Requirements in respect of the maximum number of new Consolidated SEB Shares allowed from the exercise of the conversion of RCLS into RCLS Conversion Shares and the conversion of RCUIDS into RCUIDS Conversion Shares.
- (ii) the SC, for the Proposed Exemption;
- (iii) approvals or consents of the Group's Scheme Creditors, which were obtained in Scheme Meetings held from 21 February 2025 to 27 February 2025;
- (iv) Court Order (Sanction), which was obtained on 6 March 2025;
- (v) the sealed order of the Court pursuant to section 116 of the Act for the Proposed Share Capital Reduction;
- (vi) shareholders of the Company at an EGM to be convened for the Proposed Regularisation Plan; and
- (vii) any other relevant authorities, if required.

In conjunction with the Proposed Debt Restructuring, the documents and information relating to (i) the relevant Sukuk to be issued under the SEB Scheme; (ii) the RCUIDS; and (iii) the RCLS, will be lodged with the SC in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.

Further information is set out in **Section 12**, Part A of this Circular.

8. CONDITIONALITY

The Proposed Share Consolidation and Proposed Share Capital Reduction are not inter-conditional. The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional, and are conditional upon the Proposed Capital Reconstruction.

The Proposed Capital Reconstruction is not conditional upon the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption.

EXECUTIVE SUMMARY (CONT'D)

The Proposed Regularisation Plan is not conditional upon any other corporate proposals.

Further information is set out in **Section 12**, Part A of this Circular.

9. FINANCIAL AND OPERATIONAL HIGHLIGHTS

The table below illustrates the summary financial and operational highlights of the Group and the key financial ratios:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,347,822	4,100,229	4,551,254	4,318,494	4,703,130
Profit/(Loss) Before Taxation ("PBT"/"LBT")	(31,725)	(8,931,853)	(3,103,557)	(412,842)	310,194
Income tax expense	(128,527)	(129,006)	(71,970)	(105,858)	(242,059)
Profit/(Loss) After Taxation ("PAT"/"LAT")	(160,252)	(9,060,859)	(3,175,527)	(518,700)	68,135
PAT/(LAT) attributable to:					
- Owners of the parent	(160,870)	(9,050,634)	(3,157,680)	(508,658)	189,525
- Non-controlling interests	618	(10,225)	(17,847)	(10,042)	(121,390)
Supplementary financial information					
GP/(GL) margin (%)	11.54	(52.77)	12.68	3.05	15.62
PAT/(LAT) margin (%)	(3.00)	(220.98)	(69.77)	(12.01)	1.45
Basic/Diluted earnings/(loss) per share from continuing operations ("EPS"/"LPS") (sen) ^(a)	(1.01)	(56.67)	(19.76)	(3.17)	1.03
Current ratio (times) ^(b)	0.65	0.21	0.18	0.20	0.37
Gearing ratio (times)	1.16	136.7	(c)	(c)	(c)

Notes:

(a) EPS/LPS is computed based on the PAT/LAT attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue.

(b) Computed based on total borrowings over total equity.

(c) Not applicable as the Group is in a shareholders' deficit position.

The Group's revenue for the financial years under review between FYE 2021 and FYE 2025 ranges from approximately RM4,100 million to approximately RM5,348 million with the latest FYE 2025 recording a revenue of approximately RM4,703 million. During the financial year under review, the Group recorded the highest LBT of approximately RM8,932 million in FYE 2022 due to the provision of impairment losses totalling RM5,606 million mainly in relation to goodwill as well as 11 drilling rigs arising from prolonged recovery expected in the O&G industry and deterioration in the Group's GP margin as a result of increased global competition among O&G service providers. In FYE 2025, the Group turned around its performance from a LBT of approximately RM412.8 million in FYE 2024 to a PBT of approximately RM310.2 million in FYE 2025 representing an increase of approximately RM723.0 million or 175.1%.

Further information is set out in Appendix I of this Circular.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

As at the LPD, none of the Directors, major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Regularisation Plan.

Further information is set out in **Section 13**, Part A of this Circular.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Based on the best knowledge of the Board (including but not limited to the evaluation of the Independent Adviser on the fairness and reasonableness of the Proposed Exemption), barring any unforeseen circumstances and having considered all aspects of the Proposed Regularisation Plan, the Board is of the view that the Proposed Regularisation Plan:

- (i) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the Company to trigger the PN17 prescribed criteria;
- (ii) enables the Company to regularise its financial condition such that the Company no longer triggers any of the criteria of paragraph 2.1 of PN17 as detailed in **Section 6.4**, Part A of this Circular; and
- (iii) is fair and reasonable for the Company and its shareholders and will increase the shareholders' value after completion of the Proposed Regularisation Plan.

Accordingly, the Board recommends that shareholders vote in favour of the Proposed Regularisation Plan to be tabled at the forthcoming EGM.

Further information is set out in **Section 15**, Part A of this Circular.

[The remainder of this page is intentionally left blank]



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

Registered Office:

Level 4, Menara PNB, 201-A
Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

8 July 2025

Board of Directors:

Shahin Farouque Bin Jammal Ahmad (Chairman, Non-Independent Non-Executive Director)
Muhammad Zamri Bin Jusoh (Group Chief Executive Officer/Executive Director)
Datuk Ramlan Bin Abdul Rashid (Independent Non-Executive Director)
Lim Tiang Siew (Senior Independent Non-Executive Director)
Dato' Azmi Bin Mohd Ali (Independent Non-Executive Director)
Lim Fu Yen (Independent Non-Executive Director)
Datuk Nur Iskandar Bin A Samad (Independent Non-Executive Director)
Wan Mashitah Binti Wan Abdullah Sani (Independent Non-Executive Director)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED REGULARISATION PLAN

1. INTRODUCTION

On 31 May 2022, the Board announced that the Company was an affected listed issuer as it had triggered the prescribed criterion under Paragraph 2.1(e) of PN17 of the Listing Requirements by reason of the fact that:

- (a) the Company's shareholders' equity on a consolidated basis of RM85 million as at 31 January 2022 was less than 50.00% of its share capital of RM10,872 million; and
- (b) the Company's External Auditors had highlighted a material uncertainty related to going concern in the Company's latest audited financial statements for the FYE 2022.

On 30 March 2023, the Board announced that the Company had further triggered another prescribed criterion under Paragraph 2.1(a) of PN17 of the Listing Requirements, in that the Company's shareholders' equity on a consolidated basis for the unaudited quarterly report on consolidated results for the fourth quarter ended 31 January 2023 was less than 25.00% of its share capital, and such shareholders' equity was less than RM40 million.

Accordingly, the Company was required to regularise its condition and submit a regularisation plan to Bursa Securities within 12 months from the date of its First Announcement, i.e. by 30 May 2023.

On 23 March 2023, the Company appointed MIDF Investment to act as the Principal Adviser for the Proposed Regularisation Plan.

Since May 2023, the Company has submitted 4 applications to Bursa Securities for extensions of time for it to submit its Proposed Regularisation Plan:

- (a) On 19 May 2023, the Company submitted its first application for an extension of time of 9 months up to 29 February 2024 to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 12 June 2023, granted the Company an extension of time of 6 months up to 30 November 2023 for it to submit its Proposed Regularisation Plan.
- (b) On 30 October 2023, the Company submitted its second application for an extension of time of 6 months up to 31 May 2024 to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 13 December 2023, granted the Company an extension of time of 6 months up to 31 May 2024 for it to submit its Proposed Regularisation Plan.
- (c) On 30 May 2024, the Company submitted its third application for an extension of time of 6 months up to 30 November 2024 to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 28 June 2024, granted the Company an extension of time of 6 months up to 30 November 2024 for it to submit its Proposed Regularisation Plan.
- (d) On 18 November 2024, the Company submitted its fourth application for an extension of time of 6 months up to 31 May 2025 to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 16 December 2024, granted the Company an extension of time of 6 months up to 31 May 2025 for it to submit its Proposed Regularisation Plan.

MIDF Investment had, on 14 May 2025, on behalf of the Board, announced the Requisite Announcement. The Board proposes to implement the following Proposed Regularisation Plan:

- (i) Proposed Capital Reconstruction;
- (ii) Proposed Debt Restructuring;
- (iii) Proposed Fund-Raising; and
- (iv) Proposed Exemption.

Further details of the abovementioned proposal and their sub-proposals are set out in **Section 3**, Part A of this Circular.

MIDF Investment, on 27 May 2025, on behalf of the Board, announced that the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Securities.

MIDF Investment, on 30 June 2025, on behalf of the Board, announced that Bursa Securities had vide its letter dated 30 June 2025 approved the following:

- (a) Proposed Regularisation Plan;
- (b) Proposed Share Consolidation;
- (c) listing and quotation of the Consolidated SEB Shares on the Main Market of Bursa Securities;
- (d) listing and quotation of the Settlement Shares on the Main Market of Bursa Securities;
- (e) listing and quotation of the RCLS Conversion Shares on the Main Market of Bursa Securities;
- (f) listing and quotation of the RCUIDS Conversion Shares on the Main Market of Bursa Securities;
- (g) listing and quotation of the Consolidated Warrants on the Main Market of Bursa Securities; and
- (h) relief from the Company having to comply with Paragraph 6.50 of the Listing Requirements in respect of the maximum number of new Consolidated SEB Shares allowed from the exercise of the conversion of RCLS into RCLS Conversion Shares and the conversion of RCUIDS into RCUIDS Conversion Shares,

subject to the conditions set out in **Section 12**, Part A of this Circular.

Pursuant to the Proposed Exemption and paragraph 3.06 of the Rules, the Company had on 15 April 2025 appointed Kenanga IB as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the Proposed Exemption and whether the non-interested shareholders of the Company should vote in favour or otherwise of the resolution in respect of the Proposed Exemption. Kenanga IB's scope as the Independent Adviser is to provide comments, opinions, information and recommendation on the Proposed Exemption in an independent advice letter pursuant to paragraph 3.06 of the Rules.

The SC had on 7 July 2025, given its notification that the SC had no further comments to the contents of this Circular and the IAL for the Proposed Exemption. The notification shall not be taken to suggest that the SC recommends the Proposed Exemption or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAL.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED REGULARISATION PLAN AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED REGULARISATION PLAN TO BE TABLED AT THE FORTHCOMING EGM.

2. BACKGROUND

2.1 EVENTS THAT LED THE COMPANY TO BE AN AFFECTED LISTED ISSUER PURSUANT TO PN17

The Group's financial performance and global expansion were disrupted in or around 2016 due to the delayed effects of the significant decline in oil price in the fourth quarter of 2014. The disruption adversely impacted the O&G industry and required the Group to undertake proactive steps to reduce costs through centralisation of corporate functions and by reducing headcount.

The group operated with a highly leveraged balance sheet, primarily due to the use of debt financing to fund its merger and acquisition activities over the years. In 2017, it became evident that the Group faced challenges meeting its debt service obligations due to unsustainable high debt levels, reaching RM18,647.0 million with a gearing ratio of 1.17 times.

Between 2017 to 2019, the Group underwent a long-term capital management exercise. This commenced with negotiations with financial institution creditors who had extended credit to the Group. The successful conclusion of an approximately USD1.5 billion (or equivalent to approximately RM6.7 billion, based on the exchange rate of USD1.00:RM4.4550, being the middle rate quoted by BNM at 5.00 p.m. as at 22 February 2017) seven-year refinancing occurred in February 2017 with a consortium of Malaysian, regional and international banks.

In addition to the refinancing, the paring down of debt was critical to ensure that future interest payment obligations of the Group were affordable and sustainable. The Group successfully completed a Rights Issue in January 2019, pursuant to which PNB emerged as a major shareholder (owning a 40.00% stake) of the Company. The proceeds from the Rights Issue were predominantly utilised as part repayment of the bank borrowings of the Group.

In January 2019, the Group successfully concluded the divestment of a 50.00% stake in its E&P business to OMV *Aktiengesellschaft*, an Austrian-based entity, for approximately RM3,639.2 million. Of the total cash proceeds, approximately 80.00% or RM2,936.5 million was utilised towards repayment of the Group's loans and borrowings (i.e. paring down debt). The remaining 20.0% of proceeds amounted to RM702.7 million was fully utilised for working capital purposes and repayment of revolving credit facilities. As at FYE 2020, the outstanding borrowings, after accounting for the repayment using the proceeds from the abovementioned divestment stood at RM10,256.1 million.

The Group's recovery was curtailed by the COVID-19 pandemic as it faced substantial operational and financial challenges. The Group incurred approximately RM570.0 million in direct costs related to COVID-19 from March 2020 till January 2022, including expenses for personnel and crew quarantine, testing, and vaccinations to adhere to local standard operating procedures. Beyond direct costs, the pandemic resulted in the Group having to absorb additional expenses arising from procurement delays and alterations to project schedules. These consequential costs severely eroded profitability of certain contracts.

In addition to the COVID-19 pandemic, the Group's profitability encountered additional headwinds stemming from the lingering effects of the previous (2014) downturn of the O&G industry. The rapid decline in petroleum prices prompted the Group's clients to curtail approvals for new contracts and significantly reduce capital expenditure. This, in turn, intensified global competition among O&G contractors and service providers, including the Company. In order to secure contracts, especially lump sum turnkey awards, companies were compelled to offer significant discounts and assume heightened project risks under onerous contract terms. These conditions significantly impacted the Group's profit margins and impeded cash flow generation.

Therefore, the challenges faced by the Group as described above, inevitably had a negative effect on the Scheme Companies thereby leading to financial distress and liquidity constraints.

2.2 DETAILS OF THE SOMV DISPOSAL

SOMV is a private limited company incorporated in Malaysia under the Act on 2 November 2018. SOMV is an investment holding company whilst its subsidiaries are principally involved in the exploration, development and production of crude oil, natural gas and natural gas liquids.

The SOMV group of companies has operations with different stages in the entire O&G life cycle (i.e. exploration, development and production stages) located in Malaysia, Australia, New Zealand and Mexico. The SOMV group of companies' current portfolio in Malaysia comprises two natural gas production sharing contracts located in the Central Luconia province in Sarawak, namely Blocks SK408 and SK310.

As part of the Company's efforts to address its PN17 classification, the Board had on 22 April 2024, announced that the Company and its wholly-owned subsidiary, Sapura Upstream had entered into the SOMV SPA. The SOMV Disposal Net Cash Consideration amounts to USD581.9 million (after closing adjustments) (equivalent to approximately RM2,451.7 million).

On 12 November 2024, the Company announced that it had accepted and agreed to the terms and conditions imposed by the MCF Financiers in relation to, amongst other things, the security arrangements in respect of the proceeds of the SOMV Disposal. On 14 November 2024, the shareholders of the Company approved the SOMV Disposal. The SOMV Disposal was completed on 9 December 2024.

A portion of the SOMV Net Sale Proceeds amounting to USD527.9 million (equivalent to approximately RM2,224.0 million) or 90.71% will be utilised by Sapura Upstream towards the settlement of the SOMV Debt while the remaining USD54.0 million (equivalent to approximately RM228.7 million) or 9.29% will be used for settlement of incidental costs & capital gains tax, working capital purposes and application of surplus in accordance with the terms of SOMV Debt. Please refer to **Section 8.1**, Part A of this Circular for further information on the utilisation of SOMV Net Sales Proceeds.

As at the LPD, 85.00% of the SOMV Disposal Net Cash Consideration amounting to USD494.6 million (equivalent to approximately RM2,082.0 million) has been released from Sapura Upstream's Account 1 and deposited into Sapura Upstream's Account 2.

Subject to the absence of claims from TotalEnergies, the remaining SOMV Disposal Net Cash Consideration will be released in the following manner.

- (i) 5.00% of the SOMV Disposal Net Cash Consideration will be released upon achieving the Restructuring Effective Date; and
- (ii) 10.00% of the SOMV Disposal Net Cash Consideration will be released after 12 months from the completion of SOMV Disposal (i.e. 9 December 2025)

Further, from the amount released from Sapura Upstream's Account 1, an amount of USD398.8 million has been converted into RM1,676.4 million on 9 June 2025, at the exchange rate of USD1.00:RM4.2033, based on the forward contracts entered into by Sapura Upstream

As at the LPD, none of the SOMV Disposal Net Cash Consideration has been utilised.

For information, the percentage of the SOMV Net Sale Proceeds to be utilised towards the settlement of the SOMV Debt is unable to be determined at this juncture due to the fluctuating foreign exchange rate in view of the following:

- (i) the SOMV Disposal Net Cash Consideration was remitted to the Group in USD;
- (ii) the settlement of the SOMV Debt will be denominated in different currencies; and
- (iii) any surplus from the SOMV Net Sale Proceeds after the settlement of the SOMV Debt will be utilised in either USD or RM.

Please refer to **Section 3.2.2**, Part A of this Circular for further information on the Proposed Conversion into SOMV Debt.

3. DETAILS OF THE PROPOSED REGULARISATION PLAN

3.1 PROPOSED CAPITAL RECONSTRUCTION

3.1.1 Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails a reduction of 99.99% of the Company's issued share capital by cancelling the paid-up share capital, pursuant to section 116(1)(b) of the Act, which is unrepresented by available assets as the Company has accumulated losses of RM17,123.7 million as at FYE 2025.

As at the LPD:

- (i) the issued share capital of the Company is RM11,854,791,434 comprising 18,375,942,267 SEB Shares;
- (ii) there are 998,692,020 Warrants constituted by the Deed Poll, expiring on 23 January 2026. Each Warrant carries the entitlement to subscribe for 1 new SEB Share at an exercise price of RM0.49 per Warrant; and
- (iii) there are 798,954,012 existing ESOS Options granted to the eligible employees of the Group which comprise tranche 1 and tranche 2 constituted by ESOS By-Laws, expiring on 12 December 2025 and 10 April 2026 respectively. Each ESOS Option carries the entitlement to subscribe for 1 new SEB Share at a weighted average exercise price of RM0.30. To facilitate the Proposed Regularisation Plan, the Company will not grant further ESOS Options until the completion of the Proposed Regularisation Plan.

Pursuant to the Proposed Share Capital Reduction, the issued share capital of the Company will be reduced as follows:

	Issued share capital of the Company		
	As at 31 January 2025 for Minimum Scenario or after full exercise of Warrants and ESOS Options for Maximum Scenario	After Proposed Share Capital Reduction	Credit arising from Proposed Share Capital Reduction
	RM'mil	RM'mil	RM'mil
Minimum Scenario	11,854.8	1.2	11,853.6
Maximum Scenario	12,774.8	1.3	12,773.5

The abovementioned credit arising from the Proposed Share Capital Reduction will be used to offset the accumulated losses of the Company as illustrated in **Section 8.3, Part A** of this Circular.

For the avoidance of doubt, the Proposed Share Capital Reduction will not result in:

- (i) any adjustment to the share price of SEB Shares;
- (ii) any change in the total number of issued SEB Shares;
- (iii) any payment to the shareholders of the Company; and
- (iv) any cash outflow or change in NA of the Group, save for the estimated expenses to be incurred in relation to the Proposed Regularisation Plan.

An order of the Court will be sought for the Proposed Share Capital Reduction pursuant to section 116 of the Act after receipt of relevant approval from the shareholders at the forthcoming EGM. The Proposed Share Capital Reduction shall become effective on the date of lodgement of the sealed order of the Court for the Proposed Share Capital Reduction with the Registrar.

The pro forma effects of the Proposed Share Capital Reduction are set out in **Section 8**, Part A of this Circular.

3.1.2 Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 20 SEB Shares held by shareholders, whose name appears in the Record of Depositors of the Company at the close of business on the Share Consolidation Entitlement Date into 1 Consolidated SEB Share. The Proposed Share Consolidation will not have any effect on the percentage of shareholding of the shareholders.

The Proposed Share Capital Reduction and the Proposed Share Consolidation are not inter-conditional. As such, the proposals may be implemented in any sequence. Nonetheless, it is the intention of the Company to implement the Proposed Share Consolidation after the implementation of the Proposed Share Capital Reduction. This sequence is intended to provide greater clarity to shareholders of the Company as the shareholders will be able to ascertain the exact timing of the Share Consolidation Entitlement Date and the completion of the Proposed Capital Reconstruction, which is dependent on the completion of the court process for the Proposed Share Capital Reduction. In the event of a delay in obtaining court approval for the Proposed Share Capital Reduction, the implementation of the overall Proposed Regularisation Plan may also be delayed.

The actual number of Consolidated SEB Shares will depend on the number of issued SEB Shares after taking into consideration any new SEB Shares that may be issued pursuant to the exercise of Warrants and ESOS Options as at the Share Consolidation Entitlement Date.

3.1.2.1 Theoretical adjusted reference price of outstanding Consolidated SEB Shares

The Proposed Share Consolidation will result in an adjustment to the reference share price of SEB Shares listed and quoted on the Main Market of Bursa Securities. For illustration purposes and assuming none of the abovementioned outstanding convertible securities are converted/exercised into new SEB Shares, based on the average last price of SEB Shares for the FYE 2025 of RM0.04, the theoretical adjusted reference share price of SEB Shares upon completion of the Proposed Share Consolidation is as follows:

	Minimum Scenario		Maximum Scenario	
	Before the Proposed Share Consolidation	After the Proposed Share Consolidation	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Number of SEB Shares or Consolidated SEB Shares, as the case may be at the LPD	18,375,942,267	⁽¹⁾ 918,797,113	⁽⁵⁾ 20,173,588,299	⁽¹⁾ 1,008,679,414
Theoretical adjusted reference price per SEB Share (RM), as the case may be ⁽¹⁾	⁽²⁾ 0.04	⁽³⁾ 0.80	⁽²⁾ 0.04	⁽³⁾ 0.80
Total market value of SEB Shares or Consolidated SEB Shares, as the case may be (RM) ⁽⁴⁾	735,037,690	735,037,690	806,943,531	806,943,531

Notes:

- (1) After the consolidation of every 20 SEB Shares into 1 Consolidated SEB Share.
- (2) The average last price of SEB Shares for the FYE 2025 was RM0.04 per SEB Share.
- (3) The theoretical adjusted reference price is arrived at based on the following formula:

$$\text{Theoretical adjusted reference price per SEB Share} = \text{Average last price of SEB Shares for the FYE 2025 per SEB Share (RM)} \times \frac{\text{Number of SEB Shares as at the LPD}}{\text{Number of Consolidated SEB Shares}}$$

$$\text{Theoretical adjusted reference price per SEB Share (Minimum Scenario)} = \text{RM0.04 per SEB Share} \times \frac{18,375,942,267 \text{ SEB Shares}}{918,797,113 \text{ Consolidated SEB Shares}}$$

$$= \text{RM0.80 per SEB Share}$$

$$\text{Theoretical adjusted reference price per SEB Share (Maximum Scenario)} = \text{RM0.04 per SEB Share} \times \frac{20,173,588,299 \text{ SEB Shares}}{1,008,679,414 \text{ Consolidated SEB Shares}}$$

$$= \text{RM0.80 per SEB Share}$$

- (4) The total market value of SEB Shares is arrived at by multiplying the number of SEB Shares with the theoretical adjusted reference price (as the case may be) per SEB Share.
- (5) After taking into consideration the issuance of a total of 1,797,646,032 SEB Shares pursuant to the full exercise of 998,692,020 Warrants at the exercise price of RM0.49 per SEB Share and 798,954,012 ESOS Options at the weighted average exercise price of RM0.30, respectively.

Based on the illustration above, the Proposed Share Consolidation is expected to increase the reference price of SEB Shares and reduce the number of SEB Shares. However, it will not have any impact on the total market value of SEB Shares held by the shareholders of the Company. Any fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit and in the best interest of the Company.

3.1.2.2 Adjustment to the reference price of outstanding Warrants and ESOS Options

Pursuant to the Deed Poll and the ESOS By-Laws which govern the terms and conditions of the Warrants and ESOS Options respectively, the Proposed Share Consolidation will result in adjustments to the number and exercise price of the outstanding Warrants and ESOS Options.

Additionally, the Proposed Share Consolidation will also result in:

- (i) an adjustment to the reference price of the existing Warrants as listed and quoted on the Main Market of Bursa Securities, but will not have any impact on the market value of the Warrants held by Warrant holders; and
- (ii) an adjustment to the exercise price of the ESOS Options, but will not have any impact on the value of the ESOS Options held by entitled holders.

For illustrative purposes, based on the last transacted market price of the Warrants on 3 March 2025 of RM0.005, being the last trading price of the existing SEB Shares on the Main Market of Bursa Securities prior to the date of the Conditional Funding Agreement, the theoretical adjusted reference price and total number of Consolidated Warrants based upon completion of the Proposed Share Consolidation are as follows:

	<u>Before the Proposed Share Consolidation</u>	<u>After the Proposed Share Consolidation</u>
Number of Warrants, or Consolidated Warrants, as the case may be, at the LPD	998,692,020	⁽¹⁾ 49,934,600
Closing market price per Warrant on 3 March 2025 or theoretical price per Consolidated Warrant, as the case may be (RM)	0.005	⁽²⁾ 0.10
Total market value of SEB Shares or Consolidated SEB Shares, as the case may be (RM) ⁽³⁾	4,993,460	4,993,460

Notes:

(1) Computed based on the following formula:

$$\begin{aligned}
 \text{Consolidated Warrants} &= \text{Existing number of Warrants as at the LPD} \times \frac{\text{Number of Consolidated SEB Shares}}{\text{Number of SEB Shares as at the LPD}} \\
 &= 998,692,020 \times \frac{918,797,113}{18,375,942,267} \\
 &= 49,934,600
 \end{aligned}$$

(2) Computed based on the following formula:

$$\begin{aligned}
 \text{Theoretical adjusted reference price per Warrant} &= \text{Market price per Warrant} \times \frac{\text{Number of SEB Shares as at the LPD}}{\text{Number of Consolidated SEB Shares}} \\
 &= \text{RM0.005} \times \frac{18,375,942,267}{918,797,113} \\
 &= \text{RM0.10}
 \end{aligned}$$

(3) Computed by multiplying the number of Warrants with the theoretical adjusted reference price (as the case may be) per Warrant.

Based on the illustration above, the Proposed Share Consolidation will increase the respective reference price and exercise price of the Warrants but will not have any impact on the total market value of the Warrants held by the Warrant holders. Any fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit and in the best interest of the Company.

3.1.2.3 Ranking of Consolidated SEB Shares and Consolidated Warrants

The Consolidated SEB Shares shall, upon allotment and issuance, rank *pari passu* in all respects with each other. The Consolidated Warrants shall rank *pari passu* in all respects with each other.

3.1.2.4 Suspension of trading, listing date and notices of allotment

No suspension will be imposed on the trading of SEB Shares and Warrants on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Consolidation. The Consolidated SEB Shares and Consolidated Warrants shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day after the Share Consolidation Entitlement Date.

The notice of allotment will be issued and despatched to the entitled shareholders of the Company within 4 Market Days after the date of listing of and quotation for the Consolidated SEB Shares and Consolidated Warrants on the Main Market of Bursa Securities, or such other period as may be prescribed by Bursa Securities.

As the Consolidated SEB Shares and Consolidated Warrants are prescribed securities, the Consolidated SEB Shares and Consolidated Warrants will be credited directly into the respective central depository system accounts of the entitled shareholders of the Company whose names appear in the Company's Record of Depositors on the Share Consolidation Entitlement Date and no physical share certificates will be issued.

3.2 PROPOSED DEBT RESTRUCTURING

Brief Background

Convening and Restraining Orders

On 10 March 2022, the Court granted each of the Scheme Companies the following orders:

- (a) Convening Order that Scheme Meetings be convened pursuant to section 366 of the Act; and
- (b) Restraining Order pursuant to section 368 of the Act for a period of 3 months.

On 8 June 2022, the first Restraining Orders were extended for a period of 9 months commencing from 10 June 2022 (i.e., the date that the first Restraining Orders would otherwise have expired) to 10 March 2023.

In light of the then-pending expiry of the first Convening Orders and Restraining Orders on 10 March 2023, the Scheme Companies filed fresh applications under section 366 and section 368 of the Act and were granted the following orders by the Court on 8 March 2023 which took effect from 11 March 2023 to 11 June 2023:

- (a) fresh Convening Orders to convene Scheme Meetings under section 366 of the Act; and
- (b) fresh Restraining Orders under section 368 of the Act for each Scheme Company, for an initial period of 3 months.

With the second Restraining Orders being set to expire on 11 June 2023, the Group filed an application to extend the second Restraining Orders for a further 9 months, i.e. from 11 June 2023 to 10 March 2024. The extension of the second Restraining Orders was granted by the Court on 6 June 2023.

Given the then-pending expiry of the second Convening Orders and Restraining Orders on 10 March 2024, the Scheme Companies, on 28 February 2024, filed fresh applications under section 366 and section 368 of the Act and were granted the following orders by the Court on 7 March 2024 which took effect from 11 March 2024 to 10 June 2024:

- (a) fresh Convening Orders to convene Scheme Meetings under section 366 of the Act, and
- (b) fresh Restraining Orders under section 368 of the Act for each Scheme Company, for an initial period of 3 months,

As the third Convening Orders and Restraining Orders were set to expire on 10 June 2024, the Scheme Companies filed an application to extend the third Restraining Orders for a further 9 months, i.e., from 11 June 2024 to 10 March 2025. The extension of the third Restraining Orders was granted by the Court on 6 June 2024. The extension of time expired on 10 March 2025.

The Company has obtained a consequential order in tandem with the Court Order (Sanction), details of which are set out below.

CDRC Proceedings

On 1 September 2022, the CDRC accepted the application of the Company and the MCF Obligors for assistance to mediate in its debt restructuring negotiations with the MCF Financiers.

On 12 December 2023, CDRC confirmed that pursuant to section 8.10 of the CDRC Participants' Code of Conduct, at least 75.00% of the MCF Financiers had provided their requisite approval-in-principle for the Proposed Debt Restructuring, with the total Outstanding Liabilities owed to these MCF Financiers representing approximately 85.00% of the total scheme debts of the Company (comprising the MCF Financiers and Other Unsecured Creditors, including Contingent Creditors) to be addressed under the Proposed Debt Restructuring.

On 7 June 2024, the Company received a formal notification from the CDRC of a further extension of the standstill period for the MCF Obligors under the CDRC regime, up to 10 March 2025.

On 11 January 2025, the Company had received a letter dated 10 January 2025 from the CDRC that in accordance with CDRC Participants' Code of Conduct that at least 75.00% of the MCF Financiers have provided their requisite additional approval-in-principle in respect of certain refinements to the terms of the proposed debt restructuring scheme. This paved the way for the Scheme Companies to finalise the Proposed Debt Restructuring for the Scheme Meetings.

Scheme Meetings and Court Order (Sanction)

Pursuant to the Convening Orders granted by the Court under section 366(1) of the Act on 7 March 2024 and extended by 9 months on 6 June 2024, the creditors' Scheme Meetings from 21 February 2025 to 27 February 2025 were held between the Scheme Companies with their respective Scheme Creditors and the approval of the requisite majority of at least 75.00% in value of the Scheme Creditors present and voting at the Scheme Meetings was obtained to undertake the Scheme. On 6 March 2025, the Scheme Companies obtained the Court Order (Sanction). On 11 March 2025, each of the Schemes became effective and binding on the Scheme Companies and their Scheme Creditors following the lodgement of the office copy of the Court Order (Sanction) with the Registrar on 11 March 2025, as well as with the Labuan Financial Services Authority and Bermuda Registrar of Companies on 10 March 2025 and 11 March 2025 respectively.

In tandem with the grant of the Court Order (Sanction), the Court also granted a consequential order that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is the earlier, unless with the leave of the Court.

Details of the Outstanding Liabilities to be addressed by the Composite Scheme are set out in the table on the ensuing page.

To facilitate the efficient implementation of the Proposed Debt Restructuring, the principal amounts of the Outstanding Liabilities of all Scheme Companies (other than those of the Company and specified exceptions) will all be novated to or assumed solely by the Company. Such novated Outstanding Liabilities will then be restructured pursuant to the Composite Scheme in the manner as summarised below:

[The remainder of this page is intentionally left blank]

Composition of Scheme Creditors		Settlement (RM'mil)							
Manner of settlement	Classification of Scheme Creditors ⁽¹⁾	Outstanding Liabilities (RM'mil)	Agreed Debt Waiver	Proposed Conversion into SOMV Debt	Proposed Conversion into Sustainable Debts	Proposed Issuance of RCUIDS	Proposed Issuance of Settlement Shares	Cash from Proposed Fund-Raising and other sources	
			See Section 3.2.1 below (RM'mil)	See Section 3.2.2 below (RM'mil)	See Section 3.2.3 below (RM'mil)	See Section 3.2.4 below (RM'mil)	See Section 3.2.5 below (RM'mil)	See Section 3.3.1 below (RM'mil)	
Full cash settlement	Ecosystem Creditors (Malaysian)	728	-	-	-	-	-	728	
	Preferred Unsecured Creditors (Non-Malaysian)	245	-	-	-	-	-	245	
	Sub-total	973	-	-	-	-	-	973	
Proposed Debt Restructuring	MCF Financiers	10,642	750	2,152	5,000	1,693	1,047	-	
	Other Unsecured Creditors	162	11	33	76	26	16	-	
	Contingent Creditors	321	23	65	150	51	32	-	
	Sub-total	11,125	784	2,250	5,226	1,770	1,095	-	
	Total	12,098	784	2,250	5,226	1,770	1,095	973	

Note:

(1) Information on the Scheme Creditors is set out in **Appendix II** of this Circular.

Foreign currency denominated Outstanding Liabilities have been converted at the Scheme Exchange Rate for settlement under the Proposed Debt Restructuring.

In conjunction with the Proposed Debt Restructuring between the Company and the Scheme Creditors, the Company proposes to undertake the following to settle the Outstanding Liabilities after the completion of the Proposed Share Consolidation:

In respect of Unsecured Creditors

3.2.1 Agreed Debt Waiver

Under the terms of the individual Schemes comprising the Composite Scheme and after the novation of debt by all Scheme Companies (other than the Company) to the Company, an amount owing by the Company of up to RM784.3 million shall be irrevocably and permanently waived.

3.2.2 Proposed Conversion into SOMV Debt

A portion of the total Outstanding Liabilities amounting up to approximately RM2,249.5 million or 20.22% shall be settled via the conversion of part of such Outstanding Liabilities to debt and sukuk obligations owed by Sapura Upstream. The repayment of such debt and sukuk shall be made by using a portion of the SOMV Net Sale Proceeds.

Upon conversion of the said RM2,249.5 million of the Outstanding Liabilities into SOMV Debt, such portion of the Outstanding Liabilities shall be deemed to have been finally settled and compromised in full and replaced by the SOMV Debt. The indicative principal terms of the SOMV Debt are set out in **Appendix II** of this Circular.

Following the completion of the SOMV Disposal, the SOMV Disposal Net Cash Consideration amounting to USD581.9 million (after closing adjustments) (equivalent to approximately RM2,451.7 million) has been placed in Sapura Upstream's Account 1 and is subject to a charge in favour of a security trustee for the benefit of TotalEnergies and the Company, in accordance with the terms of the SOMV Net Sale Proceeds Trust Deed.

The SOMV Disposal Net Cash Consideration will be held in Sapura Upstream's Account 1 for at least 6 months from the completion of the SOMV Disposal. Further, a fixed amount of 15.00% of the SOMV Disposal Net Cash Consideration has been designated to cater for any warranty claims by TotalEnergies under the terms of the SOMV SPA.

On 12 November 2024, the Company announced that it had accepted and agreed to the terms and conditions imposed by the MCF Financiers, among other things, that pending the occurrence of the Restructuring Effective Date and the utilisation of proceeds from the SOMV Disposal, the Company and Sapura Upstream will remit or cause to be remitted the SOMV Net Sale Proceeds after the release of such funds from the security arrangements under the SOMV Net Sale Proceeds Trust Deed to Sapura Upstream's Account 2, and Sapura Upstream has created the SOMV MCF Security.

In the premises, upon release of the SOMV Disposal Net Cash Consideration from Sapura Upstream's Account 1, the SOMV Net Sale Proceeds will be deposited into Sapura Upstream's Account 2, and the SOMV Net Sale Proceeds and Sapura Upstream's Account 2 will be subject to a first ranking fixed charge in favour of Maybank Investment Bank Berhad acting as security agent for the MCF Financiers, as compliance with the terms and conditions imposed by the MCF Financiers.

As at the LPD, 85.00% of the SOMV Disposal Net Cash Consideration amounting to USD494.6 million (equivalent to approximately RM2,082.0 million) has been released from Sapura Upstream's Account 1 and deposited into Sapura Upstream's Account 2.

Subject to the absence of claims from TotalEnergies, the remaining SOMV Disposal Net Cash Consideration will be released in the following manner.

- (i) 5.00% of the SOMV Disposal Net Cash Consideration will be released upon achieving the Restructuring Effective Date; and

- (ii) 10.00% of the SOMV Disposal Net Cash Consideration will be released after 12 months from the completion of SOMV Disposal (i.e. 9 December 2025)

Further, from the amount released from Sapura Upstream's Account 1, an amount of USD398.8 million has been converted into RM1,676.4 million on 9 June 2025, at the exchange rate of USD1.00:RM4.2033, based on the forward contracts entered into by Sapura Upstream.

As at the LPD, none of the SOMV Disposal Net Cash Consideration has been utilised.

Upon the occurrence of the Restructuring Effective Date, the SOMV MCF Security will be discharged and the SOMV Net Sale Proceeds will be released to Sapura Upstream (or as the Company might direct, subject to prior notification to the MCF Financiers) for the repayment of the SOMV Debt. Further details of the SOMV MCF Security are set out in the Company's announcement dated 12 November 2024.

It is intended that within 6 months from the Restructuring Effective Date, 90.71% of the SOMV Net Sale Proceeds amounting to USD 527.9 million (equivalent to approximately RM2,224.0 million) will be utilised by Sapura Upstream towards the settlement of SOMV Debt. Please refer to **Section 8.1**, Part A of this Circular for further information on the utilisation of SOMV Net Sale Proceeds.

3.2.3 Proposed Conversion into Sustainable Debts

A portion of the total Outstanding Liabilities owing to the Scheme Creditors, amounting up to approximately RM5,226 million or 46.98%, will be restructured into Sustainable Debts to be assumed and settled by Sinar Drilling and Sinar Brazil respectively.

The Sustainable Debts arising from the Proposed Conversion into Sustainable Debts will be repaid by Sinar Drilling and Sinar Brazil respectively from cash proceeds generated from the existing and new contracts secured by Sinar Drilling and the Brazil JVs as follows:

Restructured debt	Nominal amount RM'mil	Obligor
(i) Sustainable Debt (Drilling)	Up to 2,613	Repayment obligation to be assumed by Sinar Drilling
(ii) Sustainable Debt (Brazil)	Up to 2,613	Repayment obligation to be assumed by Sinar Brazil
Total	Up to 5,226	

Upon conversion of the relevant portion of the Outstanding Liabilities owed by the Company on the Restructuring Effective Date into the Sustainable Debts, such portion of the Outstanding Liabilities shall be deemed to have been fully and finally settled and compromised, and replaced by the obligations owed by Sinar Drilling and Sinar Brazil in respect of the Sustainable Debts. The indicative principal terms of the Sustainable Debts are set out respectively under **Appendix II** of this Circular.

3.2.4 Proposed Issuance of RCUIDS

3.2.4.1 Details of the Proposed Issuance of RCUIDS

The Proposed Issuance of RCUIDS entails the proposed issuance of up to RM1,770,030,265 in nominal value of RCUIDS, to Unsecured Creditors as part settlement of the Outstanding Liabilities. Each RCUIDS shall be issued at 100.00% of its nominal value of RM1.20 each.

The indicative principal terms of the RCUIDS are as follows:

Nominal amount	: Up to RM2,500.0 million, in the event that the SOMV Net Sale Proceeds are less than a certain aggregate outstanding amount under the SOMV Debt liabilities, the Company shall within a specified period of Sapura Upstream's receipt of the SOMV Net Sale Proceeds, issue the Additional RCUIDS (Shortfall)
Purpose	: Part settlement of Outstanding Liabilities as set out in Section 3.2 , Part A of this Circular
Number of RCUIDS	: 1,475,025,221 RCUIDS (excluding any RCUIDS to be issued by PIK Payment and Additional RCUIDS (Shortfall) portion)
Issue Date	: Restructuring Effective Date
Tenure	: 8 years from and inclusive of the Issue Date
Maturity Date	: 8 th anniversary of Issue Date
Subscriber	: Unsecured Creditors of the Company comprising: <ul style="list-style-type: none"> (i) MCF Financiers; and (ii) other Unsecured Creditors of the Company (or the other MCF Obligors including Contingent Creditors, whose Outstanding Liabilities would have been novated or solely assumed by the Company under the Composite Scheme).
RCUIDS Issue Price	: RM1.20 per RCUIDS
Coupon/profit	: Coupon rate of 2.00% per annum in the form of PIK Payment computed based on the nominal value of outstanding RCUIDS without compounding unpaid accrued PIK Payment
Conversion Ratio	: Each RCUIDS is convertible into 1 RCUIDS Conversion Share.
Conversion Mode	: The conversion of the RCUIDS will not require any cash payment by the RCUIDS holders. The conversion price of RCUIDS shall be satisfied by surrendering the equivalent nominal value of RCUIDS for cancellation by the Company. All such RCUIDS so converted will be cancelled and cannot be re-issued.
Conversion Rights	: Each RCUIDS is convertible into RCUIDS Conversion Shares at any time from the Issue Date, at the option of the RCUIDS holder, up to 5.00 p.m. on the day immediately preceding the Maturity Date (both dates inclusive). <p>Any outstanding RCUIDS on the Maturity Date shall be automatically and mandatorily converted into RCUIDS Conversion Shares at the Conversion Ratio on the Maturity Date.</p>
Redemption	: The RCUIDS shall be redeemable for cash at the option of the Company, and subject to the approval from the Board.

Total number of RCUIDS Conversion Shares that may be issued	: Up to 1,711,029,256 Consolidated SEB Shares (including any Consolidated SEB Shares resulting from a conversion of RCUIDS issued for purposes of: the PIK portion, but excluding any Additional RCUIDS (Shortfall) portion). If any Additional RCUIDS (Shortfall) are issued, up to 2,083,333,333 RCUIDS Conversion Shares may be issued in total.
Adjustment in the number of RCUIDS in the event of alteration to share capital	: The Company shall make the necessary adjustment to the Conversion Ratio of the RCUIDS then outstanding in consultation with the facility agent and in accordance with the certification of the auditors, in the event of any alteration in the issued share capital of the Company on or before the Maturity Date (whether by way of rights issue, bonus issue, capitalisation issue, consolidation or subdivision of SEB Shares or reduction of capital or otherwise) in compliance with the Listing Requirements.
Rights on the liquidation of the Company	: In the event of a winding up or liquidation of the Company, the RCUIDS shall rank in priority to SEB Shares.
Listing status	: The RCUIDS will not be listed on Bursa Securities. An application will be made to Bursa Securities for the listing and quotation of the RCUIDS Conversion Shares arising from the conversion of the RCUIDS on the Main Market of Bursa Securities.
Rating of RCUIDS	: The RCUIDS will not be rated.
Rights of the RCUIDS holders	: RCUIDS holders are not entitled to any right to vote at any meeting of the shareholders of the Company and are not entitled to participate in any dividends, rights, allotments and other distribution and offer of securities in the Company until and unless such RCUIDS holders have validly converted their RCUIDS into RCUIDS Conversion Shares by exercising their Conversion Rights during the conversion period, and such RCUIDS Conversion Shares are allotted before the entitlement date of such dividend, right, allotment, distribution or offer of securities.
Security	: The RCUIDS will be unsecured.
Events of default	: The RCUIDS holder may declare an event of default if any of the following events occur: <ul style="list-style-type: none"> (i) the Company commits a default in payment of any PIK Payment or any amount payable under the RCUIDS or fails to redeem any RCUIDS (upon making an irrevocable election to redeem the same) in accordance with the provisions under the trust deed governing this RCUIDS; (ii) the Company fails for any reason to allot, issue and deliver any RCUIDS Conversion Shares to any RCUIDS holders following a conversion of RCUIDS to the RCUIDS Conversion Shares at the option of such RCUIDS holders in accordance with the provisions under the trust deed governing this RCUIDS;

- (iii) the Company is in breach of any provision, term or condition of the RCUIDS or the transaction documents or of any other document relating to the issue, offer or invitation in respect of the RCUIDS, which, in the opinion of the trustee, is not capable of being remedied or if capable of being remedied, is not remedied within a period of 30 days from the date of such breach;
- (iv) any representation or warranty made or given by the Company under the transaction documents or which is contained in any certificate, notice, opinion, document, information or statement furnished at any time pursuant to the terms of the transaction documents proves to have been incorrect or misleading in any material respect on or as at the date on which the representation or warranty was made or given;
- (v) there is a revocation, withholding, invalidation, suspension or modification of any license, authorisation, approval or consent that impairs or prejudices the Company's ability to comply with the terms and conditions of the RCUIDS, the transaction documents, and any other document relating to the issue, offer or invitation in respect of the RCUIDS;
- (vi) the Company enters into or proposes to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspensions of payments generally;
- (vii) any material provision of the transaction documents is or becomes illegal, void, voidable or unenforceable;
- (viii) any step or action is taken for the winding up, dissolution or liquidation of the Company (including but not limited to the presentation of a petition for the winding up against the Company, or the making of any order or the passing of any resolution for the winding up, dissolution or liquidation of the Company unless it is contested in good faith and set aside within 90 days (or such extended period as the trustee may consent, which consent shall not be unreasonably withheld)) from the date of service of such winding up petition;
- (ix) a liquidator, receiver, receiver and manager, administrative receiver, administrator, judicial manager or other similar officer is appointed in respect of the Company over all or any substantial part of the respective assets, properties or undertakings of the Company (provided that for the purposes of this paragraph, assets, properties or undertakings having a value equivalent to RM100,000,000.00 or 25.00% or more of the net asset value of the Group, whichever is lower, as reflected in the latest financial statements of the Company shall be deemed to constitute a "substantial part" of the Company's assets, properties or undertakings);
- (x) the Company ceases or threatens to cease to carry on all or substantially all of its business;

- (xi) the Company fails to satisfy any judgment handed down against it by any court of competent jurisdiction which in the reasonable opinion of the trustee has a material adverse effect upon the financial condition and/or business operations of the Company, or upon the ability of the Company to perform its obligations under the transaction documents to which it is a party, and no appeal against such judgment has been made to the appropriate appellate court within the time prescribed by law (or if made, has been dismissed);
- (xii) any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced in relation to the RCUIDS, the transaction documents or against any Scheme Company or its assets which have or will have a material adverse effect;
- (xiii) any indebtedness of the Company becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by the Company in its obligations in respect of the same, or the Company fails to make payment in respect thereof on the due date for such payment or if due on demand when demanded, or the security for any such indebtedness becomes legally enforceable, or any guarantee or similar obligations of the Company for any indebtedness is not discharged at maturity or when called, and:
 - (i) such event would have a material adverse effect upon the financial condition and/or business operations of the Company, or upon the ability of the Company to perform its obligations under the transaction documents to which it is a party; and
 - (ii) in the case of a failure to make payment, such failure to pay is not being contested in good faith by the Company;
- (xiv) the Company repudiates any of the transaction documents or the Company does or causes to be done any act or thing evidencing an intention to repudiate any of the transaction documents;
- (xv) all or substantially all of the property or assets of the Company have been condemned, seized or otherwise appropriated, nationalised or compulsorily acquired by any person acting under the authority of any governmental body.

**Ranking of
RCUIDS and
RCUIDS
Conversion
Shares**

- : The RCUIDS will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without discrimination, any preference or priority among themselves. The payment obligations of the Company under the RCUIDS will, save for exceptions as may be provided by mandatory provisions of applicable law and subject to the terms and conditions of the RCUIDS, at all times, be unsecured and shall rank at least pari passu with all of its other present and future unsecured and unsubordinated obligations.

The RCUIDS Conversion Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing Consolidated SEB Shares, save and except that the RCUIDS Conversion Shares shall not be entitled to any dividends, voting rights, allotments and/or other forms of distribution which may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the RCUIDS Conversion Shares.

Governing law : Laws of Malaysia

For illustration, after taking into account the PIK profit of 2.00% per annum (which is not compounding) and assuming the RCUIDS are held to maturity without redemption, the total nominal value of the RCUIDS will be up to RM2,053,235,108 (equivalent to 1,711,029,256 RCUIDS computed based on the total nominal value of RCUIDS held to maturity without redemption (RM2,053,235,108) divided by RCUIDS Issue Price (RM1.20)). Such amount of RCUIDS does not include additional RCUIDS that may be issued if the SOMV Net Sale Proceeds are less than the aggregate Outstanding Liabilities. The total nominal value of the RCUIDS is computed based on the following formula (assuming, for purposes of illustration, the RCUIDS are held to maturity without redemption):

$$\begin{aligned}
 \text{PIK profit on RCUIDS} &= \text{Nominal value of RCUIDS at issuance date} \times \text{PIK profit rate} \times \text{Tenure of RCUIDS} \\
 &= \text{RM1,770,030,265} \times 2\% \times 8 \text{ years} \\
 &= \text{RM283,204,842} \\
 \\
 \text{Total nominal value of RCUIDS} &= \text{Nominal value of RCUIDS at issuance date} + \text{PIK profit of 2\% p.a. (not compounding)} \\
 &= \text{RM1,770,030,265} + \text{RM283,204,843} \\
 &= \text{RM2,053,235,108}
 \end{aligned}$$

On the assumption the nominal value of the RCUIDS is RM2,053.2 million and in the event that the SOMV Net Sale Proceeds are less than the aggregate Outstanding Liabilities under the SOMV Debt, the maximum nominal value of RCUIDS to be issued will be up to RM2,500.0 million.

The terms governing the RCUIDS shall be constituted by a trust deed to be executed by the Company and a trustee, under which the trustee will agree to act as a trustee for the benefit of the RCUIDS holders (i.e. as at the Restructuring Effective Date, the Unsecured Creditors).

RCUIDS holders are not entitled to any right to vote at any meeting of the shareholders of the Company and are not entitled to participate in any dividends, rights, allotments and other distribution and offer of securities in the Company until and unless such RCUIDS holders have validly converted their RCUIDS into RCUIDS Conversion Shares by exercising their Conversion Rights during the conversion period, and such RCUIDS Conversion Shares are allotted before the entitlement date of such dividend, right, allotment, distribution or offer of securities.

If all RCUIDS holders elect to convert the RCUIDS into RCUIDS Conversion Shares within the tenure of 8 years (i.e. the period between the issuance date, being the Restructuring Effective Date, to the day immediately preceding the maturity date) but after the repayment of SOMV Debt by surrendering 1 RCUIDS in exchange for 1 RCUIDS Conversion Share, this will result in the issuance of up to 1,711,029,256 RCUIDS Conversion Shares under the Maximum Scenario, after taking into consideration the additional RCUIDS to be issued pursuant to the PIK payments as consideration for the coupon payable by the Company on the RCUIDS.

Such amount of RCUIDS Conversion Shares does not include additional RCUIDS Conversion Shares that may result from any RCUIDS issued if the SOMV Net Sale Proceeds are less than the aggregate Outstanding Liabilities.

For the avoidance of doubt, the conversion of the RCUIDS will not require any cash payment by the RCUIDS holders.

Any outstanding RCUIDS on the Maturity Date shall be automatically and mandatorily converted into RCUIDS Conversion Shares at the Conversion Ratio on the Maturity Date.

During the tenure of the RCUIDS, the Company shall pay the PIK payments (which shall take the form of issuance of additional RCUIDS) to the RCUIDS holders on the PIK Payment Date provided that:

- (i) the first PIK Payment Date shall fall on the 1st anniversary of the date of issuance of the RCUIDS on the Restructuring Effective Date (or, if the RCUIDS in question were issued after the Restructuring Effective Date, on the last day of the PIK Payment Period in which such RCUIDS were issued); and
- (ii) the last PIK Payment Date shall coincide with the maturity date or the conversion date of such RCUIDS, whichever is the earlier.

The PIK payments payable by the Company to the RCUIDS holders on each PIK Payment Date are computed based on the nominal value of the then-outstanding RCUIDS without compounding unpaid accrued PIK payment, and calculated on the basis of actual number of days elapsed over 365 days (actual/365).

The coupon rate which is also the PIK profit rate of 2.00% per annum for the RCUIDS is a commercial decision made by the Company upon taking into consideration, among others, the financial position and affordability of the Group. The Board is of the view that the rate is reasonable taking into account the Company's borrowings interest rate for the FYE 2024 (i.e the latest financial year prior to the date of the Conditional Funding Agreement) which ranges from 4.85% to 8.65%.

The Proposed Issuance of RCUIDS to the Scheme Creditors is to be undertaken in a single tranche to coincide with the issuance of the Settlement Shares and RCLS as described in **Sections 3.2.5 and 3.3.1**, respectively, Part A of this Circular, except for (i) RCUIDS to be issued as PIK (as described above) or (ii) in the unlikely instance that additional RCUIDS may have to be issued in the event of a shortfall in SOMV Net Sale Proceeds.

3.2.4.2 Basis and justification for the RCUIDS Issue Price

Each RCUIDS shall be issued at 100.00% of its nominal value of RM1.20 each. The nominal value was arrived at after taking into consideration the total amount of debts to be addressed in respect of the Unsecured Creditors under the Composite Scheme, which is up to approximately RM11,125.3 million.

Based on the conversion ratio of the RCUIDS, the effective price of the RCUIDS Conversion Shares is at a premium of 50.00% to the Consolidated SEB Share Price of RM0.80.

The RCUIDS Issue Price of RM1.20 per RCUIDS was arrived at after taking into consideration the following:

- (i) agreement between the Company and the MCF Financiers after considering the distressed cash flow position of the Group and settlement terms under the Composite Scheme;
- (ii) the Settlement Share Issue Price, which was in turn based on the 5-day VWAP of SEB Shares on Bursa Securities up to 3 March 2025 of RM0.04, being the last Market Day prior to the Conditional Funding Agreement dated 4 March 2025; and
- (iii) the trading history of SEB Shares since the First Announcement in relation to the Company's classification as a PN17 company.

The Board is of the opinion that the RCUIDS Issue Price is reasonable because it is essential for the debt levels of the Company, after the implementation of the Proposed Regularisation Plan, to be sized at a sustainable level while taking into consideration the overall recovery of the Unsecured Creditors under the respective Schemes. This enables the Company to address the Outstanding Liabilities given the Company's constrained cash flow position.

3.2.4.3 Ranking of the RCUIDS and RCUIDS Conversion Shares

The RCUIDS will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without discrimination, any preference or priority among themselves. The payment obligations of the Company under the RCUIDS will, save for exceptions as may be provided by mandatory provisions of applicable law and subject to the terms and conditions of the RCUIDS, at all times, be unsecured and shall rank at least *pari passu* with all of its other present and future unsecured and unsubordinated obligations.

The RCUIDS Conversion Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Consolidated SEB Shares, save and except that the RCUIDS Conversion Shares shall not be entitled to any dividends, voting rights, allotments and/or other forms of distribution which may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the RCUIDS Conversion Shares.

3.2.4.4 Listing and quotation of RCUIDS Conversion Shares to be issued upon conversion of the RCUIDS

The RCUIDS will not be listed on Bursa Securities.

An application will be made to Bursa Securities for the listing and quotation of the RCUIDS Conversion Shares arising from the conversion of the RCUIDS on the Main Market of Bursa Securities.

3.2.5 Proposed Issuance of Settlement Shares

3.2.5.1 Details of the Proposed Issuance of Settlement Shares

A portion of the total Outstanding Liabilities owing to the Unsecured Creditors of up to approximately RM1,094.7 million or 9.84% will be settled via the issuance of 1,368,408,062 Settlement Shares to the Unsecured Creditors at the Settlement Share Issue Price. The Settlement Shares shall be issued in a single tranche to coincide with the issuance of the RCUIDS and RCLS upon the Restructuring Effective Date as described in **Sections 3.2.4 and 3.3.1**, respectively, Part A of this Circular.

3.2.5.2 Basis and justification for the Settlement Share Issue Price

The Settlement Share Issue Price shall be based on the Consolidated SEB Share Price of RM0.80. The Settlement Share Issue Price was arrived at after taking into consideration the following:

- (i) agreement between the Company and the MCF Financiers after considering the distressed cash flow position of the Group and settlement terms under the Scheme;
- (ii) the 5-day VWAP of SEB Shares on Bursa Securities up to 3 March 2025 of RM0.04, being the last Market Day prior to the Conditional Funding Agreement dated 4 March 2025; and
- (iii) the trading history of SEB Shares since the First Announcement in relation to the Company's classification as a PN17 company.

The Board is of the opinion that the Settlement Share Issue Price is reasonable after taking into consideration the basis and justification above.

3.2.5.3 Ranking of the Settlement Shares

The Settlement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Consolidated SEB Shares, save and except that the Settlement Shares shall not be entitled to any dividends, voting rights, allotments and/or other forms of distribution which may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Settlement Shares.

3.2.5.4 Listing and quotation of the Settlement Shares

An application will be made to Bursa Securities for the listing and quotation of the Settlement Shares to be issued pursuant to the Proposed Issuance of Settlement Shares on the Main Market of Bursa Securities.

In respect of Ecosystem Creditors

On the Restructuring Effective Date, the admitted Outstanding Liabilities of each Scheme Company (other than the Company) owed to each of its Preferred Unsecured Creditors (if any) shall be fully and finally settled after the Interest/Profit Waiver, and shall be irrevocably novated to the Company with the intent that such Outstanding Liabilities will be settled by the Company under the SEB Scheme by way of a payment in cash. The Ecosystem Creditors of each Scheme Company (if any) form part of the Preferred Unsecured Creditors class of that Scheme Company, if applicable.

3.3 PROPOSED FUND-RAISING

The Company, had on 10 February 2025, received from MDH a non-binding Letter of Intent, pursuant to which MDH expressed its interest to invest in the Company by way of subscription for RM1,100.0 million in nominal value of RCLS at the RCLS Issue Price.

The Company, on 4 March 2025, entered into a Conditional Funding Agreement with MDH, whereby MDH has agreed that it will subscribe for RM1,100.0 million in nominal value of RCLS which entails the issuance of up to 2,291,666,667 RCLS at the RCLS Issue Price on the Restructuring Effective Date.

3.3.1 Details of the Proposed Issuance of RCLS

Pursuant to the Conditional Funding Agreement, the Company and MDH will enter into the Subscription Agreement upon the lodgement of the information and documents relating to the RCLS with the SC in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC. Pursuant to the Subscription Agreement, MDH will subscribe for RM1,100.0 million in nominal value of RCLS at the RCLS Issue Price to be satisfied in full via cash, in accordance with the terms of the Subscription Agreement.

The indicative principal terms of the RCLS are as follows:

Nominal amount	: RM1.1 billion
Purpose	: For the settlement or payment of the amounts of the liabilities which are or were previously or may in future become outstanding and payable to creditors of the Group, which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of, Malaysia (including Ecosystem Creditors)
Number of RCLS	: 2,291,666,667 RCLS
Issue Date	: Restructuring Effective Date
Tenure	: 8 years from and inclusive of the Issue Date
Maturity Date	: 8th anniversary of Issue Date
Subscriber	: MDH

RCLS Issue Price	: RM0.48 per RCLS
Coupon	: Coupon rate of a minimum of 2.00% per annum and maximum of 4.00% per annum calculated on the nominal value of the RCLS then outstanding and payable semi-annually in arrear commencing 6 months from the Issue Date, at the discretion of the Company (including whether coupon shall be payable at all).
Conversion Ratio	: Each RCLS is convertible into 1 RCLS Conversion Share.
Conversion Mode	: All RCLS holders shall have the right to convert such amount of RCLS held into RCLS Conversion Shares without any cash payment by the RCLS holders. The conversion of the RCLS shall be satisfied in the following manner: <ul style="list-style-type: none"> (a) by surrendering to the Company the RCLS held that are to be converted into RCLS Conversion Shares for cancellation by the Company; and (b) all such RCLS so converted shall be cancelled and cannot be re-issued
Conversion Rights	: Each RCLS is convertible into RCLS Conversion Shares at any time from the Issue Date, at the option of the RCLS holders, up to 5.00 p.m. on the day immediately preceding the Maturity Date (both dates inclusive). <p>Any outstanding RCLS on the Maturity Date shall be automatically and mandatorily converted into RCLS Conversion Shares at the Conversion Ratio on the Maturity Date.</p>
Redemption	: Each RCLS will be redeemable via cash at 100.00% of its nominal value at any time from the Issue Date until the Maturity Date, at the option of the Company, by way of the Company issuing a redemption notice to the RCLS holders at least 30 days prior to the Maturity Date. <p>Any RCLS which have been redeemed shall be cancelled and cannot be resold.</p>
Total number of RCLS Conversion Shares that may be issued	: 2,291,666,667 RCLS Conversion Shares
Adjustment in the number of RCLS in the event of alteration to share capital	: The Company will make the necessary adjustments to the number of RCLS then outstanding in the event of any alteration in the share capital on or before the Maturity Date, whether by way of rights issue, bonus issue, capitalisation issue, consolidation or subdivision of shares howsoever being effected, in accordance with the provisions of the trust deed and in compliance with the Listing Requirements.
Rights on the liquidation of the Company	: In the event of a winding up or liquidation of the Company, the RCLS shall rank in priority to SEB Shares.

Listing status	: The RCLS will not be listed on Bursa Securities. An application will be made to Bursa Securities for the listing and quotation of the RCLS Conversion Shares arising from the conversion of the RCLS on the Main Market of Bursa Securities.
Rating of RCLS	: The RCLS will not be rated.
Rights of the RCLS holders	: The RCLS holder shall not have any participating right to any distributions and/or offers of further securities by the Company until and unless such RCLS Holder have validly converted their RCLS into RCLS Conversion Shares by exercising their Conversion Rights during the conversion period, and such RCLS Conversion Share are allotted before the entitlement date of such distribution or offer of securities.
Amendments to the RCLS holders' rights	: Save as otherwise provided in the trust deed, a special resolution of the RCLS holders with the affirmative votes of not less than 75% of the RCLS holders shall be required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the RCLS holders against the Company.
Events of default	: Customary events of default to be agreed, including but not limited to non-payment viz. if at any time the Company fails to pay any sum (coupon rates, fees, costs, charges or otherwise) payable under the RCLS within 14 days from the due date, the security trustee to be appointed, acting on the instructions of the RCLS holders, shall (provided that an approval of a simple majority of the RCLS holders has been obtained) be entitled to issue a notice in writing to the Company to declare that an event of default has occurred,
Ranking of RCLS and RCLS Conversion Shares	: The RCLS will constitute direct and secured obligations of the Company, with the benefit of charges over the shares of certain entities within the E&C and O&M segments of the Group, which are to be provided as security as per the terms of the RCLS. To the extent that the proceeds of realisation of such security are insufficient to repay the RCLS in full, the RCLS will constitute subordinated obligations of the Company. Subject to the provisions contained in the trust deed to be entered into by the Company and the trustee, namely Pacific Trustee Berhad to act on behalf of MDH, the RCLS will rank equally without discrimination, preference or priority among themselves and will rank at least equally with all present and future direct, subordinated and unsecured debts and obligations of the Company from time to time (except for those which are preferred by law). The RCLS Conversion Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing Consolidated SEB Shares, save and except that the RCLS Conversion Shares shall not be entitled to any dividends, voting rights, allotments and/or any other forms of distributions which may be declared made or paid for which the entitlement date precedes the date of allotment and issuance of the RCLS Conversion Shares.

Security	: Subject to acceptable documentation:
	<ul style="list-style-type: none"> (i) First ranking charge (by way of equitable mortgage) over one hundred per cent (100%) of the ordinary shares of existing MCF Obligors owned by the Company which are as follows: <ul style="list-style-type: none"> (a) Sapura TMC; (b) Sapura Petroleum Ventures; (c) Sapura Fabrication; (d) Sapura Subsea; (e) Sapura Offshore; (f) Sapura Technology; and (g) Sapura Pinewell (ii) First ranking charge (by way of equitable mortgage) over 100% of the ordinary shares of the following eight (8) Core Asset-Owning Company through which the Company holds its key assets: <ul style="list-style-type: none"> (a) Sapura 1200; (b) Sapura 3500; (c) Sapura 900; (d) Sapura Dana; (e) Sapura Marine Ventures; (f) Sapura Geotechnics; (g) Sapura Subsea Corporation; and (h) Sapura Nautilus (iii) First ranking charge (by way of equitable mortgage) over 100% of the ordinary shares of Sapura Constructor Pte. Ltd. and T&I Asset HoldCo (a company to be incorporated).
	<p>The Majority RCLS Holders may issue an initial enforcement notice setting out their intention to provide enforcement instructions to the security agent during the period when an event of default has occurred and is continuing under the terms of the RCLS.</p>
Reserved matters	: Save as otherwise provided in the trust deed, a special resolution of the RCLS holders with the affirmative votes of not less than 75.00% of the RCLS holders shall be obtained prior to any major restructuring or reorganisation of the Group, including but not limited to any divestment of material assets or subsidiaries.
Board appointments	: The RCLS holders shall be entitled to 1 seat on the Board to represent their interests.
Governing law	: Laws of Malaysia

The terms governing the RCLS shall be constituted by a trust deed to be executed by the Company and the trustee, namely Pacific Trustees, under which the trustee will agree to act as a trustee for the benefit of RCLS holders.

Any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the RCLS holders against the Company shall be sanctioned by the RCLS holders via a special resolution with the affirmative votes of not less than 75.00%, subject to the provision of the trust deed.

The RCLS comprising the principal amount of approximately RM1,100.0 million and the estimated coupon rate of between 2.00% and 4.00% per annum, which will be payable at the election of the Company, over the tenure of 8 years, may be converted into RCLS Conversion Shares at any time from the Restructuring Effective Date at the option of MDH at the conversion ratio of 1 RCLS to 1 RCLS Conversion Share, which will result in the issuance of up to 2,291,666,667 RCLS Conversion Shares.

For the avoidance of doubt, the conversion of the RCLS will not require any cash payment by MDH. The conversion of the RCLS shall be satisfied in the following manner:

- (i) by surrendering to the Company the RCLS held that are to be converted into RCLS Conversion Shares for cancellation by the Company; and
- (ii) all such RCLS so converted shall be cancelled and cannot be re-issued.

The estimated coupon rate of between 2.00% and 4.00% per annum for the RCLS are commercial decisions agreed upon between the Company and MDH upon taking into consideration, among other things, the financial position and affordability of the Group. The Board is of the view that the rate is reasonable, taking into account the Company's borrowings interest rate for the FYE 2024 (i.e. the latest financial year prior to the date of the Conditional Funding Agreement) which ranges from 4.85% to 8.65%.

The issuance of the RCLS to MDH is to be undertaken simultaneously in a single tranche to coincide with the issuance of the RCUIDS and Settlement Shares as described in **Sections 3.2.4 and 3.2.5**, Part A of this Circular respectively.

3.3.2 Information on MDH

3.3.2.1 Background and History

MDH is a private limited company incorporated in Malaysia under the Companies Act 1965 and is deemed registered under the Act on 27 May 2003.

Among the objectives of MDH are to carry on the business of special purpose vehicles to source the financing through financial loans and to enter into arrangements for investment.

MDH is the special purpose vehicle which has been nominated by MOF (Inc) to subscribe for the RCLS.

3.3.2.2 Share Capital

As at the LPD, the issued share capital of MDH is RM2.00 comprising 2 ordinary shares.

3.3.2.3 Board of Directors

As at the LPD, the directors of MDH are Dato' Dr. Amiruddin Bin Muhamed and Hawariiah Binti Abdul Wahid.

All the directors are Malaysians.

As at the LPD, none of the directors of MDH hold any share in MDH.

3.3.2.4 Shareholders

As at the LPD, the shareholders of MDH and their respective shareholdings in MDH are as follows:

Name	Place of incorporation	As at the LPD			
		Direct	%	Indirect	%
Menteri Kewangan Malaysia ⁽¹⁾	Malaysia	1	50.00	-	-
Pesuruhjaya Tanah Persekutuan	Malaysia	1	50.00	-	-

Note:

(1) MOF (Inc) is a body corporate incorporated under the Minister of Finance (Incorporation) Act 1957.

3.3.2.5 Subsidiaries and Associate Companies

As at the LPD, MDH does not have any subsidiary and associate company.

3.3.3 Salient terms of the Conditional Funding Agreement

3.3.3.1 Commitment

MDH agrees that it will invest by way of subscription for an amount of RM1,100,000,000.00 (Ringgit Malaysia One Billion One Hundred Million Only) in nominal value of RCLS at the RCLS Issue Price on the Restructuring Effective Date, and the Company agrees to issue the RCLS to MDH based on the RCLS Issue Price in accordance with the terms and conditions of the Subscription Agreement, subject to the satisfaction of the conditions precedent to the Restructuring Effective Date and terms and conditions of the Conditional Funding Agreement.

3.3.3.2 Condition

MDH's commitment is subject to the occurrence of the Restructuring Effective Date (the occurrence of which shall be forthwith notified by the Company to MDH in writing by way of a certificate signed by a Director of the Company) ("**Condition**") on or before the Long Stop Date.

If the Condition is not satisfied on or before the Long Stop Date, MDH and the Company (collectively, the "**Parties**", and each a "**Party**") may mutually agree in writing to extend the Long Stop Date for such period as may be agreed by the Parties. If the Parties fail to agree in writing to extend the Long Stop Date, the Conditional Funding Agreement shall immediately terminate and none of the Parties shall have any further liability under the Conditional Funding Agreement.

3.3.3.3 Utilisation of Proceeds Raised by the Company from the Subscription

The Parties agree that the proceeds raised from the subscription for an amount of RM1,100 million in value of redeemable convertible loan stock in the Company ("**Proceeds**") shall be utilised by the Company for the settlement or payment of the amounts of the liabilities which are or were previously or may in future become outstanding and payable to creditors of the Group, which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of, Malaysia (including Ecosystem Creditors).

3.3.3.4 Subscription Agreement

The Parties acknowledge and agree that the execution of the Subscription Agreement is one of the conditions precedent to the Restructuring Effective Date. MDH and the Company agree that they will, within a period to be agreed between MDH and the Company as soon as reasonably possible after the date of the Conditional Funding Agreement, finalise the Subscription Agreement. Upon the lodgement of the information and documents relating to the RCLS with the SC in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC, each Party shall execute and deliver the Subscription Agreement to the other Party and provide the other Party with its board resolution or its equivalent approving the execution of the Subscription Agreement (certified as a true copy by a director or company secretary of the relevant Party), and the transactions contemplated thereunder, and the delivery and performance of its obligations under the Subscription Agreement.

3.3.4 Basis and justification for the RCLS Issue Price

The RCLS Issue Price of RM0.48 was determined by the Board after taking into consideration, among other things, the following:

- (i) the amount required to be raised to extinguish the outstanding liabilities attributable to the creditors of the Group who are Malaysian service providers in or to the O&G sector incorporated or registered in, and controlled by residents of Malaysia (including the principal Outstanding Liabilities attributable to the Ecosystem Creditors);
- (ii) the funding requirements of the Group as set out in **Section 4.1**, Part A of this Circular;
- (iii) the Consolidated SEB Share Price; and
- (iv) the necessity of the cash injection from MDH, taking into account the targeted shareholding of MDH, which is essential for the Proposed Regularisation Plan as a whole.

The RCLS Issue Price translates to a 40.00% discount to the Consolidated SEB Share Price. This was determined by the Board after taking into consideration the need of the Company to price the RCLS at a level deemed sufficiently attractive to encourage MDH to fully subscribe for the RCLS in view of the justifications above and following:

- (i) **The Company's urgent funding need:** In view of the existing financial condition of the Group, which is an affected listed company pursuant to PN17 of the Listing Requirements, the Company faces an immediate need for capital to repay the outstanding liabilities to the creditors of the Group, which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of Malaysia (including Ecosystem Creditors);
- (ii) **Market challenges:** Shifting market dynamics and uncertainties brought about by the impact of the COVID-19 pandemic and slow industry activity in the early part of 2021 have made it difficult for the Group to secure funding through conventional channels; and
- (iii) **Investor attraction:** In view of the profile of MDH, being a SPV held 50% each by MOF (Inc) and FLC, offering shares at a discount makes future investment opportunity more attractive to MDH.

3.3.5 Ranking of the RCLS and RCLS Conversion Shares

The RCLS will constitute direct and secured obligations of the Company with the benefit of charges over the shares of certain entities within the E&C and O&M segments in the Group, which are to be provided as security as per the terms of the RCLS. To the extent that the proceeds of realisation of such security are insufficient to repay the RCLS in full, the RCLS will constitute subordinated obligations of the Company. Subject to the provisions contained in the trust deed to be entered into by the Company and the trustee, namely Pacific Trustees to act on behalf of MDH, the RCLS will rank equally without discrimination, preference or priority among themselves and will rank at least equally with all present and future direct, subordinated and unsecured debts and obligations of the Company from time to time (except for those which are preferred by law).

The RCLS Conversion Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Consolidated SEB Shares, save and except that the RCLS Conversion Shares shall not be entitled to any dividends, voting rights, allotments and/or any other forms of distributions which may be declared made or paid for which the entitlement date precedes the date of allotment and issuance of the RCLS Conversion Shares.

3.3.6 Listing and quotation of the RCLS

The RCLS will not be listed on the Main Market of Bursa Securities.

An application will be made to Bursa Securities for the listing and quotation of the RCLS Conversion Shares arising from the conversion of RCLS on the Main Market of Bursa Securities.

3.4 PROPOSED EXEMPTION

As at the LPD, MDH does not hold any SEB Shares and MDH does not have any PACs that hold shares in the Company.

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares, MDH will hold a total of up to 2,291,666,667 Consolidated SEB Shares, representing 35.92% while MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 1.81% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 37.73% in the Company under the Maximum Scenario, and will emerge as the controlling shareholder of the Company.

However, in the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in the Company.

Accordingly, MDH and its PACs would trigger the obligation to undertake the Mandatory Offer pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules.

As it is not the intention of MDH and its PACs to undertake the Mandatory Offer, MDH and its PACs intends to seek an exemption from the SC under subparagraph 4.08(1)(c) of the Rules from the obligation to undertake the Mandatory Offer.

Pursuant to subparagraph 4.08(2) of the Rules where subparagraph 4.08(1) of the Rules applies, the SC may consider granting an exemption if MDH and its PACs have satisfied the following conditions:

- (i) there has been no Disqualifying Transaction; and
- (ii) approval has been obtained from the independent holders of voting shares or voting rights of the Company at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the Mandatory Offer from MDH and its PACs.

Any exemption granted will be invalidated if MDH and/or its PACs have engaged or engages in a disqualifying transaction.

MDH and its PACs intends to submit an application to the SC for an exemption from the obligation to undertake the Mandatory Offer under subparagraph 4.08(1)(c) of the Rules after obtaining the approval of the non-interested shareholders of the Company for the Proposed Exemption at the forthcoming EGM.

In the event that the Proposed Exemption is approved by the non-interested shareholders and the SC, the Proposed Exemption is to be valid throughout the tenure of the RCLS, which is 8 years from the date of the issuance of the RCLS. Pursuant to subparagraph 4.08(4) of the Rules, the SC may grant an exemption arising from the exercise of conversion or subscription rights or options up to the expiry date of the conversion or subscription rights or options, subject to the following:

- (a) MDH and its PACs disclosing in the IAL, the duration of the exemption and that, if granted, subsequent shareholders' approval will not be needed;
- (b) the Company disclosing in its annual accounts and any public document, including annual reports, prospectuses and circulars, throughout the duration of the exemption, the following:
 - (i) the details of the exemption granted, including the duration for which the exemption has been granted;
 - (ii) the number and percentage of voting shares or voting rights and the conversion or subscription rights or options in the Company held by MDH and its PACs as at the latest practicable date prior to the disclosure; and
 - (iii) the maximum potential voting shares or voting rights of MDH and its PACs in the Company, if only MDH and its PACs (but not other holders) exercise the conversion or subscription rights or options in full.

The Company will ensure compliance with the above, to ensure that the Proposed Exemption is valid throughout the tenure of the RCLS, which is 8 years from the date of the issuance of the RCLS. For the avoidance of doubt, the Proposed Exemption shall apply solely for the said 8-year tenure and shall not extend beyond this period, notwithstanding any subsequent extension of the exercise period of the RCLS, if any.

In the event the non-interested shareholders of the Company and/or the SC do not approve the Proposed Exemption, the Proposed Fund-Raising will not be implemented as the Proposed Fund-Raising and the Proposed Exemption are inter-conditional. In this event, the Company would not be able to implement the Proposed Regularisation Plan as the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional. The rationale of the Proposed Regularisation Plan as elaborated in **Section 5**, Part A of this Circular and any potential benefits therefrom would not materialise.

4. UTILISATION OF PROCEEDS

4.1 UTILISATION OF PROCEEDS FROM THE PROPOSED FUND-RAISING

The Proposed Fund-Raising is expected to raise gross proceeds of approximately RM1,100.0 million from the Proposed Issuance of RCLS.

The Company intends to utilise the proceeds arising from the Proposed Fund-Raising in the following manner:

Details of utilisation	Amount (RM'mil)	Estimated time frame of use from date of issuance of RCLS, i.e. on the Restructuring Effective Date
Estimated payment in respect of Outstanding Liabilities attributable to the Ecosystem Creditors, which includes the following:		
(i) Outstanding Liabilities currently owed to the Ecosystem Creditors as at 31 January 2022	Up to 728	Within 3 months
(ii) Outstanding Liabilities payable to the Ecosystem Creditors from 1 February 2022 onwards	Up to 372	Within 6 months
Total proceeds	<u>Up to 1,100</u>	

4.2 EQUITY FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS

The Company has not undertaken any equity fund-raising exercises in the past 12 months up to the LPD.

5. RATIONALE FOR THE PROPOSED REGULARISATION PLAN

The Board had on 31 May 2022 announced that the Company was classified as a PN17 company pursuant to the Listing Requirements. The primary objective of the Proposed Regularisation Plan is to rejuvenate the Company, strengthening its financial standing and profitability to sustain its listing status, thereby benefiting all stakeholders of the Group.

5.1 PROPOSED SHARE CAPITAL REDUCTION

The purpose of the Proposed Share Capital Reduction is to improve the capital structure of the Company by reducing its accumulated losses. In the Company's rejuvenation efforts to exit the PN17 status, it is beneficial to significantly reduce its accumulated losses through the Proposed Share Capital Reduction. This will better reflect the fundamentals of the Company after the Proposed Regularisation Plan and facilitate the attainment of a stronger financial position moving forward.

[The remainder of this page is intentionally left blank]

5.2 PROPOSED SHARE CONSOLIDATION

The average last price of SEB Shares for the FYE 2025 was RM0.04 per SEB Share. Therefore, a small absolute movement in the share price would result in a relatively high movement in percentage terms. For illustration, a RM0.01 increase in the Company's share price would represent a 25.00% increase, based on the share price of RM0.04 per SEB Share. The Proposed Share Consolidation is the Company's capital management initiative to improve the Company's capital structure and facilitate the Proposed Debt Restructuring.

Consolidating the SEB Shares would lead to a reduction in the number of SEB Shares available in the market up to approximately 95.00% and is correspondingly expected to increase the trading price for SEB Shares while potentially reducing the volatility of the trading price of the SEB Shares.

5.3 PROPOSED DEBT RESTRUCTURING

The Proposed Debt Restructuring will enable the Group to reduce its borrowings from RM10,758.9 million as of 31 January 2025 to up to RM5,625.8 million and to improve the Group's gearing level from -3.13 times to 1.76 times as reflected in the Minimum Scenario and from -3.13 times to 1.43 times as reflected in the Maximum Scenario, assuming the SOMV Debt has been fully repaid.

The Proposed Debt Restructuring will result in interest savings of approximately RM521.2 million per annum (computed based on a fixed interest rate of 4.5% per annum), amounting to approximately 60.36% reduction in interest cost and is expected to sustainably improve the Group's cash flow towards the service of debt via the following:

- (a) restructured tenure and payment and interest/profit terms of up to RM7,475.5, representing 67.20% of the Outstanding Liabilities attributable to the Unsecured Creditors, via :
 - Proposed Conversion into SOMV Debt of up to RM2,249.5 million, representing 20.22% of the Outstanding Liabilities into SOMV Debt; and
 - Proposed Conversion into Sustainable Debts of up to RM5,226 million, representing 46.98% of the Outstanding Liabilities into Sustainable Debts;
- (b) conversion of up to RM3,649.0 million, representing 32.80% of the Outstanding Liabilities attributable to Unsecured Creditors via :
 - Proposed Issuance of Settlement Shares of up to RM1,094.7 million, representing 9.84% of the Outstanding Liabilities;
 - Proposed Issuance of RCUIDS of up to RM1,770 million, representing 15.91% of the Outstanding Liabilities; and
 - extinguishment of a portion of the Outstanding Liabilities attributable to the Agreed Debt Waiver of up to RM784.3 million, representing 7.05% of the Outstanding Liabilities.
- (c) the convertible feature of the RCUIDS will prevent immediate dilution of the Company's EPS (from RM1.12 to RM0.42 upon full conversion of the RCUIDS and RCLS) which would otherwise arise from a direct equity issuance. Nevertheless, the RCUIDS will directly strengthen the capital structure of the Company as they will be classified as equity instruments for accounting purposes.

5.4 PROPOSED FUND-RAISING

The Proposed Issuance of RCLS is the most appropriate avenue of raising funds given the prevailing market conditions, after taking into consideration, among other things, the following factors:

- (i) the profile of MDH, being a SPV held 50% each by MOF (Inc) and FLC as shareholder of the Company is envisaged to bolster the Company's credit profile, which has been affected following the Company's PN17 classification, and enabling the Group to gain access to financing and working capital;
- (ii) the certainty in respect of the amount of proceeds to be raised from the Proposed Issuance of RCLS is vital to the success of the Composite Scheme. All of such proceeds will mainly be channeled towards the repayment of the Outstanding Liabilities attributable to the Ecosystem Creditors; and
- (iii) the convertible feature of the RCLS will minimise the immediate dilution of the Company's EPS which would otherwise arise from a direct equity issuance. Similar to the RCUIDS, the RCLS will directly strengthen the capital structure of the Company as they will be classified as equity instruments for accounting purposes.

5.5 PROPOSED EXEMPTION

The Proposed Exemption is intended to provide a relief to MDH and its PACs from the obligation to undertake the Mandatory Offer, which will be triggered by the increase of their interests in the voting shares or voting rights of the Company, upon the conversion of the RCLS and RCUIDS, to more than 33.00% (i.e. from nil to approximately 35.92% while MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 1.81% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 37.73% in the Company under the Maximum Scenario and will emerge as the controlling shareholder of the Company.

However, in the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, will have an indirect interest of 2.49% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in the Company.

It should be noted that it is not the intention of MDH and its PACs to undertake a Mandatory Offer.

6. ENVISAGED OUTCOME OF THE PROPOSED REGULARISATION PLAN

6.1 IMPACT OF THE PROPOSED REGULARISATION PLAN ON THE COMPANY AND ITS SHAREHOLDERS

The Proposed Regularisation Plan is intended to address the Group's PN17 status. The Board believes that upon the successful implementation of the Proposed Regularisation Plan, the Group will be in a better position to turnaround its financial condition and improve its operational performance, which will enable the Group to exit its PN17 status.

In addressing the Group's current financial condition, the Proposed Debt Restructuring aims to restructure the Group's borrowings of RM10,758.9 million, as elaborated on in **Section 3.2**, Part A of this Circular.

The implementation of the Proposed Regularisation Plan will, subject to the necessary approvals being obtained and the respective conditions thereunder being met, increase the Group's equity position, as follows:

- (a) the Proposed Issuance of the Settlement Shares, the Proposed Issuance of RCUIDS and the Proposed Fund-Raising will directly contribute to the Group's shareholders' funds; and
- (b) assuming the completion of the Proposed Debt Restructuring by the second half of 2025, the Group expects a combined one-off recognition from the Interest/Profit Waiver, the Agreed Debt Waiver and other aspects of the Proposed Debt Restructuring. Please refer to **Appendix II** of this Circular for further information.

As a result, the Proposed Regularisation Plan will improve the Group's balance sheet and liquidity position, which will enable the Group to demonstrate financial capability in executing existing and new contracts.

The Board believes that, upon successful implementation of the Proposed Regularisation Plan, the resulting financial stability of the Group, anchored on the improved capital structure, should be recognised by its stakeholders as a positive factor contributing to better confidence in the Group's ability to execute its contracts, generate positive cashflows and earnings in the future. Upon recording 2 consecutive financial quarters of net profits after the Restructuring Effective Date, and subject to Bursa Securities' approval, the Board believes that the Company should exit from its PN17 status. For information, SEB will remain in PN17 status if it is unable to record 2 consecutive financial quarters of net profit.

6.2 VALUE CREATION FOR THE COMPANY AND ITS SHAREHOLDERS

Subject to all the approvals required for the Proposed Regularisation Plan as set out in **Section 12**, Part A of this Circular being obtained, the Proposed Regularisation Plan will be implemented to address and uplift the Company's PN17 status. After due consideration of the various avenues in forming a viable regularisation plan for the Group, the Board is of the view that it is the best option to regularise the Group's financial condition by undertaking the steps as set out in **Section 3**, Part A of this Circular coupled with the Group's strategies in respect of its existing core businesses of E&C, Drilling and O&M as set out in **Section 2, Appendix I(B)** of this Circular. Further, the Group's continuing focus in these core businesses allows the Group to leverage on the Group's existing strategic assets and the expertise and experience of the Group's human capital.

In addition, the Proposed Regularisation Plan will also enable the Group to gradually restore credit lines for the existing and/or future contracts being or to be undertaken by the Group, which are expected to generate income and cash inflows to revitalise the Group's operations and financial performance.

The Board believes that the successful implementation of the Proposed Regularisation Plan will enable the Group to return to profitability, such that the Company will no longer trigger any of the prescribed criteria under PN17. This is expected to provide confidence to its various stakeholders such as its shareholders, financiers, clients, suppliers and employees in respect of the Group's prospects moving forward.

It should also be noted that the Proposed Fund-Raising will result in the emergence of MDH as a new and strategic stakeholder, which will upon conversion of its RCLS into RCLS Conversion Shares, be the new controlling shareholder of the Company.

The Company believes that this will restore market confidence in the Group following the implementation of Proposed Regularisation Plan and steps taken as set out in **Section 3**, Part A of this Circular.

6.3 STEPS UNDERTAKEN TO IMPROVE THE FINANCIAL CONDITION OF THE GROUP

The Group's revenues declined from RM5,347.8 million in FYE 2021 to RM4,318.5 million in FYE 2024. Both the Group's E&C and E&P business segments recorded gross losses in FYE 2022 and FYE 2024. Meanwhile, the drilling business segment recorded a gross profit during the same time period between FYE 2021 and FYE 2024.

The gross losses recorded by the Group's E&C and O&M business segments in FYE 2022 were mainly attributable to the direct and indirect impact from the global COVID-19 pandemic. The volatility of oil prices and supply chains disruptions during this period, coupled with movement controls imposed by many countries, have weighed heavily on the Group's operations and curtailed the Group's recovery from its highly levered balance sheet.

The Group also incurred direct costs related to COVID-19, including expenses for personnel and crew quarantine, testing, and vaccinations to adhere to local standard operating procedures.

In addition to the impacts of the COVID-19 pandemic, the gross losses also stemmed from contracts awarded prior to the COVID-19 pandemic, which had not included terms that would adequately deal with unforeseeable costs that were brought about by the COVID-19 pandemic, including project delays, higher costs of materials and services and global supply chain disruptions, which were not reimbursable by clients.

Cash flow constraints worsened following the Group's lenders' decision to curtail the use of its working capital facilities since October 2021. This resulted in the Group being unable to meet payment obligations to vendors, with overdue payables amounting to more than RM1,000.0 million by the end of FYE 2022.

Due to the aforementioned reasons, amongst others, the Company's External Auditors included a material uncertainty related to the Company's going concern in the audited financial statements for the FYE 2022. The audit opinion was not qualified (or modified) in respect of this matter. As a result, the Company has been classified as a PN17 affected listed issuer on 31 May 2022.

Thus, the Company had implemented measures to address the deteriorating state of the Group's financial condition and to restructure the Group's debts to a sustainable level to allow the rejuvenation of the Group's business to take place.

Although the Group's E&C business segment recorded gross losses in FYE 2024, this was attributable to the foreseeable losses from its E&C contracts which mainly comprises a T&I contract in Taiwan, an EPCIC contract in India and an EPCIC contract in Malaysia. Likewise, the Group's O&M business segment also recorded gross losses in FYE 2024 due to legacy contracts for subsea services following the transfer of the subsea services sub-segment from the E&C segment to the O&M segment in the financial year.

Following new contracts secured for the E&C and O&M business segments in FYE 2025, these business segments recorded a gross profit of RM275.5 million and RM131.9 million in FYE 2025.

[The remainder of this page is intentionally left blank]

The Group's revenues and GP/(GL) by business segment during the financial years under review between FYE 2021 and FYE 2025 are as illustrated below:

	Audited (RM'000)									
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue:										
E&C	3,940,041	73.68	2,818,403	68.74	2,819,871	61.96	2,628,618	60.87	2,967,629	63.10
Drilling	728,444	13.62	1,033,374	25.20	1,374,105	30.19	1,236,331	28.63	1,145,943	24.37
O&M	679,337	12.70	248,452	6.06	357,278	7.85	453,545	10.50	589,558	12.53
Total	5,347,822	100.00	4,100,229	100.00	4,551,254	100.00	4,318,494	100.00	4,703,130	100.00
GP/(GL):										
E&C	537,801	87.12	(1,984,276)	(91.70)	318,828	55.27	(161,223)	(122.40)	275,521	37.51
Drilling	76,625	12.41	113,270	5.23	132,885	23.03	349,918	265.66	327,117	44.53
O&M	2,910	0.47	(292,811)	(13.53)	125,162	21.70	(56,976)	(43.26)	131,935	17.96
	617,336	100.00	(2,163,817)	(100.00)	576,875	100.00	131,719	100.00	734,573	100.00

The measures implemented by the Company to address the deteriorating state of the Group's financial condition and to restructure the Group's debts to a sustainable level are as elaborated below.

6.3.1 Establishment of the BRTF

The Board increased its involvement in the Group's turnaround efforts by setting up the BRTF in 2021. This enabled the Board, through its members represented in the BRTF, to regularly receive updates on restructuring from management and deliberate issues arisen therefrom, thereby allowing timely steer to management and prompt decision making.

As at the LPD, the BRTF members include:

1. The Group's Chairman, namely Encik Shahin Farouque Bin Jammal Ahmad leads the BRTF. He has over 20 years of working experience, including investment banking where he worked with various commercial and investment banks in both domestic and regional roles including Deputy Chief Executive Officer in ECM Libra Investment Bank Berhad; Director, Advisory/Coverage, Global Banking in HSBC Bank Malaysia Berhad; and Head, Corporate Advisory and Structuring in MIDF Amanah Investment Bank Berhad. He was also an executive director in the Investment Division of Khazanah Nasional Berhad and is presently the Deputy Group Chief Investment Officer of PNB;
2. Encik Muhammad Zamri Bin Jusoh, Group Chief Executive Officer and Non-Independent Executive Director. He has over 30 years of experience in the global energy sector, specialising in business turnaround, strategic implementation, and sustainable growth, leading successful turnaround strategies, achieving operational excellence, and driving cost reductions while fostering sustainable practices aligned with the global energy transition. Prior to joining the Group, he was with PETRONAS for over 25 years;
3. Mr Lim Tiang Siew, Senior Independent Non-Executive Director and Chair of the Board Audit Committee. He has over 40 years of experience covering internal and external auditing, accounting, corporate finance and advisory, corporate governance and compliance. His last position was as the Group Chief Internal Auditor, and had served 27 years in CIMB Group Holdings Berhad; and

4. Mr Lim Fu Yen, Independent Non-Executive Director. He held senior management positions at Ekuiti Nasional Berhad and Tenaga Nasional Berhad, where his last position in Ekuiti Nasional Berhad was Senior Director of Investment and his last position in Tenaga Nasional Berhad was Chief Subsidiary Management Officer. Over the years, he has built his experience in private equity covered investment, business management, financial restructuring, and operational turnaround over the years.

The BRTF members collectively offer a combination of experience and expertise that has been instrumental in the development and/or implementation of the Group's Reset Plan. Notably, the Group's Chairman, Encik Shahin Farouque Bin Jammal Ahmad, brings deep knowledge in strategic planning and extensive experience in debt and corporate restructuring from his background in investment banking. Mr. Lim Fu Yen contributes valuable expertise in financial restructuring and operational turnaround, while Mr. Lim Tiang Siew brings with him his expertise in corporate finance, corporate governance, and compliance. In addition, Encik Muhammad Zamri Bin Jusoh, the Group Chief Executive Officer, provides insights to the Group's business and experience in implementing turnaround strategies, thus positioning him well to lead the implementation of the Reset Plan.

The BRTF embarked on its Reset Plan in FYE 2022, which is a strategic foundation to the Group's restructuring plan. The Reset Plan encompasses 3 key priorities, namely:

- rebuild and strengthen the Group's balance sheet through enhancing the Group's capital structure and financial framework, which involves reducing unsustainable debt and resolving aged payables through a scheme of arrangement;
- enhance operational efficiency by adhering to the guiding principle of "Bid Right, Execute with Discipline". This involves refocusing the bid funnel based on capabilities and risk appetite, improving productivity and project execution discipline to focus on cash generation and profitability, and implementing a more robust risk management framework; and
- focus future business direction and growth based on core capabilities of E&C and O&M as solutions providers, with a particular emphasis on Energy Transition plans.

One of the strategies of the Reset Plan included a business division and model reorganisation, which took place in 2022. The new business division structure and model involved the creation of a separate business segment for O&M, and setting up separate line of business in its E&C segment to focus on engineering solutions, offshore T&I, fabrication and decommissioning service. As a separate business segment, the O&M business segment is thus accountable for contributing to the growth of the Group's revenue by securing new projects for the Group, as well as ensuring profitable execution and delivery of projects.

As a result, the EBITDA of the E&C and O&M business segments improved in FYE 2023. Despite a fall in EBITDA for the E&C and O&M segment in FYE 2024 due to higher provision for foreseeable losses from E&C contracts and legacy contracts for subsea services for O&M segment respectively, the EBITDA for these 2 business segments subsequently improved in FYE 2025 with new projects secured. Please refer to **Section 1.4, Appendix I(C)** of this Circular for further details.

The EBITDA of the respective business divisions are as follows:

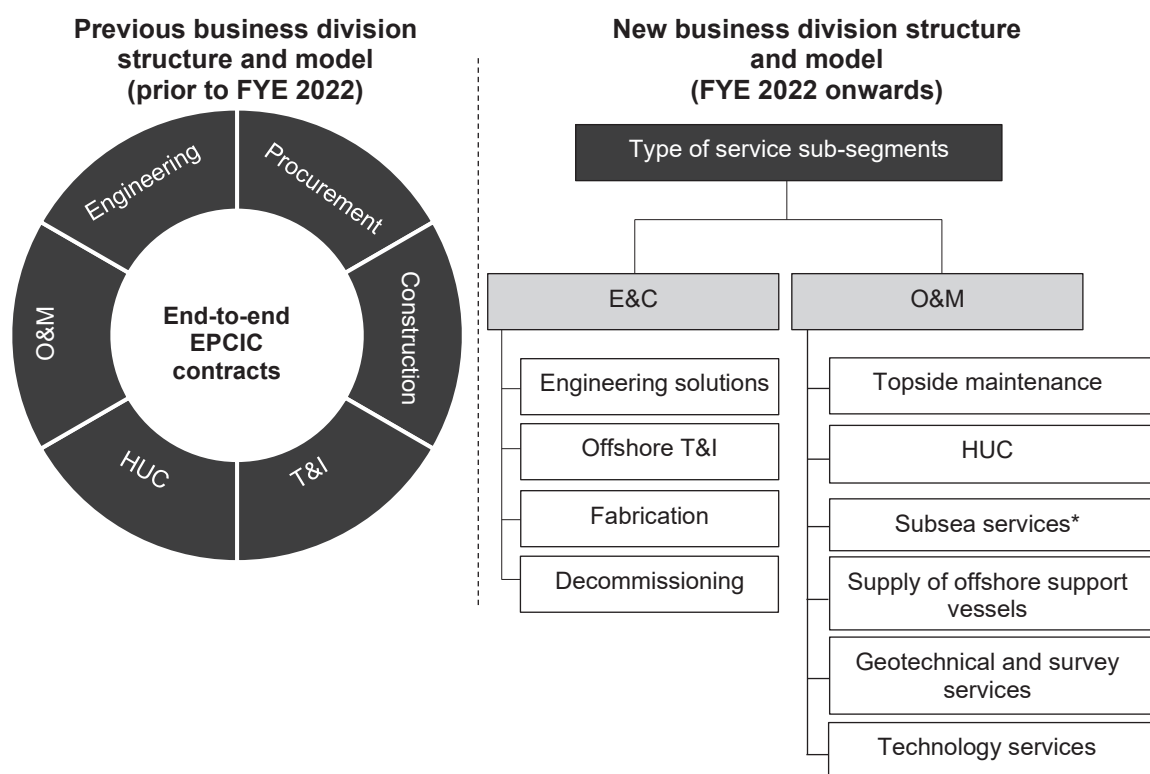
	←-----Audited-----→			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
E&C	(2,218,264)	154,862	(340,857)	427,558
O&M	(241,268)	143,494	23,123	144,168
Drilling	345,360	476,046	484,237	398,987
E&P	(499)	(244)	939	(5,168)
Corporate & Eliminations	(165,270)	(61,381)	300,985	(441,286)
EBITDA	(2,279,941)	712,777	468,427	524,259

The Group's previous business division structure and model for its E&C segment focused on securing end-to-end EPCIC contracts. During that time, all of its resources and assets were thus focused on supporting these end-to-end EPCIC contracts, including O&M services. This led to:

- Higher operational and financial risks and unforeseen operational costs – End-to-end EPCIC contracts are typically lump-sum contracts that may not adequately address the risk of fluctuating costs of contracts or unforeseen circumstances that could lead to longer project durations than expected. As the Group is responsible for the entire end-to-end EPCIC contract, unforeseen issues that impact the timeline of projects and costs, the occurrence of which will adversely impact the Group's profit margins and consequently its financial performance;
- Lower utilisation of resources – Assets and fabrication yards were used to support end-to-end EPCIC contracts and the services carried out using these assets or fabrication yards may not have been generating sufficient commercial returns. In addition, as the assets and fabrication yards were focused on end-to-end EPCIC contracts, they were left idle during periods between contracts. Further, handling end-to-end EPCIC contracts generally require a large workforce during project execution phase, which led to high operational costs even after the contracts were completed due to ramp-down process or during monsoon seasons where O&G activities are lower.

[The remainder of this page is intentionally left blank]

The diagram below depicts the change in business division structure and model mentioned above:



Note: * Subsea services was transferred from the E&C segment to O&M segment in FYE 2024.

The business division and model reorganisation for the E&C and O&M segments was one of the strategies that were implemented to enhance operational efficiency. The new business division and model reorganisation involves securing contracts for the specific sub-segments, such as the engineering solutions, offshore T&I, fabrication and decommissioning service sub-segments, as opposed to end-to-end EPCIC contracts. As such, this will provide the following benefits to the Group:

- (i) Lower financial and operational risks – The contracts for engineering solutions, offshore T&I, fabrication and decommissioning contracts typically have shorter project durations than end-to-end EPCIC contracts, which lowers operational and financial risks, including cost overruns. As such, this protects the margins of each contract, which would improve overall profitability of the Group;
- (ii) Monetising services for better profitability – In the past, the Group's services were offered as part of the EPCIC contracts. With the new business division and model reorganisation, its O&M division and the business lines within its E&C division, with clear bottom-line accountability, are monetising their service offerings respectively to a variety of local and international clients, resulting in additional revenue being generated for the Group;
- (iii) Optimisation of resources – In the past, the Group's operations were managed regionally and organised by project teams, with assets managed at a regional level. With the new business division and model reorganisation, the Group's operations are managed centrally from its headquarters in Malaysia wherein all regional businesses will report directly to the Group's headquarters in Malaysia. This allows the Group to have better visibility over its operations thus enabling it to better manage its human resources and assets and improve operational efficiency. As resources can be shared across regions, this would also lower cost;

- (iv) Asset optimisation – The new business model reorganisation will enable the Group to strategically position its vessels based on the capabilities and industry demand for the vessels. For example, the Group intends to deploy the Sapura 3500, which is capable of carrying heavier loads but is designed for shallower waters, in markets that have demand for such vessel requirements;
- (v) Earning a recurrent income from O&M segment – As the O&M segment operates as a division on its own and is no longer a supporting service for end-to-end EPCIC contracts, this provides a recurrent source of revenue for the Group; and
- (vi) Expanding revenue from new services – The Group aims to expand its service offerings in decommissioning of offshore O&G infrastructure through end-to-end EPRD model. Expanding into such EPRD contracts is also aligned with the Group's sustainability goals through the safe disposal and recycling of aging infrastructure. EPRD contracts will also allow the Group to optimise vessel utilisation, allowing the Group to deploy vessels that are not otherwise in use, in EPRD contracts.

On the operational side, the Group also embodies the mantra “Bid Right, Execute with Discipline” in its operations. This involves focusing the bid funnel based on capabilities and risk appetite, and improving project productivity and execution.

In line with the Group's Reset Plan, the Group also refocused its bid funnel based on execution capabilities and risk appetite. Enhanced business acquisition processes were then embedded into the Group's approach to bidding for new contracts, where commercial aspects of bids will be evaluated with feedback from the newly established Planning Performance Unit. The Planning Performance Unit is a centralised unit whose main function is to match the availability of expertise and technical resources of the Group against contract requirements.

Hence, contract requirements are thoroughly evaluated from both the commercial and technical perspectives and recalibrated against the Group's capacity to ensure that a contract can remain viable throughout the implementation cycle.

6.3.2 Reducing unsustainable debt and resolving aged payables through schemes of arrangement

In March 2022, the Court granted the Company and 22 other Scheme Companies orders under section 368 of the Act to restrain legal proceedings against the Scheme Companies, which enabled the Group to engage with creditors without disruption to operations. With these orders in place, the Group was in the position to negotiate with creditors to consider and approve the Composite Scheme as part of the Proposed Regularisation Plan. Additionally, the MCF Financiers also agreed to a standstill during the period of these Restraining Orders.

In April 2022, the Scheme Companies initiated the POD Exercise to ensure all outstanding payments and claims against the Scheme Companies within the Group would be ascertained and verified as at Cut-Off Date, for the purposes of voting in the individual schemes of arrangement comprising the Composite Scheme. The POD Exercise comprised the following:

- (a) the submission of proofs of debt by the creditors of each of the Scheme Companies;
- (b) verification of such proofs of debt by the respective Scheme Companies;
- (c) the admission or rejection of proofs of debt as determined by the chairman of the relevant Scheme Meetings in respect of each individual Scheme; and
- (d) an adjudication process for rejected proofs of debt in the event that the relevant Scheme Creditor disputes such rejection.

Concurrently with the POD Exercise, the Group had commenced discussions with the MCF Financiers to formulate a settlement scheme. Feedback and input provided by the MCF Financiers during the Scheme Meetings were carefully considered by the Company and the other MCF Obligors and where possible, incorporated into the Composite Scheme.

Further details on the Scheme are detailed in **Section 3.2**, Part A and **Appendix II** of this Circular.

The Composite Scheme, which was approved by the Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025 and sanctioned by the Court on 6 March 2025, had positioned the Group to present the Proposed Regularisation for shareholders' consideration while providing a firm framework for fair and equitable resolution to the Scheme Creditors.

In so far as addressing aged payables, the Proposed Fund-Raising will raise the required funds to mainly meet the Group's repayment obligations to the Ecosystem Creditors. Essential Creditors will be settled upon the Restructuring Effective Date by using internal funds.

6.3.3 Crisis stabilisation

The Group had implemented the following strategies to stabilise the crisis faced by its business across multiple jurisdictions:

6.3.3.1 Improved bidding and project delivery capabilities

Prior to lapsing into PN17, the losses recorded from almost all of the Group's loss-making contracts were from contracts won prior to the pandemic, which imposed onerous terms and did not include unforeseeable costs brought about by COVID-19 restrictions. These unforeseeable costs include pandemic-related project delays, higher material and implementation costs, and global supply chain disruptions, and have resulted in the Group incurring operating losses.

Cash flow constraints worsened following lenders' decision to severely curtail the use of the Group's working capital facilities since October 2021. This drove the Group to utilise internal resources to finance contracts. As a result of these cash flow constraints, the Group missed payments to vendors, with overdue payables amounting to more than RM1,000.0 million by end of FYE 2022.

In an effort to improve bidding and project delivery capabilities, the Group began to implement the following strategies:

- conserve cash in the short-term aggressive cash management through:
 - (a) improvement on financial management by focusing on cash generation and profitability, rather than headline revenue;
 - (b) rebuilding the Group's financial infrastructure to enhance cash flow visibility down to the project level, providing better insight into cost structures;
 - (c) review of underperforming contracts and renegotiate commercial settlements with clients, to reflect the radically changed environment in which the Group now operate,
 - (d) negotiations with clients on legacy contracts to recover or limit project losses ensuring that projects are at least cash neutral or better; and
 - (e) reduce the Group's unsustainable debt and resolve overdue payments to vendors by engaging with lenders and trade creditors to secure approval for a proposed scheme of arrangement and compromise as part of the debt restructuring plan.

- rebuild stakeholder confidence by demonstrating that senior management has taken control of the situation through:
 - (a) establishment of the BRTF since 28 September 2021 to provide oversight and support the management on the regularisation plan;
 - (b) appointed a principal advisor and other financial and legal advisors to assist in the Group's debt restructuring exercise, under the purview of the CDRC;
 - (c) strengthen the Group's Enterprise Risk Management by enhancing risk identification and oversight, embedding a risk-aware culture through workshops, and reinforcing business accountability for proactive risk management; and
 - (d) periodically presented internal audit reports and management's agreed action plans to the Board Audit Committee for review. Audit findings and action plans were discussed to ensure effective implementation of improvements to the internal control framework.
- begin to reintroduce predictability into business operations by:
 - (a) focusing our bidding on contracts in markets where the Group is highly competitive, ensuring optimal cost structures and clear visibility on assumed risks to maintain profit margins;
 - (b) introducing greater discipline in project execution and delivery performance. This includes streamlining the organisation with regional focus in the Eastern and Western Hemispheres while maintaining Malaysia as the corporate hub, taking a risk-based approach for project execution and enhancing contract management and cost discipline; and
 - (c) collaborating closely with clients and suppliers to ensure efficient project execution and the timely delivery of projects.

Apart from the above, the Group's Reset Plan also involved improving its financial management by focusing on cash generation and profitability, rather than revenue. This involved having better visibility into its cash flow, down to the project level, and having better insight on costs.

As a result, the Group began to see improvement in its EBITDA, as elaborated in **Section 6.3.1**, Part A of this Circular. Further, the Group's cash and cash equivalents at the end of the financial year also progressively improved from RM442.2 million in FYE 2022 to RM2.1 billion in FYE 2025.

6.3.3.2 Protected key assets across jurisdictions

To protect the Group's assets across jurisdictions, the Group implemented a 2-pronged approach to assess the feasibility of safeguarding assets located outside of Malaysia. The assessment is based on whether the assets are owned by the Scheme entities in which case recognition of the Malaysian Court's restraining orders is sought where permitted in the relevant jurisdiction. If the assets are owned by the Scheme entities, an assessment will also be done to determine whether they can be protected from legal proceedings (including possible vessel arrest) by creditors, through the process of seeking foreign recognition of the restraining order in the relevant foreign jurisdictions. This is particularly crucial as the Group's vessels and rigs may operate in various jurisdictions to execute the Group's contracts and may become exposed to the risk of foreign creditors applying for the arrest of these assets while operating in such jurisdictions. Other mitigation actions such as management of payment to creditors and filing of caveat against arrest may also be employed as alternatives to the foreign recognition process. The same approach will also be implemented with the Court Order (Sanction). As at the LPD, no key assets are seized.

6.3.3.3 Negotiated workaround of certain problematic E&C contracts and performing contracts with clients and suppliers

In order to address execution challenges, moderate or recover the losses that the Group had incurred as a result of the pandemic as well as to unlock additional cash and enable successful delivery to clients, the Group has been renegotiating commercial settlements for unfavourable legacy and underperforming contracts with clients to reflect the radically changed financially-distressed environment in which the Group has been operating in.

Apart from renegotiating debt obligations and outstanding payments to trade creditors from unfavourable legacy contracts, the Group had also appealed to the selected long-standing clients and suppliers to revisit the commercial terms of performing contracts which are no longer reflective of the market circumstances and changes in the Group's fundamentals which affect its ability to fulfil these contracts.

Most of the E&C and O&M contracts that were secured by the Group leading up to the COVID-19 pandemic, were based on terms that were predicated on a sluggish O&G industry and depressed oil prices. The Group's opportunity cost of certain performing contracts increased post-pandemic with the resurgence in the O&G industry. To suit the new demands, these contracts were varied amicably in terms of, among others, pricing, contract tenure and scoping, for the purpose of maintaining the commercial intention of the parties at the time of signing the original contract.

6.3.3.4 Divested non-core assets

In addressing severe liquidity situation, the Group had disposed of a non-core asset, namely Sapura 3000, as below:

Details	Date completed	Gross amount raised RM'mil	Utilisation of proceeds
(i) Disposal of Sapura 3000	11 August 2022	(1)312.8	Repayment of borrowings & working capital

Note:

- (1) The gross amount raised was USD71.5 million, equivalent to approximately RM312.8 million, based on the exchange rate of USD1.00:RM4.3755, being the middle rate quoted by BNM at 12.00 p.m. as at 31 May 2022.

The Group had also disposed of its 3 idle drilling rigs, namely T-19, T-20 and Setia Ltd to reduce cash burn. Details of this disposal is as follows:

Details	Date completed	Gross amount raised RM'mil	Utilisation of proceeds
(i) Disposal of T-19, T-20 and Setia Ltd	26 October 2022	(1)35.1	Repayment of borrowings

Note:

- (1) The gross amount raised was USD8.2 million, equivalent to approximately RM35.1 million, based on the exchange rate of USD1.00:RM4.28597, being the average middle rate quoted by BNM at 12.00 p.m. between January and June 2022.

As at the LPD date, the proceeds from the above disposals have been fully utilised.

6.3.4 Improving operational efficiency

In pursuing operational efficiency, the Group observes the following principles:

- Eliminate – to identify and eliminate redundant and unnecessary processes, workflows and activities that are non-value-added to streamline processes. This includes eliminating paperwork and manual tasks that can be digitalised;
- Simplify – to streamline complex processes for clarity and efficiency, simplify reporting and documentation to improve clarity for stakeholders, and optimise data collection and analysis processes for simplicity;
- Standardise – to establish uniform procedures and protocols, implement standardised reporting formats, and develop and enhance standardised financial controls for compliance; and
- Automate – to integrate technology to automate routine, manual and repetitive tasks, utilise automation tools for analysis and reporting, and implement robotic process automation for repetitive processes.

6.3.5 Sustaining and strengthening business operations

6.3.5.1 Mitigated bank guarantees and upfront working capital requirements to secure new contracts

The suspension of bank guarantee and working capital facilities during the tenure of the restraining orders have impacted the Group's ability to participate in tenders, thereby restricting the orderbook intake, especially in the E&C segment.

Nevertheless, the Group's international market standing and execution track record had enabled the Group to develop alternative solutions with prospective clients to mitigate the bank guarantee or upfront working capital requirements in their tenders. This had enabled the Group to replenish its orderbook without having to pledge financial resources. These arrangements have, in the past, include:

- (i) the Group forming a consortium with a strategic partner who will provide the required bank guarantee or working capital for the tender process;
- (ii) negotiating for a cash positive payment structure, where the contract is able to pay for itself along the way based on an agreed delivery schedule, on the back of the Group's market standing and execution track record; and
- (iii) negotiating for a retention sum structure, in lieu of a bank guarantee.

The details of the Group's orderbook are set out in **Section 4, Appendix I(B)** of this Circular.

6.3.5.2 Reactivated drilling rigs

Since late-FYE 2022, the Group's drilling segment had reactivated 4 drilling rigs amidst recovery of charter rates in tandem with the recovery of O&G prices as illustrated below as well as to capitalise the demand for drilling rigs from Thailand. These drilling rigs previously ceased operations due to low demand for drilling rigs as a result of lower O&G prices in between 2019 and 2021 and the COVID-19 pandemic which adversely impacted demand for O&G and caused postponements of offshore drilling activities as standard operating procedures were put in place to curb the pandemic and occurrences of COVID-19 incidents.

While maintaining a prudent approach, the Group is actively exploring growth and diversification opportunities to ensure long-term sustainability and expansion. As at the LPD, all of the Group's 5 drilling rigs are under contract. Please refer to **Section 3.2, Appendix I(B)** of this Circular for further details of the drilling rigs under contract. This optimised deployment ensures that the Group maintains a robust utilisation rate and continue to generate substantial revenue.

The price chart below illustrates the price change in O&G prices for the past 10 years, corresponding to the recovery of O&G prices mentioned above:



6.3.6 Securing supplier support

On the supply front, the Group went about streamlining its supplier list to increase efficiency of supply chain management by consolidating the Group's business with a lower number of preferred suppliers. Further, the significance of the Group's business to the lower number of suppliers is expected to grow, leading to the building of trust and collaboration between the Group and its suppliers.

6.3.7 Employee retention to preserve critical skillsets

The Group rolled out retention plans and succession planning for key positions. A Capability Retention Scheme has been implemented by the Group aimed at retaining technical professionals essential for business success. The Capability Retention Scheme offers structured retention incentives, ensuring a robust talent pipeline and fostering skill development in critical business areas.

The Capability Retention Scheme focuses on key job groups and critical skill areas such as engineering, project management, supply chain and contract management under specific business areas such as drilling, finance, legal, health, safety and environment and vessel management where identified personnel will be assessed on a technical competency matrix. It is structured over a 3-year period with staggered payouts. Employees participating in the program will benefit from overlapping scheme cycles, ensuring continuous motivation and career growth.

6.3.8 Seeking potential investors to inject liquidity into the Group

The Proposed Fund-Raising was contemplated as part of the Company's efforts to procure investors to raise the requisite funding for purposes set out in **Section 5**, Part A of this Circular.

After deliberation, the Board had concluded that the Proposed Fund-Raising is in the best interest of the Group and its stakeholders. In deciding, the Board had considered the following:

- (i) size of MDH's, being a SPV held 50% each by MOF (Inc) and FLC, investment commitment and funding certainty to address, among other things, the Group's overdue payment obligation to the Ecosystem Creditors at acceptable commercial terms; and

- (ii) the reputation of MDH, being a SPV held 50% each by MOF (Inc) and FLC, and the confidence that it brings to the Proposed Regularisation Plan.

Since February 2022, the Company's management has been in active negotiations with MOF (Inc) for a capital injection. On 15 February 2023, the Company received a formal letter from MOF (Inc) supporting the Company's restructuring initiatives to preserve the Malaysian O&G ecosystem.

MDH's, being a SPV held 50% each by MOF (Inc) and FLC, commitment towards the Proposed Fund-Raising became a crucial pillar to the Composite Scheme and was a significant catalyst that allowed the Scheme Companies to implement the individual Schemes comprising the Composite Scheme, and to continue as going concerns with viable business operations.

6.3.8.1 Participation by MDH

On 4 March 2025, the Company entered into the Conditional Funding Agreement with MDH, whereby MDH has agreed to provide funding in the amount of RM1,100.0 million to the Company, by way of subscription for RM1,100.0 million in nominal value of RCLS, to be utilised by the Company for the settlement of outstanding liabilities to creditors of the Group who are Malaysian service providers in or to the O&G sector incorporated or registered in, and controlled by the residents of Malaysia (including the Ecosystem Creditors).

The full conversion by MDH and its PACs of the RCLS into RCLS Conversion Shares would trigger an obligation on the part of MDH to undertake the Mandatory Offer for all the remaining Consolidated SEB Shares and Consolidated Warrants not already held by MDH and its PACs at the relevant time of the conversion. As it is not the intention of MDH and its PACs to undertake such Mandatory Offer, MDH and its PACs intends to seek the Proposed Exemption after the Company has obtained the approval of the Company's non-interested shareholders for the Proposed Exemption at the forthcoming EGM. The details of the Proposed Fund-Raising are set out in **Section 3.3**, Part A of this Circular.

6.3.9 Streamlining business operations to focus on E&C, O&M and drilling segments

A key component of the Company's turnaround strategy was the SOMV Disposal. In April 2024, the Company's subsidiary, Sapura Upstream signed the SOMV SPA to sell its entire 50.00% equity interest in SOMV to TotalEnergies.

On 9 December 2024, the SOMV Disposal was completed in accordance with the terms and conditions of the SOMV SPA. In accordance with the SOMV SPA, the Company, Sapura Upstream and TotalEnergies have mutually agreed on the final total disposal consideration of USD756.9 million (equivalent to approximately RM3,226.0 million, please refer to Note 1 below) comprising the SOMV Disposal Net Cash Consideration of USD581.9 million (after closing adjustments) (equivalent to approximately RM2,451.7 million) and the amount of USD175.0 million (equivalent to approximately RM774.3 million) for the release of the SOMV shares charged by Sapura Upstream to OMV Exploration & Production GmbH.

Note 1:

The detailed breakdown on the RM component are as follows:

	USD'mil	RM'mil
Release of the SOMV shares pledge	175.0	(a)774.3
SOMV Disposal net cash consideration:		
- Converted into RM via forward contracts	398.8	(b)1,676.4
- Balance held in USD	183.1	(c)775.3
Total disposal consideration of SOMV	<u>756.9</u>	<u>3,226.0</u>

Notes:

- (a) Based on the exchange rate of USD1.00:RM4.4245, being the middle rate quoted by BNM at 5.00 p.m. on 9 December 2024.
- (b) Based on the average exchange rate of USD1.00:USD4.2033, being the forward contracts entered by the Company on 9 June 2025

- (c) Based on the exchange rate of USD1.00:RM4.2350, being the middle rate quoted by BNM at 5.00p.m. as at the LPD.

The percentage of the SOMV Net Sale Proceeds to be utilised towards the settlement of the SOMV Debt is unable to be determined at this juncture due to the fluctuating foreign exchange rate in view of the following:

- (i) the SOMV Disposal Net Cash Consideration was remitted to the Group in USD;
- (ii) the settlement of the SOMV Debt will be denominated in different currencies; and
- (iii) any surplus from the SOMV Net Sale Proceeds after the settlement of the SOMV Debt will be utilised in either USD or RM.

Please refer to **Section 3.2.2**, Part A of this Circular for further information.

	<u>Date completed</u>	<u>SOMV Disposal Net Cash Consideration</u>		<u>Utilisation of proceeds</u>
		<u>USD'mil</u>	<u>RM'mil</u>	
SOMV Disposal	9 December 2024	581.9	2,451.7	Mainly repayment of borrowings and the remaining surplus to be utilised for working capital

The SOMV Disposal also marks the Group's exit from the E&P business, strategically streamlining the Group's business to focus on its E&C, O&M and drilling segments.

As at the LPD, 85.00% of the SOMV Disposal Net Cash Consideration has been released from Sapura Upstream's Account 1 to Sapura Upstream's Account 2.

Subject to the absence of claims from TotalEnergies, the remaining SOMV Disposal Net Cash Consideration will be released in the following manner.

- (i) 5.00% of the SOMV Disposal Net Cash Consideration will be released upon achieving the Restructuring Effective Date;
- (ii) 10.00% of the SOMV Disposal Net Cash Consideration will be released after 12 months from the completion of SOMV Disposal (i.e. 9 December 2025); and

As at the LPD, none of the proceeds have been utilised.

6.4 ADEQUACY OF THE PROPOSED REGULARISATION PLAN IN ADDRESSING THE FINANCIAL REQUIREMENTS OF THE GROUP

The Proposed Debt Restructuring and proceeds from the Proposed Fund-Raising are expected to address the Group's immediate cashflow requirements in respect of the Group's existing and/or future contracts as well as its day-to-day working capital requirements. With careful planning and cash containment measures being implemented by the Group, the Group is expected to turnaround its financial performance and return to profitability.

[The remainder of this page is intentionally left blank]

The Board, after having taken into consideration the above and subject to the following:

- (i) no material and unexpected changes to the ongoing contracts secured by the Group while being in a distressed financial condition, which translates to an outstanding orderbook of approximately RM7,358 million as at 31 May 2025; and
- (ii) no unexpected material legal challenges on the Proposed Debt Restructuring and/or contract disputes moving forward;

is of the opinion that, barring any unforeseen circumstances, the Group will:

- (a) have sufficient working capital for a period of 12 months from the date of this Circular, as elaborated in **Section 15**, Part A of this Circular;
- (b) not have an insignificant business or operations in accordance with Paragraph 8.03A(2) of the Listing Requirements;
- (c) not trigger any of the prescribed criteria under Paragraph 2.1 of PN17; and
- (d) be able to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the Proposed Regularisation Plan.

Further, the Board is of the view that the Group's future plans and steps to be undertaken as set out in **Section 2, Appendix I(B)** of this Circular, will be implemented successfully by leveraging on, among others, its competitive strengths and technical expertise as set out in **Section 6, Appendix I(B)** of this Circular.

Criteria under paragraph 2.1 of PN17	Status
(a) the shareholders' equity of the listed issuer on a consolidated basis is 25.00% or less of the share capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40 million;	<p>Based on the audited consolidated financial statements of the Group as at 31 January 2025, the proforma consolidated NA of the Group upon the completion of the Proposed Regularisation Plan is RM3,033.7 million, representing 276.8% to the share capital of RM1,095.9 million (under Minimum Scenario) and RM3,762.4 million, representing 88.5% to the share capital of RM4,249.2 million (under Maximum Scenario).</p> <p>Please refer to Section 8.3, Part A of this Circular for the effects of the Proposed Regularisation Plan on the shareholders' equity and the share capital of the Group.</p> <p>Premised on the above, the Company will not trigger paragraph 2.1(a) of PN17 upon completion of the Proposed Regularisation Plan.</p>
(b) receivers or managers, or judicial managers have been appointed over the asset of the listed issuer, its subsidiary or associated company which asset accounts for at least 50.00% of the total assets employed of the listed issuer on a consolidated basis;	<p>Not applicable.</p> <p>The Company will not trigger paragraph 2.1(b) of PN17 upon completion of the Proposed Regularisation Plan.</p>
(c) a winding up of a listed issuer's subsidiary or associated company which accounts for at least 50.00% of the total assets employed of the listed issuer on a consolidated basis;	<p>Not applicable.</p> <p>The Company will not trigger paragraph 2.1(c) of PN17 upon completion of the Proposed Regularisation Plan.</p>

Criteria under paragraph 2.1 of PN17	Status
(d) the auditors have expressed an adverse or disclaimer opinion in the listed issuer's latest audited financial statements;	Not applicable. The Company will not trigger Paragraph 2.1(d) of PN17 upon completion of the Proposed Regularisation Plan.
(e) the auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50.00% or less of share capital (excluding treasury shares) of the listed issuer; or	The External Auditors had expressed their unqualified opinion with material uncertainty related to going concern in respect of the audited financial statements of the Group and the Company for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025. Should the required approvals obtained as outlined in Section 12 , Part A of this Circular, upon completion of the Proposed Regularisation Plan, based on the audited consolidated financial statements of the Group as at 31 January 2025, the Group's pro forma equity of RM3,033.7 million will be more than 50.00% of the pro forma share capital of RM1,095.9 million. Premised on the above, the Company will no longer trigger Paragraph 2.1(e) of PN17 upon completion of the Proposed Regularisation Plan.
(f) a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to Bursa Securities.	Not applicable. The Company will not trigger Paragraph 2.1(f) of PN17 upon completion of the Proposed Regularisation Plan.

7. COMPOSITION OF BOARD MEMBERS AND KEY SENIOR MANAGEMENT

The Company had appointed, among others, the following directors to leverage on their experience and leadership in navigating the Group through the Proposed Regularisation Plan to address the Group's deteriorating financial condition:

7.1 BOARD

7.1.1 Shahin Farouque Bin Jammal Ahmad

- Designation : Chairman, Non-Independent Non-Executive Director
- Experience :
- He has over 20 years of working experience, including investment banking experience.
 - He was an executive director in the Investment Division of Khazanah Nasional Berhad from 2016 to 2021. Prior to joining Khazanah Nasional Berhad in 2016, he worked with various commercial and investment banks in both domestic and regional roles including Deputy Head, Investment Banking and Deputy Chief Executive Officer in ECM Libra Investment Bank Berhad from 2007 to 2008 and 2008 to 2010 respectively, Director, Advisory/Coverage, Global Banking in HSBC Bank Malaysia Berhad from 2010 to 2012 and Head, Corporate Advisory and Structuring in MIDF Amanah Investment Bank Berhad from 2012 to 2016.
 - Currently the Deputy Group Chief Investment Officer of PNB.

	<ul style="list-style-type: none"> Currently a Non-Independent Non-Executive Director in Axiata Group Berhad.
Education / qualification	: Bachelor of Science in Economics (Accounting & Finance), London School of Economics and Political Science, University of London, United Kingdom

7.1.2 Muhammad Zamri Bin Jusoh

Designation	: Executive Director, Group Chief Executive Officer
Experience	<ul style="list-style-type: none"> He has over 30 years of experience in the global energy sector, specialising in business turnaround, strategic implementation, and sustainable growth. He has had successful turnaround strategies, achieved operational excellence, and driven cost reductions while fostering sustainable practices aligned with the global energy transition. He was the Chief Executive Officer of SOMV from 2019 to 2024, whereby he provided overall leadership and direction in the development and implementation of SOMV's strategic plans and policies. He was also responsible for directing and controlling various aspects of business operations and their global assets. He was accountable to the board of directors of SOMV for the achievement of SOMV's goals and objectives He was also a member of SOMV's Executive Management Committee from 2019 to 2024 and sat on the board of various SOMV's subsidiaries including SapuraOMV Upstream (Holding) Sdn Bhd, SapuraOMV Upstream (Sarawak) Inc and SapuraOMV Upstream (Oceania) Sdn Bhd. Prior to joining the Group, he was with PETRONAS for over 25 years from 1991 to 2019. In PETRONAS, he last held the position of Vice President of Malaysia Petroleum Management from 2015 to 2019. In this role, he provided strategic oversight on policy and management of the country's petroleum resources and spearheaded initiatives for the development of the local O&G industry. Currently sits on the Society of Petroleum Engineers Asia Pacific Regional Advisory Council and Offshore Technology Conference Asia 2026 Advisory Committee.
Education / qualification	<ul style="list-style-type: none"> Bachelor of Science (Mechanical Engineering), Polytechnic University, United States of America Senior Management Program, INSEAD Business School Advanced Executive Program, Northwestern University

7.1.3 Datuk Ramlan Bin Abdul Rashid

Designation	: Independent Non-Executive Director
Experience	<ul style="list-style-type: none"> He was previously a director of NCB Holdings Berhad, Malaysian Insurance Institute and Malaysian Life Reinsurance Group Berhad. He was the Group Chief Operating Officer of MNRB Holdings Berhad from 2011 to 2014. He was the Deputy Chief Executive Officer/Executive Vice President of MNRB Retakaful Berhad from 2010 to 2011.

	<ul style="list-style-type: none"> • He was the Chief Executive Officer/executive director of Malaysian Assurance Alliance Berhad (now known as Zurich Insurance Malaysia Berhad) from 2002 to 2007 and held various key positions in Malaysian Assurance Alliance Berhad from 1985 to 2002, including Assistant General Manager, Life, Head Office of Malaysian Assurance Alliance Berhad from 1989 to 1990, General Manager, Life, Head Office of Malaysian Assurance Alliance Berhad from 1991 to 1996 and President, Life, Head Office of Malaysian Assurance Alliance Berhad from 1997 to 2002.
Education / qualification	<ul style="list-style-type: none"> • Master of Arts in Actuarial Science, Ball State University, 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 (ICliff)

7.1.4 Lim Tiang Siew

Designation	: Senior Independent Non-Executive Director
Experience	<ul style="list-style-type: none"> • He has over 40 years of experience covering corporate finance and advisory, internal and external auditing, corporate governance and compliance. • Currently an Independent Non-Executive Director in MSIG Insurance (Malaysia) Berhad and the Senior Independent Non-Executive Director in HSBC Amanah Malaysia Berhad • Currently the Chairman of the Audit Committee and member of Compliance and Risk Management Committee of MSIG Insurance (Malaysia) Berhad. • Currently the Chairman of Risk Committee and member of Audit Committee and Nomination and Remuneration Committee of HSBC Amanah Malaysia Berhad, • His last position in CIMB Group Holdings Berhad was the Group Chief Internal Auditor, and had served 27 years in CIMB Group Holdings Berhad from 1991 to 2018. • He was a member of CIMB Group Holdings Berhad's top management team, and a member of its major risk committees, i.e. the Group Risk Committee, Group Liquidity Risk Committee, Group Operational Risk Committee and Group Market Risk Committee from 2006 to 2018. • He was an examiner for the Malaysian Institute of Certified Public Accountants professional examinations in respect of a particular subject, Advanced Business Management and Integrative Case Study from 1988 until 2012 before being appointed as a reviewer for the subject, Business Strategy and Financial Management from 2013.
Education / qualification	<ul style="list-style-type: none"> • Member, Malaysian Institute of Certified Public Accountants (MICPA) • Chartered Accountant, Malaysian Institute of Accountants (MIA)

7.1.5 Dato' Azmi Bin Mohd Ali

Designation	: Independent Non-Executive Director
Experience	: <ul style="list-style-type: none">• He has over 40 years of working experience.• Currently a Senior Partner of Azmi & Associates for more than 24 years since 2000 with expertise in the areas of mergers and acquisitions, joint ventures, crossborder transactions, project finance, privatisation, energy, O&G and foreign investments.• Currently a director of Worldwide Holdings Berhad, and a member of Bursa Malaysia Appeals Committee.• He was an in-house counsel of PETRONAS from 1984 to 1990 prior to his endeavour in private practice. He has concluded the Natural Gas Project & Sale Agreement, a major gas development project for Malaysia in 1990.• He was awarded the Legal 500 Hall of Fame for Mergers and Acquisitions / Corporate, Distinguished M&A Practitioner for AsiaLaw 2020 and International Law Office 2016 Clients Choice Award for Malaysia in Mergers and Acquisitions.• He was previously a director of Metacorp Berhad, Sime Darby Berhad, Chemical Company of Malaysia Berhad, Duopharma Biotech Berhad, Cliq Energy Berhad, S P Setia Berhad, Seacera Group Berhad and UMW Holdings Berhad.• He was also previously a director of Maybank Islamic Berhad, Perbadanan Nasional Berhad, Pelaburan Hartanah Berhad, Universiti Malaysia Kelantan and Institute of Corporate Directors, Malaysia and a member of Investment Panel for Lembaga Tabung Angkatan Tentera.• He had served as a director of Terralex, a Florida-based world-wide network of 155 law firms with over 20,000 lawyers within its member firms spanning across more than 100 jurisdictions world-wide from 2017 to 2024.• He is also one of the 16 elected counsellors for Bar Council since 2023.
Education / qualification	: <ul style="list-style-type: none">• Lifetime Fellow of the Institute of Corporate Directors Malaysia (ICDM)• Master of Laws (LLM) in the United States of America and Global Business Law, University of Suffolk, United States of America• Bachelor of Law (LLB) (Hons.), Universiti of Malaya, Malaysia

[The remainder of this page is intentionally left blank]

7.1.6 Lim Fu Yen

Designation	: Independent Non-Executive Director
Experience	: <ul style="list-style-type: none">• Currently an Independent Non-Executive Chairman of Malaysia Transformer Manufacturing Sdn Bhd (a wholly-owned Tenaga Nasional Berhad subsidiary) and a Non-Independent Non-Executive Director of S P Setia Berhad.• He was attached to Ekuiti Nasional Berhad from 2014 to 2020 and his last position was the Senior Director of Investment in Ekuiti Nasional Berhad from 2018 to 2020, with experience in private equity covered investment, business management, financial restructuring and operational turnaround.• He was the Chief Subsidiary Management Officer of Tenaga Nasional Berhad from 2020 to 2021, whereby he oversaw the management and improvement of 13 Tenaga Nasional Berhad's subsidiaries including TNB Engineering Corporation Sdn Bhd, TNB Energy Services Sdn Bhd and Tenaga Cable Industries Sdn Bhd, across 4 sectors, including Manufacturing, Engineering Services, Power and Telco.
Education / qualification	: <ul style="list-style-type: none">• Master of Business Administration, Stanford University's Graduate School of Business, United States of America• Bachelor of Arts (Honours) in Engineering Science and Honours Economic, Dartmouth College, United States of America

7.1.7 Datuk Nur Iskandar Bin A Samad

Designation	: Independent Non-Executive Director
Experience	: <ul style="list-style-type: none">• He has over 40 years of experience in the downstream oil, gas and petrochemical industry, holding many senior leadership positions in PETRONAS.• Currently a member of Board of Trustees of Islamic Relief Malaysia, a humanitarian organisation.• He held several senior managerial positions during his tenure with PETRONAS from 2001 to 2012 which included being Chief Executive Officer of PETRONAS Fertilizer (Kedah) Sdn Bhd from 2005 to 2007, Senior General Manager of PETRONAS Human Resource Management (Leadership and Capabilities Development) from 2007 to 2009, Managing Director / Chief Executive Officer of Petronas Penapisan Melaka Sdn Bhd from 2009 to 2012 and Malaysia Refining Company Sdn Bhd from 2009 to 2012.• He was the Project Director (Petrochemical) of Pengerang Integrated Complex (PIC) in Johor, Malaysia from 2012 to 2021.• He was a member of Industry Advisory Council of Universiti Sains Malaysia from 2007 to 2021 and a member of Industry Advisory Council of University Teknologi PETRONAS from January 2014 to December 2014.• He was on the board of directors of several PETRONAS's subsidiaries, i.e. Petronas Penapisan Melaka Sdn Bhd and Malaysian Refining Company Sdn Bhd.
Education / qualification	: BSc (Hons) Chemical Engineering, University of Leeds, United Kingdom

7.1.8 Wan Mashitah Binti Wan Abdullah Sani

Designation	: Independent Non-Executive Director
Experience	: <ul style="list-style-type: none">• She has over 30 years of experience encompassing finance, strategic planning, project costing and supply chain management.• In 2008, she was seconded to Malaysia Marine and Heavy Engineering Sdn Bhd as part of the preparation to list Malaysia Marine and Heavy Engineering Holdings Berhad as a public listed company. She held various positions in Malaysia Marine and Heavy Engineering Holdings Berhad, including Chief Financial Officer from 2010 to 2016, Acting Chief Executive Officer from May 2016 to December 2016 and finally the Managing Director and Chief Executive Officer from 2017 to 2020.• She was the Managing Director and Chief Executive Officer of E&P Operations and Maintenance Services Sdn Bhd from April 2022 to September 2022.
Education / qualification	: Fellow of the Association of Chartered Certified Accountants (FCCA), United Kingdom

7.2 KEY SENIOR MANAGEMENT

The key senior management of the Group, as the Executive Committee, many of whom possess in-depth experience in the O&G business, with relevant skills and business networks in their respective fields of expertise. They provide strategic leadership to various business segments and corporate functions to turnaround the operational and financial performance of the Group. This has resulted in improved liquidity position, safeguarding key assets and continuation of business operations of the Group despite the severe challenges and disruptions faced by the Group since the beginning of 2022.

7.2.1 Muhammad Zamri Bin Jusoh

Designation : Group Chief Executive Officer, appointed on 13 January 2025

Please refer to **Section 7.1, Part A** of this Circular for the profile of Muhammad Zamri Bin Jusoh.

7.2.2 Mohamad Nasri Bin Mehat

Designation	: <ul style="list-style-type: none">• Chief Executive Officer of O&M, appointed on 1 April 2021• Senior Vice President, Group Quality, Health, Safety and Environment, appointed on 1 May 2023
Experience	: <ul style="list-style-type: none">• He has over 32 years of experience in the E&C industry.• Before joining the Group, he held the position of General Manager of Operations at Nam Fatt Corporation Bhd from 2005 and 2008, where he was responsible for overseeing the company's operations in Sudan.• He joined Kencana Pinewell Sdn Bhd (now known as Sapura Pinewell) as the General Manager of Topside Major Maintenance in 2009 and was later promoted to Senior General Manager and Head of the HUC Division in 2013 and 2018 respectively.

	<ul style="list-style-type: none"> • His expertise lies in leadership and managerial positions, with a specialisation in business operations, project management, and contract management. He has 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, HUC, facilities upgrading and modification, as well as brownfield rejuvenation and topside major maintenance work.
Education / qualification	<ul style="list-style-type: none"> • BSc in Civil Engineering Technology from Southern Illinois University, United States of America • Diploma in Contract Law from University of Wolverhampton, United Kingdom

7.2.3 Chew Seng Heng

Designation	: Chief Restructuring Officer, appointed on 1 June 2024
Experience	<ul style="list-style-type: none"> • He has over 30 years of finance experience in the energy sector. • He held several positions in the Group, including the Group Chief Financial Officer from 2021 to 2024 (including in an acting capacity from October 2021 to November 2021) and Vice President, Group Controller from April 2021 to September 2021. • He spent 30 years of his career with Royal Dutch Shell Group. • He started his career with Shell Malaysia Trading Sdn Bhd in 1991 and held the Finance Director position from 2011 to 2013 before relocating to the Royal Dutch Shell Group head office in The Hague, Netherlands as the Head of Reporting from 2013 to 2021.
Education / qualification	<ul style="list-style-type: none"> • Chartered Accountant, Malaysian Institute of Accountants (MIA) • Bachelor's Degree (Hons.) in Accounting, University of Malaya, Malaysia • Senior Management Development Program, Harvard Business School • Business Leadership Program, INSEAD Business School

[The remainder of this page is intentionally left blank]

7.2.4 Ganesh A/L Gunaratnam

Designation	: Group Chief Financial Officer, appointed on 2 May 2024
Experience	: <ul style="list-style-type: none">• He has over 24 years of experience in advisory services.• He began his career in PricewaterhouseCoopers (PwC) Malaysia's Assurance practice from 1999 to 2001 and subsequently moved to the Deals advisory practice from 2001 to 2013 and he was also seconded to PricewaterhouseCoopers (PwC) United Kingdom for 2 years from 2005 to 2007.• Prior to joining the Company, he was a director in PricewaterhouseCoopers (PwC) Malaysia's Business Restructuring Services division from 2014 to 2024 where he led the operational restructuring and working capital management services.• He has advised on comprehensive restructuring initiatives and has cultivated a diverse client portfolio spanning sectors such as O&G, manufacturing, consumer products, healthcare, and real estate. His clientele typically includes government-linked investment companies, government-linked companies, and owner-entrepreneur businesses.
Education / qualification	: <ul style="list-style-type: none">• Fellow Member of Association of Chartered Certified Accountants (ACCA)• Chartered Accountant, Malaysian Institute of Accountants (MIA)• Completed Level 3 Chartered Financial Analyst program (CFA)

7.2.5 Stephane Thierry Prosper Denoun

Designation	: Chief Executive Officer, E&C, appointed on 1 March 2024
Experience	: <ul style="list-style-type: none">• He has over 30 years of experience in the O&G sector.• He was the Chief Operating Officer, E&C of the Company from 2023 to 2024.• He is responsible towards the Business and Delivery functions in E&C.• He has served in various multinational companies in Malaysia and overseas such as Bouygues Offshore / Saibos from 1991 to 1997, Stolt Comex Seaway from 1997 to 1998, TechnipFMC (formerly known as Technip) from 1998 to 2019, Malaysia Marine Heavy Engineering Holdings Berhad from 2015 to 2021, and McDermott International, Inc from 2021 to 2023.
Education / qualification	: <ul style="list-style-type: none">• Bachelor in Mechanical Engineering, Institut Universitaire Technologique D��vry, France• Master in Science - Mechanical Engineering, Insa France, France

[The remainder of this page is intentionally left blank]

7.2.6 Louay Louis Laham

- Designation : • Chief Operating Officer, appointed on 13 May 2025
• Chief Executive Officer, Drilling, appointed on 1 April 2023
- Experience : • He worked with Singapore-based KS Drilling Pte Ltd from 2009 to 2011 in managing a fleet of onshore and offshore drilling rigs in Asia and North Africa before becoming the General Manager for PT. KS Drilling Indonesia from 2011 and 2012.
- He also carried out project valuation analysis and based set-up advisory for drilling contracts in Indonesia and Middle East on consulting basis after he left KS Drilling Pte Ltd.
- He held various positions in the Group, including the Operations Performance Manager from 2013 to 2014, Head of Newbuilds from 2014 to 2016, Head of Operations Support and Newbuilds in 2016, Head of Fleet Support for the Group in 2017, Vice President, Drilling Operations from 2018 to 2021 and Chief Operations Officer, Drilling from 2021 to 2023.
- Education / qualification : • BSc Thermal Engineering, Uni. of Technology, France
• MBA Reims NEOMA, France

7.2.7 Kasmariza Binti Kassim

- Designation : Chief People Officer, appointed on 1 February 2025
- Experience : • She has nearly 20 years of experience in human capital strategy.
- She leads the People and Culture function, overseeing Group Human Resources, Strategic Communications, and Security and Administration, with a focus on strengthening organisational culture, enhancing workforce capabilities, and driving strategic talent initiatives to support the company's transformation and growth.
- She was previously the Head of Human Resources and Administration of the Group's drilling segment from 2023 to 2025, where she played a key role in optimising human resources operations, talent strategy, and organisational effectiveness.
- Prior to joining the Company, she held several positions in PETRONAS as the Head of Planning and Stakeholder in 2019, Head of Talent Strategy and Planning from 2019 to 2022 and Head of People Management for Petronas Digital from 2022 to 2023, driving human resources strategy, workforce planning, organisational transformation, and digital talent initiatives.
- Education / qualification : • Master in Human Resource Management, Universiti Utara Malaysia, Malaysia
- Bachelor of Education (TESL), University of Exeter, United Kingdom

[The remainder of this page is intentionally left blank]

7.2.8 Pandai Bin Othman

Designation	: Chief Strategy and Transformation Officer, appointed on 1 February 2024
Experience	: <ul style="list-style-type: none">• He is experienced in managing various types of contracts relating to operations of the business and leading multinational teams at different management levels.• He was with PETRONAS for nearly 30 years from 1994 to 2020, mostly in project management field, with vast experience in engineering, procurement, construction, commissioning and contract management of liquefied natural gas (LNG), petrochemical, utilities, and infrastructure projects dealing with multinational consultants and contractors at various international locations.• Throughout the years of experience managing projects with PETRONAS, he has served at various international locations other than Malaysia, namely the Netherlands, United Kingdom, Japan, United States of America, Egypt, Germany, and Australia from 1999 to 2011.• He was on secondment assignment by PETRONAS to Malaysia Marine & Heavy Engineering Holdings Berhad as the Managing Director and Chief Executive Officer from 2020 to 2023.
Education / qualification	: <ul style="list-style-type: none">• BEng. Mechanical Engineering from University of Manchester Institute of Science and Technology (UMIST), United Kingdom• Senior Management Development Program, INSEAD Business School• Advanced Management Program, Wharton School of the University of Pennsylvania, United States of America

[The remainder of this page is intentionally left blank]

8. EFFECTS OF THE PROPOSED REGULARISATION PLAN

For illustrative purposes, based on the latest audited consolidated statement of financial position of the Company as at 31 January 2025, the effects of the Proposals shall be illustrated based on the following 2 scenarios:

- Minimum Scenario** : The pro forma scenario which assumes that:
- (i) none of the outstanding Warrants and ESOS are exercised into new SEB Shares prior to the effective date of the Proposed Share Capital Reduction and the Share Consolidation Entitlement Date;
 - (ii) none of the RCLS and RCUIDS are converted into RCLS Conversion Shares and RCUIDS Conversion Shares, respectively; and
 - (iii) Assuming the Company will redeem the RCLS and RCUIDS within the 8 years tenure. However for clarity, the effects of such redemption will not be illustrated in the proforma.

- Maximum Scenario** : The pro forma scenario which assumes that:
- (i) all the outstanding Warrants and ESOS are exercised into new SEB Shares prior to the effective date of the Proposed Share Capital Reduction and the Share Consolidation Entitlement Date, where the Warrants and ESOS are exercised into new SEB Shares at an exercise price of RM0.49 and a weighted average exercise price of RM0.30 respectively per SEB Share and the corresponding reclassification of the warrant reserve amount to the share capital amount; and
 - (ii) all the RCLS and RCUIDS are converted into RCLS Conversion Shares and RCUIDS Conversion Shares.

Based on the share price of SEB Shares over the last 12 months from the LPD, the Warrants and ESOS are out of the money. Therefore, the Warrants and ESOS might not be converted or exercised respectively. For illustration, the exercise price of a Warrant and ESOS at RM0.49 and RM0.30 respectively are significantly higher than the last transacted price of SEB Shares as at the LPD of RM0.04 per SEB Shares. Hence, it is cheaper for an individual to purchase SEB shares from the share market than to exercise the Warrants or ESOS.

For clarity, the RCUIDS and the RCLS (if not converted) are redeemable for cash at the option of the Company, subject to the approval of the Board. Should the Company redeem any of the RCUIDS and/or RCLS, it would be done via cash generated from its operation by the Group during the tenure of the RCUIDS and RCLS.

[The remainder of this page is intentionally left blank]

8.1 ISSUED SHARE CAPITAL

For illustrative purposes, the pro forma effects of the Proposed Regularisation Plan on the number of issued SEB Shares/Consolidated SEB Shares and the Company's issued share capital are as follows:

	Minimum Scenario		Maximum Scenario ⁽¹⁾	
	Number of SEB Shares ('000)	Issued share capital RM'000	Number of SEB Shares ('000)	Issued share capital RM'000
Number of SEB Shares as at the LPD	18,375,942	11,854,791	18,375,942	11,854,791
Conversion of Warrants and ESOS Options	-	-	1,797,646	920,007
After conversion of Warrants and ESOS Options	18,375,942	11,854,791	20,173,588	12,774,798
Proposed Share Capital Reduction	-	(11,853,606)	-	(12,773,521)
After the Proposed Share Capital Reduction	18,375,942	1,185	20,173,588	1,277
Proposed Share Consolidation ⁽²⁾ (Consolidated SEB Shares, hereinafter)	(17,457,145)	⁽⁴⁾ -	(19,164,909)	⁽⁴⁾ -
After the Proposed Capital Reconstruction	918,797	1,185	1,008,679	1,277
Issuance of Settlement Shares ⁽³⁾	1,368,408	1,094,726	1,368,408	1,094,726
After the Proposed Issuance of Settlement Shares	2,287,205	1,095,911	2,377,087	1,096,003
Issuance of RCLS Conversion Shares pursuant to conversion of RCLS ⁽³⁾	⁽⁴⁾ -	⁽⁴⁾ -	2,291,667	1,100,000
After conversion of RCLS	⁽⁴⁾ -	⁽⁴⁾ -	4,668,754	2,196,003
Issuance of RCUIDS Conversion Shares pursuant to conversion of RCUIDS ⁽³⁾	⁽⁴⁾ -	⁽⁴⁾ -	1,711,029	2,053,235
Enlarged issued share capital and number of issued Consolidated SEB Shares	2,287,205	1,095,911	6,379,783	4,249,238

Notes:

- (1) Illustration on the number of RCUIDS Conversion Shares taking into account the PIK Payment to be issued, as follows:

	Maximum Scenario	
	Number of SEB Shares ('000)	Issued share capital RM'000
Enlarged issued share capital and number of issued Consolidated SEB Shares after conversion of RCLS	4,668,754	2,196,003
Adjustment to number of RCUIDS Conversion Shares: RCUIDS Conversion Shares comprised in the RCUIDS to be issued to the Scheme Creditors pursuant to the Proposed Debt Restructuring	1,475,025	1,770,030
Add: Additional RCUIDS Conversion Shares comprised in the additional RCUIDS to be issued pursuant to PIK Payment ⁽⁴⁾⁽ⁱ⁾	236,004	283,205
Adjusted increase in share capital and number of issued Consolidated SEB Shares arising from conversion of RCUIDS	1,711,029	2,053,235
Enlarged issued share capital and number of issued Consolidated SEB Shares	6,379,783	4,249,238

- (2) Proposed Share Consolidation of every 20 SEB existing Shares into 1 Consolidated SEB Share.
- (3) The key terms of the Proposed Issuance of Settlement Shares, the Proposed Issuance of RCUIDS and the Proposed Issuance of RCLS are as follows:

	Proposed Debt Restructuring		Proposed Fund-Raising
	Proposed Issuance of Settlement Shares	Proposed Issuance of RCUIDS	Proposed Issuance of RCLS
No. issued	1,368.4 million Consolidated SEB Shares	1,475.0 million RCUIDS ⁽ⁱ⁾⁽ⁱⁱ⁾	2,291.7 million RCLS
Issue price	RM0.80/ Consolidated SEB Share	RM1.20/ RCUIDS	RM0.48/ RCLS
Tenure	Not applicable	8 years	8 years
Conversion ratio	Not applicable	1 RCUIDS: 1 Consolidated SEB Share	1 RCLS: 1 Consolidated SEB Share

Notes:

- (i) Under the Proposed Debt Restructuring, the consideration payable by the Company to the Scheme Creditors should include PIK Payment computed based on the nominal value of outstanding RCUIDS without compounding unpaid accrued PIK Payment. The total number of RCUIDS that may be issued pursuant to the PIK Payment over its 8-year tenure is up to RM283.2 million translating to 236.0 million RCUIDS Conversion Shares.

[The remainder of this page is intentionally left blank]

- (ii) RCUIDS is not expected to be redeemed on Restructuring Effective Date, as illustrated below (assuming, for purposes of illustration, (1) that there are no claims from TotalEnergies as purchaser under the SOMV SPA, and (2) an exchange rate of USD1:RM4.2350 being the middle rate quoted by BNM at 5.00 p.m. as at the LPD):

	USD'mil	RM'mil
SOMV Net Sale Proceeds from the SOMV Disposal	561.6	2,366.2
Less: 10% balance retained and will be released in the manner as described in Appendix II of the SOMV Disposal Circular	(58.2)	(246.4)
SOMV Net Sale Proceeds available on the Restructuring Effective Date for utilisation	503.4	2,119.8
SOMV Debt	(527.9)	(2,224.0)
Deficit of the SOMV Debt	(24.5)	(104.2)

For illustration purposes, pursuant to the terms of the SOMV Debt, the SOMV Debt Surplus, if any, is to be utilised for the redemption of RCUIDS based on the following:

(a)	an amount equivalent to USD29 million (equivalent to approximately RM122.8 million) to be retained for the use as working capital	-	-
(b)	allocation of estimated excess cash surplus after (a), based on the terms of the SOMV Debt:		
i.	the first RM80 million of such excess shall be applied towards the redemption of the RCUIDS; and	-	-
ii.	any remaining surplus amounts after b(i) above, if any, shall be apportioned in the following manner:	-	-
	• 70.00% towards a further early redemption of RCUIDS;	-	-
	• 20.00% towards the prepayment of Sustainable Debts; and	-	-
	• 10.00% towards the Group's working capital	-	-
Total		-	-

- (iii) The deficit of the SOMV Debt above will be settled in full upon the release of the 10% balance retained in Sapura Upstream's Account 1.

- (4) Not applicable.

The Proposed Exemption will not have any effect on the Company's issued share capital and number of issued share capital.

[The remainder of this page is intentionally left blank]

8.2 EARNINGS AND EPS

The Proposed Share Capital Reduction will not have any effect on the consolidated earnings and EPS of the Company for the FYE 2025.

The Proposed Share Consolidation will not have any effect on the consolidated earnings of the Company for the FYE 2025. Upon completion of the Proposed Share Consolidation, there will be a proportionate reduction in the number of SEB Shares held by the shareholders and a corresponding effect in the EPS of the Company.

Nevertheless, upon the completion of the Proposed Debt Restructuring and the Proposed Fund-Raising, the Group will be able to rejuvenate its operations with a more sustainable funding structure and operational focus, as envisaged by its business plan and thereafter improve financial performance of the Group.

The Proposed Debt Restructuring is expected to result in interest savings of up to RM521.2 million per annum based on a weighted average interest rate of the abovementioned facilities of 4.50% per annum. For illustrative purposes, assuming that the Proposed Regularisation Plan is completed at the beginning of FYE 2025 and based on total borrowings of the Group as at 31 January 2025 of RM10,758.9 million, the Group's finance costs will reduce from RM863.5 million to approximately RM342.3 million based on the full year impact of the finance costs in relation to Sustainable Debts, RCUIDS and RCLS, where applicable, based on their respective terms and conditions set out in **Sections 3.2.3, 3.2.4 and 3.3.1**, respectively, Part A of this Circular. This represents an annual interest/finance costs savings of approximately RM521.2 million or approximately 60.36%. Such interest savings is expected to contribute positively to the Group's future financial performance.

Barring any unforeseen circumstances, the settlement of the debts owed to Scheme Creditors under the Proposed Debt Restructuring will allow the Group to recognise a one-off net income from the waiver of debt of approximately RM784.3 million. Following the attainment of Restructuring Effective Date, the Group should be in a better position to operate without its legacy debt and cashflow issues to hinder its business.

The effects of the Proposed Debt Restructuring and the Proposed Fund-Raising on the consolidated earnings and EPS of the Company for the FYE 2026 will depend on, among other things, the actual number of Settlement Shares, RCUIDS Conversion Shares and RCLS Conversion Shares to be issued and the realisation of the Group's business plan moving forward. Following the Proposed Share Consolidation, the increase in the number of new Consolidated SEB Shares in issue arising from the conversion of RCUIDS and RCLS will dilute the EPS of the Company from RM1.12 to RM0.42.

The Proposed Exemption will not have any effect on the earnings and EPS of the Group.

[The remainder of this page is intentionally left blank]

8.3 NA, NA PER SHARE AND GEARING

For illustrative purposes, based on the Group's audited financial statements as at 31 January 2025 and assuming that the Proposed Regularisation Plan is completed on the same date which is 31 January 2025, the Proposed Regularisation Plan is expected to have the following pro forma effects on the consolidated NA and gearing:

Minimum Scenario

	Audited as at 31 January 2025 RM'mil	Proposed Capital Reconstruction			
		Pro Forma 1	Pro Forma 2	Pro Forma 3	Pro Forma 4
		After the Proposed Share Capital Reduction RM'mil	After the Proposed Share Consolidation RM'mil	After the Proposed Debt Restructuring RM'mil	After the Proposed Fund-Raising RM'mil
Share capital	11,855	(1)(i)1	1	(2)(i)1,096	1,096
RCLS	-	-	-	-	(3)1,100
RCUIDS	-	-	-	(2)(ii)1,770	1,770
Warrant reserve	109	109	109	109	109
Other reserves	1,718	1,718	1,718	(2)(iii)1,634	1,634
Accumulated losses	(17,124)	(1)(i)(5,270)	(5,270)	(2)(iv)(2,515)	(2,515)
Non-controlling interest	(3,442)	(3,442)	(3,442)	2,094	3,194
	(160)	(160)	(160)	(160)	(160)
(Shareholders' deficit)/Total equity	(3,602)	(3,602)	(3,602)	1,934	3,034
Number of SEB Shares ('000)	18,375,942	18,375,942	(1)(ii)918,797	2,287,205	2,287,205
(NL)/NA per share ⁽⁴⁾	(0.19)	(0.19)	(3.75)	0.92	1.40
Total Borrowings	10,759	10,759	10,759	(2)(v)5,626	5,626
Gearing (times) ⁽⁴⁾	(5)n/a	(5)n/a	(5)n/a	2.69	1.76
EPS (sen)	1.03	1.03	20.63	128.72	128.72

Notes:

(1) After taking into consideration the impact of the Proposed Capital Reconstruction as follows:

- (i) Reduction of 99.99% of the issued share capital of the Company pursuant to the Proposed Share Capital Reduction. The issued share capital of the Company will be reduced from approximately RM11,854.8 million as at the LPD to approximately RM1.2 million, resulting in a credit of RM11,853.6 million. The said credit arising from the Proposed Share Capital Reduction will be used to offset the accumulated losses of the Company and any balance will be credited to the retained earnings of the Company.
- (ii) consolidation of every 20 SEB Shares into 1 Consolidated SEB Share pursuant to the Proposed Share Consolidation below:

	As at the LPD	After Proposed Share Consolidation
Number of SEB Shares	18,375,942,267	918,797,113

(2) After taking into consideration the effects of the Proposed Debt Restructuring as follows:

- (i) Issuance of up to 1,368,408,062 Settlement Shares at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449;
- (ii) Issuance of up to RM1,770,030,265 in nominal value of RCUIDS involving the issuance of 1,475,025,221 RCUIDS at the RCUIDS Issue Price;
- (iii) The foreign currency translation reserve, grouped under other reserves 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. The movement in the foreign currency translation reserve is attributable to gain on Agreed Debt Waiver and gain on waiver of accrued interest on existing borrowings as set out below within these foreign operations.
- (iv) Impact of the following gains/losses to be derived from Proposed Debt Restructuring:

Gain from Agreed Debt Waiver as set out in Section 3.2.1 , Part A, of this Circular	RM'mil
Gain from waiver of accrued interest on existing borrowings	784.3
Effects of foreign exchange loss	2,067.6
Net loss on extinguishment of liabilities	(34.2)
Transaction costs	(18.4)
Total	(44.8)
	<u>2,754.5</u>

Maximum Scenario

	Proposed Capital Reconstruction				Conversion into Consolidated SEB Shares		
	Pro Forma 1	Pro Forma 2	Pro Forma 3	Pro Forma 4	(5)After the Issuance of RCLS Conversion Shares	(6)After the Issuance of RCUIDS Conversion Shares	
	After conversion of Warrants and ESOS	After the Proposed Share Consolidation	After Proposed Debt Restructuring	After Proposed Fund-Raising	RM'mil	RM'mil	
Audited as at 31 January 2025	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	
Share capital	11,855	(1)12,775	(2)(i)1	(3)(i)1,096	1,096	(5)2,196	(6)4,249
RCLS	-	-	-	-	(4)1,100	-	-
RCUIDS	-	-	(3)(ii)2,053	2,053	2,053	2,053	-
Warrant reserve	109	(1)-	-	-	-	-	-
Other reserves	1,718	(1)1,636	1,636	(3)(iii)1,552	1,552	1,552	1,552
Accumulated losses	(17,124)	(17,124)	(4,350)	(3)(iv)(1,879)	(1,879)	(1,879)	(1,879)
Non-Controlling Interest	(3,442)	(2,713)	(2,713)	2,822	3,922	3,922	3,922
	(160)	(160)	(160)	(160)	(160)	(160)	(160)
(Shareholders' deficit)/Total equity	(3,602)	(2,873)	(2,873)	2,662	3,762	3,762	3,762
Number of SEB Shares ('000)	18,375,942	20,173,588	20,173,588	2,377,087	2,377,087	(5)4,668,754	(6)6,379,783
(NL)/NA per share(7)	(0.19)	(0.13)	(2.69)	1.19	1.65	0.84	0.61
Total Borrowings	10,759	10,759	10,759	(3)(v)5,626	5,626	5,626	5,626
Gearing (times)(7)	(8)n/a	(8)n/a	(8)n/a	1.99	1.43	1.43	1.43
EPS (sen)	1.03	0.94	18.79	111.94	111.94	56.99	41.71

Notes:

(1) After taking into consideration 998,692,020 Warrants and 798,954,012 ESOS Options are exercised at the exercise price of RM0.49 per Warrant and weighted average exercise price of RM0.30 per ESOS Option, respectively as well as the reversal of Warrants and ESOS Options reserved to share capital.

(2) After taking into consideration the impact of the Proposed Capital Reconstruction as follows:

(i) Reduction of 99.99% of the issued share capital of the Company pursuant to the Proposed Share Capital Reduction. The issued share capital of the Company will be reduced from approximately RM12,774.8 million as at the LPD to approximately RM1.3 million, resulting in a credit of RM12,773.5 million. The said credit arising from the Proposed Share Capital Reduction will be used to offset the accumulated losses of the Company and any balance will be credited to the retained earnings of the Company.

(ii) consolidation of every 20 SEB Shares into 1 Consolidated SEB Share pursuant to the Proposed Share Consolidation below:

	After conversion of Warrants and ESOS	After Proposed Share Consolidation
Number of SEB Shares	20,173,588,299	1,008,679,414

(3) After taking into consideration the effects of the Proposed Debt Restructuring as follows:

(i) Issuance of up to 1,368,408,062 of Settlement Shares at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449;

(ii) Issuance of up to RM2,053,235,108 in nominal value of RCUIDS involving the issuance of up to 1,711,029,256 RCUIDS at the RCUIDS Issue Price, including RCUIDS PIK;

(iii) The foreign currency translation reserve, grouped under other reserves 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. The movement in the foreign currency translation reserve is attributable to gain on Agreed Debt Waiver and gain on waiver of accrued interest on existing borrowings as set out below within these foreign operations.

(iv) Impact of the following gains/losses to be derived from Proposed Debt Restructuring:

	RM'mil
Gain from Agreed Debt Waiver as set out in Section 3.2.1 , Part A of this Circular	784.3
Gain from waiver of accrued interest on existing borrowings	2,067.6
Interest from 2% PIK on RCUIDS	(283.2)
Effects of foreign exchange loss	(34.2)
Net loss on extinguishment of liabilities	(18.4)
Transaction costs	(44.8)
Total	2,471.3

(v) Impact of Proposed Debt Restructuring on the level of borrowings as at the FYE 2025, as follows:

Total existing borrowings of the Group	RM'mil
Less: Existing borrowings extinguished pursuant to the Proposed Debt Restructuring	10,758.9
	(10,403.5)
	<u>355.4</u>
Add: New debts issued pursuant to the Proposed Debt Restructuring:	
• Sustainable Debts (including trade and other payables admitted to the Scheme)	5,226.6
• SOMV Debt (including trade and other payables admitted to the Scheme) net of repayment	104.2
• Effects of foreign exchange (between the Scheme Exchange Rate and 31 January 2025)	(13.3)
• Effects of foreign exchange (between 31 January 2025 and the LPD)	(47.1)
	<u>5,270.4</u>
Total	<u>5,625.8</u>

As disclosed in the Company's announcement dated 10 December 2024, 90.71% of the proceeds from the SOMV Disposal amounting to USD527.9 million (equivalent to approximately RM2,224.0 million) will be utilised for the repayment of debt pursuant to the Proposed Debt Restructuring. Under the Proposed Debt Restructuring, this debt is represented by the SOMV Debt.

- (4) After taking into consideration the effects of the issuance of RM1,100.0 million in nominal value of RCLS.
- (5) After taking into consideration the full conversion of the RCLS into 2,291.7 million RCLS Conversion Shares.
- (6) After taking into consideration the effects of the full conversion of the RCUIDS into Consolidated SEB Shares, assuming no redemption of RCUIDS from the SOMV Debt Surplus, taking into account accrued PIK Payment and assuming full conversion of up to RM2,053,235,108 in nominal value of RCUIDS involving the issuance of up to 1,711,029,256 RCUIDS at the RCUIDS Issue Price, including RCUIDS PIK.
- (7) Excluding non-controlling interest.
- (8) Not applicable.

In addition, the foreign exchange rate used for the purpose of the Pro Forma Consolidated Statement of Financial Position is based on the exchange rate of USD1.00:RM4.2350, being the middle rate quoted by BNM at 5.00 p.m. as at the LPD and some figures may differ from the figures in other sections of this Circular, depending on whether the Outstanding Liabilities are proposed to be equity-settled or debt-settled.

The Proposed Exemption will not have any effect on the Company's consolidated NA, NA per share and gearing level.

8.4 SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Proposed Share Capital Reduction will not have any effect on the shareholdings of the shareholders of the Company. The Proposed Share Consolidation will not have any effect on the percentage of shareholdings of the shareholders of the Company. However, the number of shares held by the substantial shareholders, as well as the other shareholders of the Company, will be reduced proportionately after completion of the Proposed Share Consolidation.

The pro forma effects of the Proposed Regularisation Plan on the shareholdings of the substantial shareholders (i.e being shareholders holding SEB Shares of 5.0% and above) of the Company are set out below:

[The remainder of this page is intentionally left blank]

Minimum Scenario

Substantial shareholder	As at the LPD				After the Proposed Share Capital Reduction			
	Direct		Indirect		Direct		Indirect	
	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	6,794,218,206	36.97	-	-	6,794,218,206	36.97	-	-
Sapura Technology Sdn Bhd	1,686,337,808	9.18	(2)332,569,600	1.81	1,686,337,808	9.18	(2)332,569,600	1.81
Sapura Holdings Sdn Bhd	-	-	(3)2,067,197,390	11.25	-	-	(3)2,067,197,390	11.25
Tan Sri Dato' Seri Shahril Shamsuddin	174,811,600	0.95	(3)2,067,197,390	11.25	174,811,600	0.95	(3)2,067,197,390	11.25
Dato' Shahrman Shamsuddin	506,385	(1)-	(3)2,067,197,390	11.25	506,385	(1)-	(3)2,067,197,390	11.25
Brothers Capital Sdn Bhd	-	-	(4)2,067,197,390	11.25	-	-	(4)2,067,197,390	11.25
CIMB Bank Berhad	-	-	-	-	-	-	-	-
United Overseas Bank Limited, Labuan Branch	-	-	-	-	-	-	-	-
Maybank Islamic Berhad	-	-	-	-	-	-	-	-
RHB Islamic Bank Berhad	-	-	-	-	-	-	-	-
MDH	-	-	-	-	-	-	-	-
MOF (Inc)	-	-	-	-	-	-	-	-
Total	8,655,873,999	47.10	-	-	8,655,873,999	47.10	-	-

Minimum Scenario (Cont'd)

Substantial shareholder	Pro Forma 2 After the Proposed Share Consolidation			Pro Forma 3 (5) After Proposed Debt Restructuring		
	Direct		Indirect	Direct		Indirect
	Number of SEB Shares	%		Number of SEB Shares	%	
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	339,710,910	36.97	-	339,710,910	14.85	-
Sapura Technology Sdn Bhd	84,316,890	9.18	(2) 16,628,480	84,316,890	3.69	(2) 16,628,480
Sapura Holdings Sdn Bhd	-	-	(3) 103,359,870	-	-	(3) 103,359,870
Tan Sri Dato' Seri Shahril Shamsuddin	8,740,580	0.95	(3) 103,359,870	8,740,580	0.38	(3) 103,359,870
Dato' Shahrizan Shamsuddin	25,319	(1) -	(3) 103,359,870	25,319	(1) -	(3) 103,359,870
Brothers Capital Sdn Bhd	-	-	(4) 103,359,870	-	-	(4) 103,359,870
CIMB Bank Berhad	-	-	-	208,929,921	9.13	-
United Overseas Bank Limited, Labuan Branch	-	-	-	115,309,172	5.04	-
Maybank Islamic Berhad	-	-	-	462,447,751	20.22	-
RHB Islamic Bank Berhad	-	-	-	164,564,342	7.19	-
MDH	-	-	-	-	-	-
MOF (Inc)	-	-	-	-	-	51,302,763
Total	432,793,699	47.10	-	1,384,044,885	60.50	-

[The remainder of this page is intentionally left blank]

Minimum Scenario (Cont'd)

Substantial shareholder	Pro Forma 4 After Proposed Fund-Raising			
	Direct		Indirect	
	Number of SEB Shares	%	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	339,710,910	14.85	-	-
Sapura Technology Sdn Bhd	84,316,890	3.69	⁽²⁾ 16,628,480	0.73
Sapura Holdings Sdn Bhd	-	-	⁽³⁾ 103,359,870	4.52
Tan Sri Dato' Seri Shahril Shamsuddin	8,740,580	0.38	⁽³⁾ 103,359,870	4.52
Dato' Shahrman Shamsuddin	25,319	⁽¹⁾ -	⁽³⁾ 103,359,870	4.52
Brothers Capital Sdn Bhd	-	-	⁽⁴⁾ 103,359,870	4.52
CIMB Bank Berhad	208,929,921	9.13	-	-
United Overseas Bank Limited, Labuan Branch	115,309,172	5.04	-	-
Maybank Islamic Berhad	462,447,751	20.22	-	-
RHB Islamic Bank Berhad	164,564,342	7.19	-	-
MDH	-	-	-	-
MOF (Inc) ⁽⁶⁾	-	-	51,302,763	2.24
Total	1,384,044,885	60.50	-	-

Notes:

- (1) Negligible.
- (2) Deemed interested, pursuant to section 8(4) of the Act, by virtue of its shareholding in Jurudata Sdn Bhd.
- (3) 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.

- (4) Deemed interested, pursuant to section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Holdings Sdn Bhd. Sapura Holdings Sdn Bhd is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.
- (5) After taking into consideration the effects of the Proposed Debt Restructuring, the issuance of 1,368,408,062 Settlement Shares to Scheme Creditors at the Settlement Share Issue Price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449. In addition to the MCF Financiers which are listed above, other MCF Financiers that will be receiving the Settlement Shares are CIMB Islamic Bank Berhad (2.96%), EXIM Bank (2.24%), United Overseas Bank Limited (1.01%), Sumitomo Mitsui Banking Corporation, Labuan Branch (3.03%), ING Bank N.V., Singapore Branch (2.02%), Standard Chartered Bank Offshore Labuan (1.21%), AmBank (M) Berhad (0.22%) and AmBank Islamic Berhad (2.94%).
- (6) Deemed interested as MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA., will have an indirect interest of 2.24% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)).

[The remainder of this page is intentionally left blank]

Maximum Scenario

Substantial shareholder	As at the LPD			⁽⁵⁾ After the conversion of Warrants and ESOS			
	Direct		Indirect	Direct		Indirect	
	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%	
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	6,794,218,206	36.97	-	-	6,844,218,206	33.93	-
Sapura Technology Sdn Bhd	1,686,337,808	9.18	⁽²⁾ 332,569,600	1.81	1,819,671,141	9.02	⁽²⁾ 363,269,600 1.80
Sapura Holdings Sdn Bhd	-	-	⁽³⁾ 2,067,197,390	11.25	-	-	⁽³⁾ 2,231,230,723 11.06
Tan Sri Dato’ Seri Shahril Shamsuddin	174,811,600	0.95	⁽³⁾ 2,067,197,390	11.25	986,900,902	4.89	⁽³⁾ 2,231,230,723 11.06
Dato’ Shahrman Shamsuddin	506,385	⁽¹⁾ -	⁽³⁾ 2,067,197,390	11.25	506,385	⁽¹⁾ -	⁽³⁾ 2,231,230,723 11.06
Brothers Capital Sdn Bhd	-	-	⁽⁴⁾ 2,067,197,390	11.25	-	-	⁽⁴⁾ 2,231,230,723 11.06
CIMB Bank Berhad	-	-	-	-	-	-	-
United Overseas Bank Limited, Labuan Branch	-	-	-	-	-	-	-
Maybank Islamic Berhad	-	-	-	-	-	-	-
RHB Islamic Bank Berhad	-	-	-	-	-	-	-
MDH	-	-	-	-	-	-	-
MOF (Inc)	-	-	-	-	-	-	-
Total	8,655,873,999	47.10	-	-	9,651,296,634	47.84	-

[The remainder of this page is intentionally left blank]

Maximum Scenario (Cont'd)

Substantial shareholder	Pro Forma 1			Pro Forma 2		
	After the Proposed Share Capital Reduction			After the Proposed Share Consolidation		
	Direct	Indirect	%	Direct	Indirect	%
	Number of SEB Shares	Number of SEB Shares	%	Number of SEB Shares	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	6,844,218,206	-	33.93	342,210,910	-	-
Sapura Technology Sdn Bhd	1,819,671,141	(2)363,269,600	9.02	90,983,557	(2)18,163,480	1.80
Sapura Holdings Sdn Bhd	-	(3)2,231,230,723	11.06	-	(3)11,561,536	11.06
Tan Sri Dato' Seri Shahril Shamsuddin	986,900,902	(3)2,231,230,723	11.06	49,345,045	(3)11,561,536	11.06
Dato' Shahrman Shamsuddin	506,385	(1)-	(1)-	25,319	(1)-	11.06
Brothers Capital Sdn Bhd	-	(4)2,231,230,723	11.06	-	(4)11,561,536	11.06
CIMB Bank Berhad	-	-	-	-	-	-
United Overseas Bank Limited, Labuan Branch	-	-	-	-	-	-
Maybank Islamic Berhad	-	-	-	-	-	-
RHB Islamic Bank Berhad	-	-	-	-	-	-
MDH	-	-	-	-	-	-
MOF (Inc)	-	-	-	-	-	-
Total	9,651,296,634	47.84	-	482,564,831	47.84	-

[The remainder of this page is intentionally left blank]

Maximum Scenario (Cont'd)

Substantial shareholder	Pro Forma 3 (60) After the Proposed Debt Restructuring				Pro Forma 4 After the Proposed Fund-Raising			
	Direct		Indirect		Direct		Indirect	
	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	342,210,910	14.40	-	-	342,210,910	14.40	-	-
Sapura Technology Sdn Bhd	90,983,557	3.83	(2)18,163,480	0.76	90,983,557	3.83	(2)18,163,480	0.76
Sapura Holdings Sdn Bhd	-	-	(3)111,561,536	4.69	-	-	(3)111,561,536	4.69
Tan Sri Dato' Seri Shahril Shamsuddin	49,345,045	2.08	(3)111,561,536	4.69	49,345,045	2.08	(3)111,561,536	4.69
Dato' Shahrman Shamsuddin	25,319	(1)-	(3)111,561,536	4.69	25,319	(1)-	(3)111,561,536	4.69
Brothers Capital Sdn Bhd	-	-	(4)111,561,536	4.69	-	-	(4)111,561,536	4.69
CIMB Bank Berhad	208,929,921	8.79	-	-	208,929,921	8.79	-	-
United Overseas Bank Limited, Labuan Branch	115,309,172	4.85	-	-	115,309,172	4.85	-	-
Maybank Islamic Berhad	462,447,751	19.45	-	-	462,447,751	19.45	-	-
RHB Islamic Bank Berhad	164,564,342	6.92	-	-	164,564,342	6.92	-	-
MDH	-	-	-	-	-	-	-	-
MOF (Inc)	-	-	(7)51,302,763	2.16	-	-	(7)51,302,763	2.16
Total	1,433,816,017	60.32	-	-	1,433,816,017	60.32	-	-

[The remainder of this page is intentionally left blank]

Maximum Scenario (Cont'd)

Substantial shareholder	After the issuance of RCLS Conversion Shares			(6)(iii) After the issuance of RCUIDS Conversion Shares		
	Direct		Indirect	Direct		Indirect
	Number of SEB Shares	%		Number of SEB Shares	%	
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	342,210,910	7.33	-	342,210,910	5.36	-
Sapura Technology Sdn Bhd	90,983,557	1.95	(2)18,163,480	90,983,557	1.43	(2)18,163,480
Sapura Holdings Sdn Bhd	-	-	(3)111,561,536	-	-	(3)111,561,536
Tan Sri Dato' Seri Shahril Shamsuddin	49,345,045	1.06	(3)111,561,536	49,345,045	0.77	(3)111,561,536
Dato' Shahrman Shamsuddin	25,319	(1)-	(3)111,561,536	25,319	(1)-	(3)111,561,536
Brothers Capital Sdn Bhd	-	-	(4)111,561,536	-	-	(4)111,561,536
CIMB Bank Berhad	208,929,921	4.48	-	470,171,590	7.37	-
United Overseas Bank Limited, Labuan Branch	115,309,172	2.47	-	259,489,385	4.07	-
Maybank Islamic Berhad	462,447,751	9.91	-	1,040,682,895	16.31	-
RHB Islamic Bank Berhad	164,564,342	3.52	-	370,332,207	5.80	-
MDH ⁽⁶⁾	2,291,666,667	49.09	-	2,291,666,667	35.92	-
MOF (Inc) ⁽⁸⁾	-	-	(7)2,342,969,430	-	-	(7) 2,407,117,348
Total	3,725,482,684	79.81	-	4,914,907,575	77.03	-

[The remainder of this page is intentionally left blank]

Notes:

- (1) Negligible.
- (2) Deemed interested, pursuant to section 8(4) of the Act, by virtue of its shareholding in Jurudata Sdn Bhd.
- (3) 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.
- (4) Deemed interested, pursuant to section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Holdings Sdn Bhd. Sapura Holdings Sdn Bhd is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.
- (5) Assuming 998,692,020 Warrants and 798,954,012 ESOS Options are exercised at the exercise price of RM0.49 per Warrant and weighted average exercise price of RM0.30 per ESOS Option, respectively as well as the reversal of Warrants and ESOS Options reserved to share capital.
- (6) After taking into consideration the effects of the Proposed Debt Restructuring as follows:
 - (i) Issuance of 1,368,408,062 Settlement Shares to Scheme Creditors at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449. In addition to the MCF Financiers which are listed above, other MCF Financiers that will be receiving the Settlement Shares are CIMB Islamic Bank Berhad (2.85%), EXIM Bank (2.16%), United Overseas Bank Limited (0.97%), Sumitomo Mitsui Banking Corporation, Labuan Branch (2.92%), ING Bank N.V., Singapore Branch (1.94%), Standard Chartered Bank Offshore Labuan (1.16%), AmBank (M) Berhad (0.22%) and AmBank Islamic Berhad (2.83%);
 - (ii) Issuance of up to RM2,053,235,108 in nominal value of RCUIDS involving the issuance of up to 1,711,029,256 RCUIDS at the RCUIDS Issue Price, including RCUIDS PIK. Assuming nil redemption of RCUIDS from the SOMV Debt Surplus and that the RCUIDS are fully converted, the shareholding of other MCF Financiers not listed above are CIMB Islamic Bank Berhad (2.39%), EXIM Bank (1.81%), United Overseas Bank Limited (0.81%), Sumitomo Mitsui Banking Corporation, Labuan Branch (2.45%), ING Bank N.V., Singapore Branch (1.63%), Standard Chartered Bank Offshore Labuan (0.98%), AmBank (M) Berhad (0.18%) and AmBank Islamic Berhad (2.37%).
- (7) Deemed interested, pursuant to section 8(4) of the Act, by virtue of MDH being a special purpose vehicle of MOF (Inc) and EXIM Bank being a wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad, which is 99.99% held by MOF (Inc).
- (8) In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA., will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in the Company.

[The remainder of this page is intentionally left blank]

8.5 CONVERTIBLE SECURITIES

As at the LPD, save for the Warrants and ESOS Options, the Company does not have any other convertible securities.

The Proposed Share Capital Reduction will not give rise to any adjustment to the exercise price and/or number of outstanding Warrants and ESOS Options.

Consequential to the Proposed Share Consolidation, the number and exercise price of Warrants, which are not exercised prior to the Share Consolidation Entitlement Date, will be adjusted in accordance with the provisions of the Deed Poll to ensure that the status of the holders of the outstanding Warrants is not prejudiced after the Proposed Share Consolidation. Save for the adjustments to the exercise price and/or number of outstanding Warrants, the rights and obligations of the holders of Warrants will remain unchanged.

For illustrative purposes, the adjustments arising from the Proposed Share Consolidation, assuming the Share Consolidation Entitlement Date has been fixed on the LPD, are as follows:

(i)	Adjusted number of Warrants	=	Existing number of Warrants	X	$\frac{\text{Number of Consolidated SEB Shares}}{\text{Existing number of SEB Shares}}$
		=	998,692,020 Warrants	X	$\frac{918,797,113 \text{ Consolidated SEB Shares}}{18,375,942,267 \text{ SEB Shares}}$
		=	49,934,600 Consolidated Warrants		
(ii)	New exercise price of Warrants	=	Existing exercise price of Warrants	X	$\frac{\text{Existing number of SEB Shares}}{\text{Number of Consolidated SEB Shares}}$
		=	RM0.49 price of Warrants	X	$\frac{18,375,942,267 \text{ SEB Shares}}{918,797,113 \text{ Consolidated SEB Share}}$
		=	RM9.80 Consolidated Warrants		

Any necessary adjustments to the exercise price and number of Warrants arising from the Proposed Share Consolidation will only be finalised on the Share Consolidation Entitlement Date and upon consultation with a licensed investment bank and/or certified by the auditors of the Company in accordance with the provisions as contained in the Deed Poll. In addition, a notice will be despatched to the respective holders of Warrants for any such adjustments.

The Proposed Share Consolidation will also result in adjustment to the reference price of existing Warrants. Further details on the adjustments are set out in **Section 3.1.2.2**, Part A of this Circular.

Based on the share price of SEB Shares over the last 12 months from the LPD, the Warrants are out of the money. Therefore, the Warrants might not be converted or exercised. For illustration, the exercise price of a Warrant at RM0.49 are significantly higher than the last transacted price of SEB Shares as at the LPD of RM0.04 per SEB Shares. Hence, it is cheaper for an individual to purchase SEB shares from the share market than to exercise the Warrants

[The remainder of this page is intentionally left blank]

8.6 ADJUSTMENTS TO THE EXERCISE PRICE AND NUMBER OF ESOS OPTIONS

Pursuant to the ESOS By-Laws, the Proposed Share Consolidation will give rise to the adjustments to the exercise price and number of outstanding ESOS Options. The adjustments will be made in accordance with the provisions of the by-laws.

Under the ESOS, the ESOS Options (with weighted average exercise price of RM0.30) carries the entitlement to subscribe for 1 new SEB Share during the 7-year exercise period up to 31 December 2025. To facilitate the Proposed Regularisation Plan, the Company will not grant further ESOS Options until the completion of the Proposed Regularisation Plan.

For illustrative purpose, assuming all of the outstanding 798,954,012 ESOS Options are not exercised prior to the Share Consolidation Entitlement Date, the number of ESOS Options will be adjusted to 39,947,701 ESOS Options and the existing weighted average exercise price of RM0.30 for each ESOS Option will be adjusted to RM6.00 per ESOS Option, calculated in the following manner:

(i)	Adjusted number of Shares pursuant to the ESOS Options	=	Existing number of Shares relating to the ESOS Options	X	$\frac{\text{Number of Consolidated SEB Shares}}{\text{Existing number of SEB Shares}}$
					$\frac{918,797,113 \text{ Consolidated SEB Shares}}{18,375,942,267 \text{ SEB Shares}}$
			= 798,954,012 ESOS Options	X	
			= 39,947,701		
(ii)	Adjusted ESOS Options exercise price	=	Existing ESOS Options price ⁽¹⁾	X	$\frac{\text{Existing number of SEB Shares}}{\text{Number of Consolidated SEB Shares}}$
					$\frac{18,375,942,267 \text{ SEB Shares}}{918,797,113 \text{ Consolidated SEB Shares}}$
			= RM0.30	X	
			= RM6.00		

Note:

(1) Based on the existing weighted average exercise price of RM0.30.

Such adjustments arising from the Proposed Share Consolidation in relation to the outstanding ESOS Options will be finalised on the Share Consolidation Entitlement Date for the Proposed Share Consolidation and will be determined after due certification by the auditors and signed by a director and the auditors at a later date. The rights and obligations of the holders of ESOS Options will remain unchanged, save for the adjustment to the exercise price and/ or number of ESOS Options.

Based on the share price of SEB Shares over the last 12 months from the LPD, ESOS are out of the money. Therefore, the ESOS might not be converted or exercised. For illustration, the exercise price of an ESOS at RM0.30 are significantly higher than the last transacted price of SEB Shares as at the LPD of RM0.04 per SEB Shares. Hence, it is cheaper for an individual to purchase SEB shares from the share market than to exercise the ESOS.

[The remainder of this page is intentionally left blank]

9. PROSPECTS AND OUTLOOK

9.1 OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the National Energy Transition Roadmap and New Industrial Master Plan 2030, have started to yield positive results. During the first half of 2024, the economy posted a commendable growth of 5.10% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. In 4Q 2024, Malaysia's gross domestic product growth was primarily driven by strong domestic demand, sustained household spending, and robust investment activity. Services and manufacturing sectors contributed significantly, while construction posted double-digit growth. However, overall momentum was dampened by a contraction in the commodities sector. On a quarter-on-quarter, seasonally adjusted basis, the sector contracted by 1.1%. Headline and core inflation both moderated to 1.8% and 1.7% respectively in 4Q, driven by lower prices in mobile communications and RON97 petrol, though partially offset by rising food prices. Growth momentum was sustained into the second half of 2024, with gross domestic product expanding by 5.40% and 5.0% in the third and fourth quarters, respectively. For the full year, real gross domestic product growth stood at 5.1%, aligning with the official forecast range of 4.8% to 5.3%.

The Malaysian economy expanded by 4.4% in the first quarter of 2025, driven by the steady expansion in domestic demand. For the full year of 2025, the IMF has projected Malaysia's real gross domestic product growth to 4.1%. Growth is expected to remain broad-based, led by the services sector—particularly tourism, Information and Communication Technology, and retail—as well as continued strength in manufacturing, driven by global demand for semiconductors. Construction activity is projected to expand across all subsectors, while agriculture is poised to benefit from higher crude palm oil output. The mining sector, however, may experience a marginal contraction due to scheduled maintenance shutdowns.

The economy will be supported by a resilient external sector, underpinned by Malaysia's strategic role in global electrical and electronics supply chains, alongside firm domestic demand and continued private sector expenditure. A key structural driver includes the Government-Linked Enterprise Activation and Reform Programme, which seeks to enhance the strategic alignment of Government-Linked Enterprises to national development priorities. The programme aims to mobilise RM120 billion in investment over five years across high-growth sectors such as energy transition, advanced manufacturing, food security, Islamic finance, healthcare, and biopharmaceuticals.

The global economy is projected to remain relatively stable in 2025, though recent developments particularly the introduction of new U.S. tariffs have added fresh uncertainty to the outlook. Escalating trade tensions and shifting policy environments could weigh on the recovery of international trade, with possible ripple effects on supply chains and investor sentiment. Additionally, the broader economic implications of these tariffs, such as a potential slowdown in global growth and inflation may contribute to softer oil demand and downward revisions to price forecasts.

(Sources: Economic Outlook 2025, Ministry of Finance Malaysia and WGE; Economic and Financial Developments in Malaysia in the First Quarter of 2025, BNM)

[The remainder of this page is intentionally left blank]

The Malaysian economy expanded by 5% in the fourth quarter of 2024 (3Q 2024: 5.4%), driven mainly by domestic demand. The strong investment activity was underpinned by the continued realisation of new and existing projects. Household spending was sustained amid positive labour market conditions and continued policy support. In the external sector, exports of goods and services continued to expand while capital and intermediate imports growth moderated. On the supply side, growth was mainly accounted for by expansion in the services sector, with increased support from both consumer-related and business-related subsectors. The manufacturing sector was supported by the electrical and electronic and primary-related clusters. The construction sector continued to record double-digit growth with robust activities in the residential, non-residential and special trade subsectors. However, growth was weighed down by contraction in the commodities sector following lower oil palm output as well as the continued decline in oil production. On a quarter-on-quarter, seasonally-adjusted basis, growth declined by 1.1% (3Q 2024: +1.9%).

During the quarter, headline inflation edged lower to 1.8% (3Q 2024: 1.9%). Lower inflation was observed for mobile communication services and RON97 petrol which was partially offset by higher inflation in other food-related items, particularly fresh vegetables and fish and seafood. Core inflation was lower at 1.7% (3Q 2024: 1.9%), driven largely by the moderation in inflation for mobile communication services which declined by 10.0% (3Q 2024: 0.0%). Inflation pervasiveness remained moderate. The share of Consumer Price Index (CPI) items recording monthly price increases remained below the long-term average of 39.8% (3Q 2024: 38.9%; 4Q 2011-2019: 41.7%). For 2024 as a whole, both headline and core inflation declined to 1.8% (2023: 2.5% and 3.0% respectively).

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, 14 February 2025, BNM)

9.2 OVERVIEW OF THE O&G INDUSTRY

The upstream O&G sector involves the exploration and extraction of crude oil and natural gas. These commodities are sourced from oilfield locations, which may be located either offshore or onshore. Globally, O&G are essential resources utilised as fuels for transportation, electricity generation for both residential and commercial, and in the creation of petrochemicals such as manufacturing plastics, fertilisers and various industrial chemicals. Therefore, the O&G industry is a key driver of the global economy.

Oil prices play a key role in overall levels of onshore and offshore E&P activity with higher cashflows incentivising O&G companies to reinvest into new production capacity and projects. Over the past several years, oil prices have been shaped by a combination of economic supply & demand factors as well as “black swan” events. The latter included the Covid-19 pandemic which saw unprecedented demand destruction leading to a crash in prices and the Russian invasion of the Ukraine which led to sanctions on Russian hydrocarbon exports and subsequent shortages of oil & gas supplies across Europe.

However, between these events, oil prices have been largely influenced by OPEC+, also known as the Declaration of Cooperation (DoC) group, production quotas which were introduced in 2017 with the intent of providing stability to the global oil market. These quotas have largely kept oil prices in a \$60-80/bbl.

Over the next few years, oil prices will likely continue to be primarily affected by a number of supply & demand factors including the potential slowdown of China’s crude consumption growth and the increasing supply from the USA, Guyana, Brazil and Canada. The OPEC+ group has also announced an intention to re-introduce around 2.2 mmbpd of crude oil from voluntary cuts (those defined as “in addition” to the official quotas) starting from April 2025 until September 2026. However, OPEC+ has also set “compensation quotas” for those members who have previously exceeded stated quotas and have reserved the right to hold-off on increasing output should supply & demand dynamics begin to threaten oil market stability.

Global offshore energy services spending comprises new energies EPCI (engineering, procurement, construction and installation), offshore wind & power, O&G EPCI and offshore drilling.

In 2024, global offshore energy investment equalled \$134 billion, having averaged \$95 billion a year over the 2016 to 2023 period. WGE expects to see an uptick in global spending driven by improved oil & gas market fundamentals, continued emergence of the offshore wind industry, and industry cost inflation which will drive up prices for products & services such as dayrates for offshore drilling rigs. Global offshore energy investment is expected to continue to grow over the next five years to reach \$235 billion by 2029, 75% above 2024 levels.

(Source: WGE)

9.3 PROSPECTS AND FUTURE PLANS OF THE GROUP

In its effort to further improve its revenue and profitability, the Group plans to strengthen its existing business operations. The description of the Group's core activities, future direction, outlook and prospects as follows:

9.3.1 The Group's Business Activities

The Group is an O&G service and solution provider providing the following:

- (i) E&C services and solutions;
- (ii) Drilling services and solutions; and
- (iii) O&M services and solutions.

The abovementioned O&G services and solutions support various stages of an O&G project lifecycle:

O&G project lifecycle	Exploration and appraisal	Engineering and construction	Production	O&M	Decommissioning
Description	Identifying and assessing O&G resources	O&G platforms and supporting satellite platforms are constructed	Crude oil/natural gas are extracted from oilfield	O&G platforms are maintained, modified or upgraded	Oilfield site is decommissioned when it is no longer cost effective to extract
The Group's services		E&C and O&M services and solutions	Drilling services and solutions	O&M services and solutions	E&C services and solutions

The Group divested from its E&P business segment pursuant to the sale of its 50.00% equity interest in SOMV, which was completed on 9 December 2024.

The Group has a global footprint, with a majority of its contracts based in Asia Pacific. During the financial years under review between FYE 2021 and FYE 2025, 68.53% to 84.96% of the Group's revenues were generated from the Asia Pacific, with revenues from Malaysia contributing 31.99% to 44.42% of the Group's total revenues. The remaining percentage revenues were mainly generated from Africa (1.73% to 26.37%), America (3.31% to 12.19%) and the Middle East (0.00% to 6.53%).

The services provided under each segment are as described below:

(a) E&C segment

(i) Engineering

Engineering services involves providing the technical expertise necessary to transform conceptual designs into feasible, functional, and safe O&G offshore facilities. This encompasses a wide array of tasks including, but not limited to:

- the development of detailed engineering design;
- the development of construction engineering;
- the development of transportation and installation engineering;
- provision of solutions to mitigate and overcome engineering challenges;
- ensure compliance with all applicable standards, codes, and regulations;
- ensure the right materials and components are procured for the facilities;
- ensure safety and environmental stewardship in the engineering designs; and
- assisting in overseeing the integrity and adherence of the build to the engineering designs.

The provision of engineering services is pivotal to ensure the works carried out are executed efficiently, cost-effectively, and to the highest quality standards, in order to successfully deliver the project to the clients.

(ii) T&I

The Group's T&I services include:

- Transportation of structures such as topsides, jackets, skids, modules and other structures and pipelines from the fabrication site (typically onshore) to the offshore oilfield site; and
- Installation of pipelines by positioning the O&G platform precisely at the designated offshore location, securing it to the seabed, and integrating it with subsea infrastructure such as pipelines.

(iii) Fabrication

The Group undertakes fabrication of various O&G structures. This involves the cutting, welding and assembly of steel pieces, components, fixtures and fittings according to the FEED and specifications to form the structures.

The Group has the capability to fabricate the following types of O&G structures:

- CPP, which perform the extraction, consolidation and processing of crude oil / natural gas, and exporting crude oil / natural gas via pipelines or tankers to onshore facilities. It typically contains operational facilities (e.g. control and command centre) and other amenities (e.g. built-in living quarters and utilities for offshore workers);

- Wellhead platforms, which perform the extraction of crude oil / natural gas from the reservoir and transports them via pipelines to the CPP; and
- Jackets which are large steel structures used as foundations for offshore O&G platforms, and modules which are pre-assembled units that contain various equipment and systems necessary for the operation of these platforms.

The fabrication activities are mainly carried out at the Group's fabrication yard in Lumut, which is equipped with the necessary facilities and heavy lifting equipment to support the fabrication and load-out of structures onto barges.

(iv) Decommissioning

Decommissioning include EPRD which are services related to the engineering, preparation, removal and disposal of offshore facilities and restoring the site to a safe and stable environmental condition. This occurs when the O&G oilfield site is no longer commercially viable. The Group's decommissioning services are focused on decommissioning of offshore platforms, jackets, subsea pipelines, including subsea umbilicals, risers, flowlines (SURFs), manifolds and subsea control modules. Its decommissioning services include EPRD services, which include the engineering, preparation, removal and disposal of offshore facilities.

The Group uses its own vessels, diving support vessels and remotely operated vehicles to carry out decommissioning activities. If required, the Group may also lease from third-parties.

(b) Drilling segment

The Group has the expertise and capabilities to provide drilling services for offshore O&G industry. The Group carries out drilling activities for greenfield O&G development contracts to support the development of new O&G fields. In addition, the Group also carry out drilling activities for brownfield O&G production contracts to support the development of new wells in established oilfield (infill drilling).

The Group generally provides drilling services for tender-assist drilling rigs. The Group has the largest fleet in the market for tender-assist drilling rigs, with a market share of 44.0% globally (*Source: IMR report*). A tender-assist drilling rig is a type of offshore drilling rig that uses a support vessel to provide essential services such as power and amenities and working, accommodation and storage space. At the offshore location, the rig uses its mooring system to station next to the O&G platform. The drilling package will be lifted and placed onto the O&G platform, while the vessel will remain in place to provide electrical power source and other services to support the drilling operations. Due to the rig's self-erecting capability, upon the completion of drilling activities, the rig is able to rig-down and move on to the next O&G platform, thereby enabling efficiency and sustainability for the clients.

As at the LPD, the Group specialises in providing drilling services for the following types of tender-assist drilling rigs:

- semi-tender drilling rig – a drilling rig that is semisubmersible and is suitable for deepwater offshore O&G activities; and
- barge tender drilling rig – a drilling rig on a flat-bottomed barge design and is suitable for shallower water offshore O&G activities but provides larger storage capabilities.

(c) O&M segment

The Group has the expertise and capabilities to provide the following O&M services for offshore O&G platforms:

(i) Topside maintenance

Topside maintenance services for offshore O&G platforms typically entails preventive and corrective maintenance works, as well as modification works carried out on the O&G platforms. The Group has the experience and skills to manage and carry out activities including, among others, minor facility upgrades, procurement of materials, assembly and fabrication, removal and installation, inspection and testing of various systems to meet optimal operational and safety requirements.

To support the provision of topside maintenance services, the Group has onshore fabrication facilities at Teluk Kalong, Terengganu and Labuan with capabilities to undertake modification and fabrication of fittings; as well as the welding of subsea components and steel structures. The Group also has 3 accommodation workboats and 1 accommodation work barge to support the provision of topside maintenance services, and hook-up and commission.

(ii) HUC

Hook-up involves the connection of all O&G structures, subsea pipelines, equipment and systems, as well as integration of the various processes and control systems of the CPP, WHP and other subsea components. Thereafter, commissioning takes place, which involves the inspection and testing to ensure and verify that all of the abovementioned components are operating efficiently, optimally and safely on the offshore O&G platform.

The various commissioning activities includes, among others, the following:

- cleaning and inspection of the subsea pipelines;
- gauging process to ensure unwanted bends or buckles are not present;
- hydro testing to ensure the integrity of the subsea pipelines and the connections are secured;
- functional testing of equipment, as well as controls and safety systems;
- electrical and instrumentation site acceptance testing and site integration testing;
- flow testing to assess flow characteristics of O&G in the system;
- control system testing for the monitoring and managing of the flow of O&G; and
- testing of the safety and communication system at the CPP's topside control and command centre.

The Group can provide HUC services for:

- Brownfield rejuvenation and modification - refers to the redevelopment, modifications, rejuvenation of existing offshore O&G production facilities and infrastructure, in order to extend their productive life or to enhance efficiency and effectiveness of the O&G production field; and

- Greenfield O&G platform development – refers to the HUC of new O&G platforms.

While the Group has the capabilities to provide the full range of HUC services, at times certain part of the scope of HUC work are outsourced, for example, pre-commissioning activities which require specialised expertise or proprietary technology. The Group will undertake the monitoring and management of the subcontracts, and will be responsible for their works, materials and equipment as specified in the contract.

(iii) Subsea services

Subsea services focus on enhancing the lifespan and efficiency of offshore O&G infrastructure through inspection, repair, maintenance (IRM), and the construction of subsea components and pipelines. The Group supports these operations with diving support vessels, remotely operated vehicles and integrated diving systems.

The diving systems, built into the diving support vessels, include air dive systems for shallow operations up to 30 metres and saturation dive systems for extended deep-water work beyond 30 metres. This integrated setup ensures a stable and efficient platform for safe underwater operations, enabling the Group to effectively meet the challenges of maintaining and constructing subsea infrastructure.

The Group has specially-trained skilled manpower involved in managing the diving systems and remotely operated vehicle operations.

(iv) Offshore Support Vessels (OSV)

The Group's fleet of offshore support vessels comprises 3 accommodation workboats, 1 accommodation work barge and 2 anchor handling tug and supply vessels. Charters are typically arranged on a time charter basis, allowing clients to lease the vessels for a specified period, either short-term or long-term, depending on their operational needs. This arrangement ensures the vessels remain productive and contribute to the Group's revenue even when not required for internal contracts. If these assets are available, they can also be deployed to support the Group's offshore operations, offering critical services such as transportation, accommodation, and logistical support for personnel and equipment.

(v) Geotechnical and survey services

The Group also offers geotechnical and survey services for offshore O&G contracts to provide essential data about the seabed and subsurface conditions. This information is crucial for offshore O&G platform construction and installation activities. Part of the geotechnical services comprise site investigations to assess the conditions of seabed and subsurface to determine the feasibility of offshore O&G contracts, soil testing to determine the soil composition and properties, gather data and information on the seabed profile and create detailed maps using sonar technology. Geotechnical and survey services are supported by the Group's own geotechnics vessel. The geotechnical and survey services are supported by the Group's survey vessel.

(vi) Technology services

The Group provides the following technology services:

- Maintenance Services as an Independent Service Provider (ISP) for:
 - Onshore and offshore supply and maintenance services of rotating equipment;
 - Onshore and offshore supply and maintenance of cranes; and
 - Equipment preservation, storage and maintenance.
- System engineering, procurement, integration, construction and commissioning of:
 - Subsea isolation valve or subsea system;
 - Offshore telecommunication structure;
 - Wellhead control panel and hydraulic power unit; and
 - Battery energy storage systems.

The Group also provides technology services, including turbine repair and maintenance, crane maintenance, and infrared imaging services. The Group, through Sapura Services Sdn Bhd, has established a joint venture with Baker Hughes Energy Systems (Malaysia) Sdn Bhd, forming Sapura Baker Hughes TPS Sdn Bhd.

Through this joint venture, the Group is involved in providing turbine services and after-sales support for rotating O&G equipment. This includes industrial and energy technology services related to equipment that Baker Hughes has sold or will sell to PETRONAS and the Petroleum Arrangement Contractors.

9.3.2 The Group's Future Plans

(i) **The Group plans to reallocate its E&C segment's resources and assets to cater to industry trends to generate profits for the segment:**

- (a) **Asset optimisation** – The Group's new business division structure and model will enable E&C vessels (specifically Sapura 3500 and Sapura 1200) to be used in areas where there is higher demand for the vessel. The Group also intends to optimise the utilisation rate of its vessels, which may be through the long-term chartering of Sapura 1200; and
- (b) **Focusing on growing revenues from decommissioning services** – the Group, through a joint-venture company, namely Kitar Solutions, intends to leverage on AF Offshore AS' expertise in providing EPRD services to provide these services to its existing network of clients based in Malaysia. All EPRD contracts will be undertaken by Kitar Solutions.

(ii) **The Group intends to enhance its position in the O&G drilling segment**

The Group intends to grow its market share in the O&G drilling industry, by expanding its reach globally, by targeting other countries in Southeast Asia, Africa and America, as well as expanding its service offerings to cater for jack-up rigs.

(iii) **The Group intends to continue building its orderbook for its O&M segment**

The Group will continue to submit tenders and proposals with a view to further build resilience for the Group's orderbook.

Further elaboration of the business strategies and future plans of the Group are elaborated in **Section 2, Appendix I(B)** of this Circular.

Taking into account the Group's business strategies and future plans, in addition to the industry prospects as set out in **Appendix V** of this Circular, the Group believes that upon the successful implementation of the Proposed Regularisation Plan, the Group should be in a better position to turnaround its business operations and financial condition, thus eventually be uplifted from its PN17 status.

10. RISK FACTORS

The Proposed Regularisation Plan is not expected to result in the Group being exposed to additional risks as the Group continues to operate in the same industry i.e. the O&G industry. Nonetheless, these are the main risk factors in relation to the Proposed Regularisation Plan, the Group's business and operations as well as the industry of the Group operates in:

10.1 RISKS RELATING TO THE PROPOSED REGULARISATION PLAN

10.1.1 Delays in implementation or non-completion of the Proposed Regularisation Plan

The regularisation of the Group is, to a large extent, dependent on the effective and timely implementation of the Proposed Regularisation Plan. The successful implementation of the Proposed Regularisation Plan is further subject to the approval from the relevant authorities as well as the shareholders of the Company at an EGM to be convened, as set out in **Section 12**, Part A of this Circular. In the event that such approvals are not obtained, the Proposed Regularisation Plan may be delayed or terminated.

Failure to implement the Proposed Regularisation Plan in a timely manner or at all may result in Bursa Securities suspending the trading of SEB Shares or delisting of the Company from the Official List of the Main Market of Bursa Securities (subject to the Company appealing against the delisting), thus resulting in the non-materialisation of the rationale of the Proposed Regularisation Plan, as set out in **Section 5**, Part A of this Circular and any potential benefits expected to arise therefrom.

Upon the successful implementation of the Proposed Regularisation Plan, the Company will be required to achieve 2 consecutive quarters of net profits in order for its PN17 status to be uplifted. Failure to achieve 2 consecutive quarters of net profits will result in the Company remaining in PN17 status.

The non-completion of the Proposed Regularisation Plan will also affect the ability of the Company to settle the amounts due to the Scheme Creditors under the Scheme. Nevertheless, the management of the Company will endeavour to undertake all the necessary steps to ensure the timely implementation and successful completion of the Proposed Regularisation Plan.

[The remainder of this page is intentionally left blank]

10.2 RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS

10.2.1 The Group's business operations may be affected by implementation or changes in laws, regulations or policies and if it is unable to obtain, renew or maintain the necessary licences, permits, and/or registrations

The O&G industry is a highly regulated industry and the Group is required to comply with various laws, regulations and policies from relevant authorities in Malaysia as well as the countries the Group operates in. These laws, regulations and policies include those that govern good practices and governance of business, security, manning and construction of rigs and vessels, environmental standards as well as workers' health, safety, visas and work permits.

Should these laws, regulations and policies change, or should any new laws, regulations and policies be introduced, or should additional conditions be imposed on the Group's current licences, permits and/or registrations, the compliance costs could increase. If material, this could impact the Group's financial performance.

Any failure to comply with the requirements of these laws, regulations and policies could result in the revocation or non-renewal of the Group's licences, permits and/or registrations. This could prohibit the Group from continuing its operations as the Group typically requires these licences, permits and/or registrations to tender and secure contracts locally and internationally. Consequently, the Group's business and financial performance could be materially and adversely affected.

In addition, failure to comply with the requirements of these laws, regulations and policies could result in the imposition of fines, penalties or sanctions, including stop work orders issued by the relevant authorities. This could materially and adversely impact the Group's business and financial performance.

In Malaysia, such authority is mainly vested with PETRONAS, whereby operators or service providers are required to possess the relevant licences issued by PETRONAS to provide services to PETRONAS or other operators. The Group is required to adhere to the rules and regulations imposed by the relevant authorities as well as possess the necessary licences, permits and/or registrations for its business operations.

The Group is also required to comply with the rules and regulations imposed by the Government and international conventions issued by the International Maritime Organization.

In order to mitigate this risk, the Group constantly monitors the validity of its licences, permits and/or registrations to ensure they are renewed, and keeps abreast with updates in the laws, regulations and policies in Malaysia or countries it operates in.

As at the LPD, the Group has not experienced any difficulty in renewing and maintaining its licences, permits and/or registrations. However, there is no assurance that the Group will be able to renew these certificates, licences, registrations and permits as and when they are due for renewal, or that the relevant authorities will issue the required licences, permits and/or registrations within the stipulated timeframe.

10.2.2 The Group is dependent on its key management team

The success of the Group's business is dependent, to a significant extent, on the experience, skills and industry know-how of the Group's key senior management.

The key senior management team, as elaborated in **Section 7.2**, Part A of this Circular, which is led by the Group Chief Executive Officer are involved on a full-time basis in the daily management and operations of the Group. Their in-depth knowledge and experience are vital for direction, business development and management of the Group's business operations, in addition to formulating and implementing strategies to drive the future growth of the Group.

The key senior management team also has the necessary experience and qualifications to undertake their respective roles in leading the daily business activities of the Group. Further details on their key senior management team are detailed out in **Section 7.2**, Part A of this Circular.

As such, any loss of the Group's key senior management personnel without suitable or timely replacements may result in an adverse effect on the Group's operations and may eventually affect its ability to maintain and/or improve its business or financial performance.

While the Group experienced the loss of its Group Chief Executive Officer, Datuk Mohd Anuar Taib, when he stepped down from his position on 31 December 2024, there was no material impact on the Group's business and financial performance as the new Group Chief Executive Officer, Muhammad Zamri Bin Jusoh, was promptly appointed.

In order to mitigate this risk, the Group has put in place a management succession plan, which includes grooming and training low and mid-level management staff.

10.2.3 The Group may not be able to successfully implement its business strategies

The Group's future prospects also depend to a certain extent, on its ability to successfully implement its business strategies to sustain its existing business. The Group intends to strengthen its business operations in accordance with its business strategies as set out in **Section 2, Appendix I(B)** of this Circular.

There is no assurance that the Group will be able to anticipate all the business and operational risks arising from its business strategies. These risks include the risks of accurately identifying the demand for each market to appropriately reallocate its resources and assets, talent retention and successfully implementing its decommissioning services sub-segment under the E&C segment.

During the financial years under review between FYE 2021 and FYE 2025, the Group has not faced any of the above risks that have materially impacted the Group's financial performance. Nonetheless, there is no assurance that this would not occur in the future.

Further, there is no assurance that the Group will be able to effectively implement its strategies on a timely basis or within the estimated costs. Even if the Group is able to successfully implement its strategies, there is no assurance that the results of the Group's strategies will lead to the outcomes or results that it had expected. This may lead to an adverse and material impact to its business and financial performance.

10.2.4 The Group's business is largely dependent on its ability to secure new contracts to replenish its orderbook

The Group's financial performance fluctuates from year-to-year depending on the volume, value, progress and type of contracts the Group has been awarded. The duration of the contracts may vary depending on the scope of the works and its client's requirements.

Thus, the Group's business operations and financial performance are largely dependent on its ability to continually secure new contracts to replenish its orderbook. As the nature of its business is tender-based, the Group has to continually submit tenders for contracts it has the capability to undertake. As at 31 May 2025, the Group has a total orderbook of approximately RM7,358 million. The details of the Group's orderbook are set out in **Section 4, Appendix I(B)** of this Circular.

Although the Group has an orderbook which will be recognised progressively over the next 5 financial years, there is no assurance that the Group will be able to continue to secure new contracts in the future. Nevertheless, the Group actively monitors crude oil and gas prices to respond accordingly to market demands, particularly for the E&C segment which is dependent on new investments in the O&G industry. Meanwhile the Group's O&M segment is also agnostic to fluctuations in the prices of crude oil and gas prices, which enables the Group to constantly generate recurrent income from this segment.

10.2.5 The Group is exposed to fluctuations in foreign exchange rates

The Group's revenues during the financial years under review between FYE 2021 and FYE 2025 are also generated from clients in markets outside of Malaysia, particularly in the Asia Pacific, America, Africa and Middle East regions. Meanwhile, the Group also purchases from suppliers based in international countries, namely Asia Pacific, America and Africa. Revenues generated from clients and purchases incurred are mainly denominated in USD and RM.

As such, the appreciation of the RM against foreign currencies may reduce the Group's revenue in RM as well as raise the prices of its products and services causing its products and services delivered abroad to be less competitive. On the other hand, the depreciation of the RM against foreign currencies may increase the costs of raw materials purchased from foreign suppliers, leading to an increase in costs for the Group.

To the extent there is a mismatch between the amount and timing of receipts and payments in foreign currencies due to a significant fluctuation in the applicable foreign currencies against the RM, the Group may incur foreign exchange losses. Consequently, this may have an adverse impact on the Group's financial performance.

The Group discontinued its hedging arrangement with financial institutions since 7 March 2022 after the maturity of its last hedging facility, i.e. the Islamic Cross-Currency Swap contracts. The Group is in the midst of negotiating with financial institutions on a new hedging facility.

In the meantime, the Group mitigates its foreign currency risks by coordinating the handling of foreign exchange risks centrally, typically by matching receipts and payments for the same currency. The Group also utilises interbank forward rates in tender estimations to forecast input costs payments and currency receivables, which reduces the risks of foreign exchange gains or losses.

10.2.6 The Group may not be able to fulfil its contractual obligations in respect of project schedule and costs and are exposed to the risk of delay or termination of secured contracts

Upon securing the contracts, the Group has to ensure that it meets the requirements of its clients and/or the performance obligations as stipulated in the respective contracts.

The delivery of the Group's contracts, particularly in the E&C and O&M segments, is dependent on various factors, including timely deliveries of critical equipment, weather conditions, obtaining necessary regulatory approvals, satisfactory performance of subcontractors and managing price fluctuations of materials, supplies and services.

The recent tariffs imposed by the United States of America could also result in rising costs of equipment, materials, supplies and/or services or delays in receipt of materials and supplies as certain suppliers change their modes of operations to cater to the tariffs imposed.

If the Group is unable to adhere to the delivery performance requirements and/or satisfy its obligations as stipulated in the respective contracts and/or if there are any delays in completion of the contracts due to reasons that are beyond its control, the Group may be subject to potential penalties or liquidated damages and/or cost overruns. This could have an adverse effect on the Group's business operations and financial performance.

In the past, the Group was subject to liquidated damages and cost overruns due to it not being able to meet the project schedules and costs, and this had materially and adversely impacted the Group's financial performance. The Group faced project execution delays in West Africa which led to losses in its E&C segment in FYE 2024 of USD72.60 million (equivalent to approximately RM343.4 million, based on the exchange rate of USD1.00:RM4.7295, being the middle rate quoted by BNM at 5.00p.m on 31 January 2024), including liquidated damages.

As a measure to mitigate such risks in the future, the Group has begun securing contracts for specific sub-segments, which typically have shorter project durations than end-to-end EPCIC contracts, thereby lowering the risks of cost overruns. The Group has also begun to secure more E&C and O&M contracts on a reimbursable or day rate basis as opposed to a lumpsum basis. This allows the Group to prevent cost overruns that would address the risk of fluctuating costs of contracts or unforeseen circumstances that could lead to longer project durations than expected.

In respect of managing the risks of rising costs of equipment, materials, supplies and/or services or delays in receipt of materials and/or supplies in relation to the imposition of tariffs, the Group is in the midst of exploring alternative sources from other countries, where applicable. The Group also has price escalation clauses in some contracts to allow for adjustments to the contract price when rise in material costs occur due to reasons that are beyond the control of the parties involved. Meanwhile, the Group has also begun to engage in discussions on potential mechanisms to manage this impact.

Further, upon securing a contract and prior to the commencement of contract, the Group is exposed to the risk of the contract being delayed or postponed. This may be due to a request by its client or due to unforeseen circumstances.

In the event of any delay or postponement, the Group could incur financial losses. As the Group's assets are typically dedicated to a single contract at a time, and resources are allocated immediately upon project award, any project delays or postponement can lead to idle assets and unutilised resources, thus resulting in opportunity losses. In addition, the Group may have pre-committed to third-party assets or subcontractors, leading to sunk costs if the project is delayed.

Aside from that, a delay or postponement of one contract could impact the commencement of a subsequent contract that is scheduled to commence upon the completion of the preceding contract. Failure to commence these contracts within the stipulated timeframe may result in liquidated damages. To mitigate such risks, the Group may be forced to engage external resources, which could incur higher costs for the project and lead to lower profit margins for the Group.

Similarly, the Group is also subject to unexpected premature termination of contracts by its client. If the contract is terminated prematurely by its client, depending on the terms of the contract, it may or may not result in a compensation sum payable to the Group. However, where there is a compensation sum payable to the Group, it may or may not be sufficient to cover the loss suffered by the Group due to the loss of contract. In addition, if the Group is unable to deploy its resources and assets for other contracts, it is at risk of loss of potential income.

In the past, the Group experienced premature termination of contracts that had materially and adversely impacted its financial performance. The top 3 incidences of premature termination of contracts in terms of contract value during the financial years under review between FYE 2021 and FYE 2025 are as follows:

- (i) Contract in the E&C segment between Brunei Shell Petroleum Company Sdn Bhd and Sapura Fabrication for a EPCIC project in Brunei with a revised contract value of USD140.8 million (equivalent to approximately RM631.6 million, based on the exchange rate of USD1.00:RM4.4860, being the middle rate quoted by BNM at 5.00p.m on 13 March 2023). The value of the terminated portion of the contract is approximately USD37.8 million (equivalent to approximately RM169.6 million, based on the exchange rate of USD1.00:RM4.4860);

- (ii) Contract in the E&C segment between Brunei Shell Petroleum Company Sdn Bhd and Sapura Offshore to fabricate, transport, install and pre-commission the pipelines relating to a project in Brunei with a revised contract value of USD44.9 million (equivalent to approximately RM201.4 million, based on the exchange rate of USD1.00:RM4.4860, being the middle rate quoted by BNM at 5.00p.m. on 13 March 2023). The value of the terminated portion of the contract is approximately USD12.0 million (equivalent to approximately RM53.8 million, based on the exchange rate of USD1.00:RM4.4860); and
- (iii) Contract in the E&C segment for a EPCI of a refinery in Singapore for replacement of 2.3 km of 48-inch concrete coating pipeline nearshore of the refinery, mooring chains and removal of the old pipes with a contract value of USD58.6 million (equivalent to approximately RM269.9 million, based on the exchange rate of USD1.00:RM4.6065, being the middle rate quoted by BNM at 5.00p.m on 29 May 2023). The value of the terminated portion of the contract is approximately USD12.3 million (equivalent to approximately RM56.7 million, based on the exchange rate of USD1.00:RM4.6065).

Meanwhile, the top 3 legal disputes during the financial years under review between FYE 2021 and FYE 2025, and the corresponding impact on the Group, are as follows:

- (i) An arbitration commenced at the German Arbitration Institute (Deutsche Institution für Schiedsgerichtsbarkeit e.V.) on 22 January 2024 against Sapura Offshore and the Company for a provisional sum of EUR50,000,000 (equivalent to approximately RM241.6 million) for certain alleged breaches of the contract (with reservation of rights to further specify and expand its claims, and to claim damages for any damage incurred). Pursuant to a consensus between the Company, Sapura Offshore and the claimant, Yunneng Wind Power Co. Ltd., the arbitration proceeding has been stayed until 31 December 2025. The matter has gone through the process of adjudication before the Adjudicator of the proposed schemes of arrangement, who has confirmed the total adjudicated amount of the claims to be EUR58,000,000 (equivalent to approximately RM273.5 million, based on the exchange rate of EUR1.00:RM4.7156, being the Scheme Exchange Rate) for the purposes of the proposed schemes of arrangement.

As the claims are subject to the debt restructuring under the Schemes as approved by the Court under the Court Order (Sanction), the claimant cannot maintain the arbitration claims upon occurrence of Restructuring Effective Date and upon the settlement of its claims;

- (ii) An arbitration commenced at the Singapore International Arbitration Centre against Sapura Fabrication for alleged continuing losses of not less than USD180 million (equivalent to approximately RM762.3 million) and Sapura Offshore for alleged continuing losses exceeding USD 5 million (equivalent to approximately RM21.2 million) on 29 September 2023 for alleged breach of certain provisions of contracts related to two projects. On 22 January 2025, the Company, Sapura Fabrication, Sapura Offshore and the claimant, Brunei Shell Petroleum Company Sdn Bhd, had entered into a settlement agreement to resolve and settle the claimant's claims independently and outside of the Scheme proceedings. Pursuant to the settlement agreement, the parties have agreed to pay the settlement sum of USD46 million (equivalent to approximately RM194.8 million) payable by Sapura Fabrication and/or Sapura Offshore to the claimant, and the claimant's claim shall be designated as excluded contingent claim from the Scheme, and that the arbitrations before the Singapore International Arbitration Centre are to be stayed pending various milestones of settlement under the settlement agreement, which is anticipated to occur in or around June 2027.

If the settlement agreement is performed in accordance with its terms, then Sapura Fabrication and Sapura Offshore will not be subject to any further liability arising from these proceedings;

- (iii) An arbitration commenced at the Asian International Arbitration Centre in Kuala Lumpur against Sapura Fabrication for alleged breaches of contract related to a project. The claims are for damages amounting to a sum of USD9.6 million (equivalent to approximately RM40.7 million) and RM16.8 million. On 30 April 2025, Sapura Fabrication and the claimant, Petrofac (Malaysia) Limited, had achieved a consensus for Sapura Fabrication to admit the claimant's claim at the value of RM30.0 million subject to the Schemes.

The maximum exposure to liabilities in relation to the Company is the amount of RM30.0 million in the settlement agreement, which is payable in accordance with the terms of the Scheme as approved by the majority creditors.

Further details of these legal disputes are as elaborated in **Appendix VI** of this Circular.

In addition, the Group may also face contractual disputes with its clients, which could escalate to legal proceedings. If this were to occur, the Group may be subject to a dispute resolution through arbitration or court processes, the outcome of which could be uncertain. In the past, the Group experienced such disputes, as elaborated in **Appendix VI** of this Circular.

10.2.7 The breakdowns of key assets could cause losses for the Group

The Group's operations are dependent on its assets operating efficiently and reliably. These assets are subject to unplanned failure and breakdowns, losses or damages due to circumstances such as crew negligence, bad weather conditions or other unforeseen incidences. These unplanned situations may cause interruptions in, or prolonged delay of the Group's clients' contracts, as well as damage or destruction to the Group's assets. Any damage or destruction to the Group's assets may result in the need for unscheduled repairs, which are typically costly and time-consuming. Any prolonged interruptions will affect the Group's project completion and onward project scheduling, thereby resulting in a material adverse effect to the Group's business operations and financial performance.

For instance, the shared heavy lift pipelay vessel LTS 3000, operated by a joint venture between Larsen & Toubro Limited (L&T) (Registration No.: L99999MH1946PLC004768), which is a company incorporated in India, and the Group, experienced a major equipment failure in March 2020 during an operation in India under Larsen & Toubro (L&T)'s management. This incident directly impacted the Group, preventing the vessel from mobilizing for its scheduled contracts until it was re-commenced operations in October 2022. As a result, the Group had to deploy an alternative vessel, Sapura 3500, from Mexico to Taiwan, incurring significant costs and logistical challenges. Additionally, the client imposed liquidated damages (LD) on the Group, alongside lost asset utilisation opportunities and reputational impact. The equipment on LTS 3000 was restored to safe working condition in 2022 and has since been operating safely. This partially contributed to the disputes relating to the Yunlin project, as elaborated in **Appendix VI** of this Circular.

During the financial years under review between FYE 2021 and FYE 2025, the Group experienced 174 unplanned failure and breakdowns of its assets. Of these 174 unplanned failures and breakdowns, the top 3 incidences in terms of value of losses incurred are as follows:

- (i) Tripping of a bow thruster for an asset, which was to be used for an O&M project, which impacted the manoeuvrability of the asset. This caused the non-readiness of the asset which resulted in a postponement in commencement of operations of the asset by approximately 10 days. The expenses incurred to repair the asset amounted to RM4.0 million;
- (ii) Mechanical downtime and internet access interruption for an asset which was to be used for an O&M project, which resulted in a postponement in commencement of operations of the asset by approximately 7 days. The expenses incurred to repair the asset amounted to RM1.2 million; and

- (iii) Faulty profiler (a sensor system) in a remotely operated vehicle which was to be used for an O&M project, which resulted in a postponement in commencement of operations of the asset by approximately 6 days. The expenses incurred to repair the asset amounted to RM934,151.

There can be no assurance that the Group will not experience any prolonged interruptions in the future due to any failures, loss or damages of vessels, equipment or information technology system that would materially and adversely impact its business and financial performance.

10.2.8 The Group's business may have significant working expenditure and financing requirements

The Group incurs significant working expenditure from time-to-time relating to the maintenance of its assets, including rigs and vessels. The Group also requires significant working expenditure to fund bank and performance guarantees. Failure to obtain sufficient financing in a timely manner and at favourable terms could impact the Group's ability to fund its working expenditure, which may result in the Group losing out on opportunities to secure new contracts.

During the financial years under review between FYE 2021 and FYE2025, the Group did not face any of the above risks that have led to losses that have materially impacted the Group's financial performance. Nonetheless, there is no assurance that this would not occur in the future. Despite not incurring losses, the Group faced cash flow constraints which worsened following lenders' decision to severely curtail the use of the Group's working capital facilities since October 2021. This drove the Group to utilise internal resources to finance contracts. As a measure to mitigate such risks, the Group negotiated with clients for retention sum structure, in lieu of working expenditure financing facilities.

10.2.9 The Group is subject to claims for defects on works performed

Depending on the contract, the Group typically grants a warranty in respect of defects, poor workmanship or non-conformity to its client's specifications in respect of works rendered. The warranty period provided by the Group varies from contract-to-contract, depending on client specifications and the type of works performed. During the warranty period, the Group is obliged to repair, rectify and correct of any defects.

If there is a warranty claim that is attributable to the works carried out by its subcontractor or products supplied by a supplier, the relevant subcontractor will perform the repair and rectification works and the cost of such works will be borne by them or the supplier will provide a replacement or perform any repair or rectification works. However, as the Group manages the works performed by the subcontractors and equipment supplied by suppliers, the Group may have to incur additional costs in deploying resources and assets to facilitate the repair or rectification works.

In the event of any warranty claim, there is no assurance that the Group's insurance will be sufficient or adequate to cover the costs incurred. If the costs of any rectification works exceed the Group's warranty provisions or are not covered by its insurance policies, its business operations and financial performance will be materially and adversely affected.

During the financial years under review between FYE 2021 and FYE 2025, the Group did not face any of the above risks that have led to a material financial impact on the Group's financial performance. Nonetheless, there is no assurance that this would not occur in the future.

10.2.10 The Group is dependent on the services and quality of its subcontractors

The Group may subcontract part of the contracts awarded to subcontractors. In such cases, the Group will undertake the monitoring and management of the subcontractors, and are responsible for their works, materials and equipment as specified in the contract. It appoints these subcontractors based on evaluations of the Group's quality of work, experience, reliability, its resources including manpower, machinery and materials, financial performance, past working experience (if any) as well as the company's compliance to health, safety and environmental procedures.

Thus, there is a risk that the services rendered are not satisfactory either due to the inability to perform the work on their part or their work does not meet the contractual quality standards. In such instance, the Group may face delays in the completion of the contract and may incur additional costs in order to complete these contracts in time. In addition, the unsatisfactory performance by the subcontractors may lead to liquidated ascertained damages and/or penalties imposed by the Group's clients.

During the financial years under review between FYE 2021 and FYE 2025, the Group did not face any of the above risks that have led to a material financial impact on the Group's financial performance. Nonetheless, there is no assurance that this would not occur in the future.

10.2.11 The Group is dependent on the Essential Creditors

Essential Creditors are unsecured creditors of the Scheme Companies that are non-Malaysian O&G service providers to the Group which are considered to be essential to the continued operations of Scheme Companies. Some of these Essential Creditor are one of the few subcontractors and suppliers of equipment or services which the Group requires in its operations, or meet the Group's project requirements.

As such, any deterioration in the Group's relationship with its Essential Creditors, may adversely impact the Group's ability to meet its project obligations. This could, in turn, delay project execution, and affect its overall financial position and performance.

The Group has discussed the repayment of aged payables to these Essential Creditors and the Essential Creditors will be settled in full upon the Restructuring Effective Date by using internal funds. The Group also intends to strategically collaborate with these Essential Creditors to secure new projects moving forward.

10.2.12 The Group is subject to labour shortages and rising labour costs

The O&G industry requires skilled workers to perform the relevant operational activities. As such, the Group's daily operational activities for the contracts are dependent on an adequate supply of skilled labour to meet its contract requirements.

Labour supply is subject to disruptions or shortages which may be caused by changes in regulations, conditions or policies set by the Governments in the respective countries which we operate in. If there is a shortage of workers, in particular skilled workers, the contracts may be affected as the Group may not be able to find suitable or timely replacement for labour. This may then cause the contracts to be delayed, which may then subject the Group to the risk of delay damages imposed by its clients.

In addition, the Group may also have to compete within the O&G industry to attract and retain suitable skilled personnel with the required expertise and experience. As such, the Group may face difficulties in attracting, recruiting and retaining appropriate number of skilled personnel for its business activities.

At present, the Group retains its staff by providing opportunity for internal talents via promotions, increasing learning development and providing flexible work arrangements for suitable job roles. In addition, the Group constantly monitors the performance of its skilled employees and had also introduced a talent and capability retention programme to retain skilled employees.

Although the Group did not experience a shortage of workers during the financial years under review between FYE 2021 and FYE 2025 that have materially impacted its business operations and financial performance, there can be no assurance that the Group will be able to maintain its existing workforce, recruit and obtain sufficient number of suitable personnel with the required expertise and experience.

10.2.13 The Group's business operations are exposed to occurrences of health, safety and environmental incidences

Due to the nature of the Group's business, its workers are exposed to health, safety and environmental risks, such as fire and explosions, well blowouts, air pollution and water contamination. In the event of any of the abovementioned incidences or any other incidences happening at the Group's premises and project sites, its workers could be subject to bodily injuries and loss of life.

Should there be any injuries or fatal accidents at the premises and project sites, the Group may be subject to fines and penalties, or even held accountable for an investigation by the Department of Occupational Safety and Health or any other relevant authorities. The contract may also be imposed with prohibition notices and/or stop-work orders issued by the relevant authorities which may result in suspension and/or delay in the completion of the contract. In addition, there could also be claims or legal proceedings initiated against the Group which may damage its industry reputation.

In April 2023, the Group lost an employee due to a fatal accident at one of its offshore project sites. The Group was issued a Notice of Prohibition by DOSH in April 2023 and after investigations were carried out, the Notice of Prohibition by DOSH was subsequently lifted in June 2023. The Group was not liable for any fines or penalties relating to this accident.

Although the Group has put in place health and safety measures and procedures in its daily operational activities, there is no assurance that its workers will adhere strictly to the measures and procedures that the Group has put in place, nor is it able to prevent accidents from occurring.

10.2.14 The Group is exposed to cybersecurity risks

The Group's operations are heavily dependent on its information security infrastructure and applications. In 2024, businesses and organisations across Malaysia encountered a total of 27.90 million web threats. The Deputy Prime Minister of Malaysia, Ahmad Zahidi Hamidi also announced that over RM1.22 billion in financial losses due to cybercrime were incurred in 2024. With the rise of cybersecurity threats and breaches, a serious cybersecurity incident could disrupt the Group's ability to operate safely.

Even though the Group adopts cybersecurity practices and processes baselined against industry best practices (NIST, ISO 27001) and use detection and prevention technologies to safeguard its IT systems against internal and external threats, it is insufficient to guarantee immunity from cybersecurity breaches, necessitating continuous monitoring and proactive measures.

10.2.15 The Group is exposed to risks relating to pandemics and outbreak of diseases

The Group's business operations are exposed to risks relating to pandemics and outbreaks of diseases that could lead to operational disruptions.

On 16 March 2020, the Government of Malaysia had implemented the Movement Control Order under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 which was took effect on 18 March 2020. The Government had declared the O&G industry as one of the sectors deemed as essential and were exempted from the Movement Control Order. Upon obtaining the exemption letter on 15 July 2021 from MITI, the Group continued to operate during the MCO period with adherence to the standard operating procedures as imposed by the Government.

The Group faced several challenges due to the standard operating procedures imposed by the Government, including challenges in the movement of personnel and workers due to travel restrictions, as well as the cancelling and rescheduling of their flights; challenges faced by the personnel and workers due to the need to quarantine prior to boarding the vessels, as well as necessary quarantine due to infection of COVID-19, and the costs related thereto; and challenges and delays occurred for the Group's suppliers to obtain the necessary parts and materials and for its personnel and workers to commence their maintenance or service works on offshore platforms, thereby resulting in delays in the Group completing its contracts. In addition, for contracts which were obtained but yet to commence, the Group faced a delay or deferment in the commencement date due to the Movement Control Order. The delays or deferments resulted in delayed recognition of the Group's revenue during the year.

There is no assurance that the outbreak of COVID-19 pandemic or any other diseases in Malaysia or other countries can be effectively controlled, or that another pandemic such as avian flu, SARS or Disease X will not happen in the future. In the event that a pandemic occurs, the Group's business operations and financial performance may be materially and adversely affected.

10.2.16 The Group is subject to reputational risks due to real or perceived failures of governance, social and environmental obligations

An erosion of the Group's business reputation could have adverse effects on the brand and credibility upon which the Group had built trusted partnerships with key stakeholders. This could lead to adverse effect on the Group's licence to operate and its ability to compete in global markets. Even though reputational risk management is part of the Board oversight, with societal expectations of businesses increasing, with a focus on environmental, social and governance matters, real or perceived failures of governance or a perceived lack of understanding of how the Group's operations affect surrounding communities and environment could harm the Group's reputation.

10.3 RISKS RELATING TO THE O&G INDUSTRY

10.3.1 The Group's business may be subject to fluctuations in oil and natural gas prices

Fluctuations in crude oil and natural gas prices has an indirect impact on the Group's business as O&G companies may vary their activities relating to the development and production of offshore O&G fields.

Both crude oil and natural gas prices have historically been volatile and may continue to be volatile in the future. Crude oil and natural gas prices have a direct bearing on the levels of activity in the O&G industry, including the levels of offshore exploration, development and production activities. Prices for crude oil and natural gas fluctuate in response to a variety of factors, including, without limitation:

- (i) the level of demand for crude oil and natural gas, which closely correlates with global economic growth;
- (ii) costs pertaining to the exploration, development, production and delivery of crude oil and natural gas;
- (iii) technological advances in exploration, development and production;
- (iv) output level of oil by non-OPEC countries, the ability of OPEC countries to set and maintain oil production levels and oil prices and the level of crude inventories and the availability of excess production capacity;
- (v) competition from alternative fossil fuels, including but not limited to shale O&G, oil sands and gas to liquids;

- (vi) government policies, including those related to the exploration, development and production of their oil and natural gas reserves and policies relating to energy security and environmental regulations;
- (vii) adverse global weather conditions and natural disasters;
- (viii) global political, military and economic conditions;
- (ix) shifts in end-client preferences toward fuel efficiency;
- (x) progress in development of alternative energy, including but not limited to renewable energy; and
- (xi) continuous discovery of hydrocarbon reserves globally.

A fall in global crude oil and natural gas prices below a certain level may lead to O&G companies reducing capital expenditure until such time global crude oil and natural gas prices have increased and stabilised. Significant and continuous cuts in capital expenditure by O&G companies may have a significant impact on the Group's revenue and financial position. A drop in the level of capital expenditure in the market would have an indirect impact on the Group's E&C and drilling businesses as the number of activities leading to contracting would correspondingly reduce.

At present, the ongoing war in the Middle East and trade war between the United States and various countries have triggered economic uncertainties and fluctuations in crude oil prices, and this could impact decisions on capital expenditure in the O&G industry. These uncertainties may also result in project delays. In particular, PETRONAS has also announced that it has undertaken a headcount reduction, as part of a major restructuring exercise to maintain its competitiveness in the O&G industry. These uncertainties could lead to significant cuts in capital expenditure, which could materially impact the Group's revenue and financial position, particularly from the E&C and drilling business segments

10.3.2 The Group's business may be subject to demands on energy transition to a low-carbon future

Rising societal concerns and the effects of energy transition could lead to a decrease in demand for fossil fuels, therefore suppressing O&G contracts. 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. Even though the Group has already begun to monitor its transition towards greener practices such as ensuring energy efficiency of the Group's assets, if the Group is unable to keep pace with society's demands regarding the energy transition to a low-carbon future, the Group could fail in sustaining and growing its business.

10.3.3 Climate change, adverse weather conditions and natural hazards

Climate change has led to growing intensity and frequency of climate-related events such as rising sea-levels, more severe floods and droughts. The Group's business operations are not spared from the physical risks arising from climate change. In addition, natural hazards, such as tropical storms, tsunamis and earthquakes, in the areas where the Group operates may damage its equipment, offshore structures or other facilities used in its operations which could result in disruption to its operations. This may result in the Group not being able to complete its contractual obligations in a timely manner or if it is not able to obtain adequate replacement or make the requisite repair works within the contractual period, it may not be able to complete its contractual obligations within its cost constraints, as it may need to consider alternative options to fulfil its contractual obligations, including leasing replacement equipment in the interim, which may increase the costs involved. Any of the foregoing could have a material adverse effect on its business, operating results and financial condition.

10.3.4 The Group faces risks arising from political, socio-political, economic and regulatory changes

The Group's orderbook replenishment may be affected by global political, economic, social and regulatory changes. Such developments include, but are not limited to, changes in political leadership, risk of war, riots and commotions, changes in general economic and business conditions, fiscal and monetary policies of the Government such as methods of taxation and tax policies, unemployment trends and other matters that influence spending.

Even though the Group actively monitor factors affecting the demands for O&G and diversify its revenue profile through geographical and client coverage, any adverse change in the economic conditions in the countries where the Group operates, including any unfavourable change in inflation rates, interest rates and foreign exchange rates, wars, terrorism, expropriation, adverse changes in political leadership and unfavourable change in government policies and regulations could have an adverse impact on the Group's business, financial performance and prospects. Further, it is possible that regulatory changes to laws and policies in countries where it operates result in an increased cost for the Group in complying with these changes.

11. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of the SEB Shares for the past 12 months from July 2024 to June 2025 are as follows:

	Closing	High	Low
	(RM)	(RM)	(RM)
2024			
July	0.035	0.045	0.035
August	0.035	0.040	0.030
September	0.035	0.040	0.030
October	0.035	0.040	0.030
November	0.040	0.045	0.030
December	0.030	0.040	0.030
2025			
January	0.030	0.035	0.030
February	0.035	0.040	0.030
March	0.045	0.050	0.030
April	0.040	0.050	0.040
May	0.035	0.050	0.035
June	0.035	0.040	0.035

The last transacted market price of SEB Shares immediately before the announcement of the Conditional Funding Agreement on 11 March 2025 (being the last trading day prior to the date of announcement of the Conditional Funding Agreement) 0.035

The last transacted market price of SEB Shares immediately before the announcement of the Proposed Regularisation Plan on 13 May 2025 (being the last trading day prior to the date of Requisite Announcement) 0.045

The last transacted market price for SEB Shares as at the LPD 0.040

The last price as at 3 July 2025 0.040

(Source: Bloomberg)

12. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Regularisation Plan is subject to the following approvals being obtained:

- (i) Bursa Securities, for the:
 - (a) Proposed Regularisation Plan;
 - (b) Proposed Share Consolidation;
 - (c) listing and quotation of the Consolidated SEB Shares on the Main Market of Bursa Securities;
 - (d) listing and quotation of Settlement Shares on the Main Market of Bursa Securities;
 - (e) listing and quotation of the RCLS Conversion Shares on the Main Market of Bursa Securities;
 - (f) listing and quotation of the RCUIDS Conversion Shares on the Main Market of Bursa Securities;
 - (g) listing and quotation of the Consolidated Warrants on the Main Market of Bursa Securities; and
 - (h) relief from having to comply with Paragraph 6.50 of the Listing Requirements in respect of the maximum number of new Consolidated SEB Shares allowed from the exercise of the conversion of RCLS into RCLS Conversion Shares and the conversion of RCUIDS into RCUIDS Conversion Shares.

which was obtained vide its letter dated 30 June 2025 subject to the following conditions:

Conditions imposed	Status of compliance
1. The Company and MIDF Investment must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan;	To be complied
2. The Company and MIDF Investment to confirm all approvals of relevant authorities have been obtained for the implementation of the Proposed Regularisation Plan and furnish a copy of all approval letters from the relevant authorities;	To be complied
3. The Company and MIDF Investment to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the general meeting for the Proposed Regularisation Plan;	To be complied
4. The Company and MIDF Investment to ensure compliance with Paragraph 8.02(1) of the Listing Requirements prior to the quotation for the Settlement Shares to be issued pursuant to the Proposed Regularisation Plan and furnish Bursa Securities with a copy of the public shareholding spread pursuant to Appendix 8E of the Listing Requirements upon completion of the Proposed Regularisation Plan;	To be complied

Conditions imposed	Status of compliance
5. The Company and MIDF Investment are required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the RCLS and RCUIDS as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
6. The Company and MIDF Investment to inform Bursa Securities upon the completion of the Proposed Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval.	To be complied

(ii) the SC, for the Proposed Exemption. For avoidance of doubt, the application to the SC for the Proposed Exemption will be made after the Proposals have been approved by non-interested shareholders of the Company at the forthcoming EGM;

(iii) approvals or consents of the Group's Scheme Creditors, which were obtained in Scheme Meetings held from 21 February 2025 to 27 February 2025;

(iv) Court Order (Sanction), which was obtained on 6 March 2025;

(v) the sealed order of the Court pursuant to section 116 of the Act for the Proposed Share Capital Reduction;

(vi) shareholders of the Company at an EGM to be convened for the Proposed Regularisation Plan; and

(vii) any other relevant authorities, if required.

In conjunction with the Proposed Debt Restructuring, the documents and information relating to (i) the relevant Sukuk to be issued under the SEB Scheme; (ii) the RCUIDS; and (iii) the RCLS, will be lodged with the SC in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.

The Proposed Share Consolidation and Proposed Share Capital Reduction are not inter-conditional. The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional. In the event if the Proposed Exemption is not approved by the shareholders of the Company, the Proposed Debt Restructuring and Proposed Fund-Raising will also not materialise.

The Proposed Capital Reconstruction is not conditional upon the Proposed Debt Restructuring, Proposed Fund-Raising and the Proposed Exemption, but the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are conditional upon the Proposed Capital Reconstruction.

The Proposed Regularisation Plan is not conditional upon any corporate proposals to be implemented by the Company.

13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

As at the LPD, none of the Directors, major shareholders and/or chief executive of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Regularisation Plan.

14. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at the LPD, save for the Proposed Regularisation Plan, the Company does not have any outstanding proposals that have been announced but pending completion.

15. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board having considered the following:

- (a) the gross proceeds to be raised from the Proposed Fund-Raising as well as from the SOMV Disposal and the cash flows position of the Group upon the completion of the Proposed Regularisation Plan;
- (b) the contracts secured up to the LPD, as set out in **Section 4, Appendix I(B)** of this Circular; and
- (c) the future plans and strategies of the Group which are aimed to strengthen the business of the E&C, drilling and O&M segments are as elaborated in **Section 2, Appendix I(B)** of this Circular,

is of the view that the Group will have sufficient working capital available for a period of 12 months from the date of this Circular, and that barring unforeseen circumstances, the Group will be able to record a net profit in 2 consecutive quarterly results following the completion of the Proposed Regularisation Plan.

In the event the Company fails to achieve 2 consecutive quarters of net profits, the Company's PN17 status will not be uplifted and the Company will remain as a PN17 company.

Based on the best knowledge of the Board (including but not limited to the evaluation of the Independent Adviser on the fairness and reasonableness of the Proposed Exemption), barring any unforeseen circumstances and having considered all aspects of the Proposed Regularisation Plan, the Board is of the view that the Proposed Regularisation Plan:

- (i) is sufficiently comprehensive and capable of resolving all problems, financial or otherwise that had caused the Company to trigger the PN17 prescribed criteria;
- (ii) enables the Company to regularise its financial condition such that the Company no longer triggers any of the criteria of paragraph 2.1 of PN17 as detailed in **Section 6.4, Part A** of this Circular; and
- (iii) is fair and reasonable for the Company and its shareholders and will increase the shareholders' value after completion of the Proposed Regularisation Plan.

The Board, having considered all aspects of the Proposed Regularisation Plan, including but not limited to the rationale, financial effects and risk factors of the Proposed Regularisation Plan as well as the evaluation by the Independent Adviser on the Proposed Exemption, is of the opinion that the Proposed Regularisation Plan is in the best interest of the Company and its shareholders.

Accordingly, the Board recommends that shareholders vote in favour of the resolutions pertaining to the Proposed Regularisation Plan to be tabled at the forthcoming EGM.

16. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all relevant approvals being obtained and barring any unforeseen circumstances, the Company expects to complete the implementation of the Proposed Regularisation Plan within 12 months from the date of approval of Bursa Securities.

17. EGM

The EGM, the notice of which is enclosed in this Circular, will be held via a physical mode whereby the member(s), proxy(ies), corporate representative(s), or attorney(s) will attend in person at Ballroom 1 & 2, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on 30 July 2025 at 2.00p.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposed Regularisation Plan. The resolutions pertaining to the Proposed Regularisation Plan is set out in our Notice of EGM which is enclosed with this Circular.

As a shareholder, you are encouraged to participate, and vote at the EGM. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Khim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (for individual shareholders only) or via e-mail to bsr.helpdesk@boardroomlimited.com. The completed Form of Proxy must be deposited/lodged not less than **forty-eight (48) hours** before the time set for holding the EGM indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating in the EGM and voting in person at the EGM should you subsequently wish to do so.

18. INDEPENDENT ADVISER

The Proposed Fund-Raising will result, in the event of full conversion by MDH of the RCLS into RCLS Conversion Shares, the emergence of MDH as the new controlling shareholder of the Company, with up to approximately 35.92% while MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA., will have an indirect interest of 1.81% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 37.73% in the Company under the Maximum Scenario and will emerge as the controlling shareholder of the Company.

However, in the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, will have an indirect interest of 2.49% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in the Company.

As it is not the intention of MDH and its PACs to undertake the Mandatory Offer, an application for the Proposed Exemption will be submitted to the SC to seek a relief for MDH and its PACs from the obligation to undertake a Mandatory Offer after the Proposed Exemption is approved by the non-interested shareholders of the Company at the forthcoming EGM.

Pursuant to the Proposed Exemption and paragraph 3.06 of the Rules, Kenanga IB has been appointed to act as the Independent Adviser to provide the non-interested Directors and non-interested shareholders of the Company with an independent evaluation on the fairness and reasonableness of the Proposed Exemption and Independent Adviser's recommendation whether the Proposed Exemption is to the detriment of the non-interested Directors and non-interested shareholders of the Company and whether the non-interested shareholders should vote in favour or otherwise of the Proposed Exemption. Kenanga IB's scope as the Independent Adviser is to provide comments, opinions, information and recommendation on the Proposed Exemption in an independent advice letter pursuant to paragraph 3.06 of the Rules. These are set out in the IAL to the shareholders of the Company in **Part B** of this Circular.

19. FURTHER INFORMATION

You are advised to refer to **Part B** and the **Appendices** of this Circular for further information.

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

SHAHIN FAROUQUE BIN JAMMAL AHMAD
CHAIRMAN, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

PART B

**IAL TO NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS IN
RELATION TO THE PROPOSED EXEMPTION**

EXECUTIVE SUMMARY

All capitalised terms used in this Executive Summary shall have the same meanings as the words and expressions defined in the “Definitions” section of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to “we”, “us” or “our” in this Executive Summary are references to Kenanga IB, being the Independent Adviser for the Proposed Exemption.

This Executive Summary is intended to be a brief summary of this IAL which has been prepared by Kenanga IB to provide the non-interested Directors and non-interested shareholders with an independent evaluation of the Proposed Exemption and to express our recommendation on the Proposed Exemption.

You are advised to read and understand both this IAL and the letter from the Board set out in Part A of the Circular together with the accompanying appendices, and to carefully consider the evaluations and recommendations contained in both the letters before voting on the resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

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

1. INTRODUCTION

On 31 May 2022, the Company was classified as a PN17 company (pursuant to the trigger of the criteria in relation to its financial condition as prescribed under Paragraph 8.04 of the Listing Requirements and Paragraph 2.1(e) of PN17 of the Listing Requirements). On 30 March 2023, the Company had further triggered another prescribed criterion under Paragraph 2.1(a) of PN17 of the Listing Requirements and has sought to formulate a regularisation plan which will allow it to be uplifted from the said status upon implementation. Please refer to **Section 2 of Part A of the Circular** for the chronological events in relation to the trigger of PN17.

On 14 May 2025, MIDF Investment had, on behalf of the Board, made a Requisite Announcement pursuant to Paragraph 4.2 of PN17 which set out the Proposed Regularisation Plan of the Company, comprising the following proposals (as detailed in **Part A of the Circular**):

- (i) Proposed Capital Reconstruction;
- (ii) Proposed Debt Restructuring;
- (iii) Proposed Fund-Raising; and
- (iv) Proposed Exemption.

On 27 May 2025, MIDF Investment had, on behalf of the Board, announced that the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Securities for its approval. The said approval was granted by Bursa Securities vide its letter on 30 June 2025.

Pursuant to the Conditional Funding Agreement entered between SEB and MDH on 4 March 2025, MDH intends to subscribe for 2,291,666,667 RCLS at the RCLS Issue Price on the Restructuring Effective Date.

As at the LPD, MDH and its PACs do not have any direct and indirect shareholdings of SEB Shares. Under the Maximum Scenario upon the completion of the Proposed Regularisation Plan, and assuming MDH exercises its right to convert all the RCLS to RCLS Conversion Shares at any time from the Restructuring Effective Date over the tenure of 8 years, MDH will emerge as a direct controlling shareholder of SEB via its direct shareholdings of approximately 35.92%, while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, through its indirect shareholding in EXIM Bank, being a wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad, which in turn is a 99.99%-owned subsidiary of MOF (Inc), will have a shareholding of 1.81% in SEB. As such, MDH and its PACs will collectively have 37.73% direct and indirect shareholdings in SEB under the Maximum Scenario. Upon the expiry of the tenure, the RCLS will automatically convert into RCLS Conversion Shares.

EXECUTIVE SUMMARY (CONT'D)

Under the Minimum Scenario, MDH and its PACs will have an indirect interest of 2.24% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)), upon the completion of the Proposed Debt Restructuring.

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares, except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in SEB.

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, MDH and its PACs will be obliged to extend a Mandatory Offer to undertake all remaining Consolidated SEB Shares and outstanding Consolidated Warrants not already owned by MDH upon conversion of the RCLS into RCLS Conversion Shares where such conversion would result in an increase of its interests in the voting shares or voting rights in the Company to more than 33.00% upon the conversion of the RCLS into RCLS Conversion Shares pursuant to the Proposed Fund-Raising under the Maximum Scenario.

As it is not the intention of MDH and its PACs to undertake a Mandatory Offer, MDH and its PACs will submit an application to seek the SC's approval for the Proposed Exemption, subject to the approval from the non-interested shareholders of SEB being obtained at the forthcoming EGM.

In compliance with paragraph 3.06 of the Rules, the Board had, on 15 April 2025, appointed Kenanga IB as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of SEB as well as to provide comments, opinions, information and recommendation on the Proposed Exemption, in the IAL. Pursuant to paragraph 3.07 of the Rules, Kenanga IB had on 18 April 2025 declared its independence from any conflict of interest or potential conflict of interest to the SC in relation to its role as the Independent Adviser for the Proposed Exemption.

Pursuant to subparagraph 4.08(3)(g) of the Rules, the SC had on 7 July 2025, notified that it has no further comments on the contents of this IAL. The notification shall not be taken to suggest that the SC recommends the Proposed Exemption or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAL.

The purpose of this IAL is to provide you with our independent evaluation on the fairness and reasonableness of the Proposed Exemption on a holistic basis, together with our recommendation on whether you should vote in favour of the resolution or otherwise pertaining to the Proposed Exemption, subject to the scope and limitations specified herein.

Nevertheless, you should rely on your own evaluation of the merits of the Proposed Exemption before deciding on the course of action to be taken at the forthcoming EGM.

Please refer to Section 1 of the IAL for further information.

EXECUTIVE SUMMARY (CONT'D)

2. EVALUATIONS OF THE PROPOSED EXEMPTION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Exemption on a holistic basis in accordance with paragraphs 8 to 10 of Schedule 2: Part III of the Rules⁽¹⁾. In this regard, we have taken into consideration the following factors in forming our opinion:

Consideration Factors	Kenanga IB's comments
<u>Section 6.1</u>	The Proposed Regularisation Plan is expected to address:
Rationale for the Proposed Regularisation Plan	<p>(i) urgency for SEB to regularise its PN17 status and complete the Composite Scheme;</p> <p>(ii) positive financial effects of the Proposed Regularisation Plan to uplift the Company from PN17 status; and</p> <p>(iii) the Proposed Regularisation Plan will improve the financial position of the SEB Group.</p>
<u>Section 6.1.1</u>	The Proposed Share Capital Reduction is expected to reduce the Company's issued ordinary share capital from RM11,854.8 million as at the LPD to RM1.2 million and RM1.3 million under the Minimum Scenario and Maximum Scenario, respectively.
Rationale of the Proposed Share Capital Reduction	The amount of RM11,853.6 million and RM12,773.5 million, being the credit arising from the aforesaid cancellation of share capital under the Minimum Scenario and Maximum Scenario. The credit is then transferred to the Company's retained earnings account and is expected to reduce the accumulated losses of the Company as at the effective date of the Proposed Share Capital Reduction.
<u>Section 6.1.2</u>	The Proposed Share Consolidation entails the consolidation of every existing 20 SEB Shares held into 1 Consolidated SEB Share and will not have any effect on the percentage of shareholding of the shareholders.
Rationale of the Proposed Share Consolidation	The theoretical adjusted reference price per SEB Share after the Proposed Share Consolidation will be RM0.80 per SEB Share. The average last price of SEB Shares for the FYE 2025 of SEB Shares was RM0.04 per SEB Share. The adjustment made to SEB Share is expected to enhance the Company's share capital structure upon the completion of the Proposed Regularisation Plan. The Company would have a smaller number of Shares in issue with a higher share price per SEB Share. Therefore, a small absolute movement in the share price would result in relatively lower movement in percentage terms.
<u>Section 6.1.3</u>	The Proposed Debt Restructuring is expected to restructure the debts amounting up to approximately RM11,125.3 million into Agreed Debt Waiver amounting to RM784.3 million, Proposed Conversion into SOMV Debt amounting to RM2,250 million, Proposed Conversion into Sustainable Debts amounting to RM5,226 million, Proposed Issuance of RCUIDS amounting to RM1,770 million and Proposed Issuance of Settlement Shares amounting to RM1,095 million.
Rationale of the Proposed Debt Restructuring	<p>The Proposed Debt Restructuring is expected to strengthen the SEB Group's financial position:</p> <p>(a) the pro forma NA of the SEB Group will increase from an equity deficit position of RM3,602 million as at 31 January 2025 to RM1,934 million and RM2,662 million under the Minimum Scenario and Maximum Scenario respectively; and</p> <p>(b) the gearing ratio of the SEB Group will improve from -3.13 times as at 31 January 2025 to 2.69 times and 1.99 times for the Minimum Scenario and Maximum Scenario respectively.</p> <p>In addition, the Proposed Debt Restructuring involves the issuance of convertibles as part of the restructuring without immediate dilution impact.</p>

	<p>The RCUIDS has a tenure of 8 years commencing from the issue date. Upon the expiry of the tenure, the RCUIDS will be automatically converted into RCUIDS Conversion Shares. As such, the issuance of RCUIDS shall minimise any immediate dilution effect on the Group's EPS. This approach preserves shareholder ownership and voting power until those events occur, allowing capital raising with no immediate impact to the existing share capital of SEB.</p>
<p><u>Section 6.1.4</u></p>	<p>The Proposed Fund-Raising is expected to:</p>
<p>Rationale of the Proposed Fund-Raising</p>	<p>(i) <u>Introduce MDH, being a SPV, held 50% each by MOF (Inc) and FLC, as a shareholder of SEB</u></p> <p>MDH, being a government-backed SPV, will become a major shareholder of SEB upon full conversion of the RCLS into RCLS Conversion shares. As such, the presence of MDH as a major shareholder can increase investor confidence in the Company. This could also lead to an improvement in the Company's credit profile, ultimately enabling the Company to gain access to further financing, if required.</p> <p>(ii) <u>The Proposed Issuance of RCLS provides a certain fund-raising avenue</u></p> <p>The Proposed Fund-Raising provides a degree of certainty for SEB to raise the funding of RM1,100 million as the Conditional Funding Agreement had already been entered into with MDH for the said issuance, allowing SEB to raise the requisite funds for the repayment to its Ecosystem Creditors.</p> <p>We note that the Proposed Fund-Raising is expected to improve the gearing ratio of the Group from -3.13 times as at 31 January 2025 to 1.76 times and 1.43 times for the Minimum Scenario and Maximum Scenario respectively. This will provide the Group more flexibility to secure additional financing facilities to support its operations moving forward, if required.</p> <p>We also note that it may be challenging for SEB to obtain adequate additional bank borrowings considering its current PN17 status as well as the Group's NL position of approximately RM3,602 million as at 31 January 2025.</p> <p>(iii) <u>The Proposed Issuance of RCLS allows the Group to raise funds without immediate dilution impact</u></p> <p>The RCLS has a tenure of 8 years commencing from the issue date. Upon the expiry of the tenure, the RCLS will be automatically converted into RCLS Conversion Shares. As such, the issuance of RCLS shall minimise any immediate dilution effect on the Group's EPS. As such, the Group is able to raise funds from the subscription of the RCLS by MDH without causing immediate dilution to existing shareholders, as RCLS Conversion Shares are only issued upon the conversion of RCLS. This approach preserves shareholder ownership and voting power until those events occur, allowing capital raising with no immediate impact to the existing share capital of SEB. Under the Maximum Scenario, the EPS of the Company will be diluted from RM1.12 to RM0.42 as a result of the increase in number of SEB Shares arising from the conversion of the RCUIDS and RCLS during the Conversion Period.</p>

EXECUTIVE SUMMARY (CONT'D)

<u>Section 6.1.5</u>	Rationale of Proposed Exemption	<p>Under the Maximum Scenario, upon completion of the Proposed Regularisation Plan and assuming full conversion of the RCLS into RCLS Conversion Shares, the direct and indirect shareholdings of MDH and its PACs in the Company will increase from nil up to approximately 37.73% of the enlarged number of issued SEB Shares. As MDH and its PACs will be holding more than 33.00% of the voting shares in SEB, MDH and its PACs will be obliged to undertake a Mandatory Offer pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules.</p> <p>The presence of MDH is to provide funding for the repayment of the outstanding liabilities attributable to the Ecosystem Creditors via the Proposed Fund-Raising. MDH does not have the intention to undertake the Mandatory Offer, as such, MDH and its PACs intend to seek an exemption pursuant to subparagraph 4.08(1)(c) of the Rules which would then exempt MDH and its PACs from the obligation to undertake the Mandatory Offer, subject to amongst others, the approval of the non-interested shareholders of SEB.</p> <p>Given that the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional upon each other, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted. As such, any potential benefits arising from the Proposed Regularisation Plan as detailed in Section 6 of this IAL will not materialise. Hence, approval for the Proposed Exemption is necessary to facilitate and ensure the successful implementation of the Proposed Regularisation Plan.</p> <p>In the event that the Proposed Exemption is approved by the non-interested shareholders and the SC, the Proposed Exemption will be valid throughout the tenure of the RCLS, which is 8 years from the date of the issuance of the RCLS. For the avoidance of doubt, the Proposed Exemption shall apply solely for the said 8-year tenure and shall not extend beyond this period, notwithstanding any subsequent extension of the exercise period of the RCLS, if any.</p>
<u>Section 6.2.1</u>	Evaluation of the Proposed Share Capital Reduction	<p>The issued share capital of RM1.2 million and RM1.3 million under the Minimum Scenario and Maximum Scenario are arrived after the 99.99% share capital cancellation. We note that the credit arising from the Proposed Share Capital Reduction amounting to RM11,853.6 million and RM12,773.5 million under the Minimum Scenario and Maximum Scenario will be transferred to the Company's retained earning accounts and is expected to reduce the accumulated losses of the Company. However, the aforesaid credit is insufficient to fully eliminate the accumulated losses incurred by the Company. As such, there will be remaining accumulated losses of RM5,270.1 million and RM4,350.2 million yet to be addressed after the Proposed Share Capital Reduction under the Minimum Scenario and Maximum Scenario, respectively. The Company may be unable to declare dividend to its shareholders until it records positive retained earnings balance. Nevertheless, the Proposed Share Capital Reduction will significantly reduce the overall accumulated losses.</p>
<u>Section 6.2.2</u>	Evaluation of the Proposed Share Consolidation	<p>The Proposed Share Consolidation entails the consolidation of every existing 20 SEB Shares of RM0.04 per SEB Share held into 1 Consolidated SEB Share of RM0.80. The 20:1 ratio was mutually agreed between Company and the MCF Financiers. The Proposed Share Consolidation is expected to increase the Company's share price which will help reduce share price volatility, as a small absolute movement in the share price would result in relatively small movement in percentage terms upon the Proposed Share Consolidation. A higher share price of the Company is also expected to reflect a better profile for the Company amongst investors. For the avoidance of doubt, the percentage shareholdings of SEB's shareholders will remain unchanged upon the completion of the Proposed Share Consolidation.</p>
<u>Section 6.2.3</u>	Evaluation of the RCUIDS Issue Price	<p>We are of the view that the RCUIDS Issue Price is acceptable after taking into consideration of the following factors:</p> <p>(a) a premium to the audited NL per SEB Share position as at 31 January 2025 and a premium of RM0.59 (or approximately 96.72%) to the Adjusted Consolidated NA per SEB Share of RM0.61 under the Maximum Scenario;</p>

EXECUTIVE SUMMARY (CONT'D)

	<p>(b) an implied P/B Multiple of 0.870 times under the Minimum Scenario and 1.967 times under the Maximum Scenario is higher than the historical P/B Multiple of SEB Share ranging between 0.181 times to 0.780 times for the past 10 FYEs. This indicates that the RCUIDS Issue Price is being priced higher relative to the historical P/B Multiple of SEB Share for the past 10 years. We are of the view that the RCUIDS Issue price is acceptable as the P/B Multiple is above the historical P/B Multiple. Furthermore, the financial position of SEB is expected to improve following the Proposed Regularisation Plan;</p> <p>(c) a premium ranging from 50.69% to 78.57% to the Adjusted VWAPs based on the closing market price and over the 5-market day, 1-month, 3-month, 6-month and 1-year VWAPs of the SEB Shares up to and including the LTD; and</p> <p>(d) a premium ranging from 37.61% to 57.07% to the Adjusted VWAPs based on the closing market price and over the 5-market day, 1-month, 3-month, 6-month and 1-year VWAPs of the SEB Shares up to and including the LPD.</p>
<u>Section 6.2.4</u>	We are of the view that the Settlement Shares Issue Price is acceptable after taking into consideration of the following factors:
Evaluation of the Settlement Shares Issue Price	<p>(a) a premium to the audited NL per SEB Share position as at 31 January 2025 and a premium of RM0.19 (or approximately 31.15%) to the Adjusted Consolidated NA per SEB Share of RM0.61 under the Maximum Scenario;</p> <p>(b) a premium ranging from 0.46% to 19.05% to the Adjusted VWAPs based on the closing market price of SEB Shares up to and including the LTD and over the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of SEB Shares up to and including the LTD;</p> <p>(c) a discount ranging from 1.72% to 8.26% to the Adjusted VWAPs over the 3-month, and 6-month VWAPs of SEB Shares up to and including the LPD; and</p> <p>(d) a premium ranging from 2.04% to 4.71% to the Adjusted VWAP over the 5-day, 1-month and 12-month VWAP of SEB Shares up to and including the LPD.</p>
<u>Section 6.2.5</u>	We are of the view that the salient terms on the schemes of arrangement under the Composite Scheme for the MCF Obligor (Subsidiary) Group, Core Asset-Owning Group, the Non-Core Group and the Company are considered commercially reasonable and aligned with prevailing market standards, hence, we deem the salient terms of the Composite Scheme to be acceptable.
Salient terms of the Composite Scheme	We have reviewed the indicative principal terms of RCUIDS.
<u>Section 6.2.6</u>	
Indicative Principal Terms of RCUIDS	The RCUIDS has a tenure of 8 years commencing from the issue date. As such, the issuance of RCUIDS shall minimise any immediate dilution effect on the Group's EPS. This approach preserves shareholder ownership and voting power until those events occur, allowing capital raising with no immediate impact.
<u>Section 6.2.7</u>	We are of the view that the RCLS Issue Price is acceptable after taking into consideration of the following factors:
Evaluation of the RCLS Issue Price	<p>(a) a premium to the audited NL per SEB Share position of RM0.19 as at 31 January 2025;</p> <p>(b) a discount of RM0.15 (or approximately 23.81%) to the Adjusted Consolidated NA per SEB Share under the Maximum Scenario;</p> <p>(c) a P/B Multiple of 0.348 times under the Minimum Scenario is within the historical P/B Multiple of SEB Shares ranging between 0.181 times to 0.780 times for the past 10 FYEs. This indicates that the RCLS</p>

	<p>Issue Price is being priced within the range of the historical P/B Multiple of SEB Shares for the past 10 years; and</p> <p>(d) a P/B Multiple of 0.787 times under the Maximum Scenario is above the historical P/B Multiple of SEB Shares ranging between 0.181 times to 0.780 times for the past 10 FYEs. We are of the view that the RCLS Issue price is acceptable as the P/B Multiple is marginally above the historical P/B Multiple. Furthermore, the financial position of SEB is expected to improve following the Proposed Regularisation Plan.</p> <p>While we note that the RCLS Issue Price represents a discount to the Adjusted VWAPs of SEB Shares, we have also considered the following key factors in our assessment:</p> <p>(i) the requisite funds by MDH allows SEB to repay its creditors which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of Malaysia in a timely manner. In the event SEB is unable to secure the requisite funds from MDH, SEB may require alternative approaches, which include, amongst others, disposal of assets, refinancing of existing borrowings, and/or obtaining additional borrowings from financial institutions. However, with the equity deficit position and PN17 status of SEB, SEB may not be able to successfully undertake any of the above which could lead to a liquidation of the Company, which may be detrimental to the interests of the shareholders of the Company;</p> <p>(ii) shifting market dynamics and uncertainties brought about by the impact of the COVID-19 pandemic and slow industry activity in the early part of 2021 have made it difficult for the Group to secure funding through conventional channels. Furthermore, SEB's recovery was curtailed by the COVID-19 pandemic as it faced substantial operational and financial challenges such as additional expenses arising from procurement delays and alterations to project schedules. These unforeseeable costs such as pandemic-related project delays, higher material and implementation costs, and global supply chain disruptions have had a lasting impact on project timelines and budgets; and</p> <p>(iii) in view of the profile of MDH, offering shares at a discount makes this investment opportunity more attractive to MDH.</p>
<p><u>Section 6.2.8</u></p> <p>Salient terms of the Conditional Funding Agreement</p>	<p>We are of the view that the salient terms of the Conditional Funding Agreement are considered commercially reasonable and aligned with prevailing market standards, hence, we deem the salient terms of the Conditional Funding Agreement to be acceptable.</p>
<p><u>Section 6.2.9</u></p> <p>Indicative Principal Terms of RCLS</p>	<p>We have reviewed the indicative principal terms of RCLS.</p> <p>The RCLS has a tenure of 8 years commencing from the issue date. As such, the issuance of RCLS shall minimise any immediate dilution effect on the Group's EPS. As such, the Group is able to raise funds from the subscription of the RCLS by MDH without causing immediate dilution to existing shareholders, as new shares are only issued upon the conversion of RCLS. This approach preserves shareholder ownership and voting power until those events occur, allowing capital raising with no immediate impact.</p>
<p><u>Section 6.3</u></p> <p>Effects of the Proposed Regularisation Plan</p>	<p>We note that the Proposed Exemption on a standalone basis will not have any effect on the share capital, NA and gearing, earnings and EPS of the Company and the substantial shareholders' shareholdings in the Company.</p> <p>However, in view of the inter-conditionality of the Proposed Regularisation Plan as set out in Section 12 of Part A of the Circular, we have also considered the pro forma effects of the Proposed Capital Reconstruction, Proposed Debt Restructuring and Proposed Fund-Raising on the share capital, NA and gearing, earnings and EPS of the Company and the substantial shareholders' shareholdings in the Company.</p>

Share capital

The Proposed Share Consolidation will not have any effect on the issued share capital of the Company under both Minimum Scenario and Maximum Scenario.

Under the Minimum Scenario, upon the completion of the Proposed Share Capital Reconstruction, the issued share capital of SEB Group will decrease from 18,375 million SEB Shares to 918 million SEB Shares and subsequently, upon the completion of the Proposed Debt Restructuring and Proposed Fund-Raising, the issued share capital will increase from 918 million SEB Shares to 2,287 million SEB Shares pursuant to the issuance of the Settlement Shares.

Under the Maximum Scenario assuming full conversion of warrants and ESOS Options and upon the completion of the Proposed Share Capital Reconstruction, the issued share capital of the Company will decrease from 20,173 million SEB Shares to 1,008 million SEB Shares and subsequently, upon the completion of the Proposed Debt Restructuring and Proposed Fund-Raising, the issued share capital will increase from 1,008 million SEB Shares to 2,377 million SEB Shares pursuant to the issuance of the Settlement Shares. The issued share capital of SEB will further increase from 2,377 million SEB Shares to 6,379 million SEB Shares upon the full conversion of the RCLS and RCUIDS.

The Proposed Exemption will not have any effect on the Company's issued share capital and number of issued share capital.

Substantial shareholders' shareholdings

Under the Minimum Scenario and Maximum Scenario, the shareholdings of the existing shareholders of SEB will be diluted pursuant to the issuance of Settlement Shares.

Under the Maximum Scenario, upon the full conversion of the RCUIDS and RCLS into new Consolidated SEB Shares, the shareholdings of the existing shareholders of SEB will be further diluted while MDH will emerge as the new controlling shareholder with a shareholding of approximately 35.92%. MDH and its PACs will have a collective shareholding of approximately 37.73% in SEB. Also, the existing shareholders' shareholdings of SEB will be proportionately diluted from 100.00% to 15.81%. The public shareholding spread of SEB will be 25.03%, as such, SEB will still be in compliance with the Public Spread Requirement.

NA per SEB Share and gearing

The Proposed Capital Reconstruction will not have any effect on the NA of the Company under both the Minimum Scenario and Maximum Scenario.

Under the Minimum Scenario, upon the completion of the Proposed Debt Restructuring, the NA of SEB Group will turnaround from a NL position of RM3,602 million to a NA position of RM1,934 million, where the NL per Share of RM0.19 will turnaround to NA per Share of RM0.92. Subsequently, upon the completion of the Proposed Fund-Raising, the NA will further increase from RM1,934 million to RM3,034 million, where the NA per Share will increase from RM0.92 to RM1.40.

Under the Minimum Scenario, the gearing of SEB will improve after the Proposed Debt Restructuring. Upon the completion of the Proposed Fund-Raising, the gearing of SEB will decrease from 2.69 times to 1.76 times.

Under the Maximum Scenario, upon the completion of the Proposed Debt Restructuring, the NA of SEB Group will turnaround from a NL position of RM2,873 million to a NA position of RM2,662 million, where the NL per Share of RM2.69 will turnaround to NA per Share of RM1.19. Subsequent to the completion of Proposed Fund-Raising, NA will further increase from RM2,662 million to RM3,762 million, where the NA per Share will increase from RM1.19 to RM1.65. The conversion of the RCLS and RCUIDS will not have any impact on the NA of SEB Group.

	<p>Under the Maximum Scenario, the gearing of SEB will improve after the Proposed Debt Restructuring. Upon the completion of the Proposed Fund-Raising, the gearing of SEB will decrease from 1.99 times to 1.43 times. The conversion of the RCUIDS and RCLS will not have any impact on the gearing.</p> <p>The Proposed Exemption will not have any effect on the Company's consolidated NA, NA per share and gearing level.</p> <p><u>Earnings and EPS</u></p> <p>The EPS of the Company will increase proportionately from 1.03 sen to 18.79 sen as a result of the decrease in the weighted average number of SEB Shares in issue arising from the Proposed Share Consolidation. The EPS of the Company will increase to RM2.64 pursuant to the gain derived from the Proposed Debt Restructuring, and diluted to RM1.12 as a result of the increase in the weighted average number of SEB Shares in issue upon the Proposed Issuance of Settlement Shares. The EPS of the Company will be further diluted from RM1.12 to RM0.42 as a result of the increase in number of SEB Shares arising from the conversion of the RCUIDS and RCLS during the Conversion Period under the Maximum Scenario.</p>
<p><u>Section 6.4</u></p> <p>Industry Overview and Prospects</p>	<p>We take cognisance of the industry overview and outlook, and prospects of the industries as set out in Sections 9.1 and 9.2, Part A of the Circular.</p> <p>Based on the above and after taking into consideration of the industry overview, outlook and prospects of SEB as set out in Section 6.4 of this IAL, we are of the view that the overall outlook and prospects of SEB upon the completion of the Proposed Regularisation Plan are expected to improve in the long term.</p>
<p><u>Section 6.5</u></p> <p>Risk factor of the Proposed Regularisation Plan</p>	<p>The following risks should be considered in relation to the Proposed Regularisation Plan:</p> <p>(i) <u>Delay in implementation or non-completion of the Proposed Regularisation Plan</u></p> <p>The regularisation of the Group is substantially contingent upon the effective and timely implementation of the Proposed Regularisation Plan. The successful execution of the Proposed Regularisation Plan is subjected to the requisite approvals from the relevant regulatory authorities as well as the shareholders of the Company at an EGM to be convened. In the event that such approvals are not obtained, the implementation of the Proposed Regularisation Plan may be delayed or aborted.</p> <p>There is a risk that SEB will continue to be classified under PN17. Any failure to implement the Proposed Regularisation Plan within the prescribed timeframe, or at all, may result in Bursa Securities suspending the trading of SEB Shares and/or the delisting of SEB from the Official List of the Main Market of Bursa Securities.</p> <p>In the event of a suspension in the trading of SEB Shares or de-listing of SEB from the Official List, shareholders of SEB may risk holding unlisted SEB Shares with no platform or active or ready market for dealings in unlisted securities.</p> <p>(ii) <u>Ability of the SEB Group to record a net profit in 2 consecutive quarters immediately after the Proposed Regularisation Plan</u></p> <p>Pursuant to Paragraph 5.2(c) of PN17 of the Listing Requirements, SEB is required to record net profits for 2 consecutive quarters immediately following the completion of the Proposed Regularisation Plan. The upliftment of SEB from its PN17 status is contingent upon its ability to fulfil this requirement, which serves to demonstrate that the Proposed Regularisation Plan is both comprehensive and effective in resolving the issues that initially led to SEB triggering the prescribed criteria. Specifically, SEB must show that, upon completion of the Proposed Regularisation Plan: (i) it no longer triggers any of the</p>

EXECUTIVE SUMMARY (CONT'D)

	<p>PN17 prescribed criteria; and (ii) it is not expected to trigger any such criteria in the foreseeable future.</p> <p>There is no assurance that SEB will be able to achieve profitability in the 2 consecutive quarters following the completion of the Proposed Regularisation Plan. It is also noted that SEB has not recorded consistent profits in the preceding quarters up to 30 April 2025.</p> <p>Nevertheless, the Board is confident that the Company will be able to record profitability in the 2 consecutive quarters upon the completion of the Proposed Regularisation Plan.</p> <p>In the event where the Company has obtained approval from the shareholders to implement the Proposed Regularisation Plan, but the Company is still unable to record net profit in 2 consecutive quarters, the Company will continue to maintain its status as a PN17 company.</p>
<p><u>Section 6.6</u></p> <p>Implications of the Proposed Exemption</p>	<p>If the non-interested shareholders <u>VOTE IN FAVOUR</u> of the Proposed Exemption:</p> <p>Should the non-interested shareholders vote in favour of the Proposed Exemption, SEB will be able to submit an application to the SC for the Proposed Exemption as it fulfils the requirement under subparagraph 4.08(1)(c) of the Rules for the SC's consideration. An approval from the SC would then exempt MDH and its PACs from the obligation to undertake any Mandatory Offer which may arise as a result of the conversion of the RCLS into RCLS Conversion Shares pursuant to the Proposed Fund-Raising.</p> <p>The non-interested shareholders' approval of the Proposed Exemption will imply that non-interested shareholders agree to waive their rights to a general offer by MDH for SEB Shares based on the highest price paid by MDH and its PACs for the SEB Shares within the past 6 months before the incurrence of such obligation to undertake the Mandatory Offer. As such, the non-interested shareholders will forego the offer price of RM0.80 (being the Settlement Shares Issue Price), upon the completion of the Proposed Share Consolidation, should the non-interested shareholders approve the Proposed Exemption. There have been no acquisitions taken place by MDH and its PACs for the past 6 months, before the announcement of the Conditional Funding Agreement dated on 11 March 2025.</p> <p>Non-interested shareholders should note that the Proposed Exemption, if granted, will facilitate the Proposed Regularisation Plan and will allow the collective direct and indirect shareholdings of MDH and its PACs to increase from nil up to approximately 37.73% under the Maximum Scenario, without being required to extend a Mandatory Offer for the remaining Consolidated SEB Shares and outstanding Consolidated Warrants not already owned by them. This would result in a corresponding decrease in the percentage shareholdings of non-interested shareholders of SEB from 100.00% to 15.81% after taking into consideration of the issuance of Settlement Shares and conversion of RCUIDS under the Maximum Scenario.</p> <p>Pursuant to the Proposed Regularisation Plan and Proposed Exemption, MDH will be able to emerge as the single largest shareholder in SEB, holding a total of up to 2,291,666,667 Consolidated SEB Shares, representing approximately 35.92% of the total enlarged number of issued shares in the Company under the Maximum Scenario.</p> <p>Non-interested shareholders should also be aware that if they vote for the Proposed Exemption and it is approved at the EGM and subsequently by the SC, shareholders could possibly be forgoing the opportunity, if any, to receive a general offer from another person (any other person, save for MDH) who may be deterred from making a general offer as the issuance of RCUIDS pursuant to the Proposed Debt Restructuring and the issuance of RCLS pursuant to the Proposed Fund-Raising will impose a dilution effect to the shareholdings of the non-interested shareholders of SEB.</p> <p>The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional. Hence, without the Proposed Exemption, the</p>

Proposed Regularisation Plan will not proceed. Therefore, voting in favour of the Proposed Exemption will enable the SEB Group to reap the benefits of the Proposed Regularisation Plan.

If the non-interested shareholders **VOTE AGAINST** the Proposed Exemption:

Should the non-interested shareholders vote against the Proposed Exemption, and it is not approved at the EGM, SEB will not be able to submit an application to the SC for the Proposed Exemption as it does not fulfill the requirement under subparagraph 4.08(1)(c) of the Rules.

Without the Proposed Exemption, the Proposed Debt Restructuring and Proposed Fund-Raising will not proceed as they are inter-conditional. SEB would not be able to implement the Proposed Regularisation Plan, and the rationale of the Proposed Regularisation Plan, including any potential benefits therefrom would not materialise. Accordingly, the Group's funding requirements envisaged to be met via the Proposed Regularisation Plan would need to be met in other ways in a timely manner.

If the Proposed Regularisation Plan is not approved, the Board will have to consider alternative approaches, which include, amongst others, disposals of assets, refinancing of existing borrowings, and/or obtaining additional borrowings from financial institutions. However, with the equity deficit position and PN17 status of SEB, SEB may not be able to successfully undertake any of the above which could lead to a liquidation of the Company which may be detrimental to the interests of the shareholders and stakeholders of the Company.

Note:

- (1) paragraph's 8 to 10 of Schedule 2: Part III of the Rules are set out as follows:
- (a) paragraph 8: In evaluating exemptions from Mandatory Offer obligations resulting from transactions involving the issuance of new securities or when a company purchases its own voting shares, a holistic approach should be taken in assessing whether the exemption is fair and reasonable and whether non-interested shareholders should vote for or against the exemption;
 - (b) paragraph 9: The independent adviser should discuss the purpose and effect of the exemption, that is, the substance of the transaction, particularly when the proposed exemption involves transactions that will result in the obtaining or consolidation of control. In such cases, the independent adviser should identify the advantages and disadvantages of the exemption to non-interested shareholders to enable them to decide on the proposed exemption. The independent adviser should also conclude whether the proposed exemption is 'fair and reasonable'; and
 - (c) paragraph 10: Benefits of the exemption to the non-interested shareholders may include, but are not limited to the following:
 - (i) long-term profit outlook of the offeree with the injection of additional capital;
 - (ii) improved gearing of the offeree as a result of any reduction in debt;
 - (iii) improved cashflow of the offeree as a result of the injection of working capital; or
 - (iv) advantages of raising funds through equity as compared to other alternative financing avenues.

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Exemption and our evaluation is set out in Section 6 of this IAL. The non-interested shareholders should consider all the merits and demerits of the Proposed Exemption based on all relevant pertinent factors including those which are as set out in **Part A of the Circular**, the relevant appendices thereof, this IAL and other publicly available information.

In arriving at our conclusion and recommendation on the Proposed Exemption, we have also taken into consideration of the potential advantages and disadvantages of the Proposed Regularisation Plan, if approved by the non-interested shareholders of SEB, and if the Proposed Exemption is approved by the SC, are summarised as follows:

The assessment and evaluation of the Proposed Exemptions were done on a holistic basis in accordance with paragraphs 8 to 10 of Schedule 2: Part III of the Rules (as set out in Section 2 of the Executive Summary). Furthermore, we have also taken into account the relevant factors as discussed in Section 6 of this IAL in evaluating the Proposed Exemption.

We have taken into consideration various factors discussed in this IAL of which the advantages and disadvantages of the Proposed Exemption, if granted, are summarised as below:

Potential Advantages	
(i)	The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional. Thus, by voting in favour of the Proposed Exemption would enable SEB to implement the Proposed Debt Restructuring and Proposed Fund-Raising.
(ii)	SEB will be able to realise the benefits from the implementation of the Proposed Regularisation Plan, which includes, amongst others: <ul style="list-style-type: none"> (a) overall improvement of SEB's capital structure pursuant to the reduction in accumulated losses via the Proposed Share Capital Reduction; (b) repayment and restructuring of the Outstanding Liabilities to the Unsecured Creditors via the Proposed Debt Restructuring; (c) raising the requisite funds for the repayment of the Outstanding Liabilities to the Ecosystem Creditors via the Proposed Fund-Raising; and (d) completion of the Proposed Regularisation Plan will improve the Company's financial condition, thereby: <ul style="list-style-type: none"> • facilitating SEB's exit from PN17 status; • enhancing shareholders' confidence in the Company; • adequately addressing Paragraph 2.1(a) of PN17 wherein the consolidated shareholders' equity of SEB is required to be more than 25.00% of its share capital, and the shareholder's equity is more than RM40 million; and • adequately addressing Paragraph 2.1(e) of PN17 wherein the shareholders' equity of the listed issuer is required to amount to more than 50.00% of share capital and the auditors are satisfied with the Company's ability to continue as a going concern.

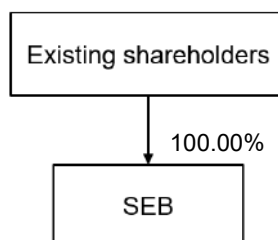
EXECUTIVE SUMMARY (CONT'D)

- (iii) The NA, share capital base and financial position of SEB will be strengthened upon the completion of the Proposed Regularisation Plan based on the pro forma effects as shown in Section 6 of this IAL, as follows:
- (a) the Proposed Regularisation Plan will turn around the NL position of SEB of RM3,602 million to a NA position of RM3,034 million and RM3,762 million under the Minimum Scenario and Maximum Scenario, respectively;
 - (b) NA per SEB Share will turn around from NL per SEB Share of RM0.19 to NA per SEB Share of RM1.40 and RM0.61 under the Minimum Scenario and Maximum Scenario, respectively;
 - (c) total borrowing of the Group will reduce from RM10,759 million as at 31 January 2025 to RM5,626 million under the Minimum Scenario and Maximum Scenario respectively, and
- (iv) the Proposed Exemption, forming an integral part of the Proposed Regularisation Plan will facilitate the required regularisation within the timeframe, thus, reducing the risk of trading of SEB Shares being suspended or delisted.
- (v) If non-interested shareholders VOTE IN FAVOUR, MDH would be able to submit an application for the Proposed Exemption to the SC for its consideration.

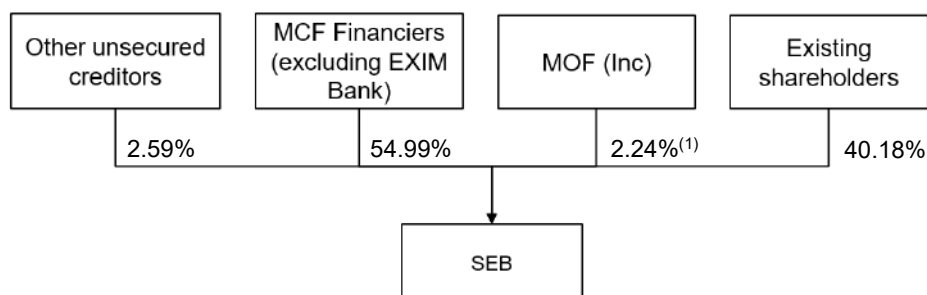
Potential Disadvantages

The group structure of SEB before and after the completion of the Proposed Regularisation Plan are as follows:

As at the LPD:

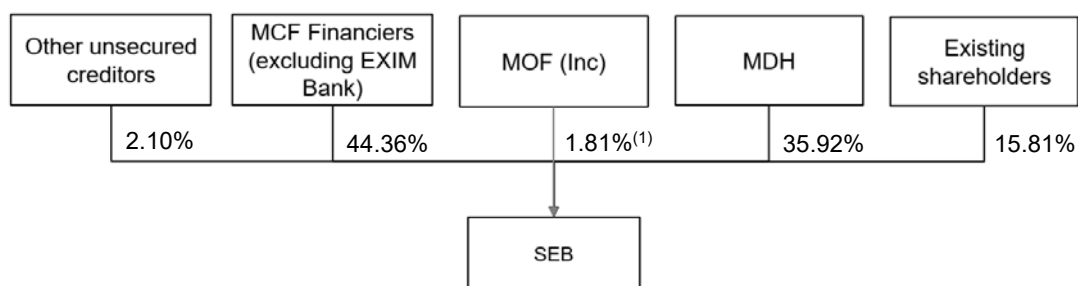


Upon the completion of the Proposed Regularisation Plan under the Minimum Scenario:



EXECUTIVE SUMMARY (CONT'D)

Upon the completion of the Proposed Regularisation Plan under the Maximum Scenario:



Note:

- (1) Deemed interested as MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.24% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)).
- (i) under the Minimum Scenario, the existing shareholders' shareholdings of SEB will be proportionately diluted from 100.00% to 40.18% due to the issuance of the Settlement Shares pursuant to the Proposed Debt Restructuring, upon the completion of the Proposed Regularisation Plan;
- (ii) under the Maximum Scenario, the existing shareholders' shareholdings of SEB will be proportionately diluted from 100.00% to 15.81% due to the issuance of the Settlement Shares, conversion of the RCUIDS and RCLS into RCUIDS Conversion Shares and RCLS Conversion Shares, respectively, upon the completion of the Proposed Regularisation Plan;
- (iii) under the Maximum Scenario, the NA per SEB Share (excluding non-controlling interest) will be diluted upon the completion of the Proposed Fund Raising from RM1.65 to RM0.84 upon the issuance of the RCLS Conversion Shares. The steep decline is due to the lower RCLS Issue Price than the NA per SEB Share. Subsequently, the NA per SEB Share will further decrease to RM0.61, upon the issuance of the RCUIDS Conversion Shares;
- (iv) the EPS of the Company will increase proportionately from 1.03 sen to 18.79 sen, as a result of the decrease in the weighted average number of SEB Shares in issue arising from the Proposed Share Consolidation. The EPS of the Company will increase to RM2.64 pursuant to the gain derived from the Proposed Debt Restructuring, and subsequently diluted to RM1.12, as a result of the increase in the weighted average number of SEB Shares in issue upon the Proposed Issuance of Settlement Shares. The EPS of the Company will be further diluted from RM1.12 to RM0.42 as a result of the increase in number of SEB Shares arising from the conversion of the RCUIDS and RCLS during the Conversion Period under the Maximum Scenario; and
- (v) the RCLS Issue Price of RM0.48 is at a discount ranging from 28.57% to 39.73% to the Adjusted VWAPs of SEB Shares up to the LTD as set out in our evaluation of the RCLS Issue Price in Section 6.2.7 of this IAL.

MDH and its PACs with a collective shareholding of 37.73% will be able to gain control at a discount without triggering a Mandatory Offer obligation pursuant to the Rules under the Maximum Scenario.

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares, except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect

EXECUTIVE SUMMARY (CONT'D)

interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in SEB.

With a collective shareholding of more than 50.00%, MDH and its PACs will have statutory control over SEB at a discount without triggering a Mandatory Offer obligation pursuant to the Rules. In the event where the Proposed Exemption is granted and MDH and its PACs' shareholdings increase to above 50.00% as a result of the conversion of the RCLS into RCLS Conversion Shares, any further increase in the shareholdings of MDH and its PACs will not result in incurring any further obligation to make a Mandatory Offer.

- (vi) If non-interested shareholders VOTE AGAINST, MDH would not be able to submit an application for the Proposed Exemption to the SC for its consideration. Further, the Proposed Debt-Restructuring and Proposed Fund-Raising will not be implemented as the Proposed Debt-Restructuring, Proposed Fund-Raising and the Proposed Exemption are inter-conditional. In such event, the Company would not be able to implement the Proposed Regularisation Plan.

Premised on our evaluation of the Proposed Exemption in Section 6 of this IAL, we are of the opinion that the Proposed Exemption is **fair** and **reasonable**.

Accordingly, we recommend that the non-interested shareholders to **vote in favour** of the resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

We have not taken into consideration any specific investment objectives, financial situations, risk profile or particular need required by you. We recommend that if you require an advice in relation to the Proposed Exemption in the context of your investment objectives, financial situations, risk profile or particular needs, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Please refer to Section 10 of the IAL for further information.



8 July 2025

To: The non-interested shareholders of Sapura Energy Berhad

Dear Sir / Madam,

SAPURA ENERGY BERHAD

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF SEB IN RELATION TO THE PROPOSED EXEMPTION

This IAL is prepared for inclusion in the Circular and should be read in conjunction with the same. All capitalised terms used in this IAL shall have the same meaning as the words and expressions provided in the "Definitions" section of the Circular, except where the context otherwise requires or otherwise as defined herein. All references to "we", "us" or "our" in this IAL are references to Kenanga IB, being the Independent Adviser for the Proposed Exemption.

1. INTRODUCTION

On 31 May 2022, the Company was classified as a PN17 company (pursuant to the trigger of the criteria in relation to its financial condition as prescribed under Paragraph 8.04 of the Listing Requirement and Paragraph 2.1(e) of PN17 of the Listing Requirements). On 30 March 2023, the Company had further triggered another prescribed criterion under Paragraph 2.1(a) of PN17 of the Listing Requirements and has since sought to formulate a regularisation plan which will allow it to be uplifted from the said status upon implementation. Please refer to **Section 2 of Part A of the Circular** for the chronological events in relation to the trigger of PN17.

On 14 May 2025, MIDF Investment had, on behalf of the Board, made a Requisite Announcement pursuant to Paragraph 4.2 of PN17 which set out the Proposed Regularisation Plan of the Company, comprising the following proposals (as detailed in **Part A of the Circular**):

- (i) Proposed Capital Reconstruction;
- (ii) Proposed Debt Restructuring;
- (iii) Proposed Fund-Raising; and
- (iv) Proposed Exemption.

On 27 May 2025, MIDF Investment had, on behalf of the Board, announced that the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Securities for its approval. The said approval was granted by Bursa Securities vide its letter on 30 June 2025.

Pursuant to the Conditional Funding Agreement entered between SEB and MDH on 4 March 2025, MDH intends to subscribe for 2,291,666,667 RCLS at the RCLS Issue Price on the Restructuring Effective Date.

As at the LPD, MDH and its PACs do not have any direct and indirect shareholding of SEB Shares. Under the Maximum Scenario upon the completion of the Proposed Regularisation Plan, and assuming MDH exercises its right to convert all the RCLS to RCLS Conversion Shares at any time from the Restructuring Effective Date over the tenure of 8 years, MDH will emerge as a direct controlling shareholder of SEB via its direct shareholdings of approximately 35.92%, while MOF (Inc), being a PAC to MDH pursuant to paragraph 216(3)(f) of the CMSA, through its indirect shareholding in EXIM Bank, being a wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad, which in turn is a 99.99%-owned subsidiary of MOF (Inc), will have a shareholding of 1.81% in SEB. As such, MDH and its PACs will collectively have 37.73% direct and indirect shareholdings in SEB under the Maximum Scenario. Upon the expiry of the tenure, the RCLS will automatically convert into RCLS Conversion Shares.

Kenanga

Under the Minimum Scenario, MDH and its PACs will have an indirect interest of 2.24% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)), upon the completion of the Proposed Debt Restructuring.

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares, except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in SEB.

Pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, MDH and its PACs will be obliged to extend a Mandatory Offer for all remaining Consolidated SEB Shares and outstanding Consolidated Warrants not already owned by MDH and its PACs upon conversion of the RCLS into RCLS Conversion Shares where such conversion would result in an increase of its interests in the voting shares or voting rights in the Company to more than 33.00% upon the completion of the Proposed Fund-Raising under the Maximum Scenario.

As it is not the intention of MDH and its PACs to undertake a Mandatory Offer, MDH and its PACs will submit an application to seek the SC's approval for the Proposed Exemption, subject to the approval from the non-interested shareholders of SEB being obtained at the forthcoming EGM.

In compliance with paragraph 3.06 of the Rules, the Board had on 15 April 2025, appointed Kenanga IB as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of SEB as well as to provide comments, opinions, information and recommendation on the Proposed Exemption, in the IAL. Pursuant to paragraph 3.07 of the Rules, Kenanga IB had on 18 April 2025 declared its independence from any conflict of interest or potential conflict of interest to the SC in relation to its role as the Independent Adviser for the Proposed Exemption.

Pursuant to subparagraph 4.08(3)(g) of the Rules, the SC had on 7 July 2025, notified that it has no further comments on the contents of this IAL. The notification shall not be taken to suggest that the SC recommends the Proposed Exemption or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAL.

The Proposed Share Consolidation and Proposed Share Capital Reduction are not interconditional. The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional.

The Proposed Capital Reconstruction is not conditional upon the Proposed Debt Restructuring, Proposed Fund-Raising and the Proposed Exemption, but the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are conditional upon the Proposed Capital Reconstruction.

The Proposed Regularisation Plan is not conditional upon any corporate proposals to be implemented by the Company.

Given that the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional upon each other, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted.

Kenanga

The purpose of this IAL is to provide you with our independent evaluation on the fairness and reasonableness of the Proposed Exemption on a holistic basis, together with our recommendation on whether you should vote in favour of the resolution or otherwise, pertaining to the Proposed Exemption, subject to the scope and limitations specified herein.

Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Exemption before deciding on the course of action to be taken at the forthcoming EGM.

THE NON-INTERESTED SHAREHOLDERS OF SEB ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE LETTER FROM THE BOARD AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE EVALUATIONS AND RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM.

IF THE NON-INTERESTED SHAREHOLDERS OF SEB ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, THE NON-INTERESTED SHAREHOLDERS OF SEB SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE PROPOSED REGULARISATION PLAN

The full details of the Proposed Regularisation Plan are set out in **Section 3, Part A of the Circular** and should be read in its entirety by the non-interested shareholders of SEB.

Proposed Regularisation Plan	References in Part A of the Circular
Proposed Capital Reconstruction	Section 3.1
Proposed Debt Restructuring	Section 3.2
Proposed Fund-Raising	Section 3.3
Proposed Exemption	Section 3.4

3. LIMITATIONS TO THE EVALUATION OF THE PROPOSED EXEMPTION

Kenanga IB was not involved in any negotiation, discussion or formulation of the Proposed Regularisation Plan and/or any negotiations pertaining to the terms and conditions of the Proposed Regularisation Plan. Kenanga IB's scope as the Independent Adviser is limited to expressing an independent opinion and providing our comments, opinions, information and recommendation on the Proposed Exemption pursuant to paragraph 3.06 of the Rules.

In evaluating and analysing the Proposed Exemption and in formulating our recommendation, we have relied upon the reasonableness, accuracy and completeness of the information and documents provided to us or which are available to us, amongst others, the following:

- (i) the information contained in **Part A of the Circular** and the appendices attached thereto;
- (ii) the audited financial statements of SEB for the FYE 31 January 2025;
- (iii) the Conditional Funding Agreement dated 4 March 2025;
- (iv) the Composite Scheme sanctioned by the High Court of Malaya on 6 March 2025 and subsequently lodged with the Companies Commission of Malaysia, as well as Labuan Financial Services Authority and Bermuda Registrar of Companies on 10 and 11 March 2025 respectively;

Kenanga

- (v) discussions with the Board and the management of SEB;
- (vi) other relevant information, documents, confirmations and representation furnished to us by the Board and management of SEB; and
- (vii) other publicly available information.

Kenanga IB, as the Independent Adviser, has relied on the information provided by the Board of SEB, management and representatives of the Company as well as other publicly available information. We have further assume that such information has been prepared in good faith and reflects the best judgement and estimates of SEB as of the date hereof and we have obtained confirmation from the Board of SEB that they jointly and severally accept full responsibility for the accuracy of the information herein and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, all information relevant to our evaluation of the Proposed Exemption have been disclosed to us are valid and complete in all material aspects and there is no omission of any material fact which would make any information disclosed to us false or misleading. Whilst we make no representation as to the accuracy, validity and completeness of the information provided, after making all reasonable enquiries, Kenanga IB is satisfied with the information and the sufficiency of the information obtained from the Board of SEB, management and representatives of the Company and we have no reason to believe that the information was unreliable, unreasonable, incomplete, misleading or inaccurate as at the LPD.

As an Independent Adviser, we have evaluated the Proposed Exemption and in forming our opinion, we had taken note of pertinent issues, which we believe are necessary and of importance to an assessment of the implications of the Proposed Exemption and are therefore of general concern to the non-interested Directors and non-interested shareholders. It is not within our terms of reference to express any opinion on legal, accounting and taxation issues relating to the Proposed Exemption. We have not taken into consideration any specific investment objectives, financial situation or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who may require advice in relation to the Proposed Exemption in the context of their individual objectives, financial situation and particular situation, to consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Our evaluations and opinions as set out in this IAL are based upon market, economic, industry, regulatory and the information / documents made available to us, as at the LPD. Such conditions may change significantly over a short period of time. Accordingly, our evaluations and opinions in this IAL do not consider the information, events and conditions arising after the LPD or such other periods as specified herein, as the case may be.

Our evaluation and opinion in relation to the Proposed Exemption were made based on prevailing market conditions and information made available to Kenanga IB at that point of time. Pursuant to subparagraph 11.07(1) of the Rules, Kenanga IB shall notify the SC in writing and the non-interested shareholders by way of announcement if, after despatching this IAL and prior to the EGM, we become aware that the information or document previously circulated or provided:-

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

A notification to the SC and an announcement shall be made before 9 a.m. on the next market day, pursuant to subparagraphs 11.07(1) and (3) of the Rules. If circumstances require, a supplementary IAL will be sent to the non-interested shareholders of SEB in accordance with subparagraph 11.07(2) of the Rules.

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

As at the LPD, none of the Directors, major shareholders and/or chief executive of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Regularisation Plan as per **Section 13 of Part A of the Circular**.

5. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our appointment as the Independent Adviser for the Proposed Exemption, we do not have any other professional relationship with SEB for the past 2 years preceding the LPD. We confirm that there is no situation of conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser to SEB for the Proposed Exemption.

Kenanga IB is a participating organisation of Bursa Securities and provides a range of services including corporate finance advisory, stocks and futures broking and research. Kenanga IB was approved by the SC on 1 January 2021, as a corporate finance adviser. We provide a range of advisory services which include, amongst others, mergers, acquisitions and divestitures, take-overs / general offers, fund-raising and initial public offerings. We have experience in the independent analysis of transactions and issuing opinions on whether the terms and financial conditions of a transaction are deemed fair and reasonable, including those of acquisitions, disposals and general offers. We are a holder of a Capital Markets Services Licence issued by the SC as a principal adviser who is permitted to carry on the regulated activity of advising on corporate finance pursuant to section 76 and schedule 2 of the CMSA.

Our credentials and experience as an Independent Adviser since 2019 up to the LPD include, amongst others, the following:

No.	Company	Proposals
1.	Lianson Fleet Group Berhad (formerly known as Icon Offshore Berhad) (" LFG ")	Independent advice letter dated 11 June 2025 to the non-interested directors and shareholders of LFG pertaining to the proposed exemption to Mr. Lim Han Weng and its PACs from the obligation to undertake the mandatory general offer under the Rules.
2.	Parkwood Holdings Berhad (" Parkwood ")	Independent advice letter dated 17 April 2025 to the non-interested shareholders of Parkwood pertaining to the proposed exemption of the major shareholder and its PACs from the obligation to undertake the mandatory general offer under the Rules.
3.	LFG	Independent advice letter dated 10 January 2025 to the non-interested shareholders of LFG in relation to the proposed related party acquisitions.
4.	Ranhill Utilities Berhad (" Ranhill ")	Independent advice circular dated 28 June 2024 to the non-interested directors and the holders of the offer shares in Ranhill pertaining to an unconditional mandatory take-over offer under the Rules.
5.	UMW Holdings Berhad (" UMW ")	Independent advice circular dated 8 January 2024 to the holders of the offer shares in UMW pertaining to an unconditional mandatory take-over offer under the Rules.
6.	Pelikan International Corporation Berhad (" PICB ")	Independent advice letter dated 7 September 2023 to the shareholders of PICB pertaining to a proposed disposal.

Kenanga

No.	Company	Proposals
7.	Malaysian Building Society Berhad (" MBSB ")	Independent advice letter dated 12 July 2023 to the shareholders of MBSB in relation to a proposed acquisition of 100% equity interest of Malaysian Industrial Development Finance Berhad from its sole shareholder, Permodalan Nasional Berhad.
8.	Sunway Real Estate Investment Trust (" Sunway REIT ")	Independent advice letter dated 31 May 2023 to the non-interested unitholders of Sunway REIT pertaining to a proposed acquisition.
9.	Lingkar Trans Kota Holdings Berhad (" LITRAK ")	Independent advice letter dated 15 May 2023 to the shareholders of LITRAK pertaining to a proposed capital reduction and repayment, and proposed delisting.
10.	Boustead Holdings Berhad (" Boustead ")	Independent advice circular dated 17 April 2023 to the holders of the offer shares in Boustead pertaining to a conditional voluntary take-over offer under the Rules.
11.	CapitaLand Malaysia Trust (" CLMT ")	Independent advice letter dated 8 February 2023 to the non-interested unitholders of CLMT pertaining to the proposed acquisition of 433 strata titles within Queensbay Mall held by Special Coral Sdn Bhd, and the entire equity stakes in Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd, and Milky Way Hypermarkets / Retail Complexes Berhad.
12.	Lion Posim Berhad (" LPB ")	Independent advice letter dated 17 November 2022 to the non-interested shareholders of LPB pertaining to a proposed unincorporated joint venture and proposed diversification.
13.	Cycle & Carriage Bintang Berhad (" CCB ")	Independent advice circular dated 15 August 2022 to the holders of the offer shares in CCB pertaining to an unconditional voluntary take-over offer under the Rules.
14.	Shin Yang Shipping Corporation Berhad (" SYSCORP ")	Independent advice letter dated 17 May 2022 to the non-interested shareholders of SYSCORP pertaining to the proposed acquisition of Piasau Gas Sdn Bhd.
15.	IJM Plantations Berhad (" IJMP ")	Independent advice circular dated 30 September 2021 to the holders of the offer shares in IJMP pertaining to an unconditional mandatory take-over offer under the Rules.
16.	Malton Berhad (" Malton ")	Independent advice letter dated 15 August 2019 to the non-interested shareholders of Malton pertaining to the proposed disposal of equity interest in Pavilion Bukit Jalil Mall and proposed subscription of redeemable preference shares in Regal Path Sdn Bhd.
17.	Sarawak Consolidated Industries Berhad (" SCIB ")	Independent advice letter dated 11 June 2019 to the non-interested shareholders of SCIB pertaining to the proposed acquisition of land together with buildings erected thereon.

Premised on the above, we are capable, competent and have the relevant experience in carrying out our role and responsibilities as the Independent Adviser to advise the non-interested Directors and non-interested shareholders in relation to the Proposed Exemption.

6. EVALUATIONS OF THE PROPOSED EXEMPTION

In arriving at our conclusion and recommendation, we have assessed and evaluated various aspects of the Proposed Exemption on a holistic approach in accordance with paragraphs 8 to 10 of Schedule 2: Part III of the Rules⁽¹⁾, including the rationale and financial effects of the Proposed Exemption as well as its implications to the non-interested shareholders of SEB. Our opinion on the fairness and reasonableness of the Proposed Exemption is rendered on a holistic basis. In the event where SEB redeems all the RCLS prior to the expiry of the 8-year tenure, no Mandatory Offer obligation would arise. In the event there is no redemption from MDH until the expiry of the tenure, the RCLS will be automatically converted into RCLS Conversion Shares.

In forming our opinion to the non-interested shareholders of SEB, we have taken the following into consideration in our evaluation:

Section 6.1	:	Rationale of the Proposed Regularisation Plan
Section 6.1.1	:	Rationale of the Proposed Share Capital Reduction
Section 6.1.2	:	Rationale of the Proposed Share Consolidation
Section 6.1.3	:	Rationale of the Proposed Debt Restructuring
Section 6.1.4	:	Rationale of the Proposed Fund-Raising
Section 6.1.5	:	Rationale of Proposed Exemption
Section 6.2	:	Evaluation of the Proposed Regularisation Plan
Section 6.3	:	Effects of the Proposed Regularisation Plan
Section 6.4	:	Industry Overview and Prospects
Section 6.5	:	Risk factor of the Proposed Regularisation Plan
Section 6.6	:	Implications of the Proposed Exemption

Note:

- (1) paragraphs 8 to 10 of Schedule 2: Part III of the Rules are set out as follows:
- (a) paragraph 8: In evaluating exemptions from Mandatory Offer obligations resulting from transactions involving the issuance of new securities or when a company purchases its own voting shares, a holistic approach should be taken in assessing whether the exemption is fair and reasonable and whether non-interested shareholders should vote for or against the exemption;
 - (b) paragraph 9: The independent adviser should discuss the purpose and effect of the exemption, that is, the substance of the transaction, particularly when the proposed exemption involves transactions that will result in the obtaining or consolidation of control. In such cases, the independent adviser should identify the advantages and disadvantages of the exemption to non-interested shareholders to enable them to decide on the proposed exemption. The independent adviser should also conclude whether the proposed exemption is 'fair and reasonable'; and
 - (c) paragraph 10: Benefits of the exemption to the non-interested shareholders may include, but are not limited to the following:
 - (i) long-term profit outlook of the offeree with the injection of additional capital;
 - (ii) improved gearing of the offeree as a result of any reduction in debt;
 - (iii) improved cashflow of the offeree as a result of the injection of working capital; or

- (iv) advantages of raising funds through equity as compared to other alternative financing avenues.

6.1 Rationale of the Proposed Regularisation Plan

We note **Section 6 of Part A of the Circular** state that the Board is of opinion that upon successful implementation of the Proposed Regularisation Plan, the Group will be in a better position to turnaround its financial condition and improve its operational performance, which will enable the Group to exit its PN17 status.

As mentioned in **Section 5 of Part A of the Circular**, the primary objective of the Proposed Regularisation Plan is to rejuvenate the Company, strengthening its financial standing and profitability to sustain its listing status, thereby benefiting all stakeholders of the Group.

We have taken into consideration the following when evaluating the rationale of the Proposed Regularisation Plan:

(i) Urgency for SEB to regularise its PN17 status and complete the Composite Scheme

SEB has been classified as a PN17 issuer since 31 May 2022. Pursuant to Paragraph 5.2(a) of the Listing Requirements, SEB is required to submit its regularisation plan to Bursa Securities within 12 months from 31 May 2022, being the date of the First Announcement. Accordingly, SEB had submitted 4 applications for the purpose of extension of time, with 31 May 2025 being the latest deadline for the submission of SEB's Proposed Regularisation Plan to Bursa Securities. On 27 May 2025, the application in relation to the Proposed Regularisation Plan had been submitted to Bursa Securities for its approval and the approval was granted by Bursa Securities vide its letter on 30 June 2025.

The impending deadlines for the completion of the Proposed Regularisation Plan to enable the upliftment of PN17 status makes it necessary for SEB to restructure its debts as well as raise the requisite funding expeditiously. Any delays in the implementation or non-completion of the Proposed Debt Restructuring and Proposed Fund-Raising may adversely affect or disrupt the entire regularisation plan, which may in turn prolong the PN17 condition. There is no assurance that Bursa Securities will continue to grant further extensions of time to address the PN17 status and not suspend the trading of SEB Shares or de-list the SEB Shares. It is in the interest of the Company to implement the Proposed Regularisation Plan on a timely and expedient basis.

(ii) Positive financial effects of the Proposed Regularisation Plan to uplift the Company from PN17 status

The Proposed Regularisation Plan aims to regularise the financial condition of SEB Group to address the prescribed criteria under Paragraph 2.1 of PN17 and uplift the PN17 status of the Company. As detailed in **Section 6.4 of Part A of the Circular**, we note that the prescribed criteria under Paragraph 2.1 of PN17 are addressed as follows:

- (a) the completion of the Proposed Regularisation Plan is expected to adequately address Paragraph 2.1(a) of PN17 wherein the consolidated shareholders' equity of SEB is required to be more than 25.00% of its share capital and such shareholders' equity is more than RM40 million; and

- (b) the completion of the Proposed Regularisation Plan is necessary to address Paragraph 2.1(e) of PN17 wherein the shareholders' equity of the listed issuer is required to amount to more than 50.00% of share capital and the auditors are satisfied with the Company's ability to continue as a going concern and do not express a qualification on the same in the Company's audited financial statements.

We note that the proforma consolidated NA of the Group upon completion of the Proposed Regularisation Plan amounts to RM3,034 million, representing 276.82% of the share capital under the Minimum Scenario, and RM3,762 million, representing 88.54% of the share capital under the Maximum Scenario.

We further note the following statement in the **Part A of the Circular**, "The External Auditors had expressed their unqualified opinion with material uncertainty related to going concern in respect of the audited financial statements of the Group and the Company for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025."

Pursuant to the Proposed Debt Restructuring, up to approximately RM11,125.3 million of the Outstanding Liabilities of the Group will be restructured via the Agreed Debt Waiver, Proposed Conversion into SOMV Debt, Proposed Conversion into Sustainable Debts, Proposed Issuance of RCUIDS and Proposed Issuance of Settlement Shares. Accordingly, shareholders' equity will increase from an equity deficit position of RM3,602 million as at 31 January 2025 to RM1,934 million and RM2,662 million under the Minimum Scenario and Maximum Scenario, respectively.

The Proposed Fund-Raising which is expected to raise RM1,100 million will further increase the shareholders' equity to RM3,034 million and RM3,762 million under the Minimum Scenario and Maximum Scenario, respectively.

In addition, Paragraph 5.2(c) of PN17 requires SEB to generate net profits for two consecutive quarters immediately after the implementation of the Proposed Regularisation Plan.

In the event SEB is unable to record a net profit in 2 consecutive quarters upon the implementation of the Proposed Regularisation Plan, SEB will continue to be classified under PN17 and may result in Bursa Securities suspending the trading of SEB Shares and/or the delisting of SEB from the Official List of the Main Market of Bursa Securities.

We noted that according to the first quarterly result for the FPE 30 April 2025, the Group recorded a LAT which is primarily due to a recognition of foreseeable losses of a certain project. Nevertheless, SEB expects a recovery upon the claims and variation orders on the said project once agreed with the client. Furthermore, the drilling division managed to secure long term projects valued at approximately RM3.2 billion. The O&M division also secured additional order books with improving margins which will contribute positively to the Group's financial performance.

Brazil JV continues to strengthen its market position and expand its orderbook in deepwater regions. As at the LPD, Brazil JV secured a notable contract in FYE 2025 valued at USD1.8 billion, or approximately RM8.52 billion. Further, upon the completion of the Proposed Regularisation Plan, the interest savings pursuant to the reduction of the borrowings and the lower interest rates is expected to contribute positively to the Group's financial performance.

Kenanga

We note that the Board is of the opinion that the Group will be able to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the Proposed Regularisation Plan based on, amongst others, the expected benefits to be materialised from the Proposed Debt Restructuring and Proposed Fund-Raising.

(iii) The Proposed Regularisation Plan will improve the financial position of the SEB Group

The proforma effects of the Proposed Regularisation Plan on the audited consolidated statement of financial position of SEB as at 31 January 2025 are as follows:

	Audited as at 31 January 2025	After Proposed Regularisation Plan	
		Minimum Scenario	Maximum Scenario
	RM'mil	RM'mil	RM'mil
Total current assets	6,639.6	4,350.6	5,079.7
Less:			
Total current liabilities	17,891.1	4,106.4	4,106.4
Net current assets / (Net current liabilities)	(11,251.5)	244.2	973.3
Current ratio (times)	0.37	1.06	1.24
NA/(NL) per SEB Share (RM) ⁽¹⁾	(0.19)	1.40	0.61
Gearing ratio ⁽¹⁾ (times)	(2)-	1.76	1.43

Notes:

(1) Excluding non-controlling interest.

(2) Not applicable as the Group is in a shareholders' deficit position.

We note from the above that:

- (i) SEB is in a net current liability position of RM11,251.5 million based on the audited as at 31 January 2025. Upon the completion of the Proposed Regularisation Plan, the proforma net current liabilities will turn around from RM11,251.5 million to net current assets of RM298.3 million and RM1,027.3 million under the Minimum Scenario and Maximum Scenario, respectively;
- (ii) pursuant to the turnaround of net current liabilities to net current asset upon the Proposed Regularisation Plan, the current ratio will improve from 0.37 to 1.06 and 1.24 under the Minimum Scenario and Maximum Scenario, respectively; and
- (iii) NA per SEB Share will increase from a NL per share of RM0.19 to NA per SEB Share of RM1.40 and RM0.61 under the Minimum Scenario and Maximum Scenario, respectively.

We note that upon successful implementation of the Proposed Regularisation Plan, the improved capital base of the Group should be seen by its stakeholders (including its bankers, suppliers, customers and employees) as a positive factor which should in turn, boost stakeholders' confidence in the Group's ability to carry out its projects, generate positive cashflows and earnings moving forward. Having considered the above improvement in financial position, together with the Group's existing orderbook of approximately RM7,358 million as at 31 May 2025, we are of the view that the Proposed Regularisation Plan should bode well for the Group's outlook.

Premised on the above, we are of the view that the Proposed Regularisation Plan is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

6.1.1 Rationale of the Proposed Share Capital Reduction

The rationale for the Proposed Share Capital Reduction is set out in **Section 5.1 of Part A of the Circular**.

The Proposed Share Capital Reduction entails a 99.99% reduction of the Company's issued ordinary share capital from RM11,854.8 million as at the LPD to RM1.2 million and RM1.3 million under the Minimum Scenario and Maximum Scenario, respectively.

The amount of RM11,853.6 million and RM12,773.5 million, being the credit arising from the aforesaid cancellation of share capital under the Minimum Scenario and Maximum Scenario. The credit is then transferred to the Company's retained earnings account and is expected to reduce the accumulated losses of the Company as at the effective date of the Proposed Share Capital Reduction.

This reduction in accumulated losses does not affect the Company's cash flow but improves its equity position by reducing the negative retained earnings, thereby strengthening the balance sheet of the Company.

We note that the Proposed Share Capital Reduction will not result in:

- (a) any change in the total number of issued SEB Shares held by the shareholders of the Company;
- (b) any payment to the shareholders of SEB;
- (c) any adjustment to the share price of SEB Shares; and
- (d) any cash outflow or changes in the NA of SEB Group (save for the estimated expenses to be incurred in relation to the Proposed Regularisation Plan, which is not material, relative to the quantum of borrowings restructured and/or waived under the Proposed Debt Restructuring as well as the proceeds raised from the Proposed Fund-Raising).

Premised on the above, we are of the view that the rationale for the Proposed Share Capital Reduction is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

6.1.2 Rationale of the Proposed Share Consolidation

The rationale for the Proposed Share Consolidation is set out in **Section 5.2 of Part A of the Circular**.

The Proposed Share Consolidation entails the consolidation of every existing 20 SEB Shares held into 1 Consolidated SEB Share.

The theoretical adjusted reference price per SEB Share after the Proposed Share Consolidation will be RM0.80 per SEB Share. The average last price of SEB Shares for the FYE 2025 of SEB Shares was RM0.04 per SEB Share. The adjustment made to SEB Share is expected to enhance the Company's share capital structure upon the completion of the Proposed Regularisation Plan. The Company would have a smaller number of Shares in issue with a higher share price per SEB Share. Therefore, a small absolute movement in the share price would result in relatively lower movement in percentage terms.

We note that the Proposed Share Consolidation will not result in any change in percentage of shareholdings of the shareholders.

Premised on the above, we are of the view that the rationale for the Proposed Share Consolidation is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

6.1.3 Rationale of the Proposed Debt Restructuring

The rationale for the Proposed Debt Restructuring is set out in **Section 5.3 of Part A of the Circular**.

Pursuant thereto, our comments on the rationale of the Proposed Debt Restructuring are as follows:

(i) Restructuring of the Group's debts

The Proposed Debt Restructuring is expected to restructure the debts amounting up to approximately RM11,125.3 million into Agreed Debt Waiver amounting to RM784.3 million, Proposed Conversion into SOMV Debt amounting to RM2,250 million, Proposed Conversion into Sustainable Debts amounting to RM5,226 million, Proposed Issuance of RCUIDS amounting to RM1,770 million and Proposed Issuance of Settlement Shares amounting to RM1,095 million.

Collectively, the Proposed Conversion into SOMV Debt, Proposed Conversion into Sustainable Debts, Proposed Issuance of RCUIDS and Proposed Issuance of Settlement Shares (which are all part of the Proposed Debt Restructuring) are expected to result in interest savings of RM521.2 million per annum (as set out in **Section 5.3 of Part A of the Circular**). The tax shield which were previously made available to Sapura TMC Sdn Bhd would not be made available to Sinar Drilling Sdn Bhd and Sinar Brazil Sdn Bhd, as the interest expenses are not directly attributable to the dividend income received by Sinar Drilling Sdn Bhd and Sinar Brazil Sdn Bhd. The computation of the interest savings is based on the reduction of the borrowings and the lower interest rates incurred for FYE 2025. The interest rate for the SOMV Debt and the Sustainable Debts are 2.00%, and 4.50%, respectively.

In addition, the MCF Facilities carry a floating interest rate i.e. an interest rate which will vary or fluctuate over time based on an underlying benchmark interest rate which may translate to an increase in interest expenses to be incurred by the SEB Group.

Thus, the repayment of the MCF Facilities will reduce SEB Group's exposure to fluctuations in interest rates. However, SEB will still be exposed to interest rate fluctuations from floating-rate instruments such as revolving credit facilities upon the completion of the Proposed Regularisation Plan.

(ii) **Strengthening the Group's financial position**

The Proposed Debt Restructuring is expected to strengthen the SEB Group's financial position. As set out in **Section 8.3 of Part A of the Circular**, upon completion of the Proposed Debt Restructuring:

- (a) the pro forma NA of the SEB Group will increase from an equity deficit position of RM3,602 million as at 31 January 2025 to RM1,934 million and RM2,662 million under the Minimum Scenario and Maximum Scenario, respectively; and
- (b) the gearing ratio of the SEB Group will improve from -3.13 times as at 31 January 2025 to 2.69 times and 1.99 times for the Minimum Scenario and Maximum Scenario, respectively.

A larger NA base and lower gearing will enhance the competitiveness of the SEB Group as it will be able to demonstrate financial capability to undertake larger-scale projects and bid for higher value contracts. With a stronger balance sheet coupled with improved cash flow upon completion of the Proposed Regularisation Plan, SEB Group will be better positioned to win and secure new contracts, thus capitalising on any emerging business opportunities amidst the current gradual recovery in the O&G industry.

The improved financial position of SEB is expected to enhance the Company's creditworthiness, thereby increasing the likelihood of securing financing on more favourable terms, such as lower interest rates.

(iii) **Issuance of convertibles as part of the restructuring without immediate dilution impact**

The RCUIDS has a tenure of 8 years commencing from the issue date. Upon the expiry of the tenure, the RCUIDS will be automatically converted into RCUIDS Conversion Shares. As such, the issuance of RCUIDS shall minimise any immediate dilution effect on the Group's EPS. This approach preserves shareholders' ownership and voting power until those events occur, allowing capital raising with no immediate impact to the existing share capital of SEB.

Premised on the above, we are of the view that the rationale of the Proposed Debt Restructuring is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

6.1.4 Rationale of the Proposed Fund-Raising

The rationale for the Proposed Fund-Raising is set out in **Section 5.4 of Part A of the Circular**:

Pursuant thereto, our comments on the rationale of the Proposed Fund-Raising are as follows:

(i) The introduction of MDH, being a SPV held 50% each by MOF (Inc) and FLC, as a shareholder of SEB

MDH, being a government-backed SPV, will become a major shareholder of SEB upon full conversion of the RCLS into RCLS Conversion shares. As such, the presence of MDH as a major shareholder can increase investor confidence in the Company. This could also lead to an improvement in the Company's credit profile, ultimately enabling the Company to gain access to further financing, if required.

(ii) The Proposed Issuance of RCLS provides a certain fund-raising avenue

The Proposed Fund-Raising provides a degree of certainty for SEB to raise the funding of RM1,100.0 million as the Conditional Funding Agreement had already been entered into with MDH for the said issuance, allowing SEB to raise the requisite funds for the repayment to its Ecosystem Creditors.

We note that the Proposed Fund-Raising is expected to improve the gearing ratio of the Group from -3.13 times as at 31 January 2025 to 1.76 times and 1.43 times for the Minimum Scenario and Maximum Scenario respectively. This will provide the Group more flexibility to secure additional financing facilities to support its operations moving forward, if required.

We also note that it may be challenging for SEB to obtain adequate additional bank borrowings considering its current PN17 status as well as the Group's NL position of approximately RM3.6 billion as at 31 January 2025.

(iii) The Proposed Issuance of RCLS allows the Group to raise funds without immediate dilution impact

The RCLS has a tenure of 8 years commencing from the issue date. Upon the expiry of the tenure, the RCLS will be automatically converted into RCLS Conversion Shares. As such, the issuance of RCLS shall minimise any immediate dilution effect on the Group's EPS. As such, the Group is able to raise funds from the subscription of the RCLS by MDH without causing immediate dilution to existing shareholders, as RCLS Conversion Shares are only issued upon the conversion of RCLS. This approach preserves shareholders' ownership and voting power until those events occur, allowing capital raising with no immediate impact to the existing share capital of SEB. Under the Maximum Scenario, the EPS of the Company will be diluted from RM1.12 to RM0.42 as a result of the increase in number of SEB Shares arising from the conversion of the RCLUIDS and RCLS during the Conversion Period.

Premised on the above, we are of the view that the rationale of the Proposed Fund-Raising is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

6.1.5 Rationale of Proposed Exemption

Under the Maximum Scenario, upon completion of the Proposed Regularisation Plan and assuming full conversion of the RCLS into RCLS Conversion Shares at any time from the Restructuring Effective Date over the tenure of 8 years, the direct shareholding of MDH in the Company will increase from nil up to approximately 35.92% of the enlarged number of issued SEB Shares, while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, through its indirect shareholding in EXIM Bank, being a wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad, which in turn is a 99.99%-owned subsidiary of MOF (Inc), will have shareholding of 1.81% in SEB. As such, MDH and its PACs will collectively have 37.73% direct and indirect shareholdings in SEB under the Maximum Scenario. Upon the expiry of the tenure, the RCLS will automatically convert into RCLS Conversion Shares. As MDH and its PACs will be holding more than 33.00% of the voting shares in SEB, MDH and its PACs will be obliged to undertake a Mandatory Offer pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules.

The presence of MDH is to provide funding for the repayment of the outstanding liabilities attributable to the Ecosystem Creditors via the Proposed Fund-Raising. MDH and its PACs do not have the intention to undertake the Mandatory Offer, as such, MDH and its PACs intend to seek an exemption pursuant to subparagraph 4.08(1)(c) of the Rules which would then exempt MDH and its PACs from the obligation to undertake the Mandatory Offer, subject to amongst others, the approval of the non-interested shareholders of SEB.

Given that the Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional upon each other, in the event the Proposed Exemption is not approved by the non-interested shareholders of the Company or the SC, the Proposed Regularisation Plan would be aborted. As such, any potential benefits arising from the Proposed Regularisation Plan as detailed in Section 6 of this IAL will not materialise. Hence, the approval for the Proposed Exemption is necessary to facilitate and ensure the successful implementation of the Proposed Regularisation Plan.

In the event that the Proposed Exemption is approved by the non-interested shareholders and the SC, the Proposed Exemption will be valid throughout the tenure of the RCLS, which is 8 years from the date of the issuance of the RCLS. For the avoidance of doubt, the Proposed Exemption shall apply solely for the said 8-year tenure and shall not extend beyond this period, notwithstanding any subsequent extension of the exercise period of the RCLS, if any.

6.2 Evaluation of the Proposed Regularisation Plan

6.2.1 Evaluation of the Proposed Share Capital Reduction

As set out in **Section 3.1.1 of Part A of the Circular**, the issued share capital of RM1.2 million and RM1.3 million under the Minimum Scenario and Maximum Scenario are arrived after the 99.99% share capital cancellation. We note that the credit arising from the Proposed Share Capital Reduction amounting to RM11,853.6 million and RM12,773.5 million under the Minimum Scenario and Maximum Scenario will be transferred to the Company's retained earning accounts and is expected to reduce the accumulated losses of the Company. However, the aforesaid credit is insufficient to fully eliminate the accumulated losses incurred by the Company. As such, there will be remaining accumulated losses of RM5,270.1 million and RM4,350.2 million yet to be addressed after the Proposed Share Capital Reduction under the Minimum Scenario and Maximum Scenario, respectively. The Company may be unable to declare dividend to its shareholders until it records positive retained earnings balance. Nevertheless, the Proposed Share Capital Reduction will significantly reduce the overall accumulated losses.

6.2.2 Evaluation of the Proposed Share Consolidation

As set out in **Section 3.1.2 of Part A of the Circular**, the Proposed Share Consolidation entails the consolidation of every existing 20 SEB Shares of RM0.04 per SEB Share held into 1 Consolidated SEB Share of RM0.80. The 20:1 ratio was mutually agreed between Company and the MCF Financiers. The Proposed Share Consolidation is expected to increase the Company's share price which will help reduce share price volatility, as a small absolute movement in the share price would result in relatively small movement in percentage terms upon completion of the Proposed Share Consolidation. A higher share price of the Company is also expected to reflect a better profile for the Company amongst investors. For the avoidance of doubt, SEB shareholders' ownership percentage and value remains unchanged upon completion of the Proposed Share Consolidation.

6.2.3 Evaluation of the RCUIDS Issue Price

As set out in **Section 3.2.4 of Part A of the Circular**, the RCUIDS Issue Price of RM1.20 was arrived at after taking into consideration the total amount of debts to be addressed in respect of Unsecured Creditors under the Composite Scheme, which is up to approximately RM11,125.3 million.

In evaluating the RCUIDS Issue Price, we have considered the following:

(i) Adjusted Consolidated NA per SEB Share

Based on the audited financial statements of SEB as at 31 January 2025, SEB is in a NL position, with a consolidated NL per SEB Share of RM0.19.

Upon the completion of the Proposed Capital Reconstruction, in evaluating the RCUIDS Issue Price, we have adjusted the consolidated NA per SEB Share to reflect the changes in the NA of SEB upon the completion of the Proposed Regularisation Plan.

The RCUIDS Issue Price of RM1.20 represents a premium to the Adjusted Consolidated NL per SEB Share:

	NL per SEB Share	Adjusted Consolidated NL per SEB Share	Premium	
	RM	RM	RM	%
Audited as at 31 January 2025	(0.19)	⁽¹⁾ (3.75)	4.95	⁽²⁾ -
<i>(Source: Audited consolidated financial statements of SEB for the FYE 31 January 2025)</i>				

Notes:

- (1) The Adjusted Consolidated NL per SEB Share is adjusted for the Proposed Share Consolidation.
- (2) Not meaningful as SEB is in a NL position as at 31 January 2025.

Kenanga

The RCUIDS Issue Price of RM1.20 represents a premium/discount to the following Adjusted Consolidated NA per SEB Share:

			Adjusted Consolidated NA per SEB Share	Premium / (Discount)	
			RM	RM	%
Based on	Minimum		1.40	(0.20)	(14.29)
Based on	Maximum		0.61	0.59	96.72
Scenario					

We note that the RCUIDS Issue Price is at a premium of RM0.59 (or approximately 96.72%) to the Adjusted Consolidated NA per SEB Share as at 31 January 2025 under the Maximum Scenario.

(ii) Historical P/B Multiple of SEB Share

We have considered the historical P/B Multiple of SEB Share for the past 10 years to illustrate how the market has been pricing SEB Share relative to its book value or NA, as follows:

FYE (as at 31 January of each FYE)	⁽¹⁾ P/B Multiple (times)
2016	0.780
2017	0.320
2018	0.181
2019	0.311
2020	0.426
2021	0.205
2022	*8.462
2023	*(0.278)
2024	*(0.198)
2025	*(0.160)
Minimum (excluding outliers) ⁽²⁾	0.181
Maximum (excluding outliers) ⁽²⁾	0.780
Minimum	(0.278)
Maximum	8.462
Implied P/B Multiple (based on the RCUIDS Issue Price):	
Based on Minimum Scenario	0.870
Based on Maximum Scenario	1.967

(Source: Bloomberg, audited consolidated financial statements of SEB for the FYE 2016 – FYE 2025)

Notes:

* Excluded due to extreme deviation from the average.

(1) Computed based on the closing share price against the NA per SEB Share for each respective year.

(2) We have excluded FYE 2022 to FYE 2025 as outliers as their extreme deviation from the average may distort our assessment on the RCUIDS Issue Price.

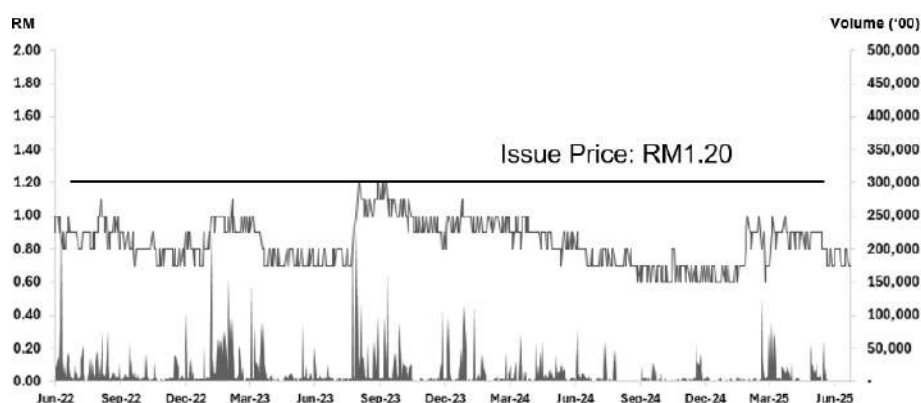
Kenanga

Based on the above, the P/B Multiple of 0.870 times under the Minimum Scenario and 1.967 times under the Maximum Scenario as implied by the RCUIDS Issue Price is above the P/B Multiple range between 0.181 times and 0.780 times for the past 10 FYEs. This indicates that the RCUIDS Issue Price is being priced higher relative to the historical P/B Multiple of SEB Share for the past 10 years. We are of the view that the RCUIDS Issue price is acceptable as the P/B Multiple is above the historical P/B Multiple. For illustration purposes, a P/B ratio of 1.967 times indicates that shareholders are willing to pay RM1.967 for every RM1.00 of SEB's book value.

Based on the evaluation of the historical P/B Multiple of SEB Shares, the Proposed Regularisation Plan is able to contribute positively to the financial position of SEB.

(iii) Historical market prices of SEB Shares

The historical trading prices of SEB Shares for the past 3 years up to the LPD, as compared to the RCUIDS Issue Price of RM1.20 are as follows:



(Source: Bloomberg)

The graph has been adjusted for the Proposed Share Consolidation. Based on the graph above, SEB Shares were largely traded within the range of the lowest price of RM0.70 to the highest price of RM1.20. SEB Shares were traded below the RCUIDS Issue Price of RM1.20 approximately 99.99% of the total trading days for the past 3 years up to the LPD.

(iv) Closing market price and VWAP

Further, we also note that the RCUIDS Issue Price represents a premium to the following closing market price and VWAPs of SEB Shares up to the LTD and the LPD, as follows:

	VWAPs	⁽¹⁾ Adjusted VWAPs	Premium	
	RM	RM	RM	%
Up to the LTD:				
Closing market price	0.035	0.700	0.500	71.43
5-day VWAP	0.035	0.700	0.500	71.43
1-month VWAP	0.035	0.692	0.508	73.41
3-month VWAP	0.034	0.672	0.528	78.57
6-month VWAP	0.034	0.684	0.516	75.44
12-month VWAP	0.040	0.796	0.404	50.69

Kenanga

Up to the LPD:

Closing market price	0.040	0.800	0.400	50.00
5-day VWAP	0.038	0.764	0.436	57.07
1-month VWAP	0.039	0.784	0.416	53.06
3-month VWAP	0.044	0.872	0.328	37.61
6-month VWAP	0.041	0.814	0.386	47.42
12-month VWAP	0.039	0.783	0.417	53.26

(Source: Bloomberg)

Note:

- (1) The Adjusted VWAPs are adjusted for the Proposed Share Consolidation.

Based on the analysis above, we noted that the RCUIDS Issue Price represents:

- (a) a premium to the audited NL per share position as at 31 January 2025 and a premium of RM0.59 (or approximately 96.72%) to the Adjusted Consolidated NA per SEB Share of RM0.61 under the Maximum Scenario;
- (b) an implied P/B Multiple of 0.870 times under the Minimum Scenario and 1.967 times under the Maximum Scenario is higher than the historical P/B Multiple of SEB Share ranging between 0.181 times to 0.780 times. This indicates that the RCUIDS Issue Price is being priced higher relative to the historical P/B Multiple of SEB Share for the past 10 FYEs;
- (c) a premium ranging from 50.69% to 78.57% to the Adjusted VWAPs based on the closing market price and over the 5-market day, 1-month, 3-month, 6-month and 1-year VWAPs of the SEB Shares up to and including the LTD; and
- (d) a premium ranging from 37.61% to 57.07% to the Adjusted VWAPs based on the closing market price and over the 5-market day, 1-month, 3-month, 6-month and 1-year VWAPs of the SEB Shares up to and including the LPD.

Premised on the above, we are of the opinion that the RCUIDS Issue Price is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

6.2.4 Evaluation of the Settlement Shares Issue Price

As set out in **Section 3.2.5 of Part A of the Circular**, the Settlement Shares Issue Price was arrived at after taking into consideration the following:

- (i) Agreement between the Company and the MCF Financiers after considering the distressed cash flow position of the Group and settlement terms under the Scheme;
- (ii) the 5-day VWAP of SEB Shares on Bursa Securities up to 3 March 2025 of RM0.035, being the last Market Day prior to the Conditional Funding Agreement dated 4 March 2025; and
- (iii) the trading history of SEB Shares since the First Announcement in relation to the Company's classification as a PN17 company.

Kenanga

In evaluating the Settlement Shares Issue Price, we have considered the following:

(i) Adjusted Consolidated NA per SEB Share

Based on the audited financial statements of SEB as at 31 January 2025, SEB is in a NL position, with a consolidated NL per SEB Share of RM0.19.

We have adopted the Adjusted Consolidated NA per SEB Share in evaluating the Settlement Shares Issue Price to reflect the changes in the NA of SEB upon the completion of the Proposed Regularisation Plan.

The Settlement Shares Issue Price of RM0.80 represents a premium to the consolidated NL per SEB Share:

	NL per SEB Share	Adjusted Consolidated NL per SEB Share	Premium	
	RM	RM	RM	%
Audited as at 31 January 2025	(0.19)	⁽¹⁾ (3.75)	4.55	⁽²⁾ -

(Source: Audited consolidated financial statements of SEB for the FYE 31 January 2025)

Notes:

- (1) The Adjusted Consolidated NL per SEB Share is adjusted for the Proposed Share Consolidation.
- (2) Not meaningful as SEB is in a NL position as at 31 January 2025.

The Settlement Shares Issue Price of RM0.80 represents a premium/discount to the following Adjusted Consolidated NA per SEB Share:

	Adjusted Consolidated NA per SEB Share	Premium / (Discount)	
	RM	RM	%
Based on Minimum Scenario	1.40	(0.60)	(42.86)
Based on Maximum Scenario	0.61	0.19	31.15

We note that the Settlement Shares Issue Price is at a premium of RM0.19 (or approximately 31.15%) to the Adjusted Consolidated NA per SEB Share as at 31 January 2025 under the Maximum Scenario.

(ii) Historical market prices of SEB Shares

We have also considered the historical market prices of SEB Shares and the closing market price and VWAPs to assess the Settlement Shares Issue Price.

The Company was classified as an affected listed issuer under the PN17 following its announcement dated 31 May 2022 on triggering the prescribed criterion pursuant to Paragraph 2.1(e) of PN17 due to its consolidated shareholders' equity of RM85 million as at 31 January 2022 being less than

Kenanga

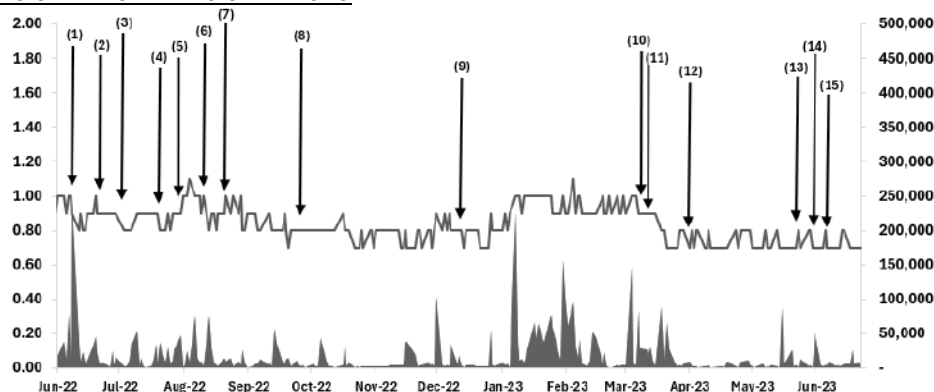
50.00% of its share capital of RM10,872 million and the Group's External Auditors expressing their unqualified opinion with material uncertainty related to going concern in respect of the audited financial statements of the Company for the FYE 2022.

Subsequent thereto, SEB on 30 March 2023 announced that the Group further triggered Paragraph 2.1(a) of PN17 of the Listing Requirements as its consolidated shareholders' equity for the unaudited quarterly report on consolidated results for the fourth quarter ended 31 January 2023 was less than 25.00% of its share capital and was less than RM40 million.

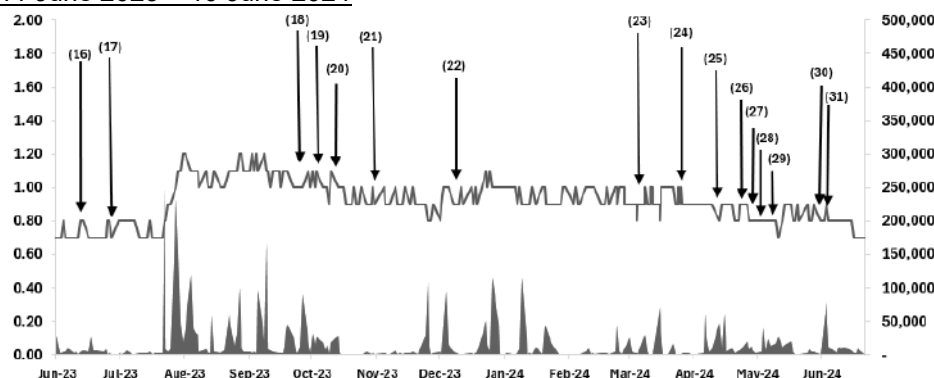
In addition, SEB had on 10 March 2022 announced that the Company had obtained from the High Court a Convening Order pursuant to Section 366 of the Act, to enable the Group to summon meetings with its creditors and approve a proposed scheme of arrangement and compromise as part of the debt restructuring plan of SEB, and obtained a Restraining Order pursuant to Section 368 of the Act to restrain and stay legal proceedings against the Group.

Consequently, we have taken into consideration the movement of the closing market prices of SEB Shares on the Main Market of Bursa Securities for the past 36 months up to the LPD shown in the ensuing charts, based on the assumption that the Proposed Share Consolidation has been completed:

10 June 2022 – 10 June 2023

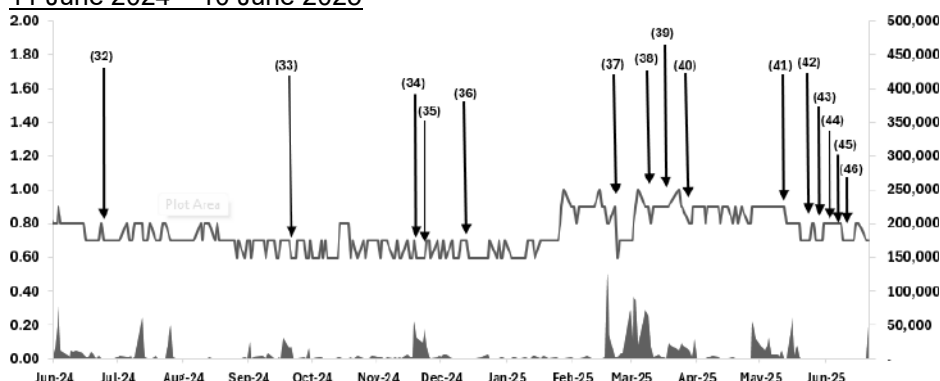


11 June 2023 – 10 June 2024



Kenanga

11 June 2024 – 10 June 2025



The Company confirms that there are no significant events which may have a material effect on the market prices of SEB Shares during the period under review, save as disclosed in the table below:

No.	Date	Significant events
(1)	16 June 2022	SEB announced that the Company secured a combined value of approximately RM2.70 billion contract wins in 2 nd quarter of year 2023.
(2)	27 June 2022	SEB announced its 1 st quarter financial results for the FPE 30 April 2022, whereby the Group recorded a revenue of RM886.08 million and profit after tax of RM87.39 million.
(3)	14 July 2022	SEB announced that 2 of its wholly-owned subsidiaries have been served with winding-up petitions due to non-payment to creditors: <ul style="list-style-type: none"> (a) Sapura Pinewell Sdn Bhd; and (b) SFSB.
(4)	27 July 2022	SEB announced that on 25 July 2022, S3000, was served with a winding-up petition.
(5)	2 August 2022	SEB announced that Sapura Navegação Marítima S.A., a subsidiary of its joint venture Seabras Sapura Participações S.A. has been awarded a USD130.00 million or an approximately RM580.00 million contract extension by Petróleo Brasileiro S.A for the continued charter and operation of the <i>Sapura Esmeralda</i> .
(6)	19 August 2022	SEB announced that 3 of its wholly-owned subsidiaries have signed a memorandum of agreement to dispose of 3 drilling rigs for USD8.20 million or an equivalent of RM35.14 million.
(7)	26 September 2022	SEB announced its 2 nd quarter financial results for the FPE 31 July 2022, whereby the Group recorded a revenue of RM1,172.88 million and loss after tax of RM1.74 million.
(8)	8 December 2022	SEB announced its 3 rd quarter financial results for the FPE 31 October 2022, whereby the Group recorded a

Kenanga

No.	Date	Significant events
		revenue of RM1,275.11 million and profit after tax of RM11.81 million.
(9)	8 March 2023	SEB announced that 22 of its wholly-owned subsidiaries applied for and received new court orders effective 11 March 2023, following the expiry of previous court restraining order.
(10)	9 March 2023	SEB announced trading halt and resumption of trading SEB securities, pursuant to the announcement released on 8 March 2023.
(11)	30 March 2023	<p>(i) SEB announced its 4th quarter financial results for the FPE 31 Jan 2023, whereby the Group recorded a revenue of RM1,217.19 million and loss after tax of RM3,318.85 million; and</p> <p>(ii) SEB announced that the Company had further triggered another prescribed criterion under Paragraph 2.1(a) of PN17 of the Listing Requirements.</p>
(12)	19 May 2023	SEB announced that the Company submitted its 1 st application for an extension of time to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 12 June 2023, granted the Company an extension of time of 6 months up to 30 November 2023 for it to submit its Proposed Regularisation Plan.
(13)	31 May 2023	SEB announced the annual report of SEB for the FYE 31 January 2023.
(14)	6 June 2023	SEB announced that the Company has successfully obtained a further 9-month extension of the new court Restraining Order.
(15)	8 June 2023	<p>(i) SEB announced that its wholly-owned subsidiaries, SOSB and Sapura Energy DMCC ("DMCC"), have been awarded a contract for the Provision of Offshore Transportation and Installation Services Contract in the Republic of Congo, from ENI Congo SA ("ENI Contract") worth approximately RM 600.00 million; and</p> <p>(ii) SEB further announced that 6 of the wholly-owned subsidiaries and its group of companies have been awarded contracts from December 2022 to May 2023. The combined value of the contracts is approximately RM1,365.00 million (inclusive of the ENI Contract).</p>
(16)	14 June 2023	SEB announced that pursuant to Paragraph 9.19 (37) of the Listing Requirements the Company's External Auditor had expressed their unqualified opinion with

Kenanga

No.	Date	Significant events
		material uncertainty related to going concern in the audited financial statements of the Company for FYE 2023.
(17)	26 June 2023	SEB announced its 1 st quarter financial results for the FPE 30 April 2023, whereby the Group recorded a revenue of RM951.73 million and profit after tax of RM143.89 million.
(18)	27 September 2023	<p>(i) SEB announced its 2nd quarter financial results for the FPE 31 July 2023, whereby the Group recorded a revenue of RM1,143.16 million and profit after tax of RM37.49 million; and</p> <p>(ii) SEB announced its announce that its wholly-owned subsidiaries, SOSB, DMCC and Sapura Energy Engineering & Construction, LDA have signed a contract for the Provision of Offshore Transportation and Installation Services Contract in Angola, from Azule Energy Angola B.V. worth USD300.00 million or approximately RM1.40 billion.</p>
(19)	2 October 2023	<p>SEB announced that the following wholly-owned subsidiaries of the Company were each served with a separate notice of arbitration on 30 September 2023:</p> <p>(a) SFSB, where the claimant had purported to terminate part of the contract, for various alleged breaches of the contract by SFS; and</p> <p>(b) SOSB, where the claimant had purportedly reduced the scope of the contract, for alleged breaches of the Contract by SOSB .</p>
(20)	10 October 2023	SEB announced that SOSB a wholly owned subsidiary of SEB, in respect of the Engineering, Procurement, Construction and Installation contract for the Single Buoy Mooring Pipeline Rejuvenation Phase II Project by Shell Eastern Petroleum (Pte) Ltd (" Shell ") has been terminated. This is due to further developments on the contract following SOSB's receipt of a letter dated 20 September 2023 from Shell and a Without Prejudice meeting between SOSB and Shell on 5 October 2023.
(21)	1 November 2023	SEB announced that the Company submitted its 2 nd application for an extension of time to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 13 December 2023, granted the Company an extension of time of 6 months up to 31 May 2024 for it to submit its Proposed Regularisation Plan.

Kenanga

No.	Date	Significant events
(22)	13 December 2023	SEB announced its 3 rd quarter financial results for the FPE 31 October 2023, whereby the Group recorded a revenue of RM1,103.93 million and profit after tax of RM31.79 million.
(23)	1 March 2024	SEB announced that the Second District Insolvency Court with residence in Mexico City and jurisdiction throughout the Mexican Republic at Mexico City ordered that Sapura Energy Mexicana Sociedad Anónima Promotora de Inversión de Capital Variable (" SEM "), a wholly owned subsidiary of SOSB and SapuraMex Pte Ltd which are both ultimately wholly owned subsidiaries of SEB be declared bankrupt due to a debt restructuring filed by SEM.
(24)	25 March 2024	SEB announced its 4 th quarter financial results for the FPE 31 January 2024, whereby the Group recorded a revenue of RM1,058.80 million and loss after tax of RM731.88 million.
(25)	4 April 2024	SEB announced that its wholly owned subsidiary, Sapura Subsea Services Sdn. Bhd. has been awarded with a contract for the Provision of Pan Malaysia Underwater Services for Petronas Group of Companies and Petroleum Arrangement Contractors by Sarawak Shell Berhad and Sabah Shell Petroleum Company Limited under a call-out contract with agreed unit rates.
(26)	19 April 2024	SEB announced that it has applied for suspension in the trading of its securities.
(27)	22 April 2024	SEB announced that the Company and its wholly-owned subsidiary, Sapura Upstream have today entered into a conditional sale and purchase agreement with TotalEnergies Holdings SAS for the proposed disposal by Sapura Upstream to the Purchaser of its entire 50% equity interest in SOMV worth USD705.30 million or approximately RM3.37 billion.
(28)	29 April 2024	SEB announced that its wholly owned subsidiary, Sapura Subsea Services Sdn. Bhd. has been awarded with a contract for the Provision of Pan Malaysia Underwater Services for Petronas Group of Companies and PACs by PTTEP Sabah Oil Limited for Package B1 – Sabah (Deepwater) and PTTEP Sarawak Oil Limited for Package C1 – Sarawak under a call-out contract with agreed unit rates.
(29)	7 May 2024	SEB announced Seagems Solutions Ltda., Sapura Diamante GmbH, Sapura Topázio GmbH, Sapura Jade GmbH, Sapura Ônix GmbH and Sapura Rubi GmbH, entities of Seabras Sapura Holding GmbH and Seabras Sapura Participações S.A., a joint venture between Sapura Energy and Paratus Energy Services Ltd, have been awarded contracts valued at USD1.8

Kenanga

No.	Date	Significant events
		billion or approximately RM8.52 billion, for its full fleet of 6 multi-purpose pipe laying support vessels.
(30)	30 May 2024	SEB announced that the Company submitted its 3 rd application for an extension of time to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 28 June 2024, granted the Company an extension of time of 6 months up to 30 November 2024 for it to submit its Proposed Regularisation Plan.
(31)	31 May 2024	SEB announced the annual report of SEB for the FYE 31 January 2024.
(32)	27 June 2024	SEB announced its 1 st quarter financial results for the FPE 30 April 2024, whereby the Group recorded a revenue of RM1,176.42 million and loss after tax of RM52.60 million.
(33)	26 September 2024	SEB announced its 2 nd quarter financial results for the FPE 31 July 2024, whereby the Group recorded a revenue of RM1,208.56 million and loss after tax of RM4.31 million.
(34)	18 November 2024	SEB announced that the Company submitted its 4 th application for an extension of time to submit its Proposed Regularisation Plan. Bursa Securities had, vide its letter dated 16 December 2024, granted the Company an extension of time of 6 months up to 31 May 2025 for it to submit its Proposed Regularisation Plan.
(35)	20 November 2024	SEB announced that its wholly owned subsidiary, SFSB, has been awarded with a contract for the Provision of Pan Malaysia Offshore Maintenance, Construction, Modification and Hook-Up & Commissioning Services for Package C2 (Sarawak Asset (SKA) – Oil) by PETRONAS Carigali Sdn Bhd under a call-out contract with agreed unit rates.
(36)	12 December 2024	SEB announced its 3 rd quarter financial results for the FPE 31 October 2024, whereby the Group recorded a revenue of RM1,152.90 million and loss after tax of RM286.05 million.
(37)	26 February 2025	SEB announced that its wholly-owned subsidiaries have been awarded contracts with a combined value of approximately RM3.20 billion.
(38)	11 March 2025	SEB announced the media release titled “Malaysian Vendors in Oil & Gas Ecosystem Earmarked for Repayment, as SEB Secures Up To RM1.1 Billion Investment”.
(39)	17 March 2025	SEB announced a clarification regarding news report that Malaysian Anti-Corruption Commission has open

Kenanga

No.	Date	Significant events
		2 probes into alleged bribery and fund misappropriation involving SEB.
(40)	27 March 2025	SEB announced its 4th quarter financial results for the FPE 31 January 2025, whereby the Group recorded a revenue of RM1,186.37 million and profit after tax of RM411.10 million.
(41)	9 May 2025	SEB announced a statement in response to recent news reports regarding a Malaysian Anti-Corruption Commission investigation involving a corporate figure.
(42)	14 May 2025	SEB announced that the Company's external auditors, Messrs. Ernst & Young PLT had issued an unqualified audit opinion with a material uncertainty related to going concern in the independent auditors' report in relation to the audited financial statements for the FYE 31 January 2025.
(43)	27 May 2025	On behalf of the Board, MIDF Investment announced that the application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities on 27 May 2025.
(44)	29 May 2025	SEB announced the notice for the fourteenth (14 th) annual general meeting of SEB.
(45)	30 May 2025	SEB announced the annual report of SEB for the FYE 31 January 2025.
(46)	25 June 2025	SEB announced the resignation of Dato' Shahrman Bin Shamsuddin as the Non-Independent and Non-Executive Director from the Board.
(47)	30 June 2025	<p>(i) SEB announced the media release titled "SEB Posts Q1 FY2026 Results: Earnings Dampened by Foreseeable Losses, Recovery Expected from Q2".</p> <p>(ii) On behalf of the Board, MIDF Investment announced that Bursa Securities has, vide its letter dated 30 June, resolved to approve the Proposed Regularisation Plan.</p> <p>(iii) SEB announced its 1st quarter financial results for the FPE 30 April 2025, whereby the Group recorded a revenue of RM801.37 million and loss after tax of RM484.14 million.</p>
(48)	1 July 2025	SEB announced the media release titled "Sapura Energy Secures Bursa Securities Approval for Its Regularisation Plan".

For further information on the significant events of SEB, please refer to the announcements made on Bursa Securities.

Kenanga

(iii) Closing market price and VWAP

Further, we also note that the Settlement Shares Issue Price represents a premium to the following closing market price and VWAPs of SEB shares up to the LTD and LPD, as follows:

	VWAPs	⁽¹⁾ Adjusted VWAPs	Premium/(Discount)	
	RM	RM	RM	%
Up to the LTD:				
Closing market price	0.035	0.700	0.100	14.29
5-day VWAP	0.035	0.700	0.100	14.29
1-month VWAP	0.035	0.692	0.108	15.61
3-month VWAP	0.034	0.672	0.128	19.05
6-month VWAP	0.034	0.684	0.116	16.96
12-month VWAP	0.040	0.796	0.0040	0.46
Up to the LPD:				
Closing market price	0.040	0.800	0.000	0.00
5-day VWAP	0.038	0.764	0.036	4.71
1-month VWAP	0.039	0.784	0.016	2.04
3-month VWAP	0.044	0.872	(0.072)	(8.26)
6-month VWAP	0.041	0.814	(0.014)	(1.72)
12-month VWAP	0.039	0.783	0.017	2.18

(Source: Bloomberg)

Note:

(1) The Adjusted VWAPs are adjusted for the Proposed Share Consolidation.

Based on the analysis above, we noted that the Settlement Shares Issue Price represents:

- a premium to the audited NL per SEB Share position as at 31 January 2025 and a premium of RM0.19 (or approximately 31.15%) to the Adjusted Consolidated NA per SEB Share of RM0.61 under the Maximum Scenario;
- a premium ranging from 0.46% to 19.05% to the Adjusted VWAPs based on the closing market price of SEB Shares up to and including the LTD and over the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of SEB Shares up to and including the LTD;
- a discount ranging from 1.72% to 8.26% to the Adjusted VWAPs over the 3-month, and 6-month VWAPs of SEB Shares up to and including the LPD; and
- a premium ranging from 2.04% to 4.71% the Adjusted VWAP over the 5-day, 1-month and 12-month VWAP of SEB Shares up to and including the LPD.

Premised on the above, we are of the opinion that the Settlement Shares Issue Price is beneficial to SEB and will be able to contribute positively to the financial position of the Company.

Kenanga

6.2.5 Salient terms of the Composite Scheme

Table 1: The scheme of arrangement for the Scheme Companies (except for SEB/ the Company)

We have reviewed the details on the schemes of arrangement under the Composite Scheme for the MCF Obligor (Subsidiary) Group, Core Asset-Owning Group, the Non-Core Group and the Company as set out in **Section 3.2 of Part A of the Circular**. We noted that the debt waiver, novation of Outstanding Liabilities, Restructuring Effective Date, waiver of interest, charges, penalties and cost accruing to the creditors after the Cut-Off Date are on same terms for the Core Asset-Owning Group, the Non-Core Group and the Company under the Composite Scheme.

Our comments on the details on the settlement of the Outstanding Liabilities as detailed in the Composite Scheme to the 4 classes of Scheme Creditors for Sapura TMC, MCF Obligor (other than Sapura TMC), Core Asset-Owning Group, the Non-Core Group and the Company are as follows:

Sapura TMC

Secured Creditors

No.	Details on the scheme of arrangement for the Scheme Companies	Kenanga IB's comments
1.	<p><u>Waiver of interest and/or Profit</u></p> <p>All:</p> <p>(i) penalty charges;</p> <p>(ii) late payment charges; and</p> <p>(iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,</p> <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>All Secured Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for Sapura TMC.</p> <p>The waiver of interest and charges by all Secured Creditors reduces SEB's financial burden.</p>
2.	<p>Assumption of Outstanding Liabilities by SEB</p> <p>(i) On the Restructuring Effective Date, the Outstanding Liabilities owing by Sapura TMC to its Secured Creditors (i.e. the MCF Financiers) remaining after taking into account the waiver referred to in item no.1 above shall be solely assumed by the Company (with the intent that such novated or assumed Outstanding Liabilities will be settled by the Company under the</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Secured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for Sapura TMC as the remaining Outstanding Liabilities will be settled through the conversion into SOMV Debt,</p>

	<p>Composite Scheme), on the basis that the MCF Financiers will comprise Unsecured Creditors of the Company in relation to such Outstanding Liabilities;</p> <p>Sapura TMC shall upon the assumption by the Company of its Outstanding Liabilities on the Restructuring Effective Date be irrevocably released and discharged from all such Outstanding Liabilities and all other claims, obligations or liabilities that might otherwise relate thereto (whether actual, contingent, known or unknown, or otherwise).</p>	<p>Sustainable Debts, issuance of RCUIDS, issuance of Settlement Shares and an Agreed Debt Waiver.</p>
3.	<p>For the avoidance of doubt:</p> <p>(i) any release and discharge of the Outstanding Liabilities, claims, obligations or liabilities of Sapura TMC as provided for above shall also have the effect of irrevocably releasing and discharging any third party (other than the Company) who might otherwise be liable to make payment of or to perform or assume responsibility or liability for any such Outstanding Liabilities, claims, obligations or liabilities (whether as guarantor, security provider, surety, principal debtor or otherwise) from any and all claims, obligations or liabilities that the relevant Scheme Creditor might otherwise have against such third party (whether such claims, obligations, or liabilities against such third party arise contractually, under a judgment of a court, or an arbitral award or otherwise) in relation to or in connection with such discharged Outstanding Liabilities, claims, obligations or liabilities of Sapura TMC; and</p> <p>(ii) Sapura TMC shall not be required to enter into or sign any other document or instrument in order to effect any release and discharge.</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Secured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for Sapura TMC.</p> <p>With the remaining Outstanding Liabilities of Sapura TMC being settled through the conversion into SOMV Debt, Sustainable Debts, issuance of RCUIDS, issuance of Settlement Shares and an Agreed Debt Waiver. Sapura TMC will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.</p>
4.	<p>As between the Sanction Date and the Restructuring Effective Date, the interim standstill (Standstill Period between Sanction Date and Restructuring Effective Date) shall apply to each Scheme Company in the MCF Obligor (Subsidiary) Group and its Scheme Creditors.</p>	<p>Justifiable.</p> <p>The term outlines the application of Standstill Period to the Scheme Company in the MCF Obligor (Subsidiary) Group.</p>

	This Standstill Period can help facilitate the implementation of the debt restructuring exercise and achieving the Restructuring Effective Date.
--	--

MCF Subsidiary Obligor (other than Sapura TMC)

(a) Preferred Unsecured Creditors

No.	Details on the scheme of arrangement for the Scheme Companies	Kenanga IB's comments
1.	<p><u>Waiver of interest and/or Profit</u></p> <p>All:</p> <p>accrued penalty charges;</p> <p>accrued late payment charges; and</p> <p>interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,</p> <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>All Preferred Unsecured Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for MCF Obligor (Subsidiary) Group.</p> <p>The waiver of interest and charges by all Preferred Unsecured Creditors reduces SEB's financial burden.</p>
2.	The balance of the Outstanding Liabilities admitted in respect of such Preferred Unsecured Creditor after the waiver shall be irrevocably novated to the Company (with the intent that such Outstanding Liabilities will be settled by the Company under the Composite Scheme by way of a payment in cash).	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Preferred Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for MCF Obligor (Subsidiary) Group. The Outstanding Liabilities will be fully settled in cash.</p>
3.	Upon the novation taking effect, all Outstanding Liabilities owing to such Preferred Unsecured Creditor by the relevant MCF Subsidiary Obligor shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant MCF Subsidiary Obligor will thereupon be irrevocably released and discharged from all other claims of, obligations or	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Preferred Unsecured Creditors will be novated to SEB, which</p>

	liabilities that might otherwise be owing or owed to, such Preferred Unsecured Creditor (whether actual, contingent or otherwise).	is customary to facilitate the scheme of arrangement for MCF Subsidiary Obligor. With the remaining Outstanding Liabilities of Preferred Unsecured Creditors being settled fully in cash, MCF Obligor (Subsidiary) Group will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.
4.	<p>For the avoidance of doubt:</p> <p>(i) any release and discharge of the Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor as provided for above shall also have the effect of irrevocably releasing and discharging any third party who might otherwise be liable to make payment of or to perform or assume responsibility or liability for any such Outstanding Liabilities, claims, obligations or liabilities (whether as guarantor, security provider, surety, principal debtor or otherwise) from any and all claims, obligations or liabilities that the relevant Scheme Creditor might otherwise have against such third party (whether such claims, obligations, or liabilities against such third party arise contractually, under a judgment of a court, or an arbitral award or otherwise) in relation to or in connection with such discharged Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor; and</p> <p>(ii) none of the MCF Subsidiary Obligor will be required to enter into or sign any other document or instrument in order to effect such release and discharge.</p>	<p>Justifiable.</p> <p>This term serves to protect SEB Group as it clarifies that the Preferred Unsecured Creditors have no further claims and actions against SEB Group upon the debt settlement.</p> <p>Justifiable.</p> <p>This term reflects that the scheme of arrangement is in effect upon the Restructuring Effective Date.</p>

Kenanga

(b) Unsecured Creditors

No.	Details on the scheme of arrangement for the Scheme Companies	Kenanga IB's comments
1.	<p><u>Waiver of interest and/or Profit</u></p> <p>All:</p> <ul style="list-style-type: none"> (i) accrued penalty charges; (ii) accrued late payment charges; and (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date, <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>All Unsecured Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for MCF Obligor (Subsidiary) Group.</p> <p>The waiver of interest and charges by all Unsecured Creditors reduces SEB's financial burden.</p>
2.	<p><u>Novation of remaining Outstanding Liabilities to the Company and/or Assumption of Outstanding Liabilities by SEB</u></p> <ul style="list-style-type: none"> (i) On the Restructuring Effective Date, the Outstanding Liabilities owing by each MCF Subsidiary Obligor (other than Sapura TMC): <ul style="list-style-type: none"> (a) to its Unsecured Creditors (other than the MCF Financiers) remaining after taking into account the waiver shall be irrevocably novated to the Company; and (b) to the MCF Financiers remaining after taking into account the waiver, shall be solely assumed by the Company, on the basis that the MCF Financiers will comprise Unsecured Creditors of the Company in relation to such Outstanding Liabilities, (with the intent that such novated or assumed Outstanding Liabilities will be settled by the Company under the Composite Scheme). (ii) Each such MCF Subsidiary Obligor (other than Sapura TMC) shall upon the novation or assumption of its Outstanding 	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for MCF Subsidiary Obligor as the remaining Outstanding Liabilities will be settled through the conversion into SOMV Debt, Sustainable Debts, issuance of RCUIDS, issuance of Settlement Shares and an Agreed Debt Waiver.</p>

	Liabilities on the Restructuring Effective Date be irrevocably released and discharged from all such Outstanding Liabilities and all other claims, obligations or liabilities that might otherwise relate thereto (whether actual, contingent or otherwise).	
3.	<p><u>Release and Discharge of Outstanding Liabilities</u></p> <p>For the avoidance of doubt, upon the restructuring and compromise of the Outstanding Liabilities owed by the MCF Subsidiary Obligor (other than Sapura TMC) to their Unsecured Creditors on the Restructuring Effective Date:</p> <p>(i) all Outstanding Liabilities of all such MCF Subsidiary Obligor to such Unsecured Creditors remaining (or that might have otherwise remained) shall be irrevocably and permanently waived and deemed to have been discharged absolutely; and</p> <p>(ii) each of the MCF Subsidiary Obligor shall be irrevocably released and discharged from any and all Outstanding Liabilities to their Unsecured Creditors, and all other claims, obligations or liabilities that might otherwise relate thereto (whether actual, contingent or otherwise).</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for MCF Obligor Subsidiary.</p> <p>With the remaining Outstanding Liabilities of MCF Obligor Subsidiary being settled through the conversion into SOMV Debt, Sustainable Debts, issuance of RCUIDS, issuance of Settlement Shares and an Agreed Debt Waiver, MCF Obligor Subsidiary will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.</p>
4.	<p>For the avoidance of doubt:</p> <p>(iii) any release and discharge of the Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor as provided for above shall also have the effect of irrevocably releasing and discharging any third party who might otherwise be liable to make payment of or to perform or assume responsibility or liability for any such Outstanding Liabilities, claims, obligations or liabilities (whether as guarantor, security provider, surety, principal debtor or otherwise) from any and all claims, obligations or liabilities that the relevant Scheme Creditor might otherwise have against such third party (whether such claims, obligations, or liabilities against such third party arise contractually, under a judgment of a court, or an arbitral award or otherwise) in relation to or in connection with such discharged</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for MCF Obligor Subsidiary.</p> <p>With the remaining Outstanding Liabilities of MCF Obligor Subsidiary being settled through the conversion into SOMV Debt, Sustainable Debts, issuance of RCUIDS, issuance of Settlement Shares and an Agreed Debt Waiver, MCF Obligor Subsidiary will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.</p>

	Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor; and	
(iv)	none of the MCF Subsidiary Obligors will be required to enter into or sign any other document or instrument in order to effect such release and discharge.	

(c) Intercompany Creditors

No.	Details on the scheme of arrangement for the Scheme Companies	Kenanga IB's comments
1.	<p><u>Waiver of interest and/or Profit</u></p> <p>All:</p> <p>(i) accrued penalty charges;</p> <p>(ii) accrued late payment charges; and</p> <p>(iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,</p> <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>All Intercompany Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for MCF Obligor (Subsidiary) Group.</p> <p>The waiver of interest and charges by all Intercompany Creditors reduces the Scheme Companies' financial burden, respectively.</p>
2.	<p><u>Netting-off of intercompany balances</u></p> <p>The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the relevant MCF Subsidiary Obligor (provided that such netting off shall only be undertaken after all intercompany entries in the books of such MCF Subsidiary Obligor arising from the implementation of the relevant Scheme have been duly posted and accounted for);</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Intercompany Creditors will firstly be netted against the Outstanding Receivables owed by the Intercompany Creditor.</p> <p>Upon the netting off, the balance of the Outstanding Liabilities will be novated to SEB and will be fully settled within 60 days of the Restructuring Effective Date through the waiver of the remaining Outstanding Liabilities, and MCF Obligor (Subsidiary) Group will be discharged from all other claims,</p>

	<p><u>Novation of remaining Outstanding Liabilities (Intercompany) to SEB</u></p> <p>The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver and netting off, if any, shall be irrevocably novated to the Company as debtor (with the intent that such Outstanding Liabilities (Intercompany) will be settled by the Company under the Composite Scheme); and</p> <p><u>Release and Discharge of Outstanding Liabilities (Intercompany)</u></p> <p>Upon the novation taking effect, all Outstanding Liabilities (Intercompany) owing to such Intercompany Creditors by the relevant MCF Subsidiary Obligors shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant MCF Subsidiary Obligor will thereupon be irrevocably released and discharged from all other claims or obligations or liabilities that might otherwise be owing or owed to such Intercompany Creditor (whether actual, contingent, known or unknown, or otherwise). For the avoidance of doubt, none of the MCF Subsidiary Obligors will be required to enter into or sign any other document or instrument in order to effect such release and discharge.</p>	obligations and liabilities arising from the remaining Outstanding Liabilities.
--	---	---

Kenanga

Core Asset-Owning Group

(a) Preferred Unsecured Creditors

No.	<u>Details on the scheme of arrangement for the Scheme Companies</u>	<u>Kenanga IB's comments</u>
1.	<p>Waiver of interest and/or Profit</p> <p>All:</p> <p>(i) accrued penalty charges;</p> <p>(ii) accrued late payment charges; and</p> <p>(iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,</p> <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>The Preferred Unsecured Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for Core Asset-Owning Group.</p> <p>The waiver of interest and charges by all Preferred Unsecured Creditors reduces SEB's financial burden.</p>
2.	<p>The balance of the Outstanding Liabilities admitted in respect of such Preferred Unsecured Creditor after the waiver shall be irrevocably novated to the Company (with the intent that such Outstanding Liabilities will be settled by the Company under the Composite Scheme by way of a payment in cash) within 90 days of the Restructuring Effective Date.</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Preferred Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for Core Asset-Owning Group as the remaining Outstanding Liabilities will be fully settled in cash.</p>
3.	<p>Upon the novation above taking effect, all Outstanding Liabilities owing by the relevant Core Asset-Owning Company to such Preferred Unsecured Creditor shall be deemed for all intents and purposes to have been fully and finally settled and compromised vis-à-vis such Core Asset-Owning Company.</p> <p>Apart from that, such Preferred Unsecured Creditor shall be deemed for all intents and purposes to be a Preferred Unsecured Creditor of the Company instead of such Core Asset-Owning Company.</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Preferred Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for Core Asset-Owning Group.</p> <p>With the remaining Outstanding Liabilities of Core Asset-Owning Company being settled fully in cash, Core Asset-Owning Company will be discharged from all other claims,</p>

Kenanga

	Furthermore, the relevant Core Asset-Owning Company will thereupon be irrevocably released and discharged from all other claims, obligations or liabilities that might otherwise be owing or owed to, such Preferred Unsecured Creditor (whether actual, contingent, known or unknown, or otherwise).	obligations and liabilities arising from the remaining Outstanding Liabilities.
--	---	---

(b) Intercompany Creditors

No.	Details on the scheme of arrangement for the Scheme Companies	Kenanga IB's comments
1.	<p><u>Waiver of Interest and/or Profit</u></p> <p>All:</p> <p>(i) accrued penalty charges;</p> <p>(ii) accrued late payment charges; and</p> <p>(iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,</p> <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>The Intercompany Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for Core Asset-Owning Group.</p> <p>The waiver of interest and charges by all Intercompany Creditors reduces the Scheme Companies' financial burden, respectively.</p>
2.	<p><u>Netting-off of intercompany balances</u></p> <p>For each Core Asset-Owning Company, the balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the relevant Core-Asset Owning Company (provided that such netting off shall only be undertaken after all intercompany entries in the books of such Core-Asset Owning Company arising from the implementation of the relevant Scheme have been duly posted and accounted for).</p> <p><u>Novation of remaining Outstanding Liabilities (Intercompany) to SEB</u></p> <p>The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver and netting off, if any, shall be</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Intercompany Creditors will firstly be netted against the Outstanding Receivables owed by the Intercompany Creditor.</p> <p>Upon the netting off, the balance of the Outstanding Liabilities will be novated to SEB and will be fully settled within 60 days of the Restructuring Effective Date through the waiver of the remaining Outstanding Liabilities, and Core Asset-Owning Company will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.</p>

Kenanga

	<p>irrevocably novated to the Company as debtor (with the intent that such Outstanding Liabilities (Intercompany) will be settled by the Company under the Composite Scheme.</p> <p><u>Release and Discharge of Outstanding Liabilities (Intercompany)</u></p> <p>Upon the novation taking effect, all Outstanding Liabilities (Intercompany) owing to such Intercompany Creditors by the relevant Core Asset-Owning Companies shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant Core Asset-Owning Companies will thereupon be irrevocably released and discharged from all other claims or obligations or liabilities that might otherwise be owing or owed to such Intercompany Creditor (whether actual, contingent, known or unknown, or otherwise). For the avoidance of doubt, none of the Core Asset-Owning Companies will be required to enter into or sign any other document or instrument in order to effect such release and discharge.</p>	
--	--	--

Non-Core Group

(a) Preferred Unsecured Creditors

<u>No.</u>	<u>Details on the scheme of arrangement for the Scheme Companies</u>	<u>Kenanga IB's comments</u>
1.	<p>Waiver of Interest and/or Profit</p> <p>All:</p> <p>(i) accrued penalty charges;</p> <p>(ii) accrued late payment charges; and</p> <p>(iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,</p> <p>shall be irrevocably and permanently waived.</p>	<p>Justifiable.</p> <p>The Preferred Unsecured Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for Non-Core Group.</p> <p>The waiver of interest and charges by all Preferred Unsecured Creditors reduces SEB's financial burden.</p>

Kenanga

2.	The balance of the Outstanding Liabilities admitted in respect of such Preferred Unsecured Creditor after the waiver shall be irrevocably novated to the Company (with the intent that such Outstanding Liabilities will be settled by the Company under the Composite Scheme by way of a payment in cash) within 90 days of the Restructuring Effective Date.	Justifiable. All the remaining Outstanding Liabilities owing to the Preferred Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for Non-Core Group as the remaining Outstanding Liabilities will be fully settled in cash.
3.	<p>Upon the novation above taking effect, all Outstanding Liabilities owing by the relevant Non-Core Group Company to such Preferred Unsecured Creditor shall be deemed for all intents and purposes to have been fully and finally settled and compromised vis-à-vis such Non-Core Group Company.</p> <p>Apart from that, such Preferred Unsecured Creditor shall be deemed for all intents and purposes to be a Preferred Unsecured Creditor of the Company instead of such Non-Core Group Company.</p> <p>Furthermore, the relevant Non-Core Group Company will thereupon be irrevocably released and discharged from all other claims, obligations or liabilities that might otherwise be owing or owed to, such Preferred Unsecured Creditor (whether actual, contingent, known or unknown, or otherwise).</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Preferred Unsecured Creditors will be novated to SEB, which is customary to facilitate the scheme of arrangement for Non-Core Group.</p> <p>With the remaining Outstanding Liabilities of Non-Core Group Company being settled fully in cash, Non-Core Group Company will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.</p>

(b) Intercompany Creditors

No.	Details on the scheme of arrangement for the Scheme Companies	Kenanga IB's comments
1.	<p><u>Waiver of interest and/or Profit</u></p> <p>All:</p> <p>(i) accrued penalty charges;</p> <p>(ii) accrued late payment charges; and</p> <p>(iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date.</p>	<p>Justifiable.</p> <p>The Intercompany Creditors have agreed to waive all interest, charges, penalties and costs accruing to them from the Cut-Off Date to the Restructuring Effective Date, which is customary to facilitate the scheme of arrangement for Non-Core Group Company.</p>

	shall be irrevocably and permanently waived.	The waiver of interest and charges by all Intercompany Creditors reduces the Scheme Companies' financial burden, respectively.
2.	<p><u>Netting-off of intercompany balances</u></p> <p>The balance of the Outstanding Liabilities (Intercompany) after taking into account the waiver shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the relevant Non-Core Group Company (provided that such netting off shall only be undertaken after all intercompany entries in the books of such Non-Core Group Company arising from the implementation of the relevant Scheme have been duly posted and accounted for).</p> <p><u>Novation of remaining Outstanding Liabilities (Intercompany) to SEB</u></p> <p>The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver and netting off, if any, shall be irrevocably novated to the Company as debtor (with the intent that such Outstanding Liabilities (Intercompany) will be settled by the Company under the Composite Scheme.</p> <p><u>Release and Discharge of Outstanding Liabilities (Intercompany)</u></p> <p>Upon the novation taking effect, all Outstanding Liabilities (Intercompany) owing to such Intercompany Creditors by the relevant Non-Core Group Companies shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant Non-Core Group Companies will thereupon be irrevocably released and discharged from all other claims or obligations or liabilities that might otherwise be owing or owed to such Intercompany Creditor (whether actual, contingent, known or unknown, or otherwise). For the avoidance of doubt, none of the Non-Core Group Companies will be required to enter into or sign any other document or instrument in order to effect such release and discharge.</p>	<p>Justifiable.</p> <p>All the remaining Outstanding Liabilities owing to the Intercompany Creditors will firstly be netted against the Outstanding Receivables owed by the Intercompany Creditor.</p> <p>Upon the netting off, the balance of the Outstanding Liabilities will be novated to SEB and will be fully settled within 60 days of the Restructuring Effective Date through the waiver of the remaining Outstanding Liabilities, and Non-Core Group Company will be discharged from all other claims, obligations and liabilities arising from the remaining Outstanding Liabilities.</p>

Kenanga

Table 2: Composite Scheme: Restructuring and Settlement of Outstanding Liabilities by SEB

Insofar as Scheme Creditors of the Company are concerned, on the Restructuring Effective Date, the Outstanding Liabilities of the Company including those novated or assumed solely by the Company, after waiver of all penalty charges, late payment charges and interest, shall be restructured and repaid under the Composite Scheme, and the details on the Proposed Debt Restructuring are set out in **Section 3.2 of Part A of the Circular**.

We have reviewed the Composite Scheme where settlement methods comprising of cash settlement, debt novation comprising of SOMV Debt, Sustainable Debt (Drilling) and Sustainable Debt (Brazil), as well as the issuance of RCUIDS and Settlement Shares. Our comments on the Details on the Proposed Debt Restructuring are as follows:

No.	Scheme Creditors	Details on the Proposed Debt Restructuring	Kenanga IB's comments
1.	Preferred Unsecured Creditors	The principal Outstanding Liabilities of the Scheme Companies owing to their Preferred Unsecured Creditors, as novated to or assumed solely by the Company, will be settled by the Company in full, in cash, within 90 days from the Restructuring Effective Date.	<p>Justifiable.</p> <p>Preferred Unsecured Creditors are crucial to SEB Group's operations post restructuring, as SEB Group will lose the support from the creditors to sustain the Group's future business.</p> <p>Given the importance of preserving strong relationships with the Preferred Unsecured Creditors, settlement of their Outstanding Liabilities will be made in full via cash.</p>
2.	Unsecured Creditors	<p>SOMV Debt</p> <p>A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into "SOMV Debt" to be assumed by Sapura Upstream. The salient terms of the SOMV Debt will be as follows:</p> <ul style="list-style-type: none"> The SOMV Debt will mature on 31 March 2026 and may be extended at the sole discretion of the Creditors holding the SOMV Debt, provided that an approval of the requisite majority of such Creditors has been achieved. 	<p>Justifiable.</p> <p>Based on the Composite Scheme, a portion of the amount owed to Unsecured Creditors will be settled via SOMV Debt, which will be repaid from the SOMV Net Sale Proceeds.</p> <p>The debt novation to SEB will be converted into SOMV Debt and will be assumed by Sapura Upstream and Sapura Upstream will be liable to repay the Unsecured Creditors.</p>

		<ul style="list-style-type: none"> The SOMV Debt will have a non-compounding PIK interest/profit of two per cent. (2.0%) per annum. The SOMV Net Sale Proceeds will, after release of the same from the SPA Security Arrangements, be utilised to repay the principal of and PIK interest/profit on the SOMV Debt within the tenure of such SOMV Debt. <p>The SOMV Debt will be secured against a first ranking assignment of the SOMV Net Sale Proceeds.</p>	<p>The PIK interest/interest of 2.0% is deemed acceptable as it is lower than the Company's borrowing interest rate for FYE 2024, which ranges from 4.85% to 8.65%, leading to interest savings for SEB.</p>
3.	Unsecured Creditors	<p>Sustainable Debt (Drilling)</p> <p>A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into "Sustainable Debt (Drilling)" to be assumed by Sinar Drilling Sdn. Bhd. ("Sinar Drilling"). The salient terms of Sustainable Debt (Drilling) will be as follows:</p> <ul style="list-style-type: none"> The tenure of the Sustainable Debt (Drilling) will be 8 years commencing from and inclusive of the Restructuring Effective Date. Interest/profit shall be payable semi-annually in arrears at a fixed rate of four point five per cent. (4.5%) per annum. The principal shall be repaid on a semi-annual basis throughout the 8-year tenure of the Sustainable Debt (Drilling). Both principal and interest/profit repayments/payments will commence on the last day of every consecutive 6th calendar month following the calendar month in which the Restructuring Effective Date occurs. Sinar Drilling shall deposit an aggregate amount equivalent to 6 months' principal instalment and interest/profit payable (the "Minimum Drilling FSRA Balance") under the Sustainable Debt (Drilling) into the Sustainable Debt (Drilling) Debt Service Reserve Accounts (collectively, the "Drilling FSRA"). To this end, Sinar Drilling shall ensure that an amount of RM30 million is deposited in the Drilling FSRA on the Restructuring Effective 	<p>Justifiable.</p> <p>A portion of the total Outstanding Liabilities owing to the Unsecured Creditors, amounting to approximately RM2,613.3 million will be restructured into Sustainable Debts to be assumed and settled by Sinar Drilling from the cash proceeds generated from the existing and new contracts secured by Sinar Drilling.</p> <p>The tenure for the Sustainable Debt (Drilling) is 8 years, which aligns with the tenure of the Proposed Debt Restructuring, which is being implemented concurrently with the Proposed Fund-Raising.</p> <p>Secondly, the coupon rate of 4.50% per annum for the Sustainable Debt (Drilling) is considered acceptable as it is lower than the Company's borrowing interest rate for FYE 2024, which ranges from 4.85% to 8.65%, together with the principal repayment of the Sustainable Debt (Drilling) with a period of 8 years.</p> <p>The repayment period of 8 years for Sustainable Debt (Drilling) can help the Company to manage</p>

		<p>Date, and the remainder of the Minimum Drilling FSRA Balance shall be built up by Sinar Drilling within the first eighteen-month period (by equal monthly instalments) from the Restructuring Effective Date. Sinar Drilling shall, subject to the prior consent of the requisite majority of Scheme Creditors holding Sustainable Debt (Drilling) being first obtained in accordance with the terms governing the Sustainable Debt (Drilling), be entitled to utilise the monies deposited in the Drilling FSRA to make payment of the relevant principal instalments of the Sustainable Debt (Drilling) and interest/profit payable under the terms of the Sustainable Debt (Drilling) from time to time, provided that the Minimum Drilling FSRA Balance is thereafter restored within sixty (60) days of any such payment.</p> <ul style="list-style-type: none"> • The Sustainable Debt (Drilling) will be secured against the following: <ul style="list-style-type: none"> ○ a first ranking equitable mortgage over the shares of Sinar Drilling, Sapura Drilling Labuan, Sapura Drilling Probadi and other drilling entities (i.e. the rig-owning entities and certain intermediate holding companies); ○ a debenture granted by Sinar Drilling creating first ranking fixed (or where appropriate, floating) charges over its assets; ○ a first ranking assignment and charge over designated bank accounts of Sinar Drilling; ○ a first ranking assignment and charge over the Drilling FSRA; ○ a new corporate guarantee issued by the Company in respect of the Sustainable Debt (Drilling) in favour of the Sustainable Debt (Drilling) Creditors; and ○ cross guarantee and cross collateralisation of the Sustainable Debt (Drilling) and the Sustainable Debt (Brazil). 	its liabilities without immediate cash outflows of the Company.
--	--	---	---

4.	<p>Unsecured Creditors</p>	<p>Sustainable Debt (Brazil)</p> <p>A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into "Sustainable Debt (Brazil)" to be assumed by Sinar Brazil. The salient terms of Sustainable Debt (Brazil) will be as follows:</p> <ul style="list-style-type: none"> The tenure of the Sustainable Debt (Brazil) will be eight (8) years commencing from and inclusive of the Restructuring Effective Date. Interest/profit shall be payable semi-annually in arrears at a fixed rate of 4.50% per annum. The principal shall be repaid on a semi-annual basis throughout the 8-year tenure of the Sustainable Debt (Brazil). Both principal and interest/profit repayments/payments will commence on the last day of every consecutive 6th calendar month following the calendar month in which the Restructuring Effective Date occurs. Sinar Brazil shall deposit an aggregate amount equivalent to 6 months' principal instalments and interest/profit payable (calculated based on the monthly interest/profit that would accrue after the first eighteen month period after the Restructuring Effective Date) (the "Minimum Brazil FSRA Balance") under the Sustainable Debt (Brazil) into the Sustainable Debt (Brazil) Debt Service Reserve Accounts (collectively, the "Brazil FSRA"). To this end, Sinar Brazil shall ensure that an amount of RM60 million is deposited in the Brazil FSRA on the Restructuring Effective Date, and the remainder of the Minimum Brazil FSRA Balance shall be built up by Sinar Brazil within the first eighteen-month (by equal monthly instalments) period from the Restructuring Effective Date. Sinar Brazil shall, subject to the prior consent of the requisite majority of Scheme Creditors holding Sustainable Debt (Brazil) being first obtained in accordance with the terms governing the Sustainable Debt (Brazil), be entitled to utilise the monies deposited in the Brazil FSRA to make payment of the relevant principal instalments of the Sustainable Debt (Brazil) and interest/profit payable under the terms of the Sustainable Debt (Brazil) from time to time, provided that the Minimum 	<p>Justifiable.</p> <p>A portion of the total Outstanding Liabilities owing to the Unsecured Creditors, amounting to approximately RM2,613.3 million will be restructured into Sustainable Debts to be assumed and settled by Sinar Brazil from the cash proceeds generated from the existing and new contracts secured by Sinar Brazil.</p> <p>The tenure for the Sustainable Debt (Brazil) is 8 years, which aligns with the tenure of the Proposed Debt Restructuring, which is being implemented concurrently with the Proposed Fund-Raising.</p> <p>Secondly, the coupon rate of 4.50% per annum for the Sustainable Debt (Brazil) is considered acceptable as it is lower than the Company's borrowing interest rate for FYE 2024, which ranges from 4.85% to 8.65%, together with the principal repayment of the Sustainable Debt (Brazil) with a period of 8 years.</p> <p>The repayment period of 8 years for Sustainable Debt (Brazil) can help the Company to manage its liabilities without immediate cash outflows of the Company.</p>
----	----------------------------	--	--

		<p>Brazil FSRA Balance is thereafter restored within sixty (60) days of any such payment.</p> <ul style="list-style-type: none"> • The Sustainable Debt (Brazil) will be secured against the following: <ul style="list-style-type: none"> ○ a first ranking equitable mortgage over the shares of Sinar Brazil; ○ a debenture granted by Sinar Brazil creating first ranking fixed (or where appropriate, floating) charges over its assets; ○ a first ranking assignment and charge over designated bank accounts of Sinar Brazil; ○ a first ranking assignment and charge over the Brazil FSRA; ○ a new corporate guarantee issued by the Company in respect of the Sustainable Debt (Brazil) in favour of the Sustainable Debt (Brazil) Creditors; and ○ cross guarantee and cross collateralisation of Sustainable Debt (Drilling) and Sustainable Debt (Brazil). 	
5.	Unsecured Creditors	<p>RCUIDS</p> <p>A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into RCUIDS to be issued by the Company. The salient terms of the RCUIDS will be as follows:</p> <ul style="list-style-type: none"> • Each RCUIDS will be issued at RM1.20, representing an indicative premium of fifty per cent. (50%) to the consolidated share price of existing SEB Shares which assumes the prevailing market price of 4 sen consolidated at a proposed indicative ratio of 20 existing SEB Shares for 1 Consolidated SEB Share. • The tenure of each RCUIDS issued on the Restructuring Effective Date will be 8 years from and inclusive of the Restructuring Effective Date (the last 	<p>Justifiable based on our assessment of the Indicative Principal Terms of RCUIDS as detailed in Section 6.2.6 of the IAL.</p>

		<p>date of such tenure being the maturity date of the RCUIDS). The tenure of each RCUIDS issued as "PIK" non-compounding profit (of 2.00% per annum) under the terms governing the RCUIDS will likewise end on the maturity date of the RCUIDS.</p> <ul style="list-style-type: none"> The RCUIDS will be convertible into new Consolidated SEB Shares at any time from the Issue Date at a ratio of 1 RCUIDS for 1 new Consolidated SEB Share. On the RCUIDS Maturity Date, any outstanding RCUIDS shall be automatically and mandatorily converted into new Consolidated SEB Shares. The RCUIDS may be redeemed for cash at the option of the Company, and subject to approval from SEB's Board. The RCUIDS will not be listed on any stock exchange but will be tradable and transferrable. The RCUIDS will be subject to certain selling restrictions as set out in the Scheme Paper. 	
6.	Unsecured Creditors	<p>Issuance of Settlement Shares</p> <p>A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into ordinary shares (being new Consolidated SEB Shares) to be issued by the Company. The salient terms of the Settlement Shares are as follows:</p> <ul style="list-style-type: none"> Each Settlement Share will be issued at an issue price of RM0.80, calculated based on the consolidated share price of the Company which assumes a prevailing market price of 4 sen consolidated at a proposed indicative ratio of 20 existing SEB Shares for 1 Consolidated SEB Share. 	<p>Justifiable.</p> <p>A portion of the total Outstanding Liabilities owing to the Unsecured Creditors, amounting to approximately RM1,094.7 million will be repaid through the issuance of Settlement Shares at an issue price of RM0.80 per Consolidated SEB share, taking account of the Proposed Share Consolidation.</p> <p>The evaluation of the Issue Price for Settlement Shares is detailed in Section 6.2.4 of the IAL.</p>

7.	Unsecured Creditors	Irrevocable and permanent waiver On the Restructuring Effective Date, for every RM1.00 of the Outstanding Liabilities owing by the Company to each of the relevant Unsecured Creditors remaining after taking into account the steps referred to in Table 2, item no. 2, 3, 4 and 5 of the Composite Scheme, 7.05 sen shall be irrevocably and permanently waived by such Unsecured Creditor.	Justifiable. 7.05% of the remaining Outstanding Liabilities will be irrevocably and permanently waived from the total Outstanding Liabilities under Agreed Debt Waiver in the Composite Scheme, which is in line with the RM784.3 million waived debt.
----	---------------------	---	--

(The remainder of this page is intentionally left blank)

Kenanga

6.2.6 Indicative Principal Terms of RCUIDS

Our commentaries on the indicative principal terms of RCUIDS as set out in **Part A of the Circular** are as follows:

No.	Indicative Principal Terms of The Proposed Issuance of RCUIDS	Kenanga IB's comments
1.	<p>Nominal amount</p> <p>Up to RM2,500.0 million, in the event that the net sale proceeds arising from the SOMV Disposal are less than a certain aggregate outstanding amount under the SOMV Debt liabilities (the "Outstanding SOMV Liabilities"), the Company shall within a specified period of Sapura Upstream's receipt of the SOMV Net Sale Proceeds, issue additional RCUIDS to the SOMV Debt holders (the "Additional RCUIDS (Shortfall)")</p>	<p>Additional RCUIDS will be raised to address any shortfall in repayments of the SOMV Debt should the SOMV Net Sale Proceeds prove insufficient.</p> <p>This issuance is an integral part of the Company's restructuring strategy to settle outstanding liabilities, and the issuance of Additional RCUIDS (Shortfall) is considered justifiable.</p>
2.	<p>Purpose</p> <p>Part settlement of Outstanding Liabilities as set out in Section 3.2, Part A of the Circular</p>	<p>The issuance of RCUIDS forms part of the Company's restructuring strategy to settle its outstanding liabilities.</p> <p>It allows unsecured creditors to participate in the Company's potential future upside, while supporting a more sustainable capital structure by reducing immediate cash repayment obligations and preserving liquidity.</p> <p>We deem the term to be justifiable.</p>
3.	<p>Number of RCUIDS</p> <p>Up to 1,475,025,221 RCUIDS (excluding any RCUIDS to be issued by PIK Payment and Additional RCUIDS (Shortfall) portion)</p>	<p>The primary objective of the issuance of RCUIDS is to facilitate the settlement of the Outstanding Liabilities owing to the Unsecured Creditors, which collectively amount to RM1,770,030,265.</p> <p>The quantum of RCUIDS to be issued, at an issue price of RM1.20 per RCUIDS, corresponds directly to the nominal value of the Outstanding Liabilities of RM1,770,030,265.</p> <p>We deem the term to be justifiable.</p>

4.	Issue Date Restructuring Effective Date	<p>Setting the Issue Date as the Restructuring Effective Date ensures alignment between the implementation of the debt restructuring exercise and the issuance of the RCUIDS. This provides a clear separation from the Company's existing debt obligations and offers clarity to both the Company and its unsecured creditors.</p> <p>We deem the term to be justifiable.</p>
5.	Tenure 8 years from and inclusive of the Issue Date	<p>The conversion tenure of 8 years shall minimise any immediate dilution effect on SEB's EPS.</p> <p>We deem the term to be justifiable.</p>
6.	Maturity Date 8 th anniversary of Issue Date	<p>The term aligns with the tenure of the Proposed Debt Restructuring, which is being implemented concurrently with the Proposed Fund-Raising.</p> <p>Over the course of eight years, following the implementation of the Proposed Debt Restructuring and Proposed Fund-Raising, SEB is expected to secure adequate funding to support its strategic initiatives such as the realignment of resources and assets of the E&C segment, with the aim of strengthening SEB's financial performance.</p> <p>We deem the term to be justifiable.</p>
7.	Subscriber Unsecured Creditors of the Company comprising: (i) MCF Financiers; and (ii) other Unsecured Creditors of the Company (or the other MCF Obligors including Contingent Creditors, whose Outstanding Liabilities would have been novated or solely assumed by the Company under the Composite Scheme).	<p>The RCUIDS will be issued to the Company's Unsecured Creditors as part of a debt restructuring exercise. This allows the RCUIDS holders to have the option to convert their RCUIDS before the Maturity Date.</p> <p>This structure helps the Company manage liabilities without immediate cash outflows while offering creditors an opportunity to participate in the Company's future growth prospects.</p>

		We deem the term to be justifiable.
8.	RCUIDS Issue Price RM1.20 per RCUIDS	<p>Please refer to Section 6.2.3 of the IAL for the evaluation of the RCUIDS Issue Price in relation to the reasonableness of the RCUIDS Issue Price.</p> <p>We deem the term to be justifiable.</p>
9.	Coupon/profit Coupon rate of 2.00% per annum in the form of PIK Payment computed based on the nominal value of outstanding RCUIDS without compounding unpaid accrued PIK Payment	<p>The coupon rate, which is also the PIK profit of 2.00% per annum for the RCUIDS is considered acceptable as it is lower than the Company's borrowing interest rate for FYE 2024, which ranges from 4.85% to 8.65%.</p> <p>We deem the term to be justifiable.</p>
10.	Conversion Ratio Each RCUIDS is convertible into 1 RCUIDS Conversion Share	<p>One (1) RCUIDS is converted into one (1) RCUIDS Conversion Share. The 1:1 conversion ratio provides a clear and straightforward conversion structure for the RCUIDS holders and aligns their interests with long-term equity growth of the Company.</p> <p>We deem the term to be justifiable.</p>
11.	Conversion Mode The conversion of the RCUIDS will not require any cash payment by the RCUIDS holders. The conversion price of RCUIDS shall be satisfied by surrendering the equivalent nominal value of RCUIDS for cancellation by the Company. All such RCUIDS so converted will be cancelled and cannot be re-issued.	<p>Cash payment is not required for the conversion of RCUIDS, and the conversion shall be satisfied by surrendering the RCUIDS to the Company for cancellation. No further proceeds will be raised upon the conversion of the RCUIDS into RCUIDS Conversion Shares.</p> <p>We deem the term to be justifiable.</p>

12.	<p>Conversion Rights</p> <p>Each RCUIDS is convertible into RCUIDS Conversion Shares at any time from the Issue Date, at the option of the RCUIDS holder, up to 5.00 p.m. on the day immediately preceding the Maturity Date (both dates inclusive).</p> <p>Any outstanding RCUIDS on the maturity date shall be automatically and mandatorily converted into RCUIDS Conversion Shares at the Conversion Ratio on the Maturity Date.</p>	<p>The convertibility feature allows RCUIDS holders the flexibility to convert their instruments into RCUIDS Conversion Shares at their discretion.</p> <p>Additionally, the automatic conversion upon maturity ensures that all RCUIDS are resolved within the eight-year debt restructuring period, aligning with the overall restructuring timeline.</p> <p>We deem the term to be justifiable.</p>
13.	<p>Redemption</p> <p>The RCUIDS shall be redeemable for cash at the option of the Company, and subject to the approval from the Board.</p>	<p>The RCUIDS includes a cash redemption option at the Company's discretion, subject to Board approval.</p> <p>This enables the Company to redeem the instruments when favorable conditions arise, while safeguarding the interest of RCUIDS holders. The cash redemption option has not been quantified at this juncture.</p> <p>We deem the term to be justifiable.</p>
14.	<p>Total number of RCUIDS Conversion Shares that may be issued</p> <p>Up to 1,711,029,256 Consolidated SEB Shares (including any Consolidated SEB Shares resulting from a conversion of RCUIDS issued for purposes of the PIK portion, but excluding any Additional RCUIDS (Shortfall) portion). If any Additional RCUIDS (Shortfall) are issued, up to 2,083,333,333 RCUIDS Conversion Shares may be issued in total.</p>	<p>The RCUIDS are convertible into RCUIDS Conversion Shares at a conversion ratio of 1:1. Accordingly, the total number of Consolidated SEB Shares arising from the conversion of the RCUIDS is expected to be 1,711,029,256, which includes the 2% PIK interest component under the Maximum Scenario.</p> <p>In the event where the SOMV Net Sale Proceeds fall short of the aggregate Outstanding Liabilities, the number of RCUIDS to be issued will increase to a total of 2,083,333,333. This includes an additional issuance of 372,304,077 RCUIDS to bridge the shortfall to settle the remaining Outstanding Liabilities.</p> <p>We deem the term to be justifiable.</p>

15.	<p>Adjustment in the number of RCUIDS in the event of alteration to share capital</p> <p>The Company shall make the necessary adjustment to the Conversion Ratio of the RCUIDS then outstanding in consultation with the facility agent and in accordance with the certification of the auditors, in the event of any alteration in the issued share capital of the Company on or before the Maturity Date (whether by way of rights issue, bonus issue, capitalisation issue, consolidation or subdivision of SEB Shares or reduction of capital or otherwise) in compliance with the Listing Requirements.</p>	<p>The RCUIDS is convertible into RCUIDS Conversion Share at a conversion ratio of 1:1 and will be subjected to the adjustments in certain circumstances by way of rights issue, bonus issue, capitalisation issue, consolidation or subdivision of SEB Shares or reduction of capital or otherwise under the provision of the Proposed Regularisation Plan.</p> <p>We note that such adjustments are usually limited to specific conditions in the event of alteration in the issued share capital of SEB, which we deem as justifiable to the RCUIDS holders.</p>
16.	<p>Rights on the liquidation of the Company</p> <p>In the event of a winding up or liquidation of the Company, the RCUIDS shall rank in priority to SEB Shares.</p>	<p>As the RCUIDS will constitute unsecured obligations of the Company, it is acceptable for the RCUIDS to rank in priority to SEB Shares.</p> <p>We deem the term to be justifiable.</p>
17.	<p>Listing status</p> <p>The RCUIDS will not be listed on Bursa Securities.</p> <p>An application will be made to Bursa Securities for the listing and quotation of the RCUIDS Conversion Shares arising from the conversion of the RCUIDS on the Main Market of Bursa Securities.</p>	<p>The RCUIDS are not listed, quoted or traded on Bursa Securities.</p> <p>We note that the RCUIDS will only be issued to the 80 RCUIDS holders and thus does not comply with Paragraph 6.51 of the Listing Requirements (minimum 100 holders for the listing of convertible securities). Further, the RCUIDS will not be exposed to market volatility and speculative trading, while allowing SEB to maintain a targeted and strategic investor base. This ensures greater stability and alignment of interests.</p> <p>By remaining unlisted, SEB is able to achieve cost savings through the reduction in regulatory costs such as initial listing fees and annual listing fees.</p> <p>We deem the term to be justifiable.</p>

18.	Rating of RCUIDS The RCUIDS will not be rated.	<p>The RCUIDS are not rated.</p> <p>The RCUIDS will be subscribed by the Company's Unsecured Creditors, who are already well-acquainted with the Company's financial position and risk profile. As such, the absence of a formal credit rating is considered acceptable.</p> <p>We deem the term to be justifiable.</p>
19.	Rights of the RCUIDS holders RCUIDS holders are not entitled to any right to vote at any meeting of the shareholders of the Company and are not entitled to participate in any dividends, rights, allotments and other distribution and offer of securities in the Company until and unless such RCUIDS holders have validly converted their RCUIDS into RCUIDS Conversion Shares by exercising their Conversion Rights during the conversion period, and such RCUIDS Conversion Shares are allotted before the entitlement date of such dividend, right, allotment, distribution or offer of securities.	<p>The RCUIDS holders are not entitled to any voting rights and shall not have any participating rights in any distribution and/or offer of securities, prior to converting their RCUIDS into RCUIDS Conversion Shares.</p> <p>We conclude that this is acceptable and not detrimental to the non-interested shareholders, as RCUIDS holders are treated as "debt providers" prior to converting the RCUIDS into RCUIDS Conversion Shares. Upon the conversion of the RCUIDS, the RCUIDS holders will be entitled to such dividend, right, allotment, distribution or offer of securities.</p> <p>We deem the term to be justifiable.</p>
20.	Events of default The RCUIDS holder may declare an event of default if, amongst other things, any of the following events occur: (i) the Company commits a default in payment of any PIK Payment or any amount payable under the RCUIDS or fails to redeem any RCUIDS (upon making an irrevocable election to redeem the same) in accordance with the provisions under the trust deed governing this RCUIDS (" Trust Deed "); (ii) the Company fails for any reason to allot, issue and deliver any RCUIDS Conversion Shares to any RCUIDS holders following a	<p>The clause is common and acceptable as the terms set out the rights and entitlements of the RCUIDS holders in the event SEB defaulted on any of its obligations and representation under the RCUIDS terms.</p> <p>We deem the term to be justifiable.</p>

	<p>conversion of RCUIDS to the RCUIDS Conversion Shares at the option of such RCUIDS holders in accordance with the provisions under the Trust Deed;</p> <p>(iii) the Company is in breach of any provision, term or condition of the RCUIDS or the transaction documents or of any other document relating to the issue, offer or invitation in respect of the RCUIDS, which, in the opinion of the trustee, is not capable of being remedied or if capable of being remedied, is not remedied within a period of 30 days from the date of such breach;</p> <p>(iv) any representation or warranty made or given by the Company under the transaction documents or which is contained in any certificate, notice, opinion, document, information or statement furnished at any time pursuant to the terms of the transaction documents proves to have been incorrect or misleading in any material respect on or as at the date on which the representation or warranty was made or given;</p> <p>(v) there is a revocation, withholding, invalidation, suspension or modification of any license, authorisation, approval or consent that impairs or prejudices the Company's ability to comply with the terms and conditions of the RCUIDS, the transaction documents, and any other document relating to the issue, offer or invitation in respect of the RCUIDS;</p> <p>(vi) the Company enters into or proposes to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspensions of payments generally;</p> <p>(vii) any material provision of the transaction documents is or becomes illegal, void, voidable or unenforceable;</p> <p>(viii) any step or action is taken for the winding up, dissolution or liquidation of the Company (including but not limited to the presentation of a petition for the winding up against the Company, or the making of any order or the passing of any resolution for the winding up, dissolution or liquidation of the Company unless it is contested in good faith and set</p>	<p>The clauses are common and acceptable as the terms set out the consequences faced by SEB in the event SEB defaulted on any of its obligations and representation under the RCUIDS terms.</p> <p>We deem the term to be justifiable.</p>
--	---	--

	<p>aside within 90 days (or such extended period as the trustee may consent, which consent shall not be unreasonably withheld)) from the date of service of such winding up petition;</p>	
(ix)	<p>a liquidator, receiver, receiver and manager, administrative receiver, administrator, judicial manager or other similar officer is appointed in respect of the Company over all or any substantial part of the respective assets, properties or undertakings of the Company (provided that for the purposes of this paragraph, assets, properties or undertakings having a value equivalent to RM100,000,000.00 or 25.00% or more of the NA value of the Group, whichever is lower, as reflected in the latest financial statements of the Company shall be deemed to constitute a "substantial part" of the Company's assets, properties or undertakings); or</p>	
(x)	<p>the Company ceases or threatens to cease to carry on all or substantially all of its business;</p>	
(xi)	<p>the Company fails to satisfy any judgment handed down against it by any court of competent jurisdiction which in the reasonable opinion of the trustee has a material adverse effect upon the financial condition and/or business operations of the Company, or upon the ability of the Company to perform its obligations under the transaction documents to which it is a party, and no appeal against such judgment has been made to the appropriate appellate court within the time prescribed by law (or if made, has been dismissed);</p>	
(xii)	<p>any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced in relation to the RCUIDS, the transaction documents or against any Scheme Company or its assets which have or will have a material adverse effect;</p>	
(xiii)	<p>any indebtedness of the Company becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by the Company in its obligations in respect of the same, or the Company fails to make payment in respect thereof on the due</p>	

	<p>date for such payment or if due on demand when demanded, or the security for any such indebtedness becomes legally enforceable, or any guarantee or similar obligations of the Company for any indebtedness is not discharged at maturity or when called, and:</p> <p>(i) such event would have a material adverse effect upon the financial condition and/or business operations of the Company, or upon the ability of the Company to perform its obligations under the transaction documents to which it is a party; and</p> <p>(ii) in the case of a failure to make payment, such failure to pay is not being contested in good faith by the Company</p> <p>(xiv) the Company repudiates any of the transaction documents or the Company does or causes to be done any act or thing evidencing an intention to repudiate any of the transaction documents;</p> <p>(xv) all or substantially all of the property or assets of the Company have been condemned, seized or otherwise appropriated, nationalised or compulsorily acquired by any person acting under the authority of any governmental body</p>	<p>The clauses are common and acceptable as the terms set out the consequences faced by SEB in the event SEB defaulted on any of its obligations and representation under the RCUIDS terms.</p> <p>We deem the term to be justifiable.</p>
21.	<p>Ranking of RCUIDS</p> <p>The RCUIDS will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without discrimination, any preference or priority among themselves. The payment obligations of the Company under the RCUIDS will, save for exceptions as may be provided by mandatory provisions of applicable law and subject to the terms and conditions of the RCUIDS, at all times, be unsecured and shall rank at least pari passu with all of its other present and future unsecured and unsubordinated obligations.</p> <p>The RCUIDS Conversion Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing Consolidated SEB Shares, save and except that the RCUIDS Conversion Shares shall not be entitled to any</p>	<p>Given that the RCUIDS constitutes unsecured obligations of the Company, it is acceptable for the RCUIDS to rank pari passu with other unsecured obligations.</p> <p>Upon conversion, the RCUIDS Conversion Shares will be treated as equity and will rank equally with existing SEB Shares.</p> <p>We deem the term to be justifiable.</p>

Kenanga

	dividends, voting rights, allotments and/or other forms of distribution which may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the RCUIDS Conversion Shares.	
22.	Governing Law Laws of Malaysia	This term is justifiable as SEB is domiciled in Malaysia and the RCUIDS are denominated in Ringgit Malaysia. In addition, the RCUIDS can be converted into RCUIDS Conversion Shares which will be listed on the Main Market of Bursa Securities. Therefore, any agreements or documents to be entered into shall be governed by the laws of Malaysia.

(The remainder of this page is intentionally left blank)

6.2.7 Evaluation of the RCLS Issue Price

As set out in **Section 3.3.4 of Part A of the Circular**, the RCLS Issue Price is arrived at after taking into consideration, amongst other things, the following:

- (i) the amount required to be raised to extinguish the outstanding liabilities attributable to the creditors of the Group who are Malaysian service providers in or to the O&G sector incorporated or registered in, and controlled by residents of Malaysia;
- (ii) the funding requirements of the Group as set out in **Section 4.1, Part A of the Circular**;
- (iii) the Consolidated SEB Share Price; and
- (iv) the necessity of the cash injection from MDH, taking into account the targeted shareholding of MDH, which is essential for the Proposed Regularisation Plan as a whole.

In evaluating the RCLS Issue Price, we have considered the following:

(i) Adjusted Consolidated NA per SEB Share

Based on the audited financial statements of SEB as at 31 January 2025, SEB is in a NL position, with a consolidated NL per SEB Share of RM0.19.

We have adopted the Adjusted Consolidated NA per SEB Share in evaluating the RCLS Issue Price to reflect the changes in the NA of SEB upon the completion of the Proposed Regularisation Plan.

The RCLS Issue Price of RM0.48 represents a discount to the Adjusted Consolidated NA per SEB Share:

	NL per SEB Share	Adjusted Consolidated NL per SEB Share	Premium	
	RM	RM	RM	%
Audited as at 31 January 2025	(0.19)	⁽¹⁾ (3.75)	4.23	⁽²⁾ -

(Source: Audited consolidated financial statements of SEB for the FYE 31 January 2025)

Notes:

- (1) The Adjusted Consolidated NL per SEB Share is adjusted for the Proposed Share Consolidation.
- (2) Not meaningful as SEB is in a NL position as at 31 January 2025.

Kenanga

The RCLS Issue Price of RM0.48 represents a discount to the following Adjusted Consolidated NA per SEB Share:

	Adjusted Consolidated NA per SEB Share	(Discount)	
	RM	RM	%
Based on Minimum Scenario	1.40	(0.92)	(65.71)
Based on Maximum Scenario	0.61	(0.13)	(21.31)

We note that the RCLS Issue Price is at a discount of RM0.13 (or approximately 21.31%) to the Adjusted Consolidated NA per SEB Share as at 31 January 2025 under the Maximum Scenario. We are of the view that RCLS Issue Price is acceptable in view of SEB being in an equity deficit position, and there are no other available funding avenues for SEB, save for the Proposed Fund-Raising.

(ii) Historical P/B Multiple of SEB Share

We have considered the historical P/B Multiple of SEB Share for the past 10 years to illustrate how the market has been pricing SEB Shares relative to its book value or NA, as follows:

FYE (as at 31 January of each FYE)	⁽¹⁾ P/B Multiple (times)
2016	0.780
2017	0.320
2018	0.181
2019	0.311
2020	0.426
2021	0.205
2022	8.462*
2023	(0.278)*
2024	(0.198)*
2025	(0.160)*
Minimum (excluding outliers) ⁽²⁾	0.181
Maximum (excluding outliers) ⁽²⁾	0.780
Minimum	(0.278)
Maximum	8.462
Implied P/B Multiple (based on the RCLS Issue Price):	
Based on Minimum Scenario	0.348
Based on Maximum Scenario	0.787

(Source: Bloomberg, audited consolidated financial statements of SEB for the FYE 2016 – FYE 2025))

Notes:

* Excluded due to extreme deviation from the average.

(1) Computed based on the closing share price against the NA per SEB Share for each respective financial year.

Kenanga

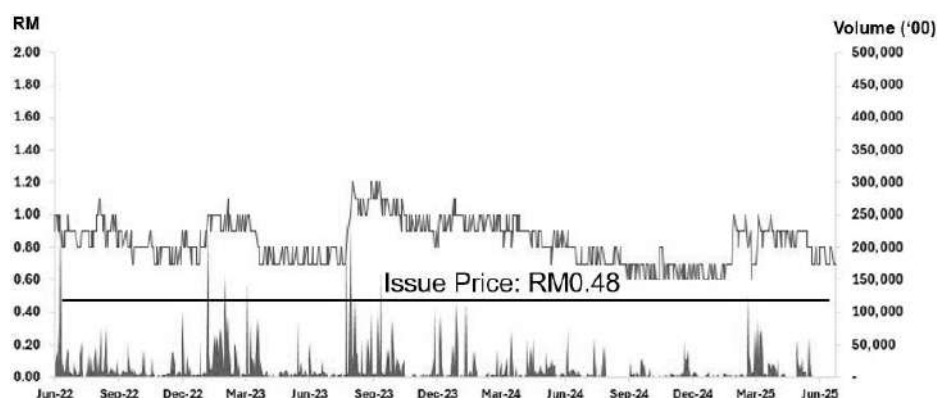
- (2) We have excluded FYE 2022 to FYE 2025 as outliers as their extreme deviation from the average may distort our assessment on the RCLS Issue Price.

Based on the above, the P/B Multiple of 0.348 times under the Minimum Scenario as implied by the RCLS Issue Price falls within the P/B Multiple range of 0.181 times and 0.780 times for the past 10 FYEs, whereas the P/B Multiple of 0.787 times under the Maximum Scenario as implied by the RCLS Issue Price is above the P/B Multiple range between 0.181 times and 0.780 times for the past 10 FYEs. This indicates that the RCLS Issue Price is being priced within the range relative to the historical P/B Multiple of SEB Share under the Minimum Scenario, and slightly above the historical P/B Multiple of SEB Share under the Maximum Scenario for the past 10 years. For illustration purposes, a P/B ratio of 0.787 times indicates that shareholders are willing to pay RM0.787 for every RM1.00 of SEB's book value.

Based on the evaluation of the historical P/B Multiple of SEB Shares, the Proposed Regularisation Plan is able to contribute positively to the financial position of SEB.

(iii) Historical market prices of SEB Shares

The historical trading prices of SEB Shares for the past 3 years up to the LPD, as compared to the RCLS Issue Price of RM0.48 are as follows:



(Source: Bloomberg)

The graph has been adjusted for the Proposed Share Consolidation. Based on the graph above, SEB Shares were largely trading within the range of the lowest price of RM0.70 to the highest price of RM1.20. SEB Shares were traded above the RCLS Issue Price of RM0.48, representing 100% of the total trading days, for the past 3 years up to the LPD.

(iv) Closing market price and VWAP

Further, we also note that the RCLS Issue Price represents a discount to the following closing market price and VWAPs of SEB shares as at 3 March 2025, being the LTD, and represents a discount to the closing market price and VWAPs of SEB shares as at the LPD as follows:

	VWAPs	Adjusted VWAPs	Discount	
	RM	RM	RM	%
Up to the LTD:				
Closing market price	0.035	0.700	(0.220)	(31.43)
5-day VWAP	0.035	0.700	(0.220)	(31.43)
1-month VWAP	0.035	0.692	(0.212)	(30.64)
3-month VWAP	0.034	0.672	(0.192)	(28.57)
6-month VWAP	0.034	0.684	(0.204)	(29.82)
12-month VWAP	0.040	0.796	(0.316)	(39.73)
Up to the LPD:				
Closing market price	0.040	0.800	(0.320)	(40.00)
5-day VWAP	0.038	0.764	(0.284)	(37.17)
1-month VWAP	0.039	0.784	(0.304)	(38.78)
3-month VWAP	0.044	0.872	(0.392)	(44.95)
6-month VWAP	0.041	0.814	(0.334)	(41.03)
12-month VWAP	0.039	0.783	(0.303)	(38.69)

(Source: Bloomberg)

Based on the analysis above, we noted that the RCLS Issue Price represents:

- a premium to the audited NL per SEB Share position of RM0.19 as at 31 January 2025;
- a discount of RM0.13 (or approximately 21.31%) to the Adjusted Consolidated NA per SEB Share under the Maximum Scenario;
- a P/B Multiple of 0.348 times under the Minimum Scenario is within the historical P/B Multiple of SEB Shares ranging between 0.181 times to 0.780 times for the past 10 FYEs. This indicates that the RCLS Issue Price is being priced within the range of the historical P/B Multiple of SEB Shares for the past 10 years; and
- a P/B Multiple of 0.787 times under the Maximum Scenario is above the historical P/B Multiple of SEB Shares ranging between 0.181 times to 0.780 times for the past 10 FYEs. We are of the view that the RCLS Issue price is acceptable as the P/B Multiple is marginally above the historical P/B Multiple. Furthermore, the financial position of SEB is expected to improve following the Proposed Regularisation Plan.

While we note that the RCLS Issue Price represents a discount to the Adjusted VWAPs of SEB Shares, we have also considered the following key factors in our assessment:

- the requisite funds by MDH allows SEB to repay its creditors which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of Malaysia in a timely manner. In the event SEB is unable to secure the requisite funds from MDH, SEB may require alternative approaches,

Kenanga

which include, amongst others, disposal of assets, refinancing of existing borrowings, and/or obtaining additional borrowings from financial institutions. However, with the equity deficit position and PN17 status of SEB, SEB may not be able to successfully undertake any of the above which could lead to a liquidation of the Company, which may be detrimental to the interests of the shareholders of the Company;

- (ii) shifting market dynamics and uncertainties by the impact of the COVID-19 pandemic and slow industry activity in the early part of 2021 have made it difficult for the Group to secure funding through conventional channels. Furthermore, SEB's recovery was curtailed by the COVID-19 pandemic as it faced substantial operational and financial challenges such as additional expenses arising from procurement delays and alterations to project schedules. These unforeseeable costs such as pandemic-related project delays, higher material and implementation costs, and global supply chain disruptions have had a lasting impact on project timelines and budgets; and
- (iii) in view of the profile of MDH, offering shares at a discount makes this investment opportunity more attractive to MDH.

Premised on the above, we are of the opinion that the RCLS Issue Price is acceptable.

6.2.8 Salient terms of the Conditional Funding Agreement

No.	Salient terms of the Conditional Funding Agreement	Kenanga IB's comments
(1)	<p>Commitment</p> <p>MDH agrees that it will invest by way of subscription for an amount of up to RM1,100 million in nominal value of RCLS at the RCLS Issue Price on the Restructuring Effective Date, and the Company agrees to issue the RCLS to MDH based on the RCLS Issue Price in accordance with the terms and conditions of the Subscription Agreement, subject to the satisfaction of the conditions precedent to the Restructuring Effective Date and terms and conditions of the Conditional Funding Agreement.</p>	<p>We have reviewed the conditions precedent of the Conditional Funding Agreement and conclude that the terms are acceptable and not detrimental to the non-interested shareholders.</p>
(2)	<p>Condition</p> <p>MDH's commitment is subject to the occurrence of the Restructuring Effective Date (the occurrence of which shall be forthwith notified by the Company to MDH in writing by way of a certificate signed by a Director) ("Condition") on or before the Long Stop Date.</p> <p>If the Condition is not satisfied on or before the Long Stop Date, the parties may mutually agree in writing to extend the Long Stop Date for such period as may be agreed by the parties. If the parties fail to agree in writing to extend the Long Stop Date, the Conditional Funding Agreement shall immediately terminate and none of the parties shall have any further liability under the Conditional Funding Agreement.</p>	<p>Pursuant to the condition precedents of the Conditional Funding Agreement, if all these conditions are not met, either party has the right to cancel the agreement, leaving no further obligations except for potential claims of prior breaches.</p> <p>We have reviewed the conditions precedent and conclude that the terms are acceptable and not detrimental to the non-interested shareholders.</p>
(3)	<p>Utilisation of Proceeds raised by the Company from the Subscription</p> <p>The Parties agree that the proceeds raised from the Subscription ("Proceeds") shall be utilised by the Company for the settlement or payment of the amounts of the liabilities which are or were previously or may in future become outstanding and payable to creditors of the Group, which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of, Malaysia (including Ecosystem Creditors).</p>	<p>The primary objective of the Conditional Funding Agreement by MDH is to facilitate the settlement of the Outstanding Liabilities owing to the Ecosystem Creditors, which collectively amount to RM1,100,000,000.</p> <p>This enhances the confidence of the Ecosystem Creditors in SEB Group, strengthening trust and encouraging continued business relationships in future.</p>

		We deem the term to be justifiable.
(4)	Subscription Agreement <p>The parties acknowledge and agree that the execution of the Subscription Agreement is one of the conditions precedent to the Restructuring Effective Date. MDH and the Company agree that they will, within a period to be agreed between MDH and the Company as soon as reasonably possible after the date of the Conditional Funding Agreement, finalise the Subscription Agreement. Upon the lodgement of the information and documents relating to the RCLS with the SC in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC, each party shall execute and deliver the Subscription Agreement to the other party and provide the other party with its board resolution or its equivalent approving the execution of the Subscription Agreement (certified as a true copy by a director or company secretary of the relevant party), and the transactions contemplated thereunder, and the delivery and performance of its obligations under the Subscription Agreement.</p>	<p>It is acceptable for the parties to enter into a formal Subscription Agreement to govern the issuance of RCLS.</p> <p>We deem the term to be justifiable.</p>

6.2.9 Indicative Principal Terms of RCLS

Our commentaries on the indicative principal terms of the RCLS as set out in **Part A of the Circular** are as follows:

No.	Indicative Principal Terms of The Proposed Issuance of RCLS	Kenanga IB's comments
1.	Nominal amount <p>RM1.1 billion</p>	<p>The issuance of RCLS serves primarily to facilitate the repayment of Outstanding Liabilities owed to the Ecosystem Creditors, totaling RM1,100,000,000.</p> <p>The designated issue size of the RCLS has been structured to ensure adequate settlement of obligations to the Ecosystem Creditors.</p> <p>The term is deemed justifiable.</p>

2.	<p>Purpose</p> <p>For the settlement or payment of the amounts of the liabilities which are or were previously or may in future become outstanding and payable to creditors of the Group, which are Malaysian service providers operating in or supporting the O&G sector, incorporated or registered in, and controlled by the residents of, Malaysia (including Ecosystem Creditors)</p>	<p>The issuance of RCLS forms part of the Company's restructuring strategy to settle its Outstanding Liabilities to the Ecosystem Creditors.</p> <p>This enhances the confidence of the Ecosystem Creditors in SEB Group, strengthening trust and encouraging continued business relationships in future.</p> <p>We deem the term to be justifiable.</p>
3.	<p>Number of RCLS to be issued</p> <p>2,291,666,667</p>	<p>The primary objective of the issuance of RCLS is to facilitate the settlement of the Outstanding Liabilities owing to the Ecosystem Creditors, which collectively amount to RM1,100,000,000.</p> <p>The quantum of RCLS to be issued, at an issue price of RM0.48 per RCLS, corresponds directly to the nominal value of the Outstanding Liabilities of RM1,100,000,000.</p> <p>In this regard, the term is deemed justifiable.</p>
4.	<p>Issue Date</p> <p>Restructuring Effective Date</p>	<p>Setting the Issue Date as the Restructuring Effective Date ensures alignment between the implementation of the debt restructuring exercise and the issuance of the RCLS. This provides a clear separation from the Company's existing debt obligations and offers clarity to both the Company and its unsecured creditors.</p> <p>We deem the term to be justifiable.</p>
5.	<p>Tenure</p> <p>8 years from the Issue Date of RCLS ("Maturity Date").</p>	<p>The conversion tenure of 8 years shall minimise any immediate dilution effect on SEB's EPS.</p> <p>Over the course of eight years, following the implementation of the Proposed Debt Restructuring and Proposed Fund Raising, SEB is anticipated to achieve financial recovery,</p>

		driven by reduced gearing and the benefits of debt and interest waivers. We deem the term to be justifiable.
6.	Maturity Date 8 years from and inclusive of the Issue Date	The term is considered justifiable as it is aligned with the tenure of the Proposed Debt Restructuring, which is being implemented concurrently with the Proposed Fund-Raising.
7.	Subscriber MDH	<p>The RCLS will be allocated to MDH as part of the fund-raising exercise, providing RCLS holders the benefit of having fixed returns and equity participation upon the conversion of RCLS into RCLS Conversion Shares.</p> <p>This structure helps the Company manage liabilities without immediate cash outflows while building stronger relationships with the creditors for SEB Group's future operations. As a result, creditors gain confidence in SEB's ability to meet its financial obligations and are likely to continue their support for the Group.</p> <p>We deem the term to be justifiable.</p>
8.	Issue Price RM0.48 <i>Note: Indicatively, a 40% discount to the consolidated share price of SEB which assumes the prevailing market price of 4.0 sen. The prevailing share price is consolidated at a proposed ratio of 20 existing SEB ordinary shares for 1 consolidated SEB ordinary share.</i>	<p>Please refer to Section 6.2.7 of the IAL for the evaluation of the RCLS Issue Price in relation to the reasonableness of the Issue Price.</p> <p>We deem the term to be justifiable.</p>
9.	Coupon Coupon rate of a minimum of 2.00% per annum and maximum of 4.00% per annum calculated on the nominal value of the RCLS then outstanding and	The coupon rate that ranges from 2.00% to 4.00% per annum for the RCLS is considered acceptable as it is lower than the Company's borrowing interest rate for FYE 2024, which ranges from 4.85% to 8.65%.

	<p>payable semi-annually in arrears commencing 6 months from the Issue Date, at the discretion of the Company (including whether coupon shall be payable at all).</p> <p>For illustrative purposes, if the Restructuring Effective Date is 20 August 2025, the first coupon payment under the RCLS will be due and payable on 28 February 2026.</p>	<p>We deem the term to be justifiable.</p>
10.	<p>Conversion Ratio</p> <p>Each RCLS shall be convertible into 1 RCLS Conversion Share ("Conversion Ratio").</p>	<p>One (1) RCLS is converted into one (1) RCLS Conversion Share. The 1:1 conversion ratio provides a clear and straightforward conversion structure for the RCLS holders and aligns their interests with long-term equity growth of the Company.</p> <p>We deem the term to be justifiable.</p>
11.	<p>Conversion Rights</p> <p>Each RCLS is convertible into RCLS Conversion Shares at any time from the Issue Date, at the option of the RCLS holders, up to 5.00 p.m. on the day immediately preceding the Maturity Date (both dates inclusive).</p> <p>Any outstanding RCLS on the Maturity Date shall be automatically and mandatorily converted into RCLS Conversion Shares at the Conversion Ratio on the Maturity Date.</p>	<p>The convertibility feature allows RCLS holders the flexibility to convert their instruments into RCLS Conversion Shares at their discretion.</p> <p>Additionally, the automatic conversion upon maturity ensures that all RCLS are resolved within the eight-year debt restructuring period, aligning with the overall restructuring timeline.</p> <p>We deem the term to be justifiable.</p>

12.	<p>Redemption</p> <p>Each RCLS is redeemable via cash at one hundred per cent (100%) of its nominal value at any time from Issue Date until Maturity Date at the option of the Company, by way of the Company issuing a redemption notice to the RCLS holders at least thirty (30) days prior to the Maturity Date.</p> <p>Any RCLS which have been redeemed shall be cancelled and cannot be resold.</p>	<p>The RCLS includes a cash redemption option at the Company's discretion, subject to a redemption notice to the RCLS holders at least thirty (30) days prior to the Maturity Date.</p> <p>This enables the Company to redeem the instruments when favorable conditions arise, while safeguarding the interest of RCLS holders. The cash redemption option has not been quantified at this juncture.</p> <p>We deem the term to be justifiable.</p>
13.	<p>Total number of RCLS Conversion Shares that may be issued</p> <p>2,291,666,667 RCLS Conversion Shares</p>	<p>The primary objective of the issuance of RCLS is to facilitate the settlement of the Outstanding Liabilities owing to the Ecosystem Creditors, which collectively amount to RM1,100,000,000.</p> <p>The quantum of RCLS to be issued, at an issue price of RM0.48 per RCLS, corresponds directly to the nominal value of the Outstanding Liabilities of RM1,100,000,000.</p> <p>In this regard, the term is deemed justifiable.</p>
14.	<p>Adjustment in the number of RCLS in the event of alteration to share capital</p> <p>The Company will make the necessary adjustments to the number of RCLS then outstanding in the event of any alteration in the share capital on or before the Maturity Date, whether by way of rights issue, bonus issue, capitalisation issue, consolidation or subdivision of shares howsoever being effected, in accordance with the provisions of the trust deed and in compliance with the Listing Requirements.</p>	<p>The RCLS is convertible into 1 RCLS Conversion Share at the Conversion Ratio and will be subjected to the adjustments in certain circumstances under the provision of the Proposed Regularisation Plan.</p> <p>We note that such adjustments are usually limited to specific conditions in the event of alteration in the issued share capital of SEB, which we deem as justifiable to the RCLS holders.</p>

15.	Rights on the liquidation of the Company In the event of a winding up or liquidation of the Company, the RCLS shall rank in priority to SEB Shares.	<p>As the RCLS will constitute direct and secured obligations of the Company, it is acceptable for the RCLS to rank in priority to SEB Shares. Upon conversion, the RCLS Conversion Shares will be treated as an equity and will rank equally with existing SEB Shares.</p> <p>We deem the term to be justifiable.</p>
16.	<p>Listing status</p> <p>The RCLS will not be listed on Bursa Securities.</p> <p>An application will be made to Bursa Securities for the listing and quotation of the RCLS Conversion Shares arising from the conversion of the RCLS on the Main Market of Bursa Securities.</p>	<p>The RCLS are not listed, quoted or traded on Bursa Securities.</p> <p>The RCLS will only be issued to MDH (single holder) and thus does not comply with Paragraph 6.51 of the Listing Requirements (minimum 100 holders for the listing of convertible securities).</p> <p>By remaining unlisted, SEB is able to achieve cost savings through the reduction in regulatory costs such as initial listing fees and annual listing fees. Further, the RCLS will not be exposed to market volatility and speculative trading, while allowing SEB to maintain a targeted and strategic investor base. This ensures greater stability and alignment of interests</p> <p>We deem the term to be justifiable.</p>
17.	<p>Rating</p> <p>The RCLS will not be rated.</p>	<p>The RCLS are not rated.</p> <p>The RCLS will be subscribed by MDH, who are already well acquainted with the Company's financial position and risk profile. As such, the absence of a formal credit rating is considered justifiable.</p>

18.	<p>Amendments to the RCLS holder's rights</p> <p>Save as otherwise provided in the Trust Deed, a special resolution of the RCLS holders with the affirmative votes of not less than seventy five per cent (75%) of the RCLS holders shall be required to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the RCLS holders against SEB.</p>	<p>An affirmative vote of not less than seventy-five per cent (75%) of the RCLS holders shall be obtained prior to sanction any modification, variation, abrogation or compromise of or arrangement in respect of the rights of the RCLS holders against SEB.</p> <p>This ensures the RCLS holders are able to safeguard their investment and position within the repayment hierarchy.</p> <p>We deem the term to be justifiable.</p>
19.	<p>Events of default</p> <p>Customary events of default to be agreed, including but not limited to non-payment viz. If at any time the Company fails to pay any sum (coupon rate, fees, costs, charges or otherwise) payable under the RCLS within fourteen (14) days from the due date, the Security Trustee (as defined herein), acting on the instructions of the RCLS holders, shall (provide that an approval of a simple majority of the RCLS holders has been obtained) be entitled to issue a notice in writing to the Company to declare that an event of default has occurred.</p>	<p>The clause is common and acceptable as the terms set out the rights and entitlements of the RCLS holders in the event SEB defaulted on any of its obligations and representation under the RCLS terms.</p>
20.	<p>Ranking of RCLS and RCLS Conversion Shares</p> <p>The RCLS will constitute direct and secured obligations of the Company, with the benefit of charges over the shares of certain entities within the E&C and O&M segments of the Group, which are to be provided as security as per the terms of the RCLS. To the extent that the proceeds of realisation of such security are insufficient to repay the RCLS in full, the RCLS will constitute subordinated obligations of the Company. Subject to the provisions contained in the trust deed to be entered into by the Company and the trustee, namely Pacific Trustee Berhad to act on behalf of MDH, the RCLS will rank equally without discrimination, preference or priority among themselves and will rank at least equally with all present and future direct, subordinated and unsecured debts and obligations of the Company from time to time (except for those which are preferred by law).</p>	<p>We note that the RCLS constitutes secured obligation of the Company. In the event that the proceeds from the realisation of the securities are insufficient to fully repay the RCLS, the remaining balance will be treated as a subordinated obligations of the Company. We are of the view that it is acceptable for such subordinated obligations to be ranked at least equally with the Company's other existing and future unsecured debts.</p> <p>Upon conversion, the RCLS Conversion Shares will be treated as an equity and will rank equally with existing SEB Shares.</p> <p>We deem the term to be justifiable.</p>

	<p>The RCLS Conversion Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing Consolidated SEB Shares, save and except that the RCLS Conversion Shares shall not be entitled to any dividends, voting rights, allotments and/or any other forms of distributions which may be declared made or paid for which the entitlement date precedes the date of allotment and issuance of the RCLS Conversion Shares.</p>	
21.	<p>Reserve Matters</p> <p>Save as otherwise provided in the Trust Deed, a special resolution of the RCLS holders with the affirmative votes of not less than seventy-five per cent (75%) of the RCLS holders shall be obtained prior to any major restructuring or reorganisation of the SEB Group, including but not limited to any divestment of material assets or subsidiaries.</p>	<p>An affirmative vote of not less than seventy-five per cent (75%) of the RCLS holders shall be obtained prior to any major restructuring or reorganisation of the SEB Group.</p> <p>This ensures the RCLS holders are able to safeguard their investment and position within the repayment hierarchy.</p> <p>We deem the term to be justifiable.</p>
22.	<p>Board Appointments</p> <p>The RCLS holders shall be entitled to one seat on the Company's Board to represent their interests.</p>	<p>The RCLS holders shall be granted the right to occupy one seat on the Company's Board. This provision serves to safeguard the RCLS holder's interests while enabling their direct participation in managerial decisions through board representation.</p> <p>By securing this position, RCLS holders are provided a structured avenue to oversee and contribute to the strategic direction of the Company.</p> <p>We deem the term to be justifiable.</p>
23.	<p>Governing Law and Jurisdiction</p> <p>Laws of Malaysia.</p>	<p>This term is justifiable as SEB is domiciled in Malaysia and the RCLS are denominated in Ringgit Malaysia. In addition, the RCLS can be converted into RCLS Conversion Shares which will be listed on the Main Market of Bursa Securities. Therefore, any agreements or documents to be entered into shall be governed by the laws of Malaysia.</p>

6.3 Effects of the Proposed Regularisation Plan

We note that the Proposed Exemption on a standalone basis will not have any effect on the share capital, NA and gearing, earnings and EPS of the Company and the substantial shareholders' shareholdings in the Company.

However, in view of the inter-conditionality of the Proposed Regularisation Plan as set out in **Section 12 of Part A of the Circular**, we have also considered the pro forma effects of the Proposed Capital Reconstruction, Proposed Debt Restructuring and Proposed Fund-Raising on the share capital, NA and gearing, earnings and EPS of the Company and the substantial shareholders' shareholdings in the Company.

6.3.1 Share capital

For illustrative purposes, the pro forma effects of the Proposed Regularisation Plan on the number of issued SEB Shares/Consolidated SEB Shares and the Company's issued share capital are as follows:

	Minimum Scenario		Maximum Scenario ⁽¹⁾	
	Number of SEB Shares ('000)	Issued share capital RM'000	Number of SEB Shares ('000)	Issued share capital RM'000
Number of SEB Shares as at the LPD	18,375,942	11,854,791	18,375,942	11,854,791
Conversion of Warrants and ESOS Options	-	-	1,797,646	920,007
After conversion of Warrants and ESOS Options	18,375,942	11,854,791	20,173,588	12,774,798
Proposed Share Capital Reduction	-	(11,853,606)	-	(12,773,521)
After the Proposed Share Capital Reduction	18,375,942	1,185	20,173,588	1,277
Proposed Share Consolidation ⁽²⁾ (Consolidated SEB Shares, hereinafter)	(17,457,145)	(4)-	(19,164,909)	(4)-
After the Proposed Capital Reconstruction	918,797	1,185	1,008,679	1,277
Issuance of Settlement Shares ⁽³⁾	1,368,408	1,094,726	1,368,408	1,094,726
After the Proposed Issuance of Settlement Shares	2,287,205	1,095,911	2,377,087	1,096,003
Issuance of RCLS Conversion Shares pursuant to conversion of RCLS ⁽³⁾	(4)-	(4)-	2,291,667	1,100,000
After conversion of RCLS	(4)-	(4)-	4,668,754	2,196,003
Issuance of RCUIDS Conversion Shares	(4)-	(4)-	1,711,029	2,053,235

	Minimum Scenario		Maximum Scenario ⁽¹⁾	
	Number of SEB Shares ('000)	Issued share capital RM'000	Number of SEB Shares ('000)	Issued share capital RM'000
pursuant to conversion of RCUIDS ⁽³⁾				
Enlarged issued share capital and number of issued Consolidated SEB Shares	2,287,205	1,095,911	6,379,783	4,249,238

Notes:

- (1) Illustration on the number of RCUIDS Conversion Shares taking into account the PIK Payment to be issued, as follows:

	Maximum Scenario	
	Number of SEB Shares ('000)	Issued share capital RM'000
Enlarged issued share capital and number of issued Consolidated SEB Shares after conversion of RCLS	4,668,754	2,196,003
Adjustment to number of RCUIDS Conversion Shares:		
RCUIDS Conversion Shares comprised in the RCUIDS to be issued to the Scheme Creditors pursuant to the Proposed Debt Restructuring	1,475,025	1,770,030
Add: Additional RCUIDS Conversion Shares comprised in the additional RCUIDS to be issued pursuant to PIK Payment ⁽⁴⁾⁽ⁱ⁾	236,004	283,205
Adjusted increase in share capital and number of issued Consolidated SEB Shares arising from conversion of RCUIDS	1,711,029	2,053,235
Enlarged issued share capital and number of issued Consolidated SEB Shares	6,379,783	4,249,238

- (2) Proposed Share Consolidation of every 20 SEB existing Shares into 1 Consolidated SEB Share.
- (3) The key terms of the Proposed Issuance of Settlement Shares, the Proposed Issuance of RCUIDS and the Proposed Issuance of RCLS are as follows:

	Proposed Debt Restructuring		Proposed Fund-Raising
	Proposed Issuance of Settlement Shares	Proposed Issuance of RCUIDS	Proposed Issuance of RCLS
No. issued	1,368.4 million Consolidated SEB Shares	1,475.0 million RCUIDS ⁽ⁱ⁾⁽ⁱⁱ⁾	2,291.7 million RCLS
Issue price	RM0.80/ Consolidated SEB Share	RM1.20/ RCUIDS	RM0.48/ RCLS
Tenure	Not applicable	8 years	8 years
Conversion ratio	Not applicable	1 RCUIDS: 1 Consolidated SEB Share	1 RCLS: 1 Consolidated SEB Share

Notes:

- (i) Under the Proposed Debt Restructuring, the consideration payable the Company to the Scheme Creditors should include PIK Payment computed based on the nominal value of outstanding RCUIDS without compounding unpaid accrued PIK Payment. The total number of RCUIDS that may be issued pursuant to the PIK Payment over its 8-year tenure is up to RM283.2 million translating to 236.0 million RCUIDS Conversion Shares.

- (ii) RCUIDS is not expected to be redeemed on Restructuring Effective Date, as illustrated below (assuming, for purposes of illustration, (1) that there are no claims from TotalEnergies as purchaser under the SOMV SPA, and (2) an exchange rate of USD1:RM4.2350 being the middle rate quoted by BNM at 5.00 p.m. as at the LPD):

	USD'mil	RM'mil
SOMV Net Sale Proceeds from the SOMV Disposal	561.6	2,366.2
Less: 10% balance retained and will be released in the manner as described in Appendix II of the SOMV Disposal Circular	(58.2)	(246.4)
SOMV Net Sale Proceeds available on the Restructuring Effective Date for utilisation	503.4	2,119.8
SOMV Debt	(527.9)	(2,224.0)
Deficit of the SOMV Debt	(24.5)	(104.2)

For illustration purposes pursuant to the terms of the SOMV Debt, the SOMV Debt Redemption Surplus, if any, is to be utilised for the redemption of RCUIDS based on the following:

(a)	an amount equivalent to USD29 million (equivalent to approximately RM122.8 million) to be retained for the use as working capital	-	-
(b)	allocation of estimated excess cash surplus after (a), based on the terms of the SOMV Debt:		
i.	the first RM80 million of such excess shall be applied towards the redemption of the RCUIDS; and	-	-
ii.	any remaining surplus amounts after b(i) above, if any, shall be apportioned in the following manner:	-	-
	• 70.00% towards a further early redemption of RCUIDS;	-	-
	• 20.00% towards the prepayment of Sustainable Debts; and	-	-
	• 10.00% towards the Group's working capital	-	-
Total		<u>-</u>	<u>-</u>
(iii)	The deficit of the SOMV Debt above will be settled in full upon the release of the 10% balance retained in Sapura Upstream's Account 1.		

- (4) Not applicable.

The Proposed Share Consolidation will not have any effect on the issued share capital of the Company under both Minimum Scenario and Maximum Scenario.

Under the Minimum Scenario, upon the completion of the Proposed Share Capital Reduction, the issued share capital of SEB Group will decrease from RM11,854.8 million as at the LPD to approximately RM1.2 million. Subsequently, upon the completion of the Proposed Debt Restructuring and Proposed Fund-Raising, the issued share capital will increase to RM1,095.9 million pursuant to the issuance of the Settlement Shares.

Under the Maximum Scenario assuming full conversion of Warrants and ESOS Options and upon the completion of the Proposed Share Capital Reduction, the issued share capital of the Company will decrease from RM12,774.8 million as at the LPD to approximately RM1.3 million. Subsequently, upon the completion of the Proposed Debt Restructuring and Proposed Fund-Raising, the issued share capital will increase to RM1,096.0 million pursuant to the issuance of the Settlement Shares. The issued share capital of SEB will further increase to RM4,249.2 million upon the full conversion of the RCLS and RCUIDS.

The Proposed Exemption will not have any effect on the Company's issued share capital and number of issued share capital.

6.3.2 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Regularisation Plan on the shareholdings of the substantial shareholders (i.e being shareholders holding SEB shares of 5.0% and above) of the Company are set out below:

Minimum Scenario

Substantial shareholder	As at the LPD			After the Proposed Share Capital Reduction			Pro Forma 1	
	Direct	Number of SEB Shares	%	Indirect	Number of SEB Shares	%	Direct	Indirect
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	6,794,218,206	36.97	-	-	6,794,218,206	36.97	-	-
Sapura Technology Sdn Bhd	1,686,337,808	9.18	1.81	(2)332,569,600	1,686,337,808	9.18	(2)332,569,600	1.81
Sapura Holdings Sdn Bhd	-	-	11.25	(3)2,067,197,390	-	-	(3)2,067,197,390	11.25
Tan Sri Dato' Seri Shahril Shamsuddin	174,811,600	0.95	11.25	(3)2,067,197,390	174,811,600	0.95	(3)2,067,197,390	11.25
Dato' Shahrman Shamsuddin	506,385	(1)-	11.25	(3)2,067,197,390	506,385	(1)-	(3)2,067,197,390	11.25
Brothers Capital Sdn Bhd	-	-	11.25	(4)2,067,197,390	-	-	(4)2,067,197,390	11.25
CIMB Bank Berhad	-	-	-	-	-	-	-	-
United Overseas Bank Limited, Labuan Branch	-	-	-	-	-	-	-	-
Maybank Islamic Berhad	-	-	-	-	-	-	-	-
RHB Islamic Bank Berhad	-	-	-	-	-	-	-	-
MDH	-	-	-	-	-	-	-	-
MOF (Inc) ⁽⁶⁾	-	-	-	-	-	-	-	-
Total	8,655,873,999	47.10	-	-	8,655,873,999	47.10	-	-

Minimum Scenario (Cont'd)

Substantial shareholder	Pro Forma 2 After the Proposed Share Consolidation			Pro Forma 3 (5) After Proposed Debt Restructuring		
	Direct		Indirect	Direct		Indirect
	Number of SEB Shares	%		Number of SEB Shares	%	
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	339,710,910	36.97	-	339,710,910	14.85	-
Sapura Technology Sdn Bhd	84,316,890	9.18	(2) 16,628,480	84,316,890	3.69	(2) 16,628,480
Sapura Holdings Sdn Bhd	-	-	(3) 103,359,870	-	-	(3) 103,359,870
Tan Sri Dato' Seri Shahril Shamsuddin	8,740,580	0.95	(3) 103,359,870	8,740,580	0.38	(3) 103,359,870
Dato' Shahrizan Shamsuddin	25,319	(1) -	(3) 103,359,870	25,319	(1) -	(3) 103,359,870
Brothers Capital Sdn Bhd	-	-	(4) 103,359,870	-	-	(4) 103,359,870
CIMB Bank Berhad	-	-	-	208,929,921	9.13	-
United Overseas Bank Limited, Labuan Branch	-	-	-	115,309,172	5.04	-
Maybank Islamic Berhad	-	-	-	462,447,751	20.22	-
RHB Islamic Bank Berhad	-	-	-	164,564,342	7.19	-
MDH	-	-	-	-	-	-
MOF (Inc) ⁽⁶⁾	-	-	-	-	-	51,302,763
Total	432,793,699	47.10	-	1,384,044,885	60.50	-

Minimum Scenario (Cont'd)

Substantial shareholder	Pro Forma 4 After Proposed Fund-Raising			
	Direct		Indirect	
	Number of SEB Shares	%	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	339,710,910	14.85	-	-
Sapura Technology Sdn Bhd	84,316,890	3.69	⁽²⁾ 16,628,480	0.73
Sapura Holdings Sdn Bhd	-	-	⁽³⁾ 103,359,870	4.52
Tan Sri Dato' Seri Shahril Shamsuddin	8,740,580	0.38	⁽³⁾ 103,359,870	4.52
Dato' Shahrizan Shamsuddin	25,319	⁽¹⁾ -	⁽³⁾ 103,359,870	4.52
Brothers Capital Sdn Bhd	-	-	⁽⁴⁾ 103,359,870	4.52
CIMB Bank Berhad	208,929,921	9.13	-	-
United Overseas Bank Limited, Labuan Branch	115,309,172	5.04	-	-
Maybank Islamic Berhad	462,447,751	20.22	-	-
RHB Islamic Bank Berhad	164,564,342	7.19	-	-
MDH	-	-	-	-
MOF (Inc) ⁽⁶⁾	-	-	51,302,763	2.24
Total	1,384,044,885	60.50	-	-

Notes:

- (1) Negligible.
- (2) Deemed interested, pursuant to section 8(4) of the Act, by virtue of its shareholding in Jurudata Sdn Bhd.
- (3) 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.
- (4) Deemed interested, pursuant to section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Holdings Sdn Bhd. Sapura Holdings Sdn Bhd is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.
- (5) After taking into consideration the effects of the Proposed Debt Restructuring, the issuance of 1,368,408,062 Settlement Shares to Scheme Creditors at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449. In addition to the MCF Financiers which are listed above, other MCF Financiers that will be receiving the Settlement Shares are CIMB Islamic Bank Berhad (2.96%), EXIM Bank (2.24%), United Overseas Bank Limited (1.01%), Sumitomo Mitsui Banking Corporation, Labuan Branch (3.03%), ING Bank N.V., Singapore Branch (2.02%), Standard Chartered Bank Offshore Labuan (1.21%), AmBank (M) Berhad (0.22%) and AmBank Islamic Berhad (2.94%).
- (6) Deemed interested as MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.24% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)).

Under the Minimum Scenario, the shareholdings of the existing shareholders of SEB will be diluted and the shareholdings of CIMB Bank Berhad, United Overseas Bank Limited Labuan Branch, Maybank Islamic Berhad and RHB Islamic Bank Berhad will increase to 9.13%, 5.04%, 20.22% and 7.19% respectively, pursuant to the issuance of Settlement Shares.

Maximum Scenario

Substantial shareholder	As at the LPD			⁽⁵⁾ After the conversion of Warrants and ESOS		
	Direct	%	Indirect	Direct	Indirect	%
	Number of SEB Shares		Number of SEB Shares	Number of SEB Shares	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	6,794,218,206	36.97	-	6,844,218,206	-	-
Sapura Technology Sdn Bhd	1,686,337,808	9.18	(2)332,569,600	1,819,671,141	(2)363,269,600	1.80
Sapura Holdings Sdn Bhd	-	-	(3)2,067,197,390	-	(3)2,231,230,723	11.06
Tan Sri Dato' Seri Shahril Shamsuddin	174,811,600	0.95	(3)2,067,197,390	986,900,902	(3)2,231,230,723	11.06
Dato' Shahrman Shamsuddin	506,385	(1)-	(3)2,067,197,390	506,385	(3)2,231,230,723	11.06
Brothers Capital Sdn Bhd	-	-	(4)2,067,197,390	-	(4)2,231,230,723	11.06
CIMB Bank Berhad	-	-	-	-	-	-
United Overseas Bank Limited, Labuan Branch	-	-	-	-	-	-
Maybank Islamic Berhad	-	-	-	-	-	-
RHB Islamic Bank Berhad	-	-	-	-	-	-
MDH	-	-	-	-	-	-
MOF (Inc)	-	-	-	-	-	-
Total	8,655,873,999	47.10	-	9,651,296,634	47.84	-

Maximum Scenario (Cont'd)

Substantial shareholder	Pro Forma 1			Pro Forma 2		
	After the Proposed Share Capital Reduction			After the Proposed Share Consolidation		
	Direct	Indirect	%	Direct	Indirect	%
	Number of SEB Shares	Number of SEB Shares	%	Number of SEB Shares	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	6,844,218,206	-	33.93	342,210,910	-	-
Sapura Technology Sdn Bhd	1,819,671,141	(2)363,269,600	9.02	90,983,557	(2)18,163,480	1.80
Sapura Holdings Sdn Bhd	-	(3)2,231,230,723	11.06	-	(3)111,561,536	11.06
Tan Sri Dato' Seri Shahril Shamsuddin	986,900,902	(3)2,231,230,723	11.06	49,345,045	(3)111,561,536	11.06
Dato' Shahrizan Shamsuddin	506,385	(1)-	(1)-	25,319	(3)111,561,536	11.06
Brothers Capital Sdn Bhd	-	(4)2,231,230,723	11.06	-	(4)111,561,536	11.06
CIMB Bank Berhad	-	-	-	-	-	-
United Overseas Bank Limited, Labuan Branch	-	-	-	-	-	-
Maybank Islamic Berhad	-	-	-	-	-	-
RHB Islamic Bank Berhad	-	-	-	-	-	-
MDH	-	-	-	-	-	-
MOF (Inc)	-	-	-	-	-	-
Total	9,651,296,634	47.84	-	482,564,831	47.84	-

Maximum Scenario (Cont'd)

Substantial shareholder	Pro Forma 3 (6)(i) After the Proposed Debt Restructuring				Pro Forma 4 After the Proposed Fund-Raising			
	Direct		Indirect		Direct		Indirect	
	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%	Number of SEB Shares	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	342,210,910	14.40	-	-	342,210,910	14.42	-	-
Sapura Technology Sdn Bhd	90,983,557	3.83	(2)18,163,480	0.76	90,983,557	3.83	(2)18,163,480	0.76
Sapura Holdings Sdn Bhd	-	-	(3)111,561,536	4.69	-	-	(3)111,561,536	4.69
Tan Sri Dato' Seri Shahril Shamsuddin	49,345,045	2.08	(3)111,561,536	4.69	49,345,045	2.08	(3)111,561,536	4.69
Dato' Shahrman Shamsuddin	25,319	(1)-	(3)111,561,536	4.69	25,319	(1)-	(3)111,561,536	4.69
Brothers Capital Sdn Bhd	-	-	(4)111,561,536	4.69	-	-	(4)111,561,536	4.69
CIMB Bank Berhad	208,929,921	8.79	-	-	208,929,921	8.79	-	-
United Overseas Bank Limited, Labuan Branch	115,309,172	4.85	-	-	115,309,172	4.85	-	-
Maybank Islamic Berhad	462,447,751	19.45	-	-	462,447,751	19.45	-	-
RHB Islamic Bank Berhad	164,564,342	6.92	-	-	164,564,342	6.92	-	-
MDH	-	-	-	-	-	-	-	-
MOF (Inc)	-	-	(7)51,302,763	2.16	-	-	(7)51,302,763	2.16
Total	<u>1,433,816,017</u>	<u>60.32</u>	<u>-</u>	<u>-</u>	<u>1,433,816,017</u>	<u>60.32</u>	<u>-</u>	<u>-</u>

Maximum Scenario (Cont'd)

Substantial shareholder	After the issuance of RCLS Conversion Shares			(6(ii))After the issuance of RCUIDS Conversion Shares		
	Direct	%	Indirect	Direct	%	Indirect
	Number of SEB Shares		Number of SEB Shares	Number of SEB Shares		Number of SEB Shares
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	342,210,910	7.33	-	342,210,910	5.36	-
Sapura Technology Sdn Bhd	90,983,557	1.95	(2)18,163,480	90,983,557	1.43	(2)18,163,480
Sapura Holdings Sdn Bhd	-	-	(3)111,561,536	-	-	(3)111,561,536
Tan Sri Dato' Seri Shahril Shamsuddin	49,345,045	1.06	(3)111,561,536	49,345,045	0.77	(3)111,561,536
Dato' Shahrman Shamsuddin	25,319	(1)-	(3)111,561,536	25,319	(1)-	(3)111,561,536
Brothers Capital Sdn Bhd	-	-	(4)111,561,536	-	-	(4)111,561,536
CIMB Bank Berhad	208,929,921	4.48	-	470,171,590	7.37	-
United Overseas Bank Limited, Labuan Branch	115,309,172	2.47	-	259,489,385	4.07	-
Maybank Islamic Berhad	462,447,751	9.91	-	1,040,682,895	16.31	-
RHB Islamic Bank Berhad	164,564,342	3.52	-	370,332,207	5.80	-
MDH ⁽⁸⁾	2,291,666,667	49.09	-	2,291,666,667	35.92	-
MOF (Inc) ⁽⁸⁾	-	-	(7)2,342,969,430	-	-	(7)2,407,117,348
Total	3,725,482,684	79.81	-	4,914,907,575	77.03	-

Notes:

- (1) Negligible.
- (2) Deemed interested, pursuant to section 8(4) of the Act, by virtue of its shareholding in Jurudata Sdn Bhd.
- (3) 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.

- (4) Deemed interested, pursuant to section 8(4) of the Act, by virtue of being a substantial shareholder of Sapura Holdings Sdn Bhd. Sapura Holdings Sdn Bhd is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.
- (5) Assuming 998,692,020 Warrants and 798,954,012 ESOS Options are exercised at the exercise price of RM0.49 per Warrant and weighted average exercise price of RM0.30 per ESOS Option, respectively as well as the reversal of Warrants and ESOS Options reserved to share capital.
- (6) After taking into consideration the effects of the Proposed Debt Restructuring as follows:
- (i) Issuance of 1,368,408,062 Settlement Shares to Scheme Creditors at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449. In addition to the MCF Financiers which are listed above, other MCF Financiers that will be receiving the Settlement Shares are CIMB Islamic Bank Berhad (2.85%), EXIM Bank (2.16%), United Overseas Bank Limited (0.97%), Sumitomo Mitsui Banking Corporation, Labuan Branch (2.92%), ING Bank N.V., Singapore Branch (1.94%), Standard Chartered Bank Offshore Labuan (1.16%), AmBank (M) Berhad (0.22%) and AmBank Islamic Berhad (2.83%); and
 - (ii) Issuance of up to RM2,053,235,108 in nominal value of RCUIDS involving the issuance of up to 1,711,029,256 RCUIDS at the RCUIDS Issue Price, including RCUIDS PIK. Assuming nil redemption of RCUIDS from the SOMV Debt Surplus and that the RCUIDS are fully converted, the shareholding of other MCF Financiers not listed above are CIMB Islamic Bank Berhad (2.39%), EXIM Bank (1.81%), United Overseas Bank Limited (0.81%), Sumitomo Mitsui Banking Corporation, Labuan Branch (2.45%), ING Bank N.V., Singapore Branch (1.63%), Standard Chartered Bank Offshore Labuan (0.98%), AmBank (M) Berhad (0.18%) and AmBank Islamic Berhad (2.37%).
- (7) Deemed interested, pursuant to section 8(4) of the Act, by virtue of MDH being a SPV of MOF (Inc), and EXIM Bank being a wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which is a 99.99% held by MOF (Inc).
- (8) In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares, except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in SEB.

Under the Maximum Scenario, the shareholdings of the existing shareholders of SEB will be diluted and the shareholdings of CIMB Bank Berhad, United Overseas Bank Limited Labuan Branch, Maybank Islamic Berhad and RHB Islamic Bank Berhad will increase to 8.79%, 4.85%, 19.45% and 6.92% respectively, pursuant to the issuance of Settlement Shares. Upon the full conversion of the RCUIDS and RCLS into new Consolidated SEB Shares, the shareholdings of the existing shareholders of SEB will be further diluted and the shareholdings of CIMB Bank Berhad, United Overseas Bank Limited Labuan Branch, Maybank Islamic Berhad and RHB Islamic Bank Berhad will decrease to 7.37%, 4.07%, 16.31% and 5.80% respectively, while MDH and its PACs will emerge as the new controlling shareholder with a collective shareholding of approximately 37.73%. Also, the existing shareholders' shareholdings of SEB will be proportionately diluted from 100.00% to 15.81%. The public shareholding spread of SEB will be 25.03%, as such, SEB will still be in compliance with the Public Spread Requirement.

6.3.3 NA per SEB Share and gearing

For illustrative purposes, based on the Group's audited financial statements as at 31 January 2025 and assuming that the Proposed Regularisation Plan is completed on the same date which is 31 January 2025, the Proposed Regularisation Plan is expected to have the following pro forma effects on the consolidated NA and gearing:

Minimum Scenario

	Proposed Capital Reconstruction						
	Audited as at 31 January 2025	Pro Forma 1		Pro Forma 2		Pro Forma 3	
		RM'mil	After the Proposed Share Capital Reduction	RM'mil	After the Proposed Share Consolidation	RM'mil	After the Proposed Debt Restructuring
Share capital	11,855	(1)(i)1		1		(2)(i)1,096	1,096
RCLS	-	-	-	-	-	-	(3)1,100
RCUIDS	-	-	-	-	-	(2)(ii)1,770	1,770
Warrant reserve	109		109		109		109
Other reserves	1,718		1,718		1,718	(2)(iii)1,634	1,634
Accumulated losses	(17,124)	(1)(i)(5,270)		(5,270)		(2)(iv)(2,515)	(2, 515)
Non-controlling interest	(3,442)		(3,442)		(3,442)	2,094	3,194
	(160)		(160)		(160)	(160)	(160)
(Shareholders' deficit)/Total equity	(3,602)		(3,602)		(3,602)	1,934	3,034
Number of SEB Shares ('000)	18,375,942	SEB Shares	18,375,942	(1)(ii)918,797	Consolidated SEB Shares	2,287,205	2,287,205
(NL)/NA per share ⁽⁴⁾	(0.19)		(0.19)	(3.75)		0.92	1.40
Total Borrowings	10,759		10,759	10,759		(2)(v)5,626	5,626
Gearing (times) ⁽⁴⁾	(5)n/a		(5)n/a	(5)n/a		2.69	1.76
EPS (sen)	1.03		1.03	20.63		128.72	128.72

Notes:

(1) After taking into consideration the impact of the Proposed Capital Reconstruction as follows:

(i) Reduction of 99.99% of the issued share capital of the Company pursuant to the Proposed Share Capital Reduction. The issued share capital of the Company will be reduced from approximately RM11,854.8 million as at the LPD to approximately RM1.2 million, resulting in a credit of RM11,853.6 million. The said credit arising from the Proposed Share Capital Reduction will be used to offset the accumulated losses of the Company and any balance will be credited to the retained earnings of the Company.

(ii) consolidation of every 20 SEB Shares into 1 Consolidated SEB Share pursuant to the Proposed Share Consolidation below:

	As at the LPD	After Proposed Share Consolidation
Number of SEB Shares	18,375,942,267	918,797,113

(2) After taking into consideration the effects of the Proposed Debt Restructuring as follows:

(i) Issuance of up to 1,368,408,062 Settlement Shares at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449;

(ii) Issuance of up to RM1,770,030,265 in nominal value of RCUIDS involving the issuance of 1,475,025,221 RCUIDS at the RCUIDS Issue Price;

(iii) The foreign currency translation reserve, grouped under other reserves 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. The movement in the foreign currency translation reserve is attributable to gain on Agreed Debt Waiver and gain on waiver of accrued interest on existing borrowings as set out below within these foreign operations.

(iv) Impact of the following gains/losses to be derived from Proposed Debt Restructuring:

Gain from Agreed Debt Waiver as set out in Section 3.2.1 , Part A, of the Circular	RM'mil
Gain from waiver of accrued interest on existing borrowings	784.3
Effects of foreign exchange loss	2,067.6
Net loss on extinguishment of liabilities	(34.2)
Transaction costs	(18.4)
Total	(44.8)
	2,754.5

(v) Impact of Proposed Debt Restructuring on the level of borrowings as at the FYE 2025, as follows:

Total existing borrowings of the Group	RM'mil
Less: Existing borrowings extinguished pursuant to the Proposed Debt Restructuring	10,758.9
	(10,403.5)
	355.4
Add: New debts issued pursuant to the Proposed Debt Restructuring:	
• Sustainable Debts (including trade and other payables admitted to the Scheme)	5,226.6
• SOMV Debt (including trade and other payables admitted to the Scheme) net of repayment	104.2
• Effects of foreign exchange (between the Scheme Exchange Rate and 31 January 2025)	(13.3)
• Effects of foreign exchange (between 31 January 2025 and the LPD)	(47.1)
	5,270.4
Total	5,625.8

As disclosed in the Company's announcement dated 10 December 2024, 90.71% of the proceeds from the SOMV Disposal amounting to USD527.9 million (equivalent to approximately RM2,224.0 million) will be utilised for the repayment of debt pursuant to the Proposed Debt Restructuring. Under the Proposed Debt Restructuring, this debt is represented by the SOMV Debt.

- (3) After taking into consideration the effects of the issuance of RM1,100.0 million in nominal value of RCLS.
- (4) Excluding non-controlling interest.
- (5) Not applicable.

In addition, the foreign exchange rate used for the purpose of the Pro Forma Consolidated Statement of Financial Position is based on the exchange rate of USD1.00:RM4.2350, being the on the middle rate quoted by BNM at 5.00 p.m. as at the LPD and some figures may differ from the figures presented in other sections of the Circular, depending on whether the Outstanding Liabilities are proposed to be equity-settled or debt-settled.

The Proposed Exemption will not have any effect on the Company's consolidated NA, NA per share and gearing level.

(The remainder of this page is intentionally left blank)

Maximum Scenario

Proposed Capital Reconstruction							
	Pro Forma 1	Pro Forma 2	Pro Forma 3	Pro Forma 4	Conversion into Consolidated SEB Shares		
	After conversion of Warrants and ESOS	Proposed Share Reduction	After the Proposed Share Consolidation	After Proposed Debt Restructuring	After Proposed Fund-Raising	After the Issuance of RCLS Conversion Shares	After the Issuance of RCUIDS Conversion Shares
	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil
Share capital	11,855	(2)(i)1	1	(3)(i)1,096	1,096	(5)2,196	(6)4,249
RCLS	-	-	-	-	(4)1,100	-	-
RCUIDS	-	-	-	(3)(ii)2,053	2,053	2,053	-
Warrant reserve	109	(1)-	-	-	-	-	-
Other reserves	1,718	(1)1,636	1,636	(3)(iii)1,552	1,552	1,552	1,552
Accumulated losses	(17,124)	(2)(i)(4,350)	(4,350)	(3)(iv)(1,879)	(1,879)	(1,879)	(1,879)
Non-Controlling Interest	(3,442)	(2,713)	(2,713)	2,822	3,922	3,922	3,922
	(160)	(160)	(160)	(160)	(160)	(160)	(160)
(Shareholders' deficit)/Total equity	(3,602)	(2,873)	(2,873)	2,662	3,762	3,762	3,762
Number of SEB Shares ('000)	18,375,942	20,173,588	(2)(ii)1,008,679	2,377,087	2,377,087	(5)4,668,754	(6)6,379,783
(NL)/NA per share ⁽⁷⁾	(0.19)	(0.13)	(2.69)	1.19	1.65	0.84	0.61
Total Borrowings	10,759	10,759	10,759	(3)(v)5,626	5,626	5,626	5,626
Gearing (times) ⁽⁷⁾	(8)n/a	(8)n/a	(8)n/a	1.99	1.43	1.43	1.43
EPS (sen)	1.03	0.94	18.79	111.94	111.94	56.99	41.7

Notes:

(1) After taking into consideration 998,692,020 Warrants and 798,954,012 ESOS Options are exercised at the exercise price of RM0.49 per Warrant and weighted average exercise price of RM0.30 per ESOS Option, respectively as well as the reversal of Warrants and ESOS Options reserved to share capital.

(2) After taking into consideration the impact of the Proposed Capital Reconstruction as follows:

(i) Reduction of 99.99% of the issued share capital of the Company pursuant to the Proposed Share Capital Reduction. The issued share capital of the Company will be reduced from approximately RM12,774.8 million as at the LPD to approximately RM1.3 million, resulting in a credit of RM12,773.5 million. The said credit arising from the Proposed Share Capital Reduction will be used to offset the accumulated losses of the Company and any balance will be credited to the retained earnings of the Company.

(ii) consolidation of every 20 SEB Shares into 1 Consolidated SEB Share pursuant to the Proposed Share Consolidation below:

	After conversion of Warrants and ESOS	After Proposed Share Consolidation
Number of SEB Shares	20,173,588,299	1,008,679,414

(3) After taking into consideration the effects of the Proposed Debt Restructuring as follows:

(i) Issuance of up to 1,368,408,062 of Settlement Shares at the issue price of RM0.80 per Settlement Share, to extinguish Outstanding Liabilities amounting to RM1,094,726,449;

(ii) Issuance of up to RM2,053,235,108 in nominal value of RCUIDS involving the issuance of up to 1,711,029,256 RCUIDS at the RCUIDS Issue Price, including RCUIDS PIK;

(iii) The foreign currency translation reserve, grouped under other reserves 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. The movement in the foreign currency translation reserve is attributable to gain on Agreed Debt Waiver and gain on waiver of accrued interest on existing borrowings as set out below within these foreign operations.

(iv) Impact of the following gains/losses to be derived from Proposed Debt Restructuring:

	RM'mil
Gain from Agreed Debt Waiver as set out in Section 3.2.1 , Part A of the Circular	784.3
Gain from waiver of accrued interest on existing borrowings	2,067.6
Interest from 2% PIK on RCUIDS	(283.2)
Effects of foreign exchange loss	(34.2)
Net loss on extinguishment of liabilities	(18.4)
Transaction costs	(44.8)
Total	2,471.3

(v) Impact of Proposed Debt Restructuring on the level of borrowings as at the FYE 2025, as follows:

Total existing borrowings of the Group	RM'mil
Less: Existing borrowings extinguished pursuant to the Proposed Debt Restructuring	10,758.9
	(10,403.5)
	<u>355.4</u>
Add: New debts issued pursuant to the Proposed Debt Restructuring:	
• Sustainable Debts (including trade and other payables admitted to the Scheme)	5,226.6
• SOMV Debt (including trade and other payables admitted to the Scheme) net of repayment	104.2
• Effects of foreign exchange (between the Scheme Exchange Rate and 31 January 2025)	(13.3)
• Effects of foreign exchange (between 31 January 2025 and the LPD)	(47.1)
	<u>5,270.4</u>
Total	<u>5,625.8</u>

As disclosed in the Company's announcement dated 10 December 2024, 90.71% of the proceeds from the SOMV Disposal amounting to USD527.9 million (equivalent to approximately RM2,224.0 million) will be utilised for the repayment of debt pursuant to the Proposed Debt Restructuring. Under the Proposed Debt Restructuring, this debt is represented by the SOMV Debt.

- (4) After taking into consideration the effects of the issuance of RM1,100.0 million in nominal value of RCLS.
- (5) After taking into consideration the full conversion of the RCLS into 2,291.7 million RCLS Conversion Shares.
- (6) After taking into consideration the effects of the full conversion of the RCUIDS into Consolidated SEB Shares, assuming no redemption of RCUIDS from the SOMV Debt Redemption Surplus, taking into account accrued PIK Payment and assuming full conversion of up to RM2,053,235,108 in nominal value of RCUIDS involving the issuance of up to 1,711,029,256 RCUIDS at the RCUIDS Issue Price, including RCUIDS PIK.
- (7) Excluding non-controlling interest.
- (8) Not applicable.

In addition, the foreign exchange rate used for the purpose of the Pro Forma Consolidated Statement of Financial Position is based on on the exchange rate of USD1.00:RM4.2350, being the on the middle rate quoted by BNM at 5.00 p.m. as at the LPD and some figures may differ from the figures in other sections of the Circular, depending on whether the Outstanding Liabilities are proposed to be equity-settled or debt-settled.

The Proposed Capital Reconstruction will not have any effect on the NA of the Company under both the Minimum Scenario and Maximum Scenario.

Under the Minimum Scenario, upon the completion of the Proposed Debt Restructuring, the NA of SEB Group will turnaround from a NL position of RM3,602 million to a NA position of RM1,934 million, where the NL per Share of RM0.19 will turnaround to NA per Share of RM0.92. Subsequently, upon the completion of the Proposed Fund-Raising, the NA will further increase from RM1,934 million to RM3,034 million, where the NA per Share will increase from RM0.92 to RM1.40.

Under the Minimum Scenario, the gearing of SEB will be from -3.13 times to 2.69 times after the Proposed Debt Restructuring. Upon the completion of the Proposed Fund-Raising, the gearing of SEB will decrease from 2.69 times to 1.76 times.

Under the Maximum Scenario, upon the completion of the Proposed Debt Restructuring, the NA of SEB Group will turnaround from a NL position of RM2,873 million to a NA position of RM2,662 million, where the NL per Share of RM2.69 will turnaround to NA per Share of RM1.19. Subsequent to the completion of Proposed Fund-Raising, NA will further increase from RM2,662 million to RM3,762 million, where the NA per Share will increase from RM1.19 to RM1.65. The conversion of the RCLS and RCUIDS will not have any impact on the NA of SEB Group. However, the NA per Share will reduce to RM0.84 upon the conversion of the RCLS, and subsequently further reduce to RM0.61 upon the conversion of the RCUIDS.

Under the Maximum Scenario, the gearing of SEB will be from -3.13 times to 1.99 times after the Proposed Debt Restructuring. Upon the completion of the Proposed Fund-Raising, the gearing of SEB will decrease from 1.99 times to 1.43 times. The conversion of the RCUIDS and RCLS will not have any impact on the gearing.

The Proposed Exemption will not have any effect on the Company's consolidated NA, NA per share and gearing level.

(The remainder of this page is intentionally left blank)

6.3.4 Earnings and EPS

We note from **Section 3.2 of Part A of the Circular** that barring any unforeseen circumstances, the settlement of the debts owed to scheme creditors under the Composite Scheme with the proceeds raised from the Proposed Regularisation Plan will allow the Group to recognise a gain from the Agreed Debt Waiver of approximately RM784.3 million, and waiver of accrued interest of approximately RM2,067.6 million, respectively. Following the completion of the Proposed Debt Restructuring and the Proposed Fund-Raising, the Group will be able to rejuvenate its operations with a more sustainable funding structure and operational focus, as envisaged by its business plan and thereafter improve the financial performance of the Group. In addition, the Group will be in a better position to operate without its legacy debt and cashflow issues to impede on its business.

Based on the audited financial results for FYE 2025, the Group recorded a profit after tax of RM189.53 million, primarily due to better performance of E&C and O&M segments, driven by higher activity levels of the projects and favorable settlement of claims.

The EPS of the Company will increase proportionately from 1.03 sen to 18.79 sen, as a result of the decrease in the weighted average number of SEB Shares in issue arising from the Proposed Share Consolidation. The EPS of the Company will increase to RM2.64 pursuant to the gain derived from the Proposed Debt Restructuring, and subsequently diluted to RM1.12, as a result of the increase in the weighted average number of SEB Shares in issue upon the Proposed Issuance of Settlement Shares. The EPS of the Company will be further diluted from RM1.12 to RM0.42 as a result of the increase in number of SEB Shares arising from the conversion of the RCUIDS and RCLS during the Conversion Period under the Maximum Scenario.

The Proposed Exemption will not have any impact on the earnings and EPS of the Group.

6.3.5 Convertible securities

As at the LPD, save for the outstanding 998,692,020 Warrants and 798,954,012 existing ESOS Options, the Company does not have any other convertible securities. The Proposed Share Capital Reduction will not give rise to any adjustment to the exercise price and/or number of outstanding Warrants and ESOS Options.

Pursuant to the Proposed Share Consolidation, the number and exercise price of Warrants, which are not exercised prior to the Share Consolidation Entitlement Date, will be adjusted in accordance with the provisions of the Deed Poll to ensure that the status of the holders of the outstanding Warrants is not prejudiced after the Proposed Share Consolidation.

Premised on the above, we are of the view that the overall effects of the Proposed Regularisation Plan are not detrimental to the interest of the non-interested shareholders of SEB.

6.4 Industry Overview and Prospects

We take cognisance of the industry overview and outlook, and prospects of the industries as set out in **Section 9, Part A of the Circular** and our commentaries are as set out below:

(i) Overview and outlook of the Malaysian economy

We noted the overview and outlook of the O&G industry in Malaysia as detailed in **Section 9.1, Part A of the Circular**.

The escalation in trade tensions will affect the domestic growth outlook mainly through the trade channel as higher global policy uncertainty weigh on global demand.

As a result, the Malaysian economy will likely grow slightly slower than the earlier forecast of 4.5%–5.5%. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture. The new forecast range will be released once there is a greater visibility in these factors.

However, the impact from the imposition of US tariffs could be partially cushioned by some front-loading of export activities such as in E&E ahead of implementation of the reciprocal tariffs, alongside higher tourist arrivals. In addition, support from resilient domestic demand will continue to anchor growth.

Headline inflation is expected to remain moderate in 2025, averaging 2%-3.5% amid moderating global costs. Core inflation is also expected to remain contained within 1.5%–2.5% given the absence of excessive domestic demand. Similar to the economic outlook, any changes to earlier forecast range will be released once there is greater visibility on the external developments.

Global commodity prices are expected to be lower, contributing to further downward pressure. The recently introduced wage related policies will support demand, although the impact on inflation is expected to be limited.

Going into the second half of the year, domestic policy measures such as fuel subsidy rationalisation, may contribute to some upward pressures on prices. Nevertheless, the overall impact is expected to remain contained.

(Source: Economic Outlook 2025, Ministry of Finance and Quarterly Bulletin First Quarter 2025, BNM)

Impact on Malaysia economy due to the war between Iran and Israel

The ongoing conflict between Iran and Israel may have indirect but notable implications for Malaysia's economy. While Malaysia has limited direct trade exposure to both countries, the war could lead to a surge in global oil prices if key supply routes, such as the Strait of Hormuz, are disrupted.

As a net oil exporter, Malaysia may benefit from higher oil revenues. Notwithstanding, this would increase domestic fuel and transportation costs, leading to inflation in food and consumer goods which may cause additional burden on household spending, especially among lower and middle-income groups. Additionally, any disruption to global supply routes, such as the Strait of Hormuz, may affect Malaysia's manufacturing and logistics sectors.

(ii) Overview and outlook of the O&G industry in Malaysia

We noted the overview and outlook of the O&G industry in Malaysia as detailed in **Section 9.2, Part A of the Circular**.

The mining sector rebounded by 4.3% in the first half of 2024 with broad-based expansion recorded across all subsectors. The natural gas subsector posted a growth of 6%, underpinned by higher production from all regions. The crude oil and condensate subsector increased by 1.4%, attributed to stable condensate production during the period. Meanwhile, the other mining & quarrying and supporting services subsector posted a steady growth of 5.9%. For the second half of the year, the sector is forecast to grow marginally by 0.3%. Despite the anticipated strong performance in the natural gas subsector owing to the operational commencement of new gas fields, overall growth of the mining sector is expected to moderate due to subdued performance in the crude oil and condensate subsector.

For the year, the mining sector is projected to grow by 2.2%, driven mainly by strong performance in the natural gas subsector. Steady output from existing fields, coupled

with commencement of production from new gas blocks in the Kasawari, Jerun and Gansar gas developments as well as the Kayu Manis southeast gas development, are expected to contribute significantly to the growth of the subsector. Furthermore, higher demand from major trading partners, in particular Japan and China, as well as increased domestic consumption, primarily from industrial and power sector players, are anticipated to contribute positively to the growth. In contrast, the crude oil and condensate subsector is expected to decline due to reduction in crude oil production, particularly in Sabah. In terms of prices, the Brent crude oil price is expected to remain stable between USD80 and USD85 per barrel, amid uncertainties in the global environment and OPEC's decision on the production levels.

A total of 2,894 establishments engaged in Oil and Gas Services and Equipment (OGSE) activities across various sectors. In term of numbers, the services sector led with 1,643 establishments (56.8%), followed by the construction sector (802 establishments; 27.7%), the manufacturing sector (251 establishments; 8.7%), and the mining and quarrying sector (198 establishments; 6.8%).

The value of gross output amounted to RM79.2 billion and 35.5 per cent was contributed by the mining and quarrying sector with a value of RM28.1 billion, followed by the services sector by RM25.8 billion (32.5%). In the meantime, the construction and manufacturing sectors contributed RM15.4 billion (19.4%) and RM9.9 billion (12.5%), respectively. A total of RM59.3 billion of OGSE output was generated and contributing 74.9 per cent to the overall gross output in 2023.

The intermediate input posted a value of RM39.8 billion in 2023, with the services sector recorded the highest value at RM14.2 billion (35.6%). This was followed by the construction sector (RM10.6 billion; 26.6%), the mining and quarrying sector (RM8.4 billion; 21.1%) and the manufacturing sector (RM6.7 billion; 16.7%).

The value added for establishments engaged in OGSE activities amounted to RM39.4 billion in 2023. The mining and quarrying sector contributed RM19.7 billion or 50.0 per cent of the total. This was followed by the services sector at RM11.6 billion (29.4%), the construction and manufacturing sectors, recorded RM4.8 billion (12.3%) and RM3.3 billion (8.3%), respectively.

(Source: Economic Outlook 2025, Ministry of Finance and Oil, Gas, Services and Equipment Consensus 2024, Department of Statistics Malaysia)

Impact on the O&G industry in Malaysia due to the war between Iran and Israel

The Iran-Israel conflict has introduced heightened geopolitical risks to global energy markets, however, its direct impact on Malaysia's O&G industry remains limited. While concerns over potential disruptions to key shipping routes such as the Strait of Hormuz, have led to oil price volatility.

The Strait of Hormuz serves as a critical maritime checkpoint, facilitating the transit of a significant proportion of the world's crude oil. Any instability or closure of the Strait of Hormuz could significantly impair the global energy supply chains and exert upward pressure on oil prices. Such developments would likely compromise Malaysia's capacity to sustain consistent export volumes and pricing, particularly as international markets respond to heightened geopolitical uncertainty.

While Malaysia may not face immediate direct threats to its oil infrastructure, the geopolitical ripple effects of the Iran-Israel war, especially on global oil prices and supply routes can pose significant risks to its energy sector and broader economic outlook. However, the industry remains cautious on the supply chain stability and shipping logistics. Overall, while the conflict underscores the importance of energy security, Malaysia's O&G sector is currently stable and resilient amid global uncertainties.

(iii) Prospects of the Group

We note the prospects and future plans of the Group as set out in **Section 9.3 of Part A of the Circular** which states the following:

- (i) the Group plans to reallocate its E&C segment's resources and assets to cater to industry trends to generate profits for the segment;
- (ii) the Group intends to enhance its position in the O&G drilling segment; and
- (iii) the Group intends to continue building its orderbook for its O&M segment.

The Group has an outstanding orderbook of approximately RM7,358 million as at 31 May 2025 which is expected to provide a degree of revenue certainty moving forward.

We note that the Proposed Regularisation Plan is expected to address the Group's aged payables and reduce its unsustainable debt levels through schemes of arrangement. We also note that the Group has secured new contracts in the E&C and O&M segments for the FYE 2025. These efforts are anticipated to straighten the Group's financial position is expected to contribute positively in the short term.

Premised on the above, we are of the view that the overall outlook and prospects of SEB upon the completion of the Proposed Regularisation Plan are expected to improve in the long term.

6.5 Risk Factors of the Proposed Regularisation Plan

Apart from the risk factors highlighted in **Section 10 of Part A of the Circular**, the non-interested shareholders should carefully consider the following risk factors:

(i) Delay in implementation or non-completion of the Proposed Regularisation Plan

The regularisation of the Group is substantially contingent upon the effective and timely implementation of the Proposed Regularisation Plan. The successful execution of the Proposed Regularisation Plan is subjected to the requisite approvals from the relevant regulatory authorities as well as the shareholders of the Company at an EGM to be convened. In the event that such approvals are not obtained, the implementation of the Proposed Regularisation Plan may be delayed or aborted.

There is a risk that SEB will continue to be classified under PN17. Any failure to implement the Proposed Regularisation Plan within the prescribed timeframe, or at all, may result in Bursa Securities suspending the trading of SEB Shares or the delisting of SEB from the Official List of the Main Market of Bursa Securities.

In the event of a suspension in the trading of SEB Shares or de-listing of SEB from the Official List, shareholders of SEB may risk holding unlisted SEB Shares with no platform or active or ready market for dealings in unlisted securities.

(ii) Ability of the SEB Group to record a net profit in 2 consecutive quarters immediately after the Proposed Regularisation Plan

Pursuant to Paragraph 5.2(c) of PN17 of the Listing Requirements, SEB is required to record net profits for 2 consecutive quarters immediately following the completion of the Proposed Regularisation Plan. The upliftment of SEB from its PN17 status is contingent upon its ability to fulfil this requirement, which serves to demonstrate that the Proposed Regularisation Plan is both comprehensive and effective in resolving the issues that initially led to SEB triggering the prescribed criterion. Specifically, SEB must show that, upon completion of the Proposed Regularisation Plan: (i) it no longer triggers any of the PN17 Prescribed Criteria; and (ii) it is not expected to trigger any such criteria in the foreseeable future.

There is no assurance that SEB will be able to record profitability in the 2 consecutive quarters following the completion of the Proposed Regularisation Plan. It is also noted that SEB has not recorded consistent profits in the preceding quarters up to 30 April 2025.

Nevertheless, the Board is confident that the Company will be able to record profitability in the 2 consecutive quarters upon the completion of the Proposed Regularisation Plan.

In the event where the Company has obtained approval from the shareholders to implement the Proposed Regularisation Plan, but the Company is still unable to record net profit in 2 consecutive quarters, the Company will continue to maintain its status as a PN17 company.

6.6 Implications of the Proposed Exemption

Shareholders should note that the SC will only consider the application for the Proposed Exemption under subparagraph 4.08(1) of the Rules subject to, inter-alia, the conditions stated in subparagraph 4.08(2) of the Rules:

- (i) there has been no Disqualifying Transaction; and
- (ii) approval has been obtained from the independent holders of voting shares or voting rights of the Company at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the Mandatory Offer from MDH and its PACs.

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares, except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in SEB. In such event, the public shareholding spread of SEB will be 30.87%.

With a collective shareholding of more than 50.00%, MDH and its PACs will have statutory control over SEB and as such, will be able to determine the outcome of ordinary resolutions which require a simple majority of 50.00% plus 1 share (unless MDH and its PACs are required to abstain from voting). In the event where the Proposed Exemption is granted and MDH and its PACs' shareholdings increase to above 50.00% as a result of the conversion of the RCLS into RCLS Conversion Shares, any further increase in the shareholdings of MDH and its PACs will not result in incurring any further obligation to make a Mandatory Offer. MDH and its PACs are likely to significantly influence the outcome of the special resolutions which will require a special majority of at least 75% at general meetings (unless MDH and its PACs are required to abstain from voting).

The implications of the non-interested shareholders' votes at the forthcoming EGM are as follows:

(i) If the non-interested shareholders VOTE IN FAVOUR of the Proposed Exemption

Should the non-interested shareholders vote in favour of the Proposed Exemption, SEB will be able to submit an application to the SC for the Proposed Exemption as it fulfils the requirement under subparagraph 4.08(1)(c) of the Rules for the SC's consideration. An approval from the SC would then exempt MDH and its PACs from the obligation to undertake any Mandatory Offer which may arise as a result of the conversion of the RCLS into RCLS Conversion Shares pursuant to the Proposed Fund-Raising.

The non-interested shareholders' approval of the Proposed Exemption will imply that non-interested shareholders agree to waive their rights to a general offer by MDH and its PACs for SEB Shares based on the highest price paid by MDH and its PACs for the SEB Shares within the past 6 months before the incurrence of such obligation to undertake the Mandatory Offer. As such, the non-interested shareholders will forego the offer price of RM0.80 (being the Settlement Shares Issue Price), upon the completion of the Proposed Share Consolidation, should the non-interested shareholders approve the Proposed Exemption. There have been no acquisitions taken place by MDH and its PACs for the past 6 months before the announcement of the Conditional Funding Agreement dated on 11 March 2025.

Non-interested shareholders should note that the Proposed Exemption, if granted, will facilitate the Proposed Regularisation Plan and will allow the collective direct and indirect shareholdings of MDH and its PACs to increase from nil up to approximately 37.73% under the Maximum Scenario, without being required to extend a Mandatory Offer for the remaining Consolidated SEB Shares and outstanding Consolidated Warrants not already owned by them. This would result in a corresponding decrease in the percentage shareholdings of non-interested shareholders of SEB from 100.00% to 15.81% after taking into consideration of the issuance of Settlement Shares and conversion of RCUIDS under the Maximum Scenario.

Pursuant to the Proposed Regularisation Plan and Proposed Exemption, MDH will be able to emerge as the single largest shareholder in SEB, holding a total of up to 2,291,666,667 Consolidated SEB Shares, representing approximately 35.92% of the total enlarged number of issued shares in the Company under the Maximum Scenario.

Non-interested shareholders should also be aware that if they vote in favour for the Proposed Exemption and it is approved at the EGM and subsequently by the SC, shareholders could possibly be forgoing the opportunity, if any, to receive a general offer from another person (any other person, save for MDH) who may be deterred from making a general offer as the issuance of RCUIDS pursuant to the Proposed Debt Restructuring and the issuance of RCLS pursuant to the Proposed Fund-Raising will impose a dilution effect to the shareholdings of the non-interested shareholders of SEB.

The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional. Hence, without the Proposed Exemption, the Proposed Regularisation Plan will not proceed. Therefore, voting in favour of the Proposed Exemption will enable the SEB Group to reap the benefits of the Proposed Debt Restructuring and Proposed Fund-Raising.

(ii) If the non-interested shareholders VOTE AGAINST the Proposed Exemption

Should the non-interested shareholders vote against the Proposed Exemption, and it is not approved at the EGM, SEB will not be able to submit an application to the SC for the Proposed Exemption as it does not fulfill the requirement under subparagraph 4.08(1)(c) of the Rules.

Without the Proposed Exemption, the Proposed Debt Restructuring and Proposed Fund-Raising will not proceed as they are inter-conditional. SEB would not be able to implement the Proposed Regularisation Plan, and the rationale of the Proposed Regularisation Plan as elaborated in **Section 5 of Part A of the Circular** and Section 6 of this IAL including any potential benefits therefrom would not materialise. Accordingly, the Group's funding requirements envisaged to be met via the Proposed Regularisation Plan would need to be met in other ways in a timely manner.

If the Proposed Regularisation Plan is not approved, the Board will have to consider alternative approaches, which include, amongst others, disposals of assets, refinancing of existing borrowings and/or obtaining additional borrowings from financial institutions. However, with the equity deficit position and PN17 status of SEB, SEB may not be able to successfully undertake any of the above which could lead to a liquidation

of the Company which may be detrimental to the interests of the shareholders and stakeholders of the Company.

7. DIRECTORS' INTENTION TO VOTE

As at the 25 June 2025, none of the Directors have any interest (direct and indirect) in SEB.

8. FUTURE PLANS OF SEB AND ITS EMPLOYEES

In accordance with paragraph 8, Schedule 2, Part II of the Rules, MDH has confirmed that they do not intend to effect any major change to the following:

- (i) the continuation of the business of the Group;
- (ii) the business of the Group, including any plans to liquidate any of the companies within the Group, sell any material assets or re-deploy the fixed assets of the Group or make any other major change in the structure of the Group; and
- (iii) the continued employment of the employees or employment policies of the Group,

except where such changes are in the ordinary course of the Group's business or are necessary to rationalise or improve the Group's operations and/or financial performance. MDH shall retain the flexibility at any time to consider any options which are in the best interests of the Group that may present themselves, including but not limited to any strategic acquisitions and/or disposals of assets or businesses.

The long-term commercial justification of MDH for the Proposed Exemption is to ensure the success of the Proposed Regularisation Plan which will regularise the Company's PN17 status and to maintain the listing status of SEB on the Main Market of Bursa Securities.

Premised on the above, we do not expect the Group's business, corporate structure, assets and employees to change materially after the completion of the Proposed Regularisation Plan.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen, reviewed and approved this IAL. The Board jointly and severally accepts full responsibility for the accuracy of the information contained in this IAL and confirm that, after making all reasonable inquiries and to the best knowledge of the Board, opinions expressed in the document have been arrived at after due and careful consideration, all information relevant to the evaluation of the Proposed Exemption have been disclosed and that there are no omission of any material facts which would make any statement in this IAL false or misleading.

Further, the responsibility of the Board in respect of:

- (i) the information relating to MDH (as provided by MDH) is limited to ensuring that such information is accurately reproduced in this IAL; and
- (ii) the independent advice and expression of opinion by Kenanga IB in relation to the Proposed Exemption is limited to ensuring that accurate information in relation to the SEB Group was provided to Kenanga IB for its evaluation of the Proposed Exemption and to ensure that all information in relation to the SEB Group that are relevant to Kenanga IB's evaluation of the Proposed Exemption have been completely disclosed to Kenanga IB and that there is no material fact, the omission of which would make any information provided to Kenanga IB false or misleading.

10. CONCLUSION AND RECOMMENDATION

The non-interested shareholders should carefully consider the justifications for the Proposed Exemption based on all relevant and pertinent factors including those set out in this IAL as well as those set out in **Part A of the Circular** together with the accompanying appendices before voting on the resolution pertaining to the Proposed Exemption at the forthcoming EGM.

In arriving at our conclusion and recommendation on the Proposed Exemption, we have also taken into consideration of the potential advantages and disadvantages of the Proposed Regularisation Plan, if approved by the non-interested shareholders of the SEB Group, and if the Proposed Exemption is approved by the SC, are summarised as follows:

The assessment and evaluation of the Proposed Exemption was done on a holistic basis in accordance with paragraphs 8 to 10 of Schedule 2: Part III of the Rules, as disclosed in Section 6 of this IAL. Furthermore, we have also taken into account the relevant factors as discussed in Section 6 of this IAL in evaluating the Proposed Exemption.

We have taken into consideration various factors discussed in this IAL of which the advantages and disadvantages of the Proposed Exemption, if granted, are summarised as below:

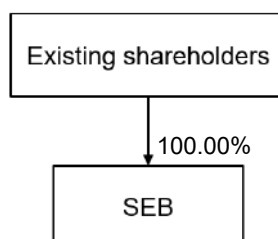
Potential Advantages	
(i)	The Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption are inter-conditional. Thus, by voting in favor of the Proposed Exemption would enable SEB to implement the Proposed Debt Restructuring and Proposed Fund-Raising.
(ii)	SEB will be able to realise the benefits from the implementation of the Proposed Regularisation Plan, which includes, amongst others: <ul style="list-style-type: none">(a) overall improvement of SEB's capital structure pursuant to the reduction in accumulated losses via the Proposed Share Capital Reduction;(b) repayment and restructuring of the Outstanding Liabilities to the Unsecured Creditors via the Proposed Debt Restructuring;(c) raising the requisite funds for the repayment of the Outstanding Liabilities to the Ecosystem Creditors via the Proposed Fund-Raising; and(d) completion of the Proposed Regularisation Plan will improve the Company's financial condition, thereby:<ul style="list-style-type: none">• facilitating SEB's exit from PN17 status;• enhancing shareholders' confidence in the Company;• adequately addressing Paragraph 2.1(a) of PN17 wherein the consolidated shareholders' equity of SEB is required to be more than 25.00% of its share capital, and the shareholder's equity is more than RM40 million; and• adequately addressing Paragraph 2.1(e) of PN17 wherein the shareholders' equity of the listed issuer is required to amount to more than 50.00% of share capital and the auditors are satisfied with the Company's ability to continue as a going concern.

- (iii) The NA, share capital base and financial position of SEB will be strengthened upon the completion of the Proposed Regularisation Plan based on the pro forma effects as shown in Section 6 of this IAL, as follows:
- (a) the Proposed Regularisation Plan will turn around the NL position of SEB of RM3,602 million to a NA position of RM3,034 million and RM3,762 million under the Minimum Scenario and Maximum Scenario;
 - (b) NA per SEB Share will turn around from NL per SEB Share of RM0.19 to NA per SEB Share of RM1.40 and RM0.61 under the Minimum Scenario and Maximum Scenario, respectively;
 - (c) total borrowing of the Group will reduce from RM10,759 million as at 31 January 2025 to RM5,626 million under the Minimum Scenario and Maximum Scenario respectively, and
- (iv) The Proposed Exemption, forming an integral part of the Proposed Regularisation Plan will facilitate the required regularisation within the timeframe, thus, reducing the risk of trading of SEB Shares being suspended or delisted.
- (v) If non-interested shareholders VOTE IN FAVOUR, MDH would be able to submit an application for the Proposed Exemption to the SC for its consideration.

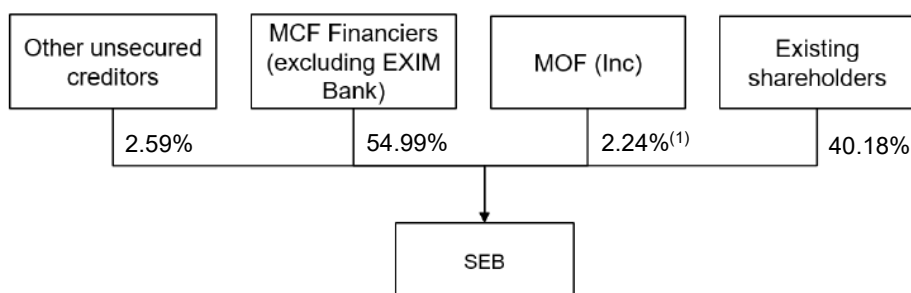
Potential Disadvantages

The group structure of SEB before and after the completion of the Proposed Regularisation Plan are as follows:

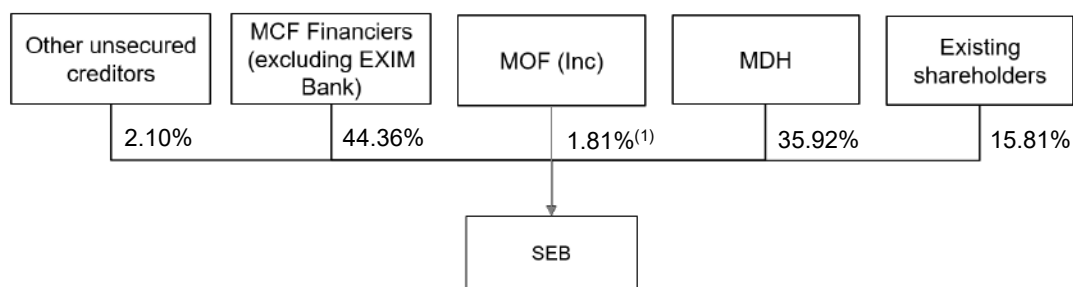
As at the LPD:



Upon the completion of the Proposed Regularisation Plan under the Minimum Scenario:



Upon the completion of the Proposed Regularisation Plan under the Maximum Scenario:



Note:

- (1) Deemed interested as MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.24% via EXIM Bank (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)).
- (i) under the Minimum Scenario, the existing shareholders' shareholdings of SEB will be proportionately diluted from 100.00% to 40.18% due to the issuance of the Settlement Shares pursuant to the Proposed Debt Restructuring, upon the completion of the Proposed Regularisation Plan;
- (ii) under the Maximum Scenario, the existing shareholders' shareholdings of SEB will be proportionately diluted from 100.00% to 15.81% due to the issuance of the Settlement Shares, conversion of the RCUIDS and RCLS into RCUIDS Conversion Shares and RCLS Conversion Shares, respectively, upon the completion of the Proposed Regularisation Plan;
- (iii) under the Maximum Scenario, the NA per SEB Share (excluding non-controlling interest) will be diluted upon the completion of the Proposed Fund-Raising from RM1.65 to RM0.84 upon the issuance of the RCLS Conversion Shares. The steep decline is due to the lower RCLS Issue Price than the NA per SEB Share. Subsequently, the NA per SEB Share will further decrease to RM0.61, upon the issuance of the RCUIDS Conversion Shares;
- (iv) the EPS of the Company will increase proportionately from 1.03 sen to 18.79 sen, as a result of the decrease in the weighted average number of SEB Shares in issue arising from the Proposed Share Consolidation. The EPS of the Company will increase to RM2.64 pursuant to the gain derived from the Proposed Debt Restructuring, and subsequently diluted to RM1.12, as a result of the increase in the weighted average number of SEB Shares in issue upon the Proposed Issuance of Settlement Shares. The EPS of the Company will be further diluted from RM1.12 to RM0.42 as a result of the increase in number of SEB Shares arising from the conversion of the RCUIDS and RCLS during the Conversion Period under the Maximum Scenario; and
- (v) the RCLS Issue Price of RM0.48 is at a discount ranging from 28.57% to 39.73% as compared to the Adjusted VWAPs of SEB Shares up to the LTD as set out in our evaluation of the RCLS Issue Price in Section 6.2.7 of this IAL.

MDH and its PACs with a collective shareholding of 37.73% will be able to gain control at a discount without triggering a Mandatory Offer obligation pursuant to the Rules under the Maximum Scenario.

In the event of full conversion by MDH of the RCLS into RCLS Conversion Shares and none of the outstanding Warrants and ESOS are exercised into new SEB Shares and the RCUIDS are not converted into RCUIDS Conversion Shares, except for EXIM Bank, MDH would have a direct shareholding of 49.36% while MOF (Inc), being a PAC to MDH, pursuant to paragraph 216(3)(f) of the CMSA, will have an indirect interest of 2.49% via EXIM Bank, (by virtue of EXIM Bank being wholly-owned subsidiary of Bank Pembangunan Malaysia Berhad which in turn is a 99.99%-owned subsidiary of MOF (Inc)). As such, MDH and its PACs will collectively hold 51.85% in SEB.

With a collective shareholding of more than 50.00%, MDH and its PACs will have statutory control over SEB at a discount without triggering a Mandatory Offer obligation pursuant to the Rules. In the event where the Proposed Exemption is granted and MDH and its PACs' shareholdings increase to above 50.00% as a result of the conversion of the RCLS into RCLS Conversion Shares, any further increase in the shareholdings of MDH and its PACs will not result in incurring any further obligation to make a Mandatory Offer.

- (vi) If non-interested shareholders VOTE AGAINST, MDH would not be able to submit an application for the Proposed Exemption to the SC for its consideration. Further, the Proposed Debt-Restructuring and Proposed Fund-Raising will not be implemented as the Proposed Debt-Restructuring, Proposed Fund-Raising and the Proposed Exemption are inter-conditional. In such event, the Company would not be able to implement the Proposed Regularisation Plan.

Based on our overall evaluation and information available to us, we are of the opinion that the Proposed Exemption is **fair** and **reasonable**.

Accordingly, we recommend that the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

We have not taken into consideration any specific investment objectives, financial situations, risk profile or particular need required by you. We recommend that if you require an advice in relation to the Proposed Exemption in the context of your investment objectives, financial situations, risk profile or particular needs, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Yours faithfully,
For and on behalf of
KENANGA INVESTMENT BANK BERHAD

DATUK ROSLAN HJ TIK
Executive Director, Head
Group Investment Banking & Islamic Banking

ALVIN OOI YET MING
Head
Corporate Finance

INFORMATION OF SEB

1. HISTORY AND PRINCIPAL ACTIVITIES

The Company was incorporated in Malaysia under the Companies Act 1965 on 30 June 2011 as a private limited company under the name of Integral Key Sdn Bhd. It was converted into a public company under the name of Integral Key Berhad on 20 September 2011. On 19 December 2011, the Company changed its name to Sapura-Kencana Petroleum Berhad. On 5 April 2012, the Company further changed its name to SapuraKencana Petroleum Berhad before assuming its present name, Sapura Energy Berhad, on 24 March 2017. The Company is deemed registered under the Act. SEB was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 17 May 2012.

SEB is principally involved in investment holding and provision of management services to its subsidiaries. The subsidiaries of the Company are principally engaged in O&G solution and services, particularly in the provision of E&C, drilling and O&M businesses.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, the issued share capital of SEB are as follows:

	No. of SEB Shares '000	Amount RM'000
Issued share capital ⁽¹⁾	18,375,942	11,854,791

Note:

(1) SEB does not have treasury shares.

As at the LPD, there is only 1 class of shares in SEB being the ordinary shares (i.e. the SEB Shares). All the SEB Shares rank equally in terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions (including any capital distributions) which may be declared, made or paid to shareholders.

2.2 Changes in the issued share capital

Since the end of FYE 2024 up to the LPD, SEB 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 RCPS-i at the conversion ratio of one new ordinary share for every one RCPS-i held.

2.3 Convertible securities

As at the LPD, save for the Warrants and ESOS Options, SEB does not have any convertible securities.

As at the LPD, Sapura Technology Sdn. Bhd., being a major holder of the Warrants, holds 13.35% of the total outstanding Warrants, whereas Tan Sri Dato' Seri Shahril Shamsuddin holds 100.00% of the total outstanding ESOS. The 10 largest holders of Warrants are as follows:

No.	Name of Warrant Holders	No. of Warrants Held	% of Warrants
1.	Sapura Technology Sdn. Bhd. ⁽¹⁾	133,333,333	13.35
2.	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	50,000,000	5.01
3.	Jurudata Sdn. Bhd. ⁽¹⁾	30,700,000	3.07
4.	Reubendra A/L Jeganathan	25,000,000	2.50
5.	Tay Seang Wah	24,200,000	2.42
6.	Lim Tsui Pheng	23,030,066	2.31
7.	Aloysius Kumar A/L Lyander	15,012,600	1.50
8.	Ravi A/L Pullaiyar	14,600,000	1.46
9.	Mohd Azmi bin Mahbub	14,203,900	1.42
10.	Chi Kain Sang	11,840,000	1.19

Note:

- (1) The ultimate controlling shareholders of Sapura Technology Sdn. Bhd. are Tan Sri Dato' Seri Shahril Shamsuddin and Dato' Shahrman Bin Shamsuddin.

Based on the share price of SEB Shares over the last 12 months from the LPD, ESOS are out of the money. Therefore, the ESOS might not be converted or exercised. For illustration, the exercise price of an ESOS at RM0.30 is significantly higher than the last transacted price of SEB Shares as at the LPD of RM0.04 per SEB Shares. Hence, it is cheaper for an individual to purchase SEB shares from the share market than to exercise the ESOS.

Based on the share price of SEB Shares over the last 12 months from the LPD, the Warrants are out of the money. Therefore, the Warrants might not be converted or exercised. For illustration, the exercise price of a Warrant at RM0.49 is significantly higher than the last transacted price of SEB Shares as at the LPD of RM0.04 per SEB Shares. Hence, it is cheaper for an individual to purchase SEB shares from the share market than to exercise the Warrants.

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of SEB and their respective shareholdings in SEB as at the LPD are as follows:

Name	Country of incorporation	Direct No. of SEB Shares (‘000)	%	Indirect No. of SEB Shares (‘000)	%
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	Malaysia	6,794,218	36.97	-	-
Sapura Technology Sdn Bhd	Malaysia	1,686,338	9.18	⁽²⁾ 332,570	1.81
Sapura Holdings Sdn Bhd	Malaysia	-	-	⁽³⁾ 2,067,197	11.25
Tan Sri Dato’ Seri Shahril Shamsuddin	Malaysian	174,812	0.95	⁽³⁾ 2,067,197	11.25
Dato’ Shahriman Bin Shamsuddin	Malaysian	506	⁽¹⁾ -	⁽³⁾ 2,067,197	11.25
Brothers Capital Sdn Bhd	Malaysia	-	-	⁽⁴⁾ 2,067,197	11.25

Notes:

- (1) Negligible.
- (2) Deemed interested, pursuant to Section 8(4) of the Act, by virtue of its shareholding in Jurudata Sdn Bhd.
- (3) 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.
- (4) 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.

4. DIRECTORS OF SEB

The Directors of SEB as at 25 June 2025 are as follows:

Name	Nationality	Designation	Date of appointment	Correspondence Address
Shahin Farouque Bin Jammal Ahmad	Malaysia	Chairman, Non-Independent Non-Executive Director	15 December 2023	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Muhammad Zamri Bin Jusoh	Malaysia	Non-Independent Executive Director	1 February 2025	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Datuk Ramlan Bin Abdul Rashid	Malaysia	Independent Non-Executive Director	23 September 2016	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Lim Tiang Siew	Malaysia	Senior Independent Non-Executive Director	3 June 2020	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Dato' Azmi Bin Mohd Ali	Malaysia	Independent Non-Executive Director	1 October 2020	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Lim Fu Yen	Malaysia	Independent Non-Executive Director	1 June 2022	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Datuk Nur Iskandar Bin A Samad	Malaysia	Independent Non-Executive Director	26 May 2023	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Wan Mashitah Binti Wan Abdullah Sani	Malaysia	Independent Non-Executive Director	26 May 2023	Level 4, 201-A, Menara PNB, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Malaysia.

5. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES OF SEB

Save as disclosed in **Section 5 of Appendix I(A) of the Circular**, as at the LPD, SEB does not have any other subsidiaries, associated companies and joint ventures.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of SEB Group based on its audited consolidated financial statements for the FYE 2023, FYE 2024 and FYE 2025 are as follows:

	Audited as at 31 January			Unaudited
	2023	2024	2025	FPE 30 April
	RM'000	RM'000	RM'000	2025 RM'000
Revenue	4,551,254	4,318,494	4,703,130	801,371
PBT/(LBT)	(3,103,557)	(412,842)	310,194	(471,190)
Income tax expense	(71,970)	(105,858)	(242,059)	(12,950)
PAT/(LAT)				
attributable to:				
- Owners of the Company	(3,157,680)	(508,658)	189,525	(477,956)
- Non-controlling interests	(17,847)	(10,042)	(121,390)	(6,184)
Weighted average no. of share in issue ('000)	15,979,080	16,024,318	18,375,942	18,375,942
EPS/(LPS) (sen)	(19.76)	(3.17)	1.03	(2.60)
Dividend per Share (Sen)	-	-	-	-

(Source: Annual reports of SEB for the past 3 financial years up to FYE 2025 and quarterly report on consolidated results for the FPE 30 April 2025)

There are no exceptional items in the audited consolidated financial statements for the FYE 2023, FYE 2024, FYE 2025 and the unaudited quarterly report for the FPE 30 April 2025.

7. STATEMENT OF ASSETS AND LIABILITIES

	Audited as at 31 January			Unaudited
	2023	2024	2025	FPE 30 April
	RM'000	RM'000	RM'000	2025 RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5,079,520	5,348,014	4,833,902	4,793,471
Intangible assets	246,068	242,491	120,569	120,456
Investment in associates	1,694,204	1,878,854	22,824	22,824
Investment in joint ventures	2,444,014	2,740,233	2,587,227	2,583,200
Deferred tax assets	106,727	116,427	67,771	68,481
Trade and other receivables	227,361	54,955	97,736	120,215
Deferred mobilisation cost	84,070	33,979	36,454	38,527

ATTACHMENT I

	Audited as at 31 January			Unaudited
	2023	2024	2025	FPE 30 April 2025
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	9,881,964	10,414,953	7,766,483	7,757,174
<u>CURRENT ASSETS</u>				
Inventories	386,193	431,718	421,669	426,838
Trade and other receivables	782,985	1,092,350	1,328,922	1,248,626
Deferred mobilisation cost	22,111	54,302	20,672	32,381
Contract assets	687,586	462,530	204,650	186,980
Tax recoverable	92,421	80,083	34,788	33,345
Cash, deposits and bank balances	850,125	1,453,506	4,628,928	4,434,957
Total current asset	2,821,421	3,574,489	6,639,629	6,363,127
Non-current asset classified as held for sale	-	6,447	-	-
TOTAL ASSETS	12,703,385	13,995,889	14,406,112	14,120,301
<u>EQUITY AND LIABILITIES</u>				
<u>EQUITY</u>				
Share capital	10,872,078	11,854,791	11,854,791	11,854,791
RCPS-i	982,713	-	-	-
Warrants reserve	109,110	109,110	109,110	109,110
Other reserve	1,970,284	1,166,498	1,718,004	2,028,995
Accumulated losses	(16,813,275)	(17,313,257)	(17,123,732)	(17,601,688)
Non-controlling interests	(26,632)	(38,222)	(160,146)	(164,388)
SHAREHOLDERS' DEFICIT	(2,905,722)	(4,221,080)	(3,601,973)	(3,773,180)
<u>NON-CURRENT LIABILITIES</u>				
Contract liabilities	51,694	19,160	18,732	15,973
Trade and other payable	11,808	20,571	9,353	8,739
Lease liabilities	22,935	15,028	27,568	22,714
Deferred tax liabilities	38,287	52,656	61,361	60,836
Total non-current liabilities	124,724	107,415	117,014	108,262
<u>CURRENT LIABILITIES</u>				
Borrowings	10,615,934	10,982,446	10,758,947	10,756,669
Trade and other payables	3,716,758	5,511,426	6,120,655	5,812,874
Contract liabilities	558,602	667,301	545,090	638,866
Provisions	426,549	787,384	277,236	390,726
Lease liabilities	18,720	24,418	19,351	19,269
Provision for tax	147,820	136,579	169,792	166,815
Total current liabilities	15,484,383	18,109,554	17,891,071	17,785,219
TOTAL LIABILITIES	15,609,107	18,216,969	18,008,085	17,893,481
TOTAL EQUITY AND LIABILITIES	12,703,385	13,995,889	14,406,112	14,120,301
NL per SEB Share (RM)	(0.18)	(0.23)	(0.19)	(0.20)

(Source: Annual reports of SEB for the past 3 financial years up to FYE 2025 and quarterly report on consolidated results for the FPE 30 April 2025)

There are no known material changes to the financial position of the Company subsequent to the published audited consolidated financial statements for the FYE 2023, FYE 2024, FYE 2025 and the unaudited quarterly report for the FPE 30 April 2025.

8. ACCOUNTING POLICIES

The audited financial statements of SEB for the FYE 2023, FYE 2024, FYE 2025 and the unaudited quarterly report for the FPE 30 April 2025 have been prepared in accordance with MFRS, International Financial Reporting Standards and/or the requirements of the Act. There was no audit qualification for SEB Group's financial statements for the respective years under review.

There is no change in the accounting standards adopted by SEB which would result in a material variation to the comparable figures for the audited consolidated financial statements of SEB for the FYE 2023, FYE 2024, FYE 2025 and the unaudited quarterly report for the FPE 30 April 2025.

9. BORROWINGS

As at 30 April 2025, which is not more than 3 months preceding the LPD, the total outstanding borrowings of the SEB Group are as follows:

	Short- Term borrowings		Total RM'000
	USD denomination RM'000	RM denomination RM'000	
Unsecured			
Revolving credits	-	355,400	355,400
Term loans	2,289,146	871,795	3,160,941
Sukuk Programme	869,323	6,371,005	7,240,328
Total	3,158,469	7,598,200	10,756,669

10. CONTINGENT LIABILITIES

Save as disclosed below, as at 31 May 2025, there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group:

- (i) The Group has provided corporate guarantees to financial institutions for credit facilities and granted performance bonds to joint ventures and associates amounting to RM365.2 million (31 January 2024: RM529.8 million).
- (ii) Other than as disclosed above and **Section 4.3 of Appendix IX of the Circular**, there are no other changes in contingent liabilities as at the LPD.

11. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by the Group which may have a material impact on the profits or NA of the Group:

Approved and contracted for:	RM'000
Group capital commitments for property, plant and equipment	
Capital expenditure for rigs under Drilling services and solutions	47,528
Capital expenditure for vessel under E&C services and solutions	11,115
Capital expenditure for vessel under O&M services and solutions	22,522
Capital expenditure for plant and machineries under O&M services and solutions	4,119
Total	85,284

12. MATERIAL LITIGATION

Save as disclosed in **Section 4 of Appendix IX of the Circular**, as at the LPD, neither the Company nor its subsidiaries are involved in any material litigation, claims or arbitration, either as plaintiff or defendant and to the best of the Board's knowledge, there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Group.

13. MATERIAL CONTRACTS

As at the LPD, there is no material contract (not being contracts entered into the ordinary course of business of SEB Group) that SEB Group has entered into during the past 2 years immediately preceding the date of the Circular, save as follows:

- (i) SOMV SPA dated 22 April 2024 between SEB, Sapura Upstream and TotalEnergies in relation to the SOMV Disposal. The SOMV Disposal was completed on 9 December 2024. Refer to **Section 2.2, Part A of the Circular** for further information on the SOMV SPA.

14. HISTORICAL SHARE PRICES

The highest and lowest closing market prices and the closing price at the end of each month of the Shares for the period commencing from September 2024 (being 6 months prior to the announcement of the Conditional Funding Agreement dated on 11 March 2025 and up to the LPD are as follows:

	High (RM)	Low (RM)	Closing price as at the end of the month
<u>2024</u>			
September	0.040	0.030	0.035
October	0.040	0.030	0.035
November	0.045	0.030	0.040
December	0.040	0.030	0.030
<u>2025</u>			
January	0.035	0.030	0.030
February	0.040	0.030	0.035
March	0.050	0.030	0.045
April	0.050	0.040	0.040
May	0.050	0.035	0.035

(Source: Bloomberg)

The last transacted market price of the Shares as at the LTD is RM0.035.

The last transacted market price of the Shares as at the LPD is RM0.040.

The last price as at 3 July 2025 is RM0.040.

During the period under review:

- (i) the highest closing market price was RM0.05 which was last transacted on 2 April 2025; and
- (ii) the lowest closing market price was RM0.03, which was last transacted on 4 March 2025.

INFORMATION ON MDH

1. HISTORY AND PRINCIPAL ACTIVITIES

MDH was incorporated in Malaysia under the Companies Act 1965 on 27 May 2003 as a private limited liability company. MDH's principal activity is to carry on the business of a SPV to source the financing through financial loans and to establish and operate schemes for the underprivileged.

The scheme matured and expired in October 2020. Following the expiration of the scheme, a confirmation of decision has been approved in Board of Directors ("**MDH Board**") meeting held on 10 December 2021. The MDH Board has agreed for MDH to maintain the fund.

Within the knowledge of MDH, there is no material change in the financial position or prospects of the SEB Group since the date of the last statement of financial position laid before the Company's general meeting on 30 July 2024.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, the issued share capital of MDH are as follows:

	No. of ordinary share in MDH ("MDH Shares")	Amount RM
Issued share capital	2	2

2.2 Changes in the issued share capital

Since the end of the FYE 2024 up to the LPD, there are no changes in MDH issued share capital.

2.3 Convertible securities

As at the LPD, MDH does not have any outstanding convertible securities.

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of MDH and their respective shareholdings in MDH as at the LPD are as follows:

Name	Country of incorporation	Direct No. of MDH Shares	(1) %	Indirect No. of MDH Shares	(1) %
MOF (Inc) ⁽¹⁾	Malaysia	1	50.00	-	-
FLC ⁽²⁾	Malaysia	1	50.00	-	-

Notes:

(1) Established under the Minister of Finance (Incorporation) Act 1957 (Act 375).

(2) Established under the Federal Lands Commissioner Act 1957 (Act 349).

4. **DIRECTORS OF MDH**

The Directors of MDH as at 25 April 2025 which are nominated by MOF (Inc) are as follows:

Name	Nationality	Designation	Date of appointment	Correspondence Address
Puan Hawariiah binti Abdul Wahid	Malaysian	Director	23 April 2025	Malaysia Development Holding Sdn. Bhd. Tingkat 7, Bangunan Setia 1, 15 Lorong Dungun, Bukit Damansara, 50490 Kuala Lumpur
Dato' Dr. Amiruddin Bin Muhamed	Malaysian	Director	4 April 2022	Malaysia Development Holding Sdn. Bhd. Tingkat 7, Bangunan Setia 1, 15 Lorong Dungun, Bukit Damansara, 50490 Kuala Lumpur

5. **INFORMATION ON PACS**

There is no PAC of MDH that holds shares directly or indirectly in SEB as at the LPD.

6. PROFIT AND DIVIDEND RECORD

	As at 31 December Audited		
	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	23,626	23,167	24,769
PBT	23,394	22,999	24,573
Income tax expense	-	-	-
PAT attributable to:			
- Owners of the Company	23,394	22,999	24,573
- Non-controlling interests	-	-	-
Weighted average no. of share in issue (units)	2	2	2
EPS (sen)	11,697	11,500	12,287
Dividend per Share (Sen)	-	-	-

(Source: Audited consolidated financial statements of MDH for the past 3 financial years up to FYE 31 December 2024 and unaudited consolidated financial statements of MDH for FYE 31 December 2024)

There are no interim financial statements subsequent to the audited financial statements as at 31 December 2024.

7. STATEMENT OF ASSETS AND LIABILITIES

	As at 31 December Audited		
	2022 RM'000	2023 RM'000	2024 RM'000
ASSETS			
<u>NON-CURRENT ASSETS</u>			
Investment in unit trust	239,260	250,026	261,903
Total non-current assets	239,260	250,026	261,903
<u>CURRENT ASSETS</u>			
Other receivable	922	1,415	1,393
Cash and bank balances	311,694	323,438	336,196
Total current assets	312,616	324,853	337,589
TOTAL ASSETS ⁽¹⁾	551,875	574,880	599,491
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Share capital	-(1)	-(1)	-(1)
Contribution from Government	900,000	900,000	900,000
Accumulated losses	(348,192)	(325,193)	(300,620)
TOTAL EQUITY	551,808	574,807	599,380
<u>CURRENT LIABILITIES</u>			
Other payables and accruals	68	73	111
Total current liabilities	68	73	111
TOTAL LIABILITIES	68	73	111

	As at 31 December Audited		
	2022 RM'000	2023 RM'000	2024 RM'000
TOTAL EQUITY AND LIABILITIES	551,875	574,880	599,491
NA per MDH Share (RM)	275,904	287,440	299,746

(Source: Audited consolidated financial statements of MDH for the past 3 financial years up to FYE 2024)

Note:

(1) Negligible.

There are no interim financial statements subsequent to the audited financial statements as at 31 December 2024.

There are no known material changes to the financial position of MDH subsequent to the published audited consolidated financial statements for the FYE 2022, FYE 2023 and FYE 2024.

8. ACCOUNTING POLICIES

The audited financial statements of MDH for the FYE 2022, FYE 2023 and FYE 2024 have been prepared in accordance with MFRS and/or the requirements of the Act. There was no audit qualification for MDH's financial statements for the respective years under review.

There is no change in the accounting standards adopted by MDH which would result in a material variation to the comparable figures for the audited financial statements of MDH for the FYE 2022, FYE 2023 and FYE 2024.

FURTHER INFORMATION

1. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES

1.1 By SEB

(i) Disclosure of interests in MDH

As at the LPD, SEB does not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of MDH.

(ii) Dealings in the securities of MDH

SEB has not dealt, directly or indirectly, in any voting shares and/or convertible securities of MDH during the period commencing 6 months prior to the announcement of the Conditional Funding Agreement dated on 11 March 2025 and up to the LPD.

(iii) Dealings in the securities of SEB

SEB has not dealt, directly or indirectly, in any of its own voting shares during the period commencing 6 months prior to the announcement of the Conditional Funding Agreement dated on 11 March 2025 and up to the LPD.

1.2 By the Directors of SEB

(i) Disclosure of interests in MDH

As at the LPD, the Directors do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of MDH.

(ii) Dealings in the securities of MDH

The Directors have not dealt, directly or indirectly, in any voting shares and/or convertible securities of MDH during the period commencing 6 months prior to the announcement of the Conditional Funding Agreement dated on 11 March 2025 and up to the LPD.

(iii) Disclosure of interests in SEB

As at 25 June 2025, none of the Directors have any direct and/or indirect shareholdings in SEB.

(iv) Dealings in the securities of SEB

The Directors have not dealt, directly or indirectly, in any voting shares and/or convertible securities of SEB during the period commencing 6 months prior to the beginning of the announcement of the Conditional Funding Agreement dated on 11 March 2025 and up to the LPD.

1.3 By MDH

(i) Disclosure of interests in SEB

As at the LPD, MDH does not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of SEB.

(ii) Dealings in the securities in SEB

MDH has not dealt, directly or indirectly, in any voting shares and/or convertible securities of SEB during the period commencing 6 months prior to the announcement of the Conditional Funding Agreement on 11 March 2025 and up to the LPD.

1.4 By the Directors of MDH**(i) Disclosure of interests in SEB**

As at the LPD, the Directors of MDH do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of SEB.

(ii) Dealings in the securities of SEB

The Directors of MDH have not dealt, directly or indirectly, in any voting shares and/or convertible securities of SEB during the period commencing 6 months prior to the beginning of the announcement of the Conditional Funding Agreement on 11 March 2025 and up to the LPD.

1.5 By PACs of MDH**(i) Disclosure of interests in SEB**

As at the LPD, the PACs of MDH do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of SEB.

(ii) Dealings in the securities of SEB

The PACs of MDH have not dealt, directly or indirectly, in any voting shares and/or convertible securities of SEB during the period commencing 6 months prior to the beginning of the announcement of the Conditional Funding Agreement on 11 March 2025 and up to the LPD.

1.6 By persons who have irrevocably committed themselves to vote in favour of or against the Proposed Exemption

As at the LPD, there are no persons who have irrevocably committed themselves to vote in favour of or against the Proposed Exemption.

1.7 By the persons with whom SEB or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom SEB or any persons acting in concert with it has borrowed or lent any voting shares and/or convertible securities of SEB.

1.8 By the persons with whom MDH or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom MDH or any persons acting in concert with it has borrowed or lent any voting shares and/or convertible securities of SEB.

2. ARRANGEMENT AFFECTING DIRECTORS

As at the LPD:

- (i) there is no payment or other benefit which will be made or given to any Director as compensation for loss of office or otherwise in connection with the Proposed Regularisation Plan;
- (ii) there is no agreement, arrangement or understanding between MDH and its PACs and any Director, or holders of voting shares or voting rights of SEB, which is conditional on or dependent upon the outcome of the Proposed Regularisation Plan or otherwise connected with the outcome of the Proposed Regularisation Plan; and
- (iii) there is no material contract entered into by MDH in which any Director has a material personal interest.

3. SERVICE CONTRACTS

As at the LPD, neither SEB nor its subsidiaries have any service contracts with any Directors or proposed Directors, which have been entered into or amended within 6 months before the date of the announcement of the Conditional Funding Agreement dated on 11 March 2025 or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAL.

1. BACKGROUND AND HISTORY

The Company was incorporated in Malaysia under the Companies Act 1965 on 30 June 2011 as a private limited company under the name of Integral Key Sdn Bhd. It was converted into a public company under the name of Integral Key Berhad on 20 September 2011. On 19 December 2011, the Company changed its name to Sapura-Kencana Petroleum Berhad. On 5 April 2012, the Company further changed its name to SapuraKencana Petroleum Berhad before assuming its present name, Sapura Energy Berhad, on 24 March 2017. The Company is deemed registered under the Act.

On 15 May 2012, all businesses and undertakings of SapuraCrest Petroleum Berhad and Kencana Petroleum Berhad were merged under Sapura Kencana Petroleum Berhad (now known as SEB) which was subsequently listed on the Main Market of Bursa Securities on 17 May 2012. Following the merger, the Group became an integrated services provider covering the O&G value chain. This includes full-fledged EPCIC capabilities with presence in Malaysia and various regions including Asia, Australia, Middle East, Europe, the Americas and Africa, as well as other services spread out across the O&G value chain specifically in the areas of development and production, drilling, marine services, and O&M.

On 30 April 2013, the Company completed the combination and integration of the tender rig businesses of the then Sapura Kencana Petroleum Berhad and Seadrill Limited (incorporated in Bermuda) by way of acquisition by SapuraKencana Drilling Pte Ltd, a wholly-owned subsidiary of Sapura Kencana Petroleum Berhad, of the entire issued share capital of Seadrill Tender Rig Ltd (now known as Sapura Drilling (Bermuda) Ltd) (incorporated in Bermuda). With the completion of the acquisition, the enlarged tender rig business under the then Sapura Kencana Petroleum Berhad group became one of the world's leading tender and semi-tender rig operator. As at the LPD, the Group has 11 wholly-owned tender and semi-tender rigs.

On 11 February 2014, the Company completed the acquisition of the entire issued and outstanding common shares of Newfield Malaysia Holding Inc. (now known as Sapura Exploration and Production (Malaysia) Inc) for a consideration of approximately USD895.9 million (equivalent to approximately RM2,984.7 million, based on the exchange rate of USD1.00:RM3.3315, being the middle rate quoted by BNM at 5.00p.m. on 11 February 2014). The Newfield acquisition which had provided the Company with participating interest in 8 production sharing contracts as well as an alliance arrangement to operate an oil field in East Malaysia, has enabled the Company to gain an immediate foothold into E&P activities and recognition as an upstream O&G operator.

On 9 November 2018, Sapura Upstream entered into an agreement with Austria's OMV Aktiengesellschaft to form a strategic partnership through SOMV. SOMV was incorporated to hold the entire equity interest of SapuraOMV Upstream (Holding) Sdn Bhd and its subsidiaries, which was reported under the E&P segment. As at 31 January 2019, the strategic partnership with OMV Aktiengesellschaft was completed following the fulfilment of all agreed conditions required for the closing of the transaction. Consequently, the Group recognised SOMV as a 50% owned associate company.

On 31 May 2022, the Board announced that the Company was an affected listed issuer as it had triggered the prescribed criteria under Paragraph 2.1(e) of PN17 of the Listing Requirements by reason of the fact that: (a) the Company's shareholders' equity on a consolidated basis of RM85.0 million as at 31 January 2022 was less than 50.00% of its share capital of RM10,872.0 million; and (b) the Company's auditors had highlighted a material uncertainty related to going concern in the Company's latest audited financial statements for the FYE 2022.

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)

As part of its strategy to pare down its debt, the Group divested from SOMV when its subsidiary, Sapura Upstream signed the SOMV SPA on 22 April 2024 to sell its remaining 50.00% equity interest in SOMV to TotalEnergies. The sale of SOMV to TotalEnergies was completed on 9 December 2024 for the SOMV Disposal Net Cash Consideration of USD581.9 million (after closing adjustments) (equivalent to approximately RM2,451.7 million). The SOMV Net Sale Proceeds will primarily be used to settle amounts owed to its Scheme Creditors, including its Multi-Currency Financing lenders. This portfolio rationalisation marks its shift away from the E&P business.

Today, the Company is principally involved in investment holding and provision of management services to its subsidiaries. The subsidiaries of the Company are principally engaged in O&G solution and services, particularly in the provision of E&C, drilling and O&M businesses.

2. SHARE CAPITAL

As at the LPD, the issued share capital of the Company is RM11,854,791,434 comprising 18,375,942,267 SEB Shares. As at the LPD, the Company does not have any shares held as treasury shares.

3. BOARD OF DIRECTORS

As at the date of this Circular, the Directors of the Company and their respective shareholdings in the Company are as follows:

Name (Designation)	Date of appointment	As at the LPD			
		Direct	%	Indirect	%
Shahin Farouque Bin Jammal Ahmad (Chairman, Non-Independent Non-Executive Director)	15 December 2023	-	-	-	-
Muhammad Zamri Bin Jusoh (Non-Independent Executive Director)	1 February 2025	-	-	-	-
Datuk Ramlan Bin Abdul Rashid (Independent Non-Executive Director)	23 September 2016	-	-	-	-
Lim Tiang Siew (Senior Independent Non-Executive Director)	3 June 2020	-	-	-	-
Dato' Azmi Bin Mohd Ali (Independent Non-Executive Director)	1 October 2020	-	-	-	-
Lim Fu Yen (Independent Non-Executive Director)	1 June 2022	-	-	-	-
Datuk Nur Iskandar Bin A. Samad (Independent Non-Executive Director)	26 May 2023	-	-	-	-
Wan Mashitah Binti Wan Abdullah Sani (Independent Non-Executive Director)	26 May 2023	-	-	-	-

All the Directors are Malaysians.

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

4. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of the Company and their respective shareholdings in the Company are as follows:

Name	As at the LPD			
	Direct	%	Indirect	%
AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	6,794,218,206	36.97	-	-
Sapura Technology Sdn Bhd	1,686,337,808	9.18	⁽¹⁾ 332,569,600	1.81
Sapura Holdings Sdn Bhd	-	-	⁽²⁾ 2,067,197,390	11.25
Tan Sri Dato' Seri Shahril Shamsuddin	174,811,600	0.95	⁽²⁾ 2,067,197,390	11.25
Dato' Shahriman Shamsuddin	506,385	*-	⁽²⁾ 2,067,197,390	11.25
Brothers Capital Sdn Bhd	-	-	⁽³⁾ 2,067,197,390	11.25

Notes:

* Negligible.

(1) Deemed interested, pursuant to Section 8(4) of 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 Sdn Bhd is a substantial shareholder of Sapura Technology Sdn Bhd, Sapura Resources Berhad, Sapura Capital Sdn Bhd, Indera Permai Sdn Bhd and Jurudata Sdn Bhd.

[The remainder of this page is intentionally left blank]

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at the LPD, the subsidiaries of the Company are as follows:

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
Total Marine Technology (Malaysia) Sdn Bhd	200801019333 (820643-P)	Malaysia	100.00	Act as an agent and service provider for O&G industry
Sapura Deepwater Pte Ltd	36026	Bermuda	100.00	Dormant
Sapura Geosciences	198801003067 (170424-M)	Malaysia	100.00	Provision of offshore geotechnical and geophysical services
Sapura Technology	199201003330 (234834-M)	Malaysia	100.00	Investment holding, provision of operation and maintenance services and provision of management services
SapuraCrest Ventures Sdn Bhd	198501016675 (149133-D)	Malaysia	100.00	Investment holding
Crest Hidayat (L) Ltd	LL03353	Federal Territory of Labuan, Malaysia	100.00	Dormant
Sapura Perdana Sdn Bhd	199401010332 (296011-H)	Malaysia	100.00	Dormant
Sapura Dana	LL04453	Federal Territory of Labuan, Malaysia	100.00	Vessel owner and chartering
SapuraCrest Petroleum Berhad	197901001391 (45631-D)	Malaysia	100.00	Dormant
Sapura Management Services Sdn Bhd	200501016813 (693856-V)	Malaysia	100.00	Management services
Sapura Nautical Essence Sdn Bhd	200501025441 (707574-K)	Malaysia	100.00	Investment holding
Sapura Offshore	199001007042 (198612-P)	Malaysia	100.00	FEED, detailed design engineering, procurement, construction, offshore transportation and installation, hook-up, commissioning and maintenance of fixed and floating O&G facilities, diving and subsea services, flexible and rigid pipelay, installation

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
				of subsea umbilicals, risers and flowlines and cables, and decommissioning of offshore structures and pipelines, and chartering of vessels
Sapura Petroleum Sdn Bhd	201001009406 (894036-X)	Malaysia	100.00	Investment holding
Sapura Fabrication	198201003562 (83307-K)	Malaysia	100.00	Provision of offshore and onshore engineering, procurement, construction (fabrication), transportation, installation, hook-up, commissioning and maintenance of fixed and floating O&G facilities, brownfield rejuvenation, marine construction, marine conversion, marine repair and infrastructure construction
Geomark Sdn Bhd	200801023371 (824694-H)	Malaysia	100.00	Investment holding
Sapura Energy Ventures Sdn Bhd	201001041987 (925915-T)	Malaysia	100.00	Dormant
Sapura Marine Engineering Sdn Bhd	198501005784 (138225-K)	Malaysia	100.00	Provision of offshore construction and diving equipment
Momentum Energy Sdn Bhd	201101018802 (946938-M)	Malaysia	100.00	Investment holding
Sapura Onshore Sdn Bhd	197101000041 (10439-V)	Malaysia	100.00	Provision of engineering, fabrication and construction services
Sapura Engineering	199501019532 (348735-P)	Malaysia	100.00	Provision of FEED and detailed design engineering
SE Petroleum Berhad	200401028982 (667490-M)	Malaysia	100.00	Dormant
Sapura Pinewell	199901010868 (485768-A)	Malaysia	100.00	Hook-up, commissioning, maintenance brownfield rejuvenation and onshore construction

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
Sapura Petroleum Ventures	200701029355 (787379-D)	Malaysia	100.00	Investment holding
SEB Energy Sdn Bhd	201001034231 (918154-H)	Malaysia	100.00	Dormant
Sapura Subsea	198801008937 (176294-K)	Malaysia	100.00	Provision of offshore diving and related services and the provision of diving equipment for rental
Sapura TMC	201201005117 (978642-A)	Malaysia	100.00	Provision of treasury management services
Sapura 900	LL09526	Federal Territory of Labuan, Malaysia	100.00	Vessel owner and chartering
Sapura 3000 Pte Ltd	LL10242	Federal Territory of Labuan, Malaysia	100.00	Dormant
Sapura Energy Services Sdn Bhd	201501001182 (1126514-P)	Malaysia	100.00	Investment holding
Sapura Drilling Labuan	LL09580	Federal Territory of Labuan, Malaysia	100.00	Investment holding
Sapura Drilling Probadi	199101000830 (211140-X)	Malaysia	100.00	Investment holding
Sapura Upstream Assets Sdn Bhd	201801040227 (1302258-K)	Malaysia	100.00	Investment holding
Sapura Global Services Sdn Bhd	201901019344 (1328673-P)	Malaysia	100.00	Provision of strategic services to the operating companies, training and consultancy services
Sinar E&C Sdn Bhd	202201033003 (1478700-U)	Malaysia	100.00	Offshore and onshore engineering, procurement, construction (fabrication), installation, hook up, commissioning and maintenance of fixed and floating O&G facilities, marine construction, marine repair and infrastructure construction

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
Sinar Drilling	202501001561 (1602975-T)	Malaysia	100.00	Investment holding
Sinar Operations & Maintenance Sdn Bhd	202501023128 (1624541-T)	Malaysia	100.00	Investment holding company
<u>Held through Sapura Geosciences</u>				
Sapura Jaya Sdn Bhd	199001002522 (194088-P)	Malaysia	100.00	Chartering of vessels
<u>Held through Sapura Jaya Sdn Bhd</u>				
Sapura Geosurvey	199001017772 (209441-K)	Malaysia	100.00	Hydrographic surveys and related services
Sapura Geotechnics	199001007023 (198593-P)	Malaysia	100.00	Soil investigation and geotechnical services
<u>Held through Sapura Geosurvey</u>				
Sapura GeoSurvey Pte Ltd	199101860R	Singapore	100.00	Provide surveying services such as geophysical, geologic, seismic, and hydrographic surveying services
<u>Held through Sapura Geotechnics</u>				
Sapura GeoTechnics (S) Pte Ltd	198904819D	Singapore	100.00	Soil investigation and geotechnical services
Sapura Oilserve Sdn Bhd	200301033476 (635897-H)	Malaysia	100.00	Dormant
<u>Held through Sapura Oilserve Sdn Bhd</u>				
Sapura Oilserve Labuan Pte Ltd	LL04079	Federal Territory of Labuan, Malaysia	100.00	Dormant
<u>Held through Sapura Technology</u>				
Sapura Digital Solutions Sdn Bhd	199701000342 (415838-T)	Malaysia	100.00	Dormant
Sapura Power Services Sdn Bhd	199501042387 (371591-D)	Malaysia	94.40	Provision of maintenance services to the power, utility and O&G industries
Sapura Diving Services Sdn Bhd	199501039741 (368944-W)	Malaysia	100.00	Dormant

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
Sapura Maintenance Services Sdn Bhd	200101022364 (558122-A)	Malaysia	100.00	Provision of maintenance services to the power, utility and O&G industries
Sapura Petroleum Technologies Sdn Bhd	198301015082 (110475-V)	Malaysia	99.70	Dormant
Sapura Services Sdn Bhd	201301045080 (1074903-M)	Malaysia	100.00	Investment holding
Sapura Vessels Pte Ltd	LL04140	Federal Territory of Labuan, Malaysia	100.00	Dormant
Sapura Energy Infinite Sdn Bhd	200001025200 (527807-D)	Malaysia	100.00	Investment holding
<u>Held through Sapura Energy Infinite Sdn Bhd</u>				
Sapura Energy Resources Sdn Bhd	198401004653 (117172-P)	Malaysia	100.00	Investment holding
<u>Held through Sapura Energy Resources Sdn Bhd</u>				
Sarku Engineering	197301000824 (13911-D)	Malaysia	100.00	Provision of offshore engineering services, marine support and logistic assistance for the O&G industry
Sapura Marine Ventures	198601007188 (156370-K)	Malaysia	100.00	Provision of crew, chartering and hiring out of barges
Sapura Engineering Offshore	200001011713 (514319-T)	Malaysia	100.00	Chartering and hiring out of barges, vessels and operational equipment including the provision of crew
<u>Held through SapuraCrest Ventures Sdn Bhd</u>				
Sapura Exploration and Production (RSC) Sdn Bhd	201401048764 (1124953-V)	Malaysia	100.00	Investment holding
<u>Held through Sapura Exploration and Production (RSC) Sdn Bhd</u>				
Sapura Sambang Sdn Bhd	199301012514 (267252-M)	Malaysia	100.00	Dormant
<u>Held through Sapura Management Services Sdn Bhd</u>				
Sapura Talent Pte Ltd	202023694Z	Singapore	100.00	Manpower contracting services, manage crews, seafarers including marine crews

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
<u>Held through Sapura Offshore</u>				
Sapura Talent Ltd	48515	Bermuda	100.00	Provision of manpower services
Sapura 1200	48796	Bermuda	100.00	Vessel owner and chartering
Sapura 3500	48797	Bermuda	100.00	Vessel owner and chartering
Sapura FLB-1 Ltd	48798	Bermuda	100.00	Vessel owner and chartering
Sapura Saudi Arabia Company	2051064943	Saudi Arabia	100.00	Engineering, procurement, construction, offshore T&I, hook-up and commissioning of offshore structures, pipelines and cables
Sapura Energy DMCC	DMCC4564	Dubai, United Arab Emirates	100.00	Onshore and offshore O&G field services
Sapura Energy B.V.	64307034	Amsterdam, the Netherlands	100.00	Design, fabricate, install, commissioning and maintenance of marine and offshore facilities
Sapura Energy (UK) Ltd	12178590	England and Wales	100.00	Human resources provision and management of human resources functions, engineering design activities for industrial process and production combined facilities support activities and other specialised construction activities
Sapura Energy, (EG) S.L.	F446L8°	Republic of Equatorial Guinea	65.00	Provision of engineering and construction services, operations and maintenance services, drilling and oil well completion services for the hydrocarbons for the industry

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
Sapura Energy (Thailand) Limited	0105555037057	Thailand	(1)49.00	Provision of offshore diving and related services
<u>Held through Sapura Offshore and Sapura Energy DMCC</u>				
Sapura Energy Do Brasil LTDA	332.1041750-9	Brazil	100.00	Maintenance and installation of offshore/submarine platforms and marine pipelines
<u>Held through Sapura Energy DMCC</u>				
Alta Navegación de México, S. de R.L. de C.V.	TAX ID: RFC:ANM160603BU2	Mexico	(1)49.00	The acquisition, lease, chartering, flagging, administration, matriculation and operation of vessels
<u>Held through Sapura Energy (UK) Ltd</u>				
Sapura Energy Ghana Limited	CS053192020	Ghana	100.00	Engineering, procurement, construction, installation, commissioning, maintenance and decommissioning of fixed and floating O&G facilities, marine construction, marine conversion, marine repair, infrastructure construction, construction and installation of offshore renewable facilities
<u>Held through Sapura Petroleum Sdn Bhd</u>				
Sapura Nautical Bay Pte Ltd	201012904H	Singapore	100.00	Investment holding
SapuraMex Pte Ltd	201434987G	Singapore	100.00	Investment holding
Sapura Enerji Çözümleri Anonim Şirketi	400977	Turkey	100.00	Dormant
<u>Held through Sapura Nautical Bay Pte Ltd</u>				
Sapura Nautical Power Pte Ltd	201012921C	Singapore	100.00	Investment holding
<u>Held through Sapura Offshore and SapuraMex Pte Ltd</u>				
Sapura Energy Mexicana, S.A.P.I. de C.V.	RFC: SME1410034E9	Mexico	100.00	In liquidation

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
<u>Held through SapuraMex Pte Ltd</u>				
Sapura 3500 (S) Pte Ltd	201434995W	Singapore	100.00	Chartering and hiring out of vessel
<u>Held through Sapura Fabrication</u>				
Sapura Marine Sdn Bhd	200101007405 (543161-W)	Malaysia	100.00	Operation and management of fabrication yard
Sapura Energy Vietnam Limited	3502383866	Vietnam	100.00	Dormant
<u>Held through Sapura Fabrication and Sapura Petroleum Sdn Bhd</u>				
Sapura Engineering & Construction (India) Pvt Ltd	U11101MH2015FTC 268678	India	100.00	Engineering, procurement, construction, installation and commissioning of offshore facilities and pipelines.
<u>Held through Sapura Offshore and Sapura Fabrication</u>				
Sapura Energy Engineering & Construction, LDA	2021.560	Angola	100.00	Supply of services to O&G industry
<u>Held through Geomark Sdn Bhd</u>				
Quippo Prakash Pte Ltd	200808322H	Singapore	100.00	Dormant
<u>Held through Sapura Energy Ventures Sdn Bhd</u>				
Sapura Exploration and Production (Sabah) Inc.	162827 (B)	Bahamas	100.00	Dormant
<u>Held through Momentum Energy Sdn Bhd</u>				
Sapura Australia (Holdings) Pty Ltd	ACN 153 397 374	Australia	100.00	Investment holding
<u>Held through Sapura Australia (Holdings) Pty Ltd</u>				
Sapura USA Holdings Incorporated	4704788	State of Delaware, United States of America	100.00	Provision of project management, engineering, procurement, construction, transportation, and decommissioning
Sapura Australia Pty Ltd	ACN 153 658 532	Australia	100.00	Investment holding
Peritus International Limited	7111 769	United Kingdom	100.00	Provision of advanced subsea and floating systems engineering and project management services to O&G

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
				offshore projects and developments in remote, hostile and deepwater environments
Peritus International Pty Ltd	ACN 141 233 061	Australia	100.00	Provision of advanced subsea and floating systems engineering and project management services to offshore projects
<u>Held through Sapura Australia Pty Ltd</u>				
Sapura Petroleum (Australia) Pty Ltd	ACN 152 511 021	Australia	100.00	Investment holding
Sapura Projects Pty Ltd	ACN 153 397 365	Australia	100.00	Investment holding
SC Projects Australia Pty Ltd	ACN 152 687 860	Australia	100.00	Investment holding
Sapura Constructor Pte Ltd	199707775H	Singapore	100.00	Vessel owner and chartering
Sapura Assets Pty Ltd	ACN 125 200 820	Australia	100.00	Owner and operator of marine assets
Normand Sapura Pty Ltd	ACN 142 038 784	Australia	100.00	Sub-charter and provision of project delivery capabilities, technology and proprietary offshore assets
<u>Held through Sapura USA Holdings Incorporated</u>				
Ocean Flow International LLC	707149122	The State of Texas, United States of America	100.00	Provision of technical consulting and advising to O&G operating companies
Peritus International Inc.	801214784	The State of Texas, United States of America	100.00	Provision of advanced subsea and floating systems engineering and project management services to offshore projects
<u>Held through Sapura Constructor Pte Ltd</u>				
Sapura Projects Singapore Pte Ltd	200516881C	Singapore	100.00	Dormant
<u>Held through Peritus International Pty Ltd</u>				
Peritus International Sdn Bhd	201201012021 (985538-V)	Malaysia	100.00	Provision of engineering consultancy services for the O&G industry

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
<u>Held through Sapura Onshore Sdn Bhd</u>				
Sapura Subsea Sdn Bhd	197601002650 (27950-W)	Malaysia	100.00	Provision of engineering, fabrication and construction works
Sapura Assets Sdn Bhd	198501004642 (137082-P)	Malaysia	100.00	Property investment
<u>Held through Sapura Fabrication and Sapura Petroleum Ventures</u>				
Sapura Energy (B) Sdn Bhd	RC/00009221	Brunei	100.00	Investment holding
<u>Held through Sapura Energy (B) Sdn Bhd</u>				
Sapura Energy Services (B) Sdn Bhd	RC/00009161	Brunei	70.00	Service provider for O&G industry
<u>Held through Sapura Petroleum Ventures</u>				
Sapura Nautilus	200901039320 (882459-A)	Malaysia	100.00	Service provider for offshore support vessels
<u>Held through Sapura Nautilus</u>				
Sapura Gemia (Labuan) Pte Ltd	LL07505	Federal Territory of Labuan, Malaysia	100.00	Provision of offshore support vessels for the O&G industry
Sapura Teras Ventures Sdn Bhd	200801004830 (806114-M)	Malaysia	100.00	Provision of offshore support vessels for the O&G industry
Sapura Redang (Labuan) Pte Ltd	LL08066	Federal Territory of Labuan, Malaysia	100.00	Provision of offshore support vessels for the O&G industry
<u>Held through Sapura Subsea</u>				
Sapura Marine Services Sdn Bhd	200401005830 (644333-U)	Malaysia	100.00	Dormant
Sapura Subsea Corporation	LL06534	Federal Territory of Labuan, Malaysia	100.00	Business of letting of its dynamic positioning vessels and related equipment
Maju Hydro Sdn Bhd	200001010770 (513376-M)	Malaysia	100.00	Dormant
Sapura Subsea Robotics Corporation	LL08672	Federal Territory of Labuan, Malaysia	100.00	Provision of offshore diving and related services and the provision of diving equipment for rental

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
<u>Held through Sapura Energy Services Sdn Bhd</u>				
Total Marine Technology Pty Ltd	086 117 660	Australia	94.00	Development of marine technology and marine chartering, specialising on remotely operated vehicles
<u>Held through Total Marine Technology Pty Ltd</u>				
Sapura Excersize Pty Ltd	ACN 117 452 623	Australia	94.00	Owner and operator of remotely operated vehicles for the offshore O&G industries
Sapura Babalon Pty Ltd	ACN 117 549 541	Australia	94.00	Owner and operator of remotely operated vehicles for the offshore O&G industries
<u>Held through Total Marine Technology Pty Ltd and Sapura Babalon Pty Ltd</u>				
ROV TMT Nigeria Limited	RC 1570055	Federal Republic of Nigeria	94.00	Supply remotely operated vehicles and providing after sales maintenance work, and supplying tools for offshore drilling and energy production
<u>Held through Sapura Drilling Pte Ltd</u>				
Sapura Drilling (S) Pte Ltd	201303644E	Singapore	100.00	Provision of management services for tender rig businesses and hire and charter of the drilling rigs owned by its related corporations for O&G drilling and exploration purpose
Sapura Drilling (Bermuda) Ltd	38517	Bermuda	100.00	Investment holding
Sapura Drilling Resources Ltd	48248	Bermuda	100.00	Provision of crew services
Sapura Drilling Labuan Leasing Ltd	LL05823	Federal Territory of Labuan, Malaysia	100.00	Hire and charter of the oil drilling rigs
<u>Held through Sapura Drilling (S) Pte Ltd</u>				
Sapura Drilling T-10 Ltd	190607	Mauritius	100.00	Bareboat chartering business with drilling operators

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
Sapura Drilling T-11 Ltd	190717	Mauritius	100.00	Bareboat chartering business with drilling operators
Sapura Drilling T-12 Ltd	193475	Mauritius	100.00	Bareboat chartering business with drilling operators
Sapura Drilling T-17 Ltd	186683	Mauritius	100.00	Bareboat chartering business with drilling operators
Sapura Drilling T-18 Ltd	186684	Mauritius	100.00	Bareboat chartering business with drilling operators
<u>Held through Sapura Drilling (Bermuda) Ltd</u>				
Sapura Drilling T-10 Ltd	46518	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling T-11 Ltd	46514	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling T-12 Ltd	46515	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling T-17 Ltd	45287	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling T-18 Ltd	46432	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling T-19 Ltd	50007	Bermuda	100.00	Dormant
Sapura Drilling T-20 Ltd	50010	Bermuda	100.00	Dormant
Sapura Drilling Berani Ltd	46026	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling Alliance Ltd	46516	Bermuda	100.00	Dormant
Sapura Drilling Esperanza Ltd	45309	Bermuda	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry
Sapura Drilling Jaya Ltd	44392	Bermuda	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry
Sapura Drilling Raiqa Ltd	49845	Bermuda	100.00	Leasing of offshore O&G drilling rig
Sapura Drilling Asia Limited	30987	Hong Kong	100.00	Investment holding and provision of oil drilling services
Sapura Drilling Services Sdn Bhd	201001026858 (910777-P)	Malaysia	100.00	Provision of management services for tender rig businesses

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
<u>Held through Sapura Drilling Asia Limited</u>				
Sapura Drilling Holdings Limited	2017765	Hong Kong	100.00	Provision of oil drilling services
<u>Held through Sapura Drilling Asia Limited and Sapura Drilling Holdings Limited</u>				
Sapura Energy Angola, LDA	Tax ID 5417318531	Republic of Angola	100.00	Provision of drilling services to offshore O&G industry
<u>Held through Sapura Drilling and Sapura Drilling Asia Limited</u>				
Sapura Drilling Sdn Bhd	RC/00000763	Brunei	100.00	Offshore drilling, workover and development of O&G wells
PT Sapura Nordril Indonesia	13884	Indonesia	95.00	Dormant
<u>Held through Sapura Drilling Probadi and Sapura Drilling Asia Limited</u>				
Sapura Drilling Asia Sdn Bhd	197601000806 (26745-H)	Malaysia	100.00	Provision of drilling related services
<u>Held through Sinar Drilling Sdn Bhd</u>				
Sinar Drilling Labuan Asset Pte. Ltd.	LL21349	Federal Territory of Labuan, Malaysia	100.00	Investment holding
<u>Held through Sinar Drilling Labuan Asset Pte. Ltd.</u>				
Drilling Alliance Sdn Bhd	202501013669 (1615083-K)	Malaysia	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry
Drilling Esperanza Sdn Bhd	202501013670 (1615084 -U)	Malaysia	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry
Drilling Pelaut Sdn Bhd	202501013667 (1615081-X)	Malaysia	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry
Drilling T9 Sdn Bhd	202501013665 (1615079-W)	Malaysia	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry
Sinar Drilling Pte. Ltd.	UEN202513239Z	Singapore	100.00	Investment holding and provision of drilling services
Berani Drilling Sdn Bhd	202501024606 (1626019-U)	Malaysia	100.00	Leasing of drilling rig and providing drilling services to offshore O&G industry

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

<u>Name</u>	<u>Company / Registration No.</u>	<u>Country of incorporation</u>	<u>Effective equity interest (%)</u>	<u>Principal activities</u>
<u>Held through Sinar E&C Sdn Bhd</u>				
Sinar Brazil	202501001320 (1602734-T)	Malaysia	100.00	Investment holding
Sinar Offshore Assets Sdn Bhd	202501010901 (1612315-U)	Malaysia	100.00	Investment holding
Sinar Offshore Operations Sdn Bhd	202501010907 (1612321-A)	Malaysia	100.00	Investment holding

Note:

- (1) The entities are considered as subsidiaries as the Group has the effective control and authority to govern financial and operating policies of these entities

As at the LPD, the joint ventures of the Company are as follows:

<u>Name</u>	<u>Company / Registration No.</u>	<u>Country of incorporation</u>	<u>Effective equity interest (%)</u>	<u>Principal activities</u>
<u>Held through Sapura Nautical Essence Sdn Bhd</u>				
SapuraAcergy Sdn Bhd	200501026734 (708868-K)	Malaysia	50.00	Dormant
SapuraAcergy Assets Pte Ltd	LL05212	Federal Territory of Labuan	49.00	Dormant
<u>Held through Sapura Nautical Power Pte Ltd</u>				
L&T Sapura Shipping Private Limited	U61100TN2010PTC077217	India	40.00	Vessel owner and chartering
<u>Held through Sapura Offshore</u>				
Seabras Sapura Participações S.A.	333.0029908-4	Brazil	50.00	Investment holding
Seabras Sapura Holding, GmbH	FN 396037 h	Austria	50.00	Investment holding
<u>Held through Seabras Sapura Participações S.A.</u>				
Seagems Solutions S.A.	33.3.0029906-8	Brazil	50.00	Vessel owner and chartering
Seagems Offshore Ltda	33.2.1160950-9	Brazil	50.00	Vessel owner and chartering
<u>Held through Seabras Sapura Holding, GmbH</u>				
Seabras Sapura PLSV Holding, GmbH	FN 396035 f	Austria	50.00	Investment holding

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

Name	Company / Registration No.	Country of incorporation	Effective equity interest (%)	Principal activities
<u>Held through Seabras Sapura PLSV Holding, GmbH</u>				
Seabras Sapura Holdco Ltd.	46037	Bermuda	50.00	Investment holding
Sapura Diamante GmbH	FN 396036 g	Austria	50.00	Vessel owner and chartering
Sapura Topazio GmbH	FN 395115 b	Austria	50.00	Vessel owner and chartering
Sapura Onix GmbH	FN 408209 h	Austria	50.00	Vessel owner and chartering
Sapura Jade GmbH	FN 408208 g	Austria	50.00	Vessel owner and chartering
Sapura Rubi GmbH	FN 408205 b	Austria	50.00	Vessel owner and chartering
<u>Held through Seabras Sapura Holdco Ltd.</u>				
Seabras Sapura Talent Ltd.	48701	Bermuda	50.00	Provision for manpower services
<u>Held through Seagems Solutions S.A.</u>				
Let's Log Serviços Intergrados de Logística Ltda.	NIRE No. 33.2.0965468-3	Brazil	50.00	Management of general warehouses and deposits
<u>Held through Sapura Energy Ghana Limited</u>				
Intesoll Sapura Offshore Limited	CS174472019	Ghana	49.00	Offshore engineering services
<u>Held through Sapura Services Sdn Bhd</u>				
Sapura Baker Hughes TPS Sdn Bhd	201301044932 (1074755-M)	Malaysia	51.00	Provision of repair and maintenance services and sales of parts to the energy sector
<u>Held through Sapura Saudi Arabia Company</u>				
Rawabi Sapura Limited Company	7026551569	Saudi Arabia	50.00	Dormant
<u>Held through Sinar E&C Sdn Bhd</u>				
Kitar Decommissioning Sdn Bhd	202301050342 (1544256-K)	Malaysia	50.00	To perform offshore O&G decommissioning, dismantling and recycling

As at the LPD, the associate companies of the Company are as follows:

APPENDIX I(A) – INFORMATION ON THE GROUP (CONT'D)
--

<u>Name</u>	<u>Company / Registration No.</u>	<u>Country of incorporation</u>	<u>Effective equity interest (%)</u>	<u>Principal activities</u>
<u>Held through Sapura Engineering</u>				
Matrix Maintenance Sdn Bhd	200001022929 (525537-V)	Malaysia	30.00	Maintenance contractors for petrol chemical plants and general industries
<u>Held through Sapura Technology</u>				
Geowell Sdn Bhd	198901013703 (191013-A)	Malaysia	30.00	Wireline and well completion services
Subang Properties Sdn Bhd	198401008663 (121182-K)	Malaysia	36.20	Dormant

[The remainder of this page is intentionally left blank]

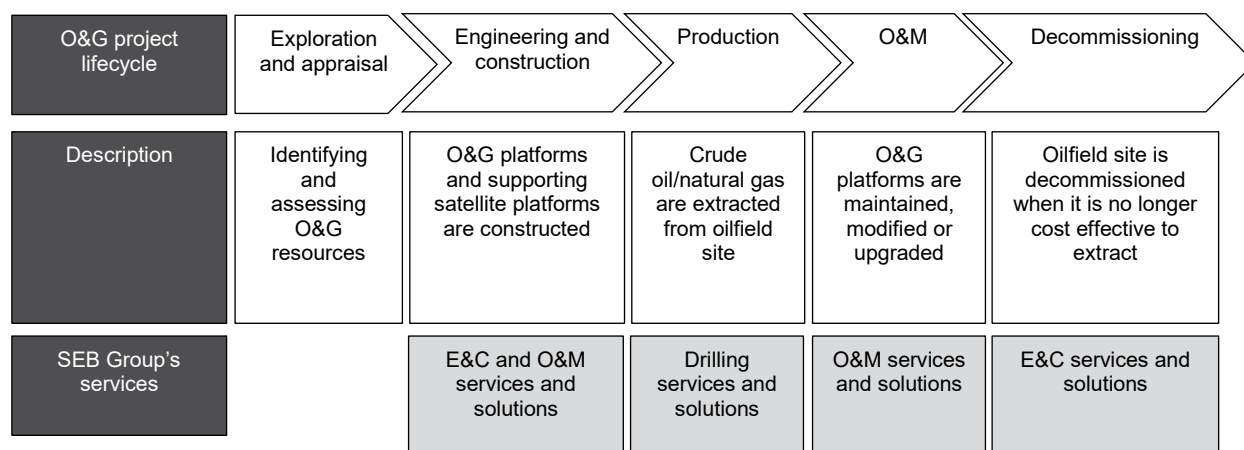
APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP

1. OVERVIEW

The Group is an O&G service and solution provider providing the following:

- (i) E&C services and solutions;
- (ii) Drilling services and solutions; and
- (iii) O&M services and solutions.

The abovementioned O&G services and solutions support various stages of an O&G project lifecycle:



The Group divested from its E&P business segment pursuant to the sale of its 50.00% equity interest in SOMV, which was completed on 9 December 2024.

The Group has a global footprint, with a majority of its contracts based in Asia Pacific in the past. During the financial years under review between FYE2021 and FYE 2025, 68.53% to 84.96% of the Group's revenues were generated from Asia Pacific, with revenues from Malaysia contributing 31.47% to 44.42% of the Group's total revenues. The remaining percentage revenues were mainly generated from Africa (1.73% to 26.37%), America (3.31% to 12.19%) and the Middle East (0.27% to 9.16%).

As at the LPD, the Group is headquartered in Malaysia and has presence in 14 countries across the Asia Pacific, Africa, America, Europe and Middle East regions.

The Group also owns a fleet of vessels, comprising 4 derrick-lay vessels, 1 subsea construction vessel, 1 floatover launch barge, 2 anchor handling tugs and supply vessels, 1 survey vessel, 2 diving support vessels, 3 accommodation workboats and 1 accommodation barge. Apart from that, the Group also has 25 remotely operated vehicles and 6 integrated diving systems to provide subsea services. It also owns 5 semi-submersible self-erecting TAD rigs and 6 self-erecting TAD rigs for our Groups' drilling segment. The Group also has 3 fabrication yards to support fabrication and decommissioning of O&G structures. Further details on its fleet of vessels are elaborated in **Section 3.1**, Appendix I(B) of this Circular. Through a number of joint venture and associate companies, the Group also jointly owns a derrick-lay vessel and 6 pipelay support vessels.

2. BUSINESS STRATEGIES AND PLANS

(i) The Group plans to reallocate its E&C segment's resources and assets to cater to industry trends to generate profits for the segment

Although the Group's E&C segment recorded a gross loss of RM161.2 million in FYE 2024, this was largely due to the Group's higher provision for foreseeable losses from its E&C contracts by RM351.4 million in the FYE 2024. Operationally, the Group has identified the issues that had led to losses incurred from contracts that were won prior to the COVID-19 pandemic and had begun implementing the Reset Plan.

The Group's E&C segment began to record a gross profit of RM275.5 million in FYE 2025, following the completion of legacy contracts in earlier FYEs.

With the successful implementation of the Proposed Regularisation Plan, the improved capital base of the Group should boost stakeholders' confidence in the Group's ability to carry out its contracts, which would improve the Group's competitiveness in the E&C segment.

Apart from the Proposed Regularisation Plan, the Group intends to reallocate its resources and assets for its E&C segment to cater to industry trends, as elaborated below:

(a) Asset optimisation

The Group's new business division structure and model will enable E&C offshore support vessels to be used in areas where there is higher demand for the offshore support vessel. In particular, the Group intends to focus on deploying the Sapura 3500, which is capable of carrying heavier loads but is designed for shallower waters, in markets where there is higher demand for the vessel.

The Group also intends to optimise the utilisation rate of its offshore support vessels. For example, the Group may explore the long-term chartering of Sapura 1200 to generate a stable income from the vessel and lower the risk of the vessel being under-utilised. The Group will also constantly reassess its fleet of vessels to maintain vessels with higher utilisation rates and are essential in supporting its core business activities.

(b) Focusing on growing revenues from decommissioning services

According to the IMR Report, while primarily driven by regulatory mandates, the decommissioning segment offers significant growth opportunities for offshore engineering contractors. Western Europe is a leading market and is also expected to dominate the decommissioning landscape as the region is forecasted to account for 38% of global platform removals between 2025 to 2032. APAC is expected to emerge as a key decommissioning region with 40% of its platform installations projected to surpass 40 years of age by 2034. An estimated 84 platforms are scheduled for removal between 2025 and 2032, highlighting the growing focus on aging infrastructure.

[The remainder of this page is intentionally left blank]

Petronas released its activity outlook for 2025-2027 during the 1Q25 period, anticipating the removal of close to 37 facilities over the next 3 years. Brunei Shell has unveiled its Decommissioning and Restoration Plan, which includes the removal of 30 offshore facilities as part of its Phase 1 program, expected to boost activity levels from 2029 onwards. Additionally, WGE forecasts that Australia, particularly the Bass Strait region, will become a prominent decommissioning market, with fields such as Whiting, Mackerel, and Kingfish having ceased production since 2020 and facility removals slated to begin from 2026 onwards. This evolving market landscape underscores the substantial potential for growth and investment within the offshore decommissioning sector.

The Group thus intends to capture the opportunities present for decommissioning services, particularly EPRD services, in the future. To this end, the Group and AF Offshore AS, a well-established Norwegian company specialising in decommissioning solutions in the North Sea, had set up a joint-venture company, namely Kitar Solutions. Through Kitar Solutions, the Group can enhance its existing capabilities and offer EPRD services, whilst leveraging on AF Offshore AS' expertise in providing EPRD services, to its existing network of clients based in Malaysia. All EPRD contracts will be undertaken by Kitar Solutions.

As at the LPD, the Group is actively promoting its EPRD services. Once it has secured a contract, the Group will begin enhancing its fabrication yard in Lumut for the contract. A section of the said fabrication yard will be apportioned for the EPRD services and enhancement works will need to be conducted on the fabrication yard in accordance with the client requirements.

Kitar Solutions will require approvals from authorities such as the Department of Environmental and the Local Municipality to construct and operate the decommissioning facilities in Lumut Yard. As at the LPD, Kitar Solutions is liaising with the authorities on their requirements. The decommissioning sub-segment will allow the Group to optimise vessel utilisation as these contracts offer greater flexibility on offshore execution. Thus, this allows the Group to deploy vessels that are not otherwise in use in decommissioning contracts.

(ii) The Group intends to enhance its position in the O&G drilling segment

According to the IMR Report, the Group has the largest fleet in the market for tender-assist drilling rigs, with a market share of 44.0% globally.

The Group intends to grow its market share in the O&G drilling industry, by expanding its reach globally. Specifically, it intends to target other countries in Southeast Asia, Africa and America. According to the IMR Report, demand for tender-assist drilling rigs is expected to remain robust over the coming decade with the number of contracted rigs expected to be around 13 units per annum. Future demand will largely be driven by Southeast Asian and East African O&G exploration and production companies looking to sustain production from their shallow water fields. In the long term, the need to plug & abandon older wells in preparation for decommissioning campaigns may provide further upside to tender-assist drilling rig demand.

As at the LPD, the Group has secured 2 long term contracts in Thailand to further strengthen its leading position in Southeast Asia, with an indicative contract value of USD303.3 million (equivalent to approximately RM1,284.5 million). The Group has commenced work for 1 contract in May 2025, and work for the other contract is expected to commence in July 2025.

The Group also intends to expand its market share in the O&G offshore drilling segment to cater for jack-up rigs. Jack-up rigs are a type of mobile offshore drilling rigs that can be used in shallower water depths than tender rigs. As it is less complex to operate jack-up rigs than tender rigs, the Group has the necessary capabilities to operate such rigs and will not require additional expertise to cater for such contracts.

By getting involved in drilling contracts for jack-up rigs, the Group will typically offer rig management systems, where the Group will be involved in the recruitment, training and management of crew, cost management and ensuring the rig complies with environmental and other regulatory standards, on top of performing drilling activities. The Group can leverage on its present experience to cater for such contracts and will include its capabilities in rig management systems when bidding for drilling contracts for jack-up rigs.

(iii) The Group intends to continue building its orderbook for its O&M segment

Although the Group's O&M segment recorded a gross loss of RM57.0 million in FYE 2024, this was largely due to legacy contracts for subsea services which were previously secured under E&C segment. These contracts were undertaken by the O&M segment following transfer of the subsea services sub-segment from the E&C segment to the O&M segment in FYE 2024. Apart from these legacy contracts, the Group's O&M segment had been profitable in FYE 2024.

Following the completion of the legacy contracts and the securing of new subsea service contracts in FYE 2025, the Group's O&M segment generated a GP of RM131.9 million in FYE 2025.

According to the IMR report, there are approximately 7,300 O&G platform installations (excluding those in China), with 7.00% located offshore of Malaysia and an additional 23.00% across the rest of Asia Pacific, particularly offshore of Indonesia and Thailand. The aging infrastructure of these O&G platforms, together with the growing base of O&G platforms creates a sustained demand for O&M services to ensure continued production efficiency and safety.

Therefore, in order to capitalise on these opportunities, the Group will continue to submit tenders and proposals with a view to further build resilience for the Group's orderbook. As at 31 May 2025, the Group's total outstanding orderbook for the O&M segment stood at approximately RM1,753 million, which is expected to be recognised as revenue progressively until the FYE 2030.

Overall, the Group believes the track record, experience and expertise it has gained from past contracts provides it with the platform to harness business opportunities within the O&G industry.

[The remainder of this page is intentionally left blank]

3. PRINCIPAL ACTIVITIES AND SERVICES

3.1 E&C services

The Group provides the following E&C services:

(i) Engineering

Engineering services involve providing the technical expertise necessary to transform conceptual designs into feasible, functional, and safe O&G offshore facilities. This encompasses a wide array of tasks including, but not limited to:

- the development of detailed engineering design;
- the development of construction engineering;
- the development of transportation and installation engineering;
- provision of solutions to mitigate and overcome engineering challenges;
- ensure compliance with all applicable standards, codes, and regulations;
- ensure the right materials and components are procured for the facilities;
- ensure safety and environmental stewardship in the engineering designs; and
- assisting in overseeing the integrity and adherence of the build to the engineering designs.

The provision of engineering services is pivotal to ensure the works carried out are executed efficiently, cost-effectively, and to the highest quality standards, in order to successfully deliver the project to the clients.

(ii) T&I

The Group's T&I services include:

- Transportation of structures such as topsides, jackets, skids, modules and other structures and pipelines from the fabrication site (typically onshore) to the offshore oilfield site; and
- Installation of pipelines by positioning the O&G platform precisely at the designated offshore location, securing it to the seabed, and integrating it with subsea infrastructure such as pipelines.

(iii) Fabrication

The Group undertakes fabrication of various O&G structures. This involves the cutting, welding and assembly of steel pieces, components, fixtures and fittings according to the FEED and specifications to form the structures.

The Group has the capability to fabricate the following types of O&G structures:

- CPP, which perform the extraction, consolidation and processing of crude oil / natural gas, and exporting crude oil / natural gas via pipelines or tankers to onshore facilities. It typically contains operational facilities (e.g. control and command centre) and other amenities (e.g. built-in living quarters and utilities for offshore workers);

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

- WHP, which perform the extraction of crude oil / natural gas from the reservoir and transports them via pipelines to the CPP;
- Jackets which are large steel structures used as foundations for offshore O&G platforms, and modules which are pre-assembled units that contain various equipment and systems necessary for the operation of these platforms.

The fabrication activities are mainly carried out at the Group's fabrication yard in Lumut, which is equipped with the necessary facilities and heavy lifting equipment to support the fabrication and load-out of structures onto barges.

(iv) Decommissioning

Decommissioning include EPRD services which are services related to the engineering, preparation, removal and disposal of offshore facilities and restoring the site to a safe and stable environmental condition. This occurs when the O&G oilfield site is no longer commercially viable. The Group's decommissioning services are focused on decommissioning of offshore platforms, jackets, subsea pipelines, including subsea umbilicals, risers, flowlines (SURFs), manifolds and subsea control modules.

The Group uses its own vessels, diving support vessels and remotely operated vehicles to carry out decommissioning activities. If required, the Group may also lease from third-parties.

While the Group has the capabilities to provide the abovementioned services, at times the Group may subcontract part of the scope of work in the contract. In such cases, the Group will undertake the monitoring and management of the subcontractors, and are responsible for their works, materials and equipment as specified in the contract. Examples of situations where the Group engages subcontractors are as follows:



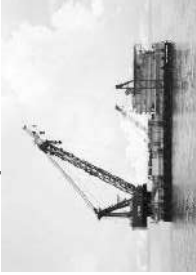

- require specialised expertise or proprietary technology;
- chartering of third-party assets to complement the Group's assets, or it is more cost-efficient to charter third-party assets instead of mobilising its own assets;
- as part of the scope of works, the client requires the Group to engage services or procure materials or equipment from the client's nominated subcontractors.

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

As at the LPD, the Group owns 6 vessels including 4 derrick-lay vessels, 1 subsea construction vessel and 1 floatover launch barge. The key specifications of the Group's vessels are as follows:

Derrick-lay vessels

Vessel	Sapura 3500	Sapura 1200	Sapura 2000	Sapura 900
				
Type of vessel	Derrick-lay vessel	Derrick-lay vessel	Derrick-lay vessel	Derrick-lay vessel
Country of registration	Panama	Panama	Malaysia	Mexico
Year built / age as at the LPD	2014 / 11 years	2014 / 11 years	2009 / 16 years	1982/43 years (upgraded in 2009)
Length overall (meter)	156.50	153.60	120.00	129.14
Accommodation (persons)	300	300	300	292
Lift capacity (tonnes)	3,500	1,200	2,000	900
Pipe size (outside diameter ("OD"))	6" to 60"	6" to 60"	6" to 60"	Up to 52"
Dynamic positioning	DP3	DP3	N/A	N/A
Deepwater lowering depth	Up to 2,000m	Up to 3,400m	N/A	N/A

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Other vessels

Vessel

Sapura Constructor



Sapura FLB-1



Type of vessel	Subsea construction vessel	Floatover launch barge
Country of registration	Panama	Malaysia
Year built / age as at the LPD	2008 / 17 years	2013 / 12 years
Length overall (meter)	117.35	153.60
Key specifications	<ul style="list-style-type: none"> • Accommodation for up to 120 persons • Cranes with lifting capacity of up to 250 tonnes • DP2 system • Saturation dive system • Air dive system • Remotely operated vehicles equipment 	<ul style="list-style-type: none"> • Maximum jacket launch weight of up to 16,000 tonnes

Through a number of joint venture and associate companies, the Group also jointly owns a derrick-lay vessel and 6 pipelay support vessels.

In situations where the structure is very large and heavy, and/or requires special vessels and equipment, and/or its vessels are not available or insufficient at the time and location, the Group may charter third-party barges, vessels and equipment.

3.2 Drilling services

The Group has the expertise and capabilities to provide drilling services for offshore O&G industry. The Group carries out drilling activities for greenfield O&G development projects to support the development of new O&G fields. In addition, the Group also carry out drilling activities for brownfield O&G production projects to support the development of new wells in established oilfield (infill drilling).

The Group generally provides drilling services with tender-assist drilling rigs. The Group has the largest fleet in the market for tender-assist drilling rigs, with a market share of 44.0% globally (*Source: IMR report*). A tender-assist drilling rig is a type of offshore drilling rig that uses a support vessel to provide essential services such as power and amenities and working, accommodation and storage space. At the offshore location, the rig uses its mooring system to station next to the O&G platform. The drilling package will be lifted and placed onto the O&G platform, while the vessel will remain in place to provide electrical power source and other services to support the drilling operations. Due to the rig's self-erecting capability, upon the completion of drilling activities, the rig is able to rig-down and move on to the next O&G platform, thereby enabling efficiency and sustainability for the clients.

As at the LPD, the Group specialises in providing drilling services for the following types of tender-assist drilling rigs:

- (i) semi-tender drilling rig – a drilling rig that is semisubmersible and is suitable for deepwater offshore O&G activities; and
- (ii) barge tender drilling rig – a drilling rig on a flat-bottomed barge design and is suitable for shallower water offshore O&G activities but provides larger storage capabilities.

The number of rigs operated by the Group during the financial years under review between FYE 2021 and FYE 2025 are as follows:

Number of rigs	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Semi-tender drilling rigs	7	6	5	5	5
Barge tender drilling rigs	8	8	6	6	6
Total	15	14⁽¹⁾	11⁽²⁾	11	11

Notes:

- (1) The decrease in the number of rigs from 15 in FYE 2021 to 14 in FYE 2022 was due to the disposal of a rig, namely Sapura Menang.
- (2) The decrease in the number of rigs from 14 in FYE 2022 to 11 in FYE 2023 was due to the disposal of 3 rigs, namely Sapura T-19, Sapura T-20, and Sapura Setia.






The Group offers drilling services as a contractual package inclusive of the rig and operations personnel to manage the rig and to carry out other operational activities on the rig. Drilling contracts are based on daily income rate, either for a fixed period of time or for the number of well drilled. This is regardless of the production outcome.

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

As at the LPD, the Group owns 11 vessels to support its drilling activities, comprising 5 semi-tender rigs and 6 barge (“TAD”) rigs.







Semisubmersible tender rigs

Rigs	Sapura Alliance	Sapura Berani	Sapura Esperanza	Sapura Jaya	Sapura Pelaut
					
Design	KFELS SSST3300E	KFELS SSST3600-GOM-C42	KFELS SSST-3600E	KFELS SSST3600E-GOM-C42	FELS SSST800 / Petrodrill
Rig type	Semi-tender TAD rig	Semi-tender TAD rig	Semi-tender TAD rig	Semi-tender TAD rig	Semi-tender TAD rig
Year built / Age as at the LPD	2001 / 24 years (latest modification done in 2003)	2006 / 19 years	2013 / 12 years	2011 / 14 years	1994 / 31 years (latest modification done in 2020)
Hull size: length x breadth x depth	308 ft x 128 ft x 55 ft	308 ft x 118 ft x 67 ft	308 ft x 118 ft x 66 ft	308 ft x 118 ft x 67 ft	308 ft x 128 ft x 52 ft
Water depth (ft)	34 – 6,000	32 – 6,000	32 – 6,000	32 – 6,000	32 – 800
Drilling depth (ft)	30,000	30,000	30,000	30,000	30,000
Country of registration	Panama	Panama	Panama	Panama	Panama

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

TAD rigs

Rigs	Sapura T-9	Sapura T-10	Sapura T-11	Sapura T-12	Sapura T-17	Sapura T-18
						
Design	Flat bottom barge	Flat bottom barge	Flat bottom barge	Flat bottom barge	Flat bottom barge	Flat bottom barge
Country of registration	Panama	Panama	Panama	Panama	Panama	Panama
Rig type	Barge TAD rig	Barge TAD rig	Barge TAD rig	Barge TAD rig	Barge TAD rig	Barge TAD rig
Year built / Age as at the LPD	2004 / 21 years	2007 / 18 years	2008 / 17 years	2010 / 15 years	2013 / 12 years	2013 / 12 years
Hull size; length x breadth x depth	320 ft x 90 ft x 37.3 ft	320 ft x 90 ft x 37.3 ft	320 ft x 90 ft x 37.3 ft	320 ft x 90 ft x 37.3 ft	320 ft x 90 ft x 37.3 ft	320 ft x 90 ft x 37.3 ft
Water depth (ft)	30 – 6,000	30 – 6,000	30 – 6,000	30 – 6,000	30 – 6,000	30 – 6,000
Drilling depth (ft)	30,000	30,000	30,000	30,000	30,000	30,000

[The remainder of this page is intentionally left blank]

3.3 O&M services

The Group has the expertise and capabilities to provide the following O&M services for offshore O&G platforms:

(i) Topside maintenance

Topside maintenance services for offshore O&G platforms typically entails preventive and corrective maintenance works, as well as modification works carried out on the O&G platforms. The Group has the experience and skills to manage and carry out activities including, among others, minor facility upgrades, procurement of materials, assembly and fabrication, removal and installation, inspection and testing of various systems to meet optimal operational and safety requirements.

To support the provision of topside maintenance services, the Group has onshore fabrication facilities at Teluk Kalong, Terengganu and Labuan with capabilities to undertake modification and fabrication of fittings; as well as the welding of subsea components and steel structures. The Group also has 3 accommodation workboats and 1 accommodation work barge to support the provision of topside maintenance services, and hook-up and commission.

(ii) HUC

Hook-up involves the connection of all O&G structures, subsea pipelines, equipment and systems, as well as integration of the various processes and control systems of the CPP, WHP and other subsea components. Thereafter, commissioning takes place, which involves the inspection and testing to ensure and verify that all of the abovementioned components are operating efficiently, optimally and safely on the offshore O&G platform.

The various commissioning activities includes, among others, the following:

- cleaning and inspection of the subsea pipelines;
- gauging process to ensure unwanted bends or buckles are not present;
- hydro testing to ensure the integrity of the subsea pipelines and the connections are secured;
- functional testing of equipment, as well as controls and safety systems;
- electrical and instrumentation site acceptance testing and site integration testing;
- flow testing to assess flow characteristics of O&G in the system;
- control system testing for the monitoring and managing of the flow of O&G; and
- testing of the safety and communication system at the CPP's topside control and command centre.

The Group can provide HUC services for:

- Brownfield rejuvenation and modification - refers to the redevelopment, modifications, rejuvenation of existing offshore O&G production facilities and infrastructure, in order to extend their productive life or to enhance efficiency and effectiveness of the O&G production field;
- Greenfield O&G platform development – refers to the HUC of new O&G platforms.

While the Group has the capabilities to provide the full range of HUC services, at times certain part of the scope of HUC work are outsourced, for example, pre-commissioning activities which require specialised expertise or proprietary technology. The Group will undertake the monitoring and management of the subcontractors, and will be responsible for their works, materials and equipment as specified in the contract.

(iii) Subsea services

Subsea services focus on enhancing the lifespan and efficiency of offshore O&G infrastructure through inspection, repair, maintenance (IRM), and the construction of subsea components and pipelines. The Group supports these operations with diving support vessels, remotely operated vehicles and integrated diving systems.

The diving systems, built into the diving support vessels, include air dive systems for shallow operations up to 30 metres and saturation dive systems for extended deep-water work beyond 30 metres. This integrated setup ensures a stable and efficient platform for safe underwater operations, enabling the Group to effectively meet the challenges of maintaining and constructing subsea infrastructure.

The Group has specially-trained skilled manpower involved in managing the diving systems and remotely operated vehicles operations.

(iv) Offshore Support Vessels (OSV)

The Group's fleet of offshore support vessels comprise 3 accommodation workboats, 1 accommodation work barge and 2 anchor handling tug and supply vessels. Charters are typically arranged on a time charter basis, allowing clients to lease the vessels for a specified period, either short-term or long-term, depending on their operational needs. This arrangement ensures the vessels remain productive and contribute to the Group's revenue even when not required for internal contracts. If these assets are available, they can also be deployed to support the Group's offshore operations, offering critical services such as transportation, accommodation, and logistical support for personnel and equipment.

(v) Geotechnical and survey services

The Group also offers geotechnical and survey services for offshore O&G projects to provide essential data about the seabed and subsurface conditions. This information is crucial for offshore O&G platform construction and installation activities. Part of the geotechnical services comprise site investigations to assess the conditions of seabed and subsurface to determine the feasibility of offshore O&G projects, soil testing to determine the soil composition and properties, gather data and information on the seabed profile and create detailed maps using sonar technology. Geotechnical and survey services are supported by the Group's own geotechnics vessel. The geotechnical and survey services are supported by the Group's survey vessel.

(vi) Technology services

The Group provides the following technology services:

- Maintenance Services as an Independent Service Provider (ISP) for:
 - Onshore and offshore supply and maintenance services of rotating equipment;
 - Onshore and offshore supply and maintenance of cranes; and
 - Equipment preservation, storage and maintenance.

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

- System engineering, procurement, integration, construction and commissioning of:
 - Subsea isolation valve or subsea system;
 - Offshore telecommunication structure;
 - Wellhead control panel and hydraulic power unit; and
 - Battery energy storage systems.






The Group also provides technology services, including turbine repair and maintenance, crane maintenance, and infrared imaging services. The Group, through Sapura Services Sdn Bhd, has established a joint venture with Baker Hughes Energy Systems (Malaysia) Sdn Bhd, forming Sapura Baker Hughes TPS Sdn Bhd.

Through this joint venture, the Group is involved in providing turbine services and after-sales support for rotating O&G equipment. This includes industrial and energy technology services related to equipment that Baker Hughes has sold or will sell to PETRONAS and the Petroleum Arrangement Contractors.

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

As at the LPD, the Group owns the following key vessels to support its O&M activities. The key specifications of the Group's vessels are as follows:

Vessel					
Type of vessel	Anchor handling tug and supply vessel	Anchor handling tug and supply vessel	Survey vessel	Diving support vessel	Diving support vessel
Country of registration	Malaysia	Malaysia	Malaysia	Malaysia	Malaysia
Year built / Age	2009 / 16 years	2008 / 17 years	2010 / 15 years	2008 / 17 years	2010 / 15 years
Length overall	60.00m	65.50m	61.20m	76.17m	78.00m
Accommodation	40 persons	38 persons	50 persons	75 persons	126 persons
Bollard pull	73 tonnes	100 tonnes	-		
Dynamic positioning	DP 1	DP 2	DP 1	DP2	DP2

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Vessel	Sapura Duyong	Sapura Aman	KPV Redang	S300
Type of vessel	Accommodation workboat	Accommodation workboat	Accommodation workboat	Accommodation barge
Flag	Malaysia	Malaysia	Malaysia	Malaysia
Year built / Age	2013 / 12 years	2013 / 12 years	2008 / 17 years	2008 / 17 years
Length overall	82.00m	82.00m	75.00m	111.56m
Accommodation	200 persons	200 persons	200 persons	300 persons
Cane capacity	45 tonnes	45 tonnes	25 tonnes	300 tonnes
Dynamic positioning	DP 2	DP 2	NA	N/A

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

4. ON-GOING CONTRACTS AND ORDERBOOK

As at 31 May 2025, the on-going contracts and orderbook⁽¹⁾ secured by the Group are as follows:

Client name	Company / Registration No.	Country of Incorporation	Services offered	Tenure as at the LPD	Total contract value/ PO issued as at 31 May 2025 (RM'mil)	Remaining contract value/ Estimated PO value to be issued as at 31 May 2025 (RM'mil)
E&C						
Azule Energy Angola B.V.	KYKN.: 33280664	Netherlands	T&I services	3 years 6 months: 15 June 2023 to 16 December 2026	377	782
Santos Limited	ABN: 80 007 550 923	Australia	Decommissioning services	3 years: 16 December 2024 to 31 December 2027	4	250
Enauta Energia S.A	11.253.257/0001-71	Brazil	T&I services	3 years 6 months: 28 March 2022 to 26 September 2025	36	220
Remaining contracts ⁽²⁾					306	732
Subtotal					723	1,984
O&M						
Sabah Shell Petroleum Company Limited and Sarawak Shell Berhad	192101000022 (993229-W) and 196302000066 (719780-W)	Malaysia	Subsea services	5 years: 21 February 2024 to 20 February 2029	27	683
Petronas Carigali Sdn Bhd	197801002266 (39275-U)	Malaysia	Topside maintenance, HUC	5 years: 27 September 2024 to 27 September 2029	-	549
PTTEP Sarawak Oil Limited and PTTEP Sabah Oil Limited	199802000044 (993918-M) and 199802000045 (993919-M)	Malaysia	Subsea services	5 years: 21 February 2024 to 20 February 2029	64	249
Remaining contracts ⁽³⁾					65	272
Subtotal					156	1,753

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Client name	Company / Registration No.	Country of Incorporation	Services offered	Tenure as at the LPD	Total contract value/ PO issued as at 31 May 2025 (RM'mil)	Remaining contract value/ Estimated PO value to be issued as at 31 May 2025 (RM'mil)
Drilling						
PTTEP Energy Development Limited	0105561079971	Thailand	Drilling services using Sapura T-17	8 years: 29 June 2025 to 27 June 2033	-	1,081
PTTEP Energy Development Limited	0105561079971	Thailand	Drilling services using Sapura T-18	8 years: 22 May 2025 to 20 May 2033	4	947
ExxonMobil Exploration and Production Malaysia Inc.	196502000082 (992953-X)	Malaysia	Drilling services using Sapura Berani	2 years 5 months: 15 May 2025 to 6 November 2027	8	426
Cabinda Gulf Oil Company Limited	12438	Bermuda	Drilling services using Sapura Jaya	1 year 6 months: 15 November 2024 to 15 May 2026	85	223
PTTEP Energy Development Limited	0105561079971	Thailand	Drilling services using Sapura T-12	5 years: 14 December 2022 to 13 December 2027	30	218
PTTEP Energy Development Limited	0105561079971	Thailand	Drilling services using Sapura T-11	5 years: 9 October 2022 to 8 October 2027	30	200
Remaining contracts ⁽⁴⁾					142	526
				Subtotal	299	3,621
				Grand Total	1,178	7,358

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Notes:

- (1) The list illustrates contracts that have a remaining contract value or estimated purchase order to be issued of RM200 million and above.
- (2) Comprising 48 contracts largely relating to engineering, T&I and decommissioning services.
- (3) Comprising 24 contracts relating to topside maintenance, HUC, offshore support vessel chartering, geotechnical and survey services and technology services.
- (4) Comprising 4 contracts to provide drilling services.

The total remaining contract value expected to be billed as follows:

Business segments	Recognition by financial year				Total (RM'mil)
	FYE 2026 (RM'mil)	FYE 2027 (RM'mil)	FYE 2028 (RM'mil)	FYE 2029 onwards (RM'mil)	
E&C	1,548	436	-	-	1,984
O&M	396	375	297	685	1,753
Drilling	821	865	573	1,362	3,621
Total	2,765	1,676	870	2,047	7,358

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

5. PRINCIPAL MARKETS

The Group serves the global market, with a majority of its contracts based in Asia Pacific in the past. The table below illustrates the Group's revenue by geographical region for the financial years under review between FYE 2021 and FYE 2025:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Asia Pacific	4,543,787	84.96	2,968,795	72.40	3,634,810	79.87	3,122,088	72.30
- Malaysia	2,040,424	38.15	1,614,891	39.39	2,021,504	44.42	1,381,657	31.99
- Asia (excluding Malaysia and Middle East)	2,355,910	44.05	1,153,896	28.13	1,178,230	25.89	1,417,707	32.84
- Australia	147,453	2.76	200,008	4.88	435,076	9.56	322,724	7.47
Africa	92,389	1.73	344,110	8.39	377,505	8.29	956,080	22.14
Americas	651,777	12.19	412,104	10.05	399,486	8.78	143,140	3.31
Middle East	53,912	1.01	267,569	6.53	7,408	0.16	73,576	1.70
Others (offshore projects)	5,957	0.11	107,651	2.63	132,045	2.90	23,610	0.55
Total	5,347,822	100.00	4,100,229	100.00	4,551,254	100.00	4,318,494	100.00
							4,703,130	100.00

[The remainder of this page is intentionally left blank]

6. COMPETITIVE STRENGTHS

(i) Established track record and in-house capabilities and experience

The Group has a proven track record of completing various O&G solutions and services contracts over the years. Its engineering capabilities span across activities such as engineering, T&I, HUC, fabrication, decommissioning, drilling, topside maintenance, subsea services, geotechnical and survey services and technology services, amongst others.

Its expertise in O&G projects also extends to EPRD services as an extension to decommissioning projects, which is a growth area for the Group. Its experience in decommissioning services include platform removals in Malaysia, Thailand, and New Zealand.

The Group has an in-house team with the required engineering capabilities to undertake its wide range of O&G support services. As at the LPD, the Group has 1,482 personnel in its E&C, drilling and O&M segments. Thus, this allows the Group to control the quality of its services as well as promptness of service delivery to its clients.

The Group's experience, track record and in-depth knowledge of the O&G industry have thus far contributed to its reputation and recognition within the industry,

(ii) Have a fleet of vessels to support the provision of services and generate additional revenue stream

As at the LPD, the Group owns a fleet of vessels, comprising 1 subsea construction vessel, 1 floatover launch barge, 2 anchor handling tugs and supply vessels, 1 survey vessel, 2 diving support vessels, 3 accommodation workboats and 1 accommodation barge. Apart from that, the Group also has 25 remotely operated vehicles and 6 integrated diving systems to provide subsea services. It also owns 5 semi-tender TAD rigs and 6 barge TAD rigs for our Groups' drilling segment. The Group also has 3 fabrication yards to support fabrication and decommissioning of O&G structures. Further details on its fleet of vessels are elaborated in **Section 3.1**, Appendix I(B) of this Circular. Through a number of joint venture and associate companies, the Group also owns a derrick-lay vessel and 6 pipelay support vessels.

Thus, this allows the Group to cater to different types of O&G solutions and services, as elaborated below:

- (a) The Group has a wide range of vessels for different purposes. For example, its derrick-lay vessels allow for T&I works while accommodation boats and barges allow for the accommodation of O&G personnel and storage of supplies. Meanwhile, anchor handling tugs and support vessels allows for the mooring of anchors and transportation of supplies and O&G personnel.

As these vessels have their functions, the Group can deploy and mobilise these vessels to provide a wide range of O&G solutions and services;

- (b) The Group has vessels of varying capabilities and features to cater to different environments and client requirements

Within each type of vessel, each vessel also has different capabilities in terms of lifting capability, deepwater lowering depths and accommodation facilities, and additional functions such as diving support vessels which includes air dive and saturation dive systems. The Group also has vessels that are equipped with different mooring systems, i.e. 4-point and 8-point mooring system as well as DP1 and DP2 system. This provides the Group with a range of vessels that are suited to various environments such as congested seabed conditions, different water depths as well as client requirements in terms of cost and specifications.

(iii) The Group has O&G solutions and services to cater to different segments of the upstream O&G value chain

The Group has a diversified portfolio of O&G solutions and services that it can offer to cater for various sub-segments within the upstream O&G industry. The Group's solutions and services are required in the engineering and construction, production, O&M and rejuvenation and decommissioning stages of an O&G project lifecycle, as illustrated in **Section 1**, Appendix I(B) of this Circular.

This not only allows it to tender for a wider range of O&G contracts, but also reduces the risk of over-reliance on a single stage of the O&G project lifecycle. As such, the Group is not overly dependent on capital expenditures by O&G companies on new projects catering for engineering and construction stage of the O&G project lifecycle. This is because offshore oilfield activities will still need to be carried out for production and O&M, and to decommission offshore O&G platforms despite a slowdown in capital expenditure on the engineering and construction of new O&G platforms.

(iv) Strong and experienced key senior management team

The Group is managed by an experienced key senior management team. It is thus able to leverage on its Board and key senior management team's broad range of expertise and vast experience to provide the Group with insights on the needs and market conditions of the O&G industry, which allow the Group to better serve its clients. Further, the Group is also able to leverage on the Board's network and reputation when securing new contracts. The details of the Group's key senior management are set out in **Section 7.2**, Part A of this Circular.

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

7. MAJOR CUSTOMERS

The Group's top 5 customers for the FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are as follows:

FYE 2021

Major customers	Registration Number	Country of Incorporation	Business segment	Length of relationship as at the LPD	Revenue contribution ⁽¹⁾	
					RM'000	%
MDC Oil and Gas (SK320) Limited	0995250P / 201002000016	Malaysia	E&C	14 years	562,833	10.5
Brunei Shell Petroleum Company Sdn Bhd	RC000000001	Brunei	E&C, drilling and O&M	35 years	556,434	10.4
Oil Natural Gas Corporation Limited	L74899DL1993G OI054155	India	E&C	16 years	523,974	9.8
Hokchi Energy S.A de C.V.	HEN151106K49	Mexico	E&C	8 years	516,474	9.7
Petronas Carigali Sdn Bhd	0039275U / 197801002266	Malaysia	E&C, drilling and O&M	3 years	370,328	6.9
Total revenue from top 5 major customers					2,530,043	47.3
Total Revenue					5,347,822	

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

FYE 2022

Major customers	Registration Number	Country of Incorporation	Business segment	Length of relationship as at the LPD	Revenue contribution ⁽¹⁾	
					RM'000	%
Brunei Shell Petroleum Company Sdn Bhd	RC00000001	Brunei	E&C, drilling and O&M	35 years	486,535	11.9
Petronas Carigali Sdn Bhd	0039275U / 197801002266	Malaysia	E&C, drilling and O&M	35 years	454,440	11.1
ENI Mexico S. de R.L. de C.V.	EME151002N61	Mexico	E&C	8 years	405,316	9.9
Hess Exploration and Production Malaysia B.V.	093963V / 199902000037	Malaysia	E&C and O&M	16 years	266,679	6.5
Total E&P Golfe Ltd	823 769 781 RCS Nanterre	France	E&C	5 years	263,616	6.4
Total revenue from top 5 major customers					1,876,586	45.8
Total Revenue					4,100,229	

FYE 2023

Major customers	Registration Number	Country of Incorporation	Business segment	Length of relationship as at the LPD	Revenue contribution ⁽¹⁾	
					RM'000	%
Hess Exploration and Production Malaysia B.V.	093963V / 199902000037	Malaysia	E&C and O&M	16 years	669,591	14.7
Petronas Carigali Sdn Bhd	0039275U / 197801002266	Malaysia	E&C, drilling and O&M	35 years	650,568	14.3
Brunei Shell Petroleum Company Sdn Bhd	RC00000001	Brunei	E&C, drilling and O&M	35 years	350,398	7.7
MDC Oil and Gas (SK320) Limited	0995250P / 201002000016	Malaysia	E&C and O&M	14 years	251,480	5.5
Sarawak Shell Berhad	196302000066 (719780-W)	Malaysia	E&C and drilling	47 years	196,658	4.3
Total revenue from top 5 major customers					2,118,695	46.5
Total Revenue					4,551,254	

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

FYE 2024

Major customers	Registration Number	Country of Incorporation	Business segment	Length of relationship as at the LPD	Revenue contribution⁽¹⁾	
					RM'000	%
ENI Congo S.A.	CG-PNR-01-2002-B14-00052	Republic of the Congo	E&C	3 years	661,721	15.3
Chevron Thailand Exploration and Production Limited	0100536023947	Bermuda	E&C	6 years	532,902	12.3
PTTEP Energy Development Co. Ltd	0105561079971	Thailand	Drilling	25 years	369,849	8.6
Petronas Carigali Sdn Bhd	0039275U / 197801002266	Malaysia	E&C, drilling and O&M	35 years	308,879	7.2
Sarawak Shell Berhad	196302000066 (719780-W)	Malaysia	E&C and drilling	47 years	239,718	5.5
Total revenue from top 5 major customers					2,113,069	48.9
Total Revenue					4,318,494	

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

FYE 2025

Major customers	Registration Number	Country of Incorporation	Business segment	Length of relationship as at the LPD	Revenue contribution⁽¹⁾	
					RM'000	%
Petronas Carigali Sdn Bhd	0039275U / 197801002266	Malaysia	E&C, drilling and O&M	34 years	618,391	13.1
Azule Energy Angola B.V.	33280664	Netherland	E&C	2 years	506,814	10.8
ENI Congo S.A.	CG-PNR-01-2002-B14-00052	Republic of the Congo	E&C	2 years	402,389	8.6
PTTEP Energy Development Co. Ltd	0105561079971	Thailand	Drilling	24 years	373,213	7.9
Cabinda Gulf Oil Company Limited	12438	Bermuda	E&C, Drilling	16 years	301,834	6.4
Total revenue from top 5 major customers					2,202,641	46.8
Total Revenue					4,703,130	

For the FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FYE 2025 the Group's top five (5) customers contributed 47.3%, 45.8%, 46.5%, 48.9% and 46.8%, respectively, of its total revenue over the corresponding years.

Due to the nature of the Group's business, which is on project basis, the contracts secured from any given customer may contribute a significant portion to the Group's annual revenue for a given year. However, the Group is not dependent on any of the customers and thus, the Group's top 5 customers may vary from year-to-year though the implementation of such contracts can often spread across a few financial years.

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

8. MAJOR SUPPLIERS

The top 5 suppliers of the Group for FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are as follows:

FYE 2021

Major suppliers	Company / Registration No.	Country of Incorporation	Products / Services supplied	Length of relationship as at the LPD	Total purchases ⁽¹⁾	
					RM'000	%
Eisenbau Kramer GMBH	HRB 1718	Germany	Pipes and related products	5 years	231,666	9.0
Petronas Dagangan Berhad	198201008499 (88222-D)	Malaysia	Supply of fuels, chemicals and lubricants	10 years	60,560	2.3
Nouvo Pignone International S.R.L.	4880930484	Italy	Rental of equipment	10 years	45,768	1.8
Baker Hughes Energy Systems (Malaysia) Sdn Bhd	199301010023 (264760-T)	Malaysia	Manpower services	10 years	36,428	1.4
Asiaflex Products Sdn Bhd	200701017805 (775816-A)	Malaysia	Pipes and related products	9 years	30,536	1.2
Total purchases from top 5 major supplier					404,958	15.7
Total purchases					2,585,168	

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

FYE 2022

Major suppliers	Company / Registration No.	Country of Incorporation	Products / Services supplied	Length of relationship as at the LPD	Total purchases⁽¹⁾	
					RM'000	%
Bintang Subsea Ventures (M) Sdn Bhd	200901040625 (883771-V)	Malaysia	Vessel chartering	6 years	87,978	2.4
Boskalis Westminster Contracting Limited	31087	Qatar	Vessel chartering	4 years	87,749	2.4
Petronas Dagangan Berhad	198201008499 (88222-D)	Malaysia	Supply of fuels, chemicals and lubricants	10 years	75,486	2.1
Ultra Deep Subsea Pte Ltd	201413989R	Singapore	Vessel chartering and rental equipment	10 years	68,071	1.9
EEW Malaysia Sdn Bhd	200801017737 (819033-K)	Malaysia	Pipes and related products	10 years	49,464	1.4
Total purchases from top 5 major supplier					368,748	10.2
Total purchases					3,606,353	

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

FYE 2023

Major suppliers	Company / Registration No.	Country of Incorporation	Products / Services supplied	Length of relationship as at the LPD	Total purchases⁽¹⁾	
					RM'000	%
Mermaid Subsea Services (M) Sdn Bhd	201801002195 (1264208-U)	Malaysia	Vessel chartering and supply of equipment	6 years	119,610	4.1
Halliburton Energy Services (M) Sdn Bhd	198601002043 (151186-V)	Malaysia	Integrated rig drilling completion project (iRDC)	4 years	105,978	3.6
Tumpuan Megah Development Sdn Bhd	200701040866 (798898-A)	Malaysia	Supply of fuels, chemicals and lubricants	10 years	42,074	1.4
Petroship Sdn Bhd	201901035887 (1345217-H)	Malaysia	Vessel chartering	3 years	33,895	1.2
Navarro's Brokerage Limited	N547C	Trinidad and Tobago	Supply of fuels, chemicals and lubricants	3 years	33,185	1.1
Total purchases from top 5 major supplier					334,742	11.4
Total purchases					2,906,389	

FYE 2024

Major suppliers	Company / Registration No.	Country of Incorporation	Products / Services supplied	Length of relationship as at the LPD	Total purchases⁽¹⁾	
					RM'000	%
Bourbon Gaia Supply SAS	498837079	France	Vessel chartering	2 years	128,198	4.5
Kerry Project Logistics (Congo) S.A.R.L.U	M2014110000027079	Republic of the Congo	Husbandry service	3 years	97,354	3.4
Pegasus First Holding Limited	401431	Cayman Islands	Vessel chartering	2 years	86,090	3.0
Trans Asia Energy Services (UK) Limited	635762	United Kingdom	Provision of pre- construction, installation and positioning survey services	2 years	74,675	2.6
Rina Consulting S.P.A	3476550102	Italy	Geotechnical survey	2 years	62,748	2.2
Total purchases from top 5 major supplier					449,065	15.7
Total purchases					2,823,073	

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

FYE 2025

Major suppliers	Company / Registration No.	Country of Incorporation	Products / Services supplied	Length of relationship as at the LPD	Total purchases⁽¹⁾	
					RM'000	%
Boubon Surf Marine Internacional	511134690	Portugal	Vessel chartering	1 year	137,665	4.8
Shanghai Salvage Company	913101101322001196	China	Supply of material for maintenance and repair	1 year	79,319	2.7
Bessac Angola (SU) LDA	5002214121	Angola	Outsourced subsea services	Less than 1 year	69,903	2.4
Bessac International	440776243	France	Outsourced subsea services	1 year	68,956	2.4
Helix Robotics Solutions Limited	SC210524	United Kingdom	Vessel chartering	1 year	63,609	2.2
Total purchases from top 5 major supplier					419,452	14.5
Total purchases					2,892,377	

For the FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FYE 2025, purchases from its top 5 suppliers amounted to 15.7%, 10.2%, 11.4%, 15.7% and 14.5% of its total purchases over the corresponding period. The Group not dependent on any single supplier as it is able to source similar products and services from other suppliers in Malaysia and overseas.

[The remainder of this page is intentionally left blank]

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

9. MATERIAL LICENCES AND PERMITS

As at the LPD, save as disclosed below, there are no major approvals, licences, and permits which will materially affect the Group's ability to continue its business operations.

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
PETRONAS	Sapura Drilling Asia Sdn Bhd	Licence to supply product / service to exploration and oil / gas companies in Malaysia	197601000806	25 July 2023 to 25 August 2026	<ol style="list-style-type: none"> Company is required to register, obtain a licence, permit or authorisation from the relevant authority to carry out the services or supply of product or material used in company's operation and activities. This licence is not transferable to any company/other party. This licence will be revoked if the company is found to be in the process of liquidation, winding-up or dissolution. Company shall inform PETRONAS on any changes related to company's position such as equity ownership, board of directors and management staff within 14 days. Failure to do so can result in revocation of this licence. Company should take immediate action to adhere to the special conditions imposed as stated in the appendix of the PETRONAS licence certificate and to inform PETRONAS on the progress of this action. 	Complied
PETRONAS	Sapura Fabrication	Licence to supply product / service to exploration and oil / gas companies in Malaysia	198201003562	30 May 2024 to 10 June 2027		Complied
PETRONAS	Sapura Geosciences	Licence to supply product / service to exploration and oil / gas companies in Malaysia	198801003067	9 January 2024 to 10 January 2027		Complied
PETRONAS	Sapura Nautilus	Licence to supply product / service to exploration and oil / gas companies in Malaysia	200901039320	21 February 2024 to 20 February 2027		Complied
PETRONAS	Sapura Offshore	Licence to supply product / service to exploration and oil / gas companies in Malaysia	199001007042	31 October 2023 to 2 November 2026		Complied
PETRONAS	Sapura Pinewell	Licence to supply product / service to exploration and oil / gas companies in Malaysia	199901010868	5 July 2023 to 4 July 2026		Complied
PETRONAS	Sapura Power Services Sdn Bhd	Licence to supply product / service to exploration and oil / gas companies in Malaysia	199501042387	11 April 2023 to 16 April 2026		Complied
PETRONAS	Sapura Subsea	Licence to supply product / service to exploration and oil / gas companies in Malaysia	198801008937	8 May 2024 to 7 May 2027		Complied

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
PETRONAS	Sapura Technology	Licence to supply product / service to exploration and oil / gas companies in Malaysia	199201003330	23 November 2023 to 22 November 2026	6. Company is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from PETRONAS.	Complied
PETRONAS	Sarku Engineering	Licence to supply product / service to exploration and oil / gas companies in Malaysia	197301000824	5 August 2024 to 2 September 2027	7. This licence is only valid for services and supply of products as stated in the appendix of the PETRONAS licence certificate. 8. This company can be penalised if in PETRONAS' opinion, it has conducted one or more of the following: a. Failed to execute the award job until completion. b. Failed to perform a contractual obligation or any other obligation under the law to partners, principals, agents, sub-contractors and others. c. Received garnishee order. d. Facing bankruptcy action. e. Cannot be traced through the last address.	Complied

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
					<p>f. Sub-contract work to another contractor without written permission from PETRONAS.</p> <p>g. Reject any contract or tender awarded.</p> <p>h. Entering or accepting contract or tender during the licence suspension period.</p> <p>i. Provide false, inaccurate or misleading information.</p> <p>j. Does not follow tender's regulations and ethics including but not only limited to sending poison-pen letters, bribing or lobbying.</p> <p>k. Engaged in any inappropriate activities with this licence.</p> <p>9. According to Act 9, Petroleum Acts 1974, a person who initiate or continue any business or continue providing services as mentioned in Act 3 without a licence or do not comply with any condition of the licence is committing a crime and can be fined not exceeding RM50,000.00 or imprisonment for a period not more than 2 years or both and in respect of each continuous</p>	

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
					<p>crime, it is subject to further fine of RM1,000.00 for every 1 day or any part of 1 day which the offense continues after the first conviction is recorded.</p> <p>10. The company either by itself, through its employees, directors, agents or its employees:</p> <p>a. Not allowed to use the logo of the PETRONAS's oil drop or the word "PETRONAS" or use any mark, logo or words or wearing typeface, font, which resembles the appearance or colour trademarks owned or used by PETRONAS or its subsidiaries in any form whether in printing materials, websites or hand board; and</p> <p>b. Not allowed to perform any act or in any way either directly or indirectly admits that it is a partner or have any connection/relationship with PETRONAS and/or its subsidiaries, UNLESS AND EXCEPT company is allowed to use reference [Company] is licenced by PETRONAS [No. licence], under Act 3 Petroleum Act 1974.</p>	

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance												
CIDB	Sapura Fabrication	<p>Certificate of registration certifying Sapura Fabrication has been registered as a contractor with the CIDB in accordance with the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 as follows:</p> <table><thead><tr><th>Grade</th><th>Category</th><th>Specialisation</th></tr></thead><tbody><tr><td>G7</td><td>B</td><td>B02 B04 B12 B13</td></tr><tr><td>G7</td><td>CE</td><td>CE01 CE02 CE03 CE09 CE10 CE15 CE16 CE21 CE36 CE40</td></tr><tr><td>G7</td><td>ME</td><td>M01 M02 M08 M10 M11 M15 M19</td></tr></tbody></table> <p>Status: Active</p>	Grade	Category	Specialisation	G7	B	B02 B04 B12 B13	G7	CE	CE01 CE02 CE03 CE09 CE10 CE15 CE16 CE21 CE36 CE40	G7	ME	M01 M02 M08 M10 M11 M15 M19	1970721-JH040534	Date of registration: 21 July 2000 Commencement date: 27 October 2022 Expiry date: 24 October 2025	11. This licence may be revoked, suspended or blacklisted at any time if any of the above conditions, general conditions of PETRONAS licence and registration and any other conditions set in PETRONAS Licence and Registration General Guidelines are not fulfilled. 1. General conditions: a. This certificate is not transferable. b. CIDB reserves the right to review the registration grade of the contractor from time to time. 2. Responsibilities and obligations of the contractor a. The contractor shall comply with the provisions of the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994, the regulations made thereunder and any term, condition or restriction imposed by CIDB from time to time. b. The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate until it is renewed.	Complied
Grade	Category	Specialisation																
G7	B	B02 B04 B12 B13																
G7	CE	CE01 CE02 CE03 CE09 CE10 CE15 CE16 CE21 CE36 CE40																
G7	ME	M01 M02 M08 M10 M11 M15 M19																

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance												
CIDB	Sapura Offshore	<div>Certificate of registration certifying Sapura Offshore has been registered as a contractor with the CIDB in accordance with the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 as follows:</div> <table><thead><tr><th>Grade</th><th>Category</th><th>Specialisation</th></tr></thead><tbody><tr><td>G7</td><td>B</td><td>B04</td></tr><tr><td>G7</td><td>CE</td><td>CE09 CE15 CE16 CE21</td></tr><tr><td>G7</td><td>ME</td><td>M15</td></tr></tbody></table> <div>Status: Active</div>	Grade	Category	Specialisation	G7	B	B04	G7	CE	CE09 CE15 CE16 CE21	G7	ME	M15	1970324-SL026100	<div>Date of registration: 12 February 2000</div> <div>Commencement date: 13 July 2022</div> <div>Expiry date: 9 August 2025</div>	<div>c. The contractor shall not undertake any construction project which exceeds the value of construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies).</div> <div>d. The contractor shall submit information regarding any new construction works or contract(s) within 14 days of the award or prior to commencement of works, whichever the earlier.</div> <div>e. The contractor shall submit any information required by CIDB from time to time.</div> <div>f. The contractor shall display the certificate of registration issued by CIDB or a certified true copy of the same by CIDB at the place of business.</div> <div>g. The contractor shall display its registration number on the signboard at each construction site.</div>	Complied
Grade	Category	Specialisation																
G7	B	B04																
G7	CE	CE09 CE15 CE16 CE21																
G7	ME	M15																
CIDB	Sapura Pinewell	<div>Certificate of registration certifying Sapura Pinewell has been registered as a contractor with the CIDB in accordance with the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 as follows:</div> <table><thead><tr><th>Grade</th><th>Category</th><th>Specialisation</th></tr></thead><tbody><tr><td>G7</td><td>B</td><td>B04</td></tr><tr><td>G7</td><td>CE</td><td>CE 15 CE21</td></tr><tr><td>G7</td><td>ME</td><td>M15</td></tr></tbody></table> <div>Status: Active</div>	Grade	Category	Specialisation	G7	B	B04	G7	CE	CE 15 CE21	G7	ME	M15	0120001012-PH060343	<div>Date of registration: 12 October 2000</div> <div>Commencement date: 3 July 2025</div> <div>Expiry date: 24 June 2028</div>		Complied
Grade	Category	Specialisation																
G7	B	B04																
G7	CE	CE 15 CE21																
G7	ME	M15																

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance												
CIDB	Sapura Subsea	<div>Certificate of registration certifying Sapura Subsea has been registered as a contractor with the CIDB in accordance with the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 as follows:</div> <table><thead><tr><th>Grade</th><th>Category</th><th>Specialisation</th></tr></thead><tbody><tr><td>G7</td><td>B</td><td>B04</td></tr><tr><td>G7</td><td>CE</td><td>CE16 CE21</td></tr><tr><td>G7</td><td>ME</td><td>M15</td></tr></tbody></table> <div>Status: Active</div>	Grade	Category	Specialisation	G7	B	B04	G7	CE	CE16 CE21	G7	ME	M15	1970301-WP023903	<div>Date of registration: 1 March 2000</div> <div>Commencement date: 16 September 2022</div> <div>Expiry date: 19 September 2025</div>	<div>h. The contractor shall apply for renewal of registration within 60 days before the expiry date specified in this certificate.</div> <div>i. The contractor shall comply with all the requirements in the Contractor's Code of Ethics.</div> <div>j. The contractor shall employ skilled construction workers and site supervisors who are accredited and certified by CIDB.</div> <div>k. All employees at the construction site must have valid construction personnel identification cards.</div> <div>3. Disciplinary Actions</div> <div>The contractor's registration shall be revoked or suspended if:</div> <div>a. The contractor fails to comply with the requirement of any other written law;</div> <div>b. The contractor has been adjudicated bankrupt;</div> <div>c. A winding-up petition in relation to the contractor has been presented;</div>	Complied
Grade	Category	Specialisation																
G7	B	B04																
G7	CE	CE16 CE21																
G7	ME	M15																

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
					<p>d. The contractor contravenes or fails to comply with any provision of the Lembaga Pembinaan Industri Pembinaan Malaysia Act 1994;</p> <p>e. The contractor has obtained the certificate by making or causing to be made any false or fraudulent declaration, certification or representation either in writing or otherwise;</p> <p>f. The contractor has abandoned any construction works undertaken without good reason;</p> <p>g. The contractor is found negligent by the court or any board of enquiry established under any written law in connection with any construction works undertaken; or</p> <p>h. The contractor contravenes any of the contractor's responsibilities and obligations as specified in paragraph 2.</p>	

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
					4. Pursuant to Regulation 13 of the Registration of Contractors (Construction Industry) Regulations 1995, a registered contractor shall notify CIDB of any change in its capital, ownership or its board of directors or management within 30 days of the change.	
DOSH	Sapura Fabrication	Certificate of registration as competent firm (petroleum contractor) Scope: KPD 01, KPL 01	JKKP/2021/26/35	19 July 2024 to 19 July 2027	1. Prior to the commencement of any installation work, the company must first obtain permission to install from DOSH.	Complied
DOSH	Sapura Offshore	Certificate of registration as competent firm (petroleum contractor) Scope: KPL 01, KPN 01	JKKP/2022/26/77	3 June 2025 to 2 June 2028	2. All installation works after the permission to install has been obtained must be done by the certificate holder only. 3. Welding work must be completed by a welder approved by DOSH or any inspection authority recognised by DOSH in accordance with the Approved Welding Procedure Specifications. All welding works shall be carried out under close supervision by the company's own quality control officer. 4. Company must provide sufficient occupational safety and health training to the employees to ensure that employees work in safe conditions.	Complied

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
					<p>5. Company must ensure that petroleum equipment installed such as valves, devices and etc. have been approved.</p> <p>6. Company must submit the application for renewal of registration at least 3 months before the expiry date.</p>	
Ministry of Finance	Sapura Fabrication	Certification of registration in respect of 10 field codes to manage government procurement works	K1170177901332 8544	5 October 2022 to 4 October 2025	<p>1. Company shall ensure that the field registered in the certificate do not overlap with the field that has received approval by any companies that:</p> <p>a. comprise the same owner or board of directors, management and employees; or</p> <p>b. operate in the same premises.</p>	Complied
Ministry of Finance	Sapura Technology	Certification of registration for government procurement in respect of 5 field codes to manage government procurement works	K6650015092363 9691	4 October 2023 to 3 October 2026	<p>2. Newly registered companies are not allowed to make any changes to the shareholding or Directors during the period of six (6) months from the date the Company is incorporated.</p> <p>3. Company must submit the application for renewal within 3 months prior to the expiry date of the certificate.</p> <p>4. Company must ensure that the registration with the MOF remains valid throughout the enforcement period of the contract.</p>	Complied

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
MITI	Sapura Fabrication	Manufacturing licence for offshore structure jacket, module, metering skid, offshore oil rig, tug boat and barges	A 012293	Issuance date: 17 October 2017 Commencement date: 23 May 2000 Expiry date: Nil	<p>1. Factory site: Plot D-1, Lumut Port Industrial Park, Mukim of Lumut, District of Manjung, 32000 Lumut, Perak Darul Ridzuan.</p> <p>The address stated in the licence is subject to approval by the State Government and Department of Environment.</p> <p>2. At least 70.00% of the shares of the company must be purchased and held by Malaysian citizens, including at least 30.00% to be reserved. The approval of MITI and Malaysian Investment Development Authority must be obtained for disposal of shares in the company.</p> <p>3. The company must train Malaysian citizens in order to transfer technology and expertise to every level/position.</p> <p>4. The company must undertake its projects as approved in accordance with the legislations and other applicable regulations in Malaysia.</p>	Complied

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

Issuing Authority	Company	Description of approval / licences / permit	Licences / Permit / Tender / Certificate No.	Validity Period	Salient Conditions	Status of Compliance
Tenaga Nasional Berhad	Sapura Technology	Certificate of registration as supplier and services contractor with Tenaga Nasional Berhad under the following categories: 110202, 140203, 210201, 210202, 210203	3000339	From 30 May 2024 to 3 October 2026	The validity of the registration is subject to the validity period of the certificates of registration issued by Ministry of Finance, CIDB and other relevant professional certificates.	Complied

Additionally, the Group holds relevant approvals, licences, registrations, and permits required for the operation of its drilling, E&C and O&M activities. This includes amongst others the following which are voluminous, but is not limited to:

- (a) certifications to verify vessel's compliance with applicable international regulations and standards based on different class as issued by American Bureau of Shipping and Det Norske Veritas;
 - (b) certificates of registration of vessels issued by Jabatan Laut Malaysia and Panama Maritime Authority;
 - (c) certifications to verify the ship's compliance with applicable international regulations and standards issued by Royal Institution of Naval Architects and Lloyd's Register of Shipping (M) Sdn Bhd. and certificate of qualification machinery issued by DOSH;
 - (d) licence in relation to storing raw materials and manufacturing goods issued by Royal Malaysian Customs Department, licences to purchase and to store controlled goods issued by Ministry of Domestic Trade and Consumer Affairs, licences for domestic shipping issued by Domestic Shipping Licensing Board and licence each for licensing of ship repair and licence for radiostation issued by Johor Port Authority and Panama Maritime Authority respectively; and
 - (e) approvals from Johor Port Berhad and BNM,
- for the continued operation of the Group's business.

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

10. DEPENDENCY ON CONTRACTS/ARRANGEMENTS/LICENCES/PATENTS

Save for the licences and permits detailed in **Section 9**, Appendix I(B) of this Circular which are required for the Group's day-to-day operations, the Group is not materially dependent on any single contract, arrangement, licence or patent.

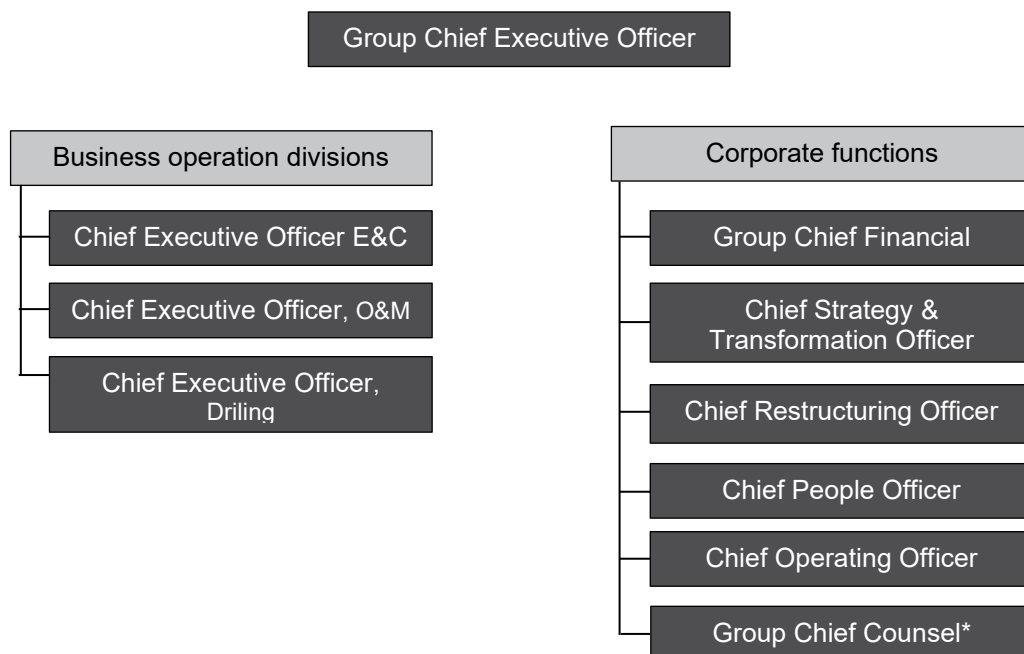
11. MATERIAL CAPITAL EXPENDITURE AND DIVESTITURE

As at the LPD, the Group estimates that it will be required to incur material capital expenditure for property, plant and equipment approved and not provided amounting to approximately RM85.3 million. However, such capital expenditure has not been approved and/or contracted as at the LPD.

12. KEY SENIOR MANAGEMENT AND EMPLOYEES

12.1 Overview of the Group's operational structure

The Group's operational structure is as follows:



Note:

* Position is vacant as at the LPD.

Employees

As at the LPD, the Group has a total of 2,096 employees. The number of employees for each business unit is as follows:

Category	Number of employees
Corporate	614
Drilling	125
E&C	987
O&M	370
Total	2,096

12.2 Profiles of key senior management team

The details of the Group's key senior management are set out in **Section 7.2**, Part A of this Circular.

13. RISK MANAGEMENT AND INTERNAL CONTROL REVIEW RESULTS

As part of the Proposed Regularisation Plan, an internal control review exercise was conducted by PricewaterhouseCoopers Risk Services to assess the state of risk management and internal control systems of the Company. The review was fundamentally anchored on the following:

- key controls within the agreed areas of review from a design of controls and implementation of controls perspective.
- initial assessment over the specific areas were reviewed in a wider context that affects the overall control environment of the organisation.
- ecosystem on how the governance oversight, policies and framework are laid out and how those are institutionalised to support decision making. The review also assessed specific key controls within the agreed areas of review.
- recommendations were proposed for findings identified for remediation.
- remediation actions taken by Management were validated

The areas covered within the internal control review are as follows, the focus of the review was on the processes, control design, coverage and operationalisation surrounding the workstreams:

No.	Workstreams
1.	Business Planning and Budgeting
2.	Enterprise Risk Management
3.	Delegation of Authority/Limits of Authority
4.	Board Charter, Terms of Reference for Sub Board Committees and Corporate Policies
5.	Organisation Reporting Structure and Monitoring Systems
6.	Standard Operating Procedures
7.	Management Information Reporting and Performance Monitoring System
8.	Compliance with Malaysian Code on Corporate Governance 2021
9.	Compliance with section 17A Malaysian Anti-Corruption Commission Act 2009
10.	Financial Management Reporting
11.	Human Resource Management and Payroll
12.	Project and Contract Management
13.	Tendering, Business Development and Marketing
14.	Legal and Compliance Management
15.	Quality, Health, Safety and Environment
16.	Information Technology

Based on the review, 85 findings were identified as at November 2023. As at the LPD, the management of the Company has remediated all 85 findings.

APPENDIX I(B) – QUALITATIVE ASSESSMENT ON THE GROUP (CONT'D)

With the recommendations by PricewaterhouseCoopers Risk Services being implemented by the Company, this indicates that the Board and management of the Company are aware of the importance and take responsibility for the internal control and risk management systems.

The thematic nature of the recommendations addressed by the management are as follows:

- **Policies and procedures:** Recommendations related to establishing policies and procedures for certain sub-processes, enhancement opportunities within existing policies and procedures, alignment of approval authority between policies, procedures and limits of authority and timeliness of policy review.
- **Limits of Authority:** Recommendations related to enhancing the Limits of Authority document with inclusion of parameters for decision making for specific items, updating of Limits of Authority with notification requirements and inclusion of certain areas into the Limits of Authority document.
- **Compliance requirements:** Recommendations included addressing of gaps for compliance with section 17A of the Malaysian Anti-Corruption Commission Act 2009 (e.g. conduct corruption risk assessment, inclusion of Anti-Bribery and Corruption matters in the Board meetings), enhancement of controls related to compliance with Malaysian Code on Corporate Governance 2021 (e.g. timeliness of meeting papers submission, inclusion of sustainability related matters in business and operational deliberations).
- **Operationalisation of established controls:** Recommendations related to establishing formal monitoring mechanism, central depository for management of contracts, establishing mechanism for safe keeping and retention of documents and enhancement of documentation and recording.

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP

1. HISTORICAL FINANCIAL RESULTS

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,347,822	4,100,229	4,551,254	4,318,494	4,703,130
Cost of sales	(4,730,486)	(6,264,046)	(3,974,379)	(4,186,775)	(3,968,557)
Gross Profit/(Loss) ("GP")/("GL")	617,336	(2,163,817)	576,875	131,719	734,573
Other income	183,717	76,319	195,274	555,722	1,251,794
Administrative expenses	(333,156)	(384,368)	(329,553)	(405,081)	(471,158)
Other expenses	(166,085)	(306,460)	(264,550)	(206,485)	(545,571)
Provision for impairment	-	(5,605,721)	(2,620,172)	(25,825)	(209,088)
Finance costs	(492,364)	(527,865)	(622,831)	(800,115)	(863,548)
Share of profit/(loss) from associates and joint-ventures	158,827	(19,941)	(38,600)	337,223	413,192
Profit/(Loss) Before Taxation ("PBT")/("LBT")	(31,725)	(8,931,853)	(3,103,557)	(412,842)	310,194
Income tax expense	(128,527)	(129,006)	(71,970)	(105,858)	(242,059)
Profit/(Loss) After Taxation ("PAT")/("LAT")	(160,252)	(9,060,859)	(3,175,527)	(518,700)	68,135
PAT/(LAT) attributable to:					
- Owners of the parent	(160,870)	(9,050,634)	(3,157,680)	(508,658)	189,525
- Non-controlling interests	618	(10,225)	(17,847)	(10,042)	(121,390)
	(160,252)	(9,060,859)	(3,175,527)	(518,700)	68,135
Earnings before interest, tax depreciation and amortisation ("EBITDA") (a)	809,682	(2,279,941)	712,777	468,427	524,259
GP/(GL) margin (%)	11.54	(52.77)	12.68	3.05	15.62
PAT/(LAT) margin (%)	(3.00)	(220.98)	(69.77)	(12.01)	1.45
Weighted average number of ordinary shares in issue ('000)	15,971,804	15,971,804	15,979,080	16,024,318	18,375,942
Basic/Diluted earnings/(loss) per share from continuing operations ("EPS")/("LPS") (sen) (b)	(1.01)	(56.67)	(19.76)	(3.17)	1.03

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)

Notes:

- (a) EBITDA is computed as follows:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT/(LBT)	(31,725)	(8,931,853)	(3,103,557)	(412,842)	310,194
Interest expense	492,364	527,865	622,831	800,115	863,548
Interest income	(35,659)	(20,656)	(14,035)	(18,423)	(42,124)
Depreciation, amortisation and impairment	543,529	6,128,341	3,168,938	436,800	606,433
Share of (profit)/loss from associates and joint-ventures	(158,827)	19,941	38,600	(337,223)	(413,192)
Net gain on disposal of associates and joint ventures	-	(3,579)	-	-	(800,600)
EBITDA	809,682	(2,279,941)	712,777	468,427	524,259

- (b) EPS/LPS is computed based on the PAT/LAT attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue.

1.1 Overview of Operations

During the financial years under review between FYE 2021 and FYE 2025, the Group derived its revenue from the following business segments:

- (a) **E&C:** Provision of engineering, T&I, fabrication, and decommissioning works, whereby revenue is recognised based on percentage of completion. During the financial years under review between FYE 2021 and FYE 2025, the Group had provided EPCIC services;
- (b) **Drilling:** Provision of tender-assist drilling services via its fleet of semi-tender and barge tender drilling rigs for the Group’s clients’ development and production drilling programmes, whereby revenue is recognised when it performs its services; and
- (c) **O&M:** Provision of offshore and onshore services from HUC services, subsea services topside maintenance, offshore support vessel services, geotechnical and survey services as well as technology services, whereby revenue is recognised on a per day basis when it performs its services.

Meanwhile, for the E&P segment during the financial years under review between FYE 2021 and FYE 2025, the Group only recognised a share of profit or loss from SOMV, a 50.0% owned associate company, which was disposed on 9 December 2024.

APPENDIX I(C) – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT'D)

1.2 Revenue

Revenue by business segment

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
	%	%	%	%
E&C	3,940,041	2,818,403	2,819,871	2,628,618
	73.68	68.74	61.96	60.87
Drilling	728,444	1,033,374	1,374,105	1,236,331
	13.62	25.20	30.19	28.63
O&M	679,337	248,452	357,278	453,545
	12.70	6.06	7.85	10.50
Total	5,347,822	4,100,229	4,551,254	4,318,494
	100.00	100.00	100.00	100.00

Revenue by geographical location

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
	%	%	%	%
Asia Pacific	4,543,787	2,968,795	3,634,810	3,122,088
	84.96	72.40	79.87	72.30
- Malaysia	2,040,424	1,614,891	2,021,504	1,381,657
	38.15	39.39	44.42	31.99
- Asia (excluding Malaysia and Middle East)	2,355,910	1,153,896	1,178,230	1,417,707
	44.05	28.13	25.89	32.84
- Australia	147,453	200,008	435,076	322,724
	2.76	4.88	9.56	7.47
Africa	92,389	344,110	377,505	956,080
	1.73	8.39	8.29	22.14
Americas	651,777	412,104	399,486	143,140
	12.19	10.05	8.78	3.31
Middle East	53,912	267,569	7,408	73,576
	1.01	6.53	0.16	1.70
Others (offshore projects)	5,957	107,651	132,045	23,610
	0.11	2.63	2.90	0.55
Total	5,347,822	4,100,229	4,551,254	4,318,494
	100.00	100.00	100.00	100.00

(Source: SEB Annual Report 2025)

APPENDIX I(C) – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT'D)

During the financial years under review between FYE 2021 and FYE 2025, the Group's E&C segment contributed RM 2,628.6 million to RM 3,940.0 million to the Group's revenue across all the geographical locations, whilst its drilling and O&M segments contributed RM 1,281.8 million to RM 1,735.5 million to the Group's revenue from the Asia Pacific and/or Africa regions.

The decline in revenue contribution from the Asia Pacific region by RM1,575.0 million or 34.7% from RM4,543.8 million in FYE 2021 to RM2,968.8 million in the FYE 2022 was mainly due to the completion of the major part of 2 EPCIC contracts in Malaysia and India as well as the completion of a EPCIC contract in Indonesia as mentioned below.

The significant increase in revenue contribution from the Africa region in the FYE 2024 and FYE 2025 was mainly due to the Group securing 2 T&I contracts in Congo and Angola at the end of the FYE 2023 and in the FYE 2024 respectively as mentioned below.

The decline in revenue contribution from the Americas region during the FYE 2021 to FYE 2024 was mainly due to the completion of a EPCIC contract and a T&I contract, both in Mexico, in the FYE 2021 and FYE 2023 respectively as mentioned below.

FYE 2022 vs FYE 2021

The Group's revenue decreased by RM1,247.6 million or 23.3% from RM5,347.8 million in the FYE 2021 to RM4,100.2 million in the FYE 2022 which was mainly attributable to the lower revenue contribution from its E&C and O&M business segments. This was primarily due to its selective approach in tendering for contracts with higher profit margins as it faced financial constraints during the financial year following protracted downturn in new investments in the O&G industry and the COVID-19 pandemic.

E&C

Revenue from the Group's E&C segment decreased by RM1,121.6 million or 28.5% from RM3,940.0 million in the FYE 2021 to RM2,818.4 million in the FYE 2022 which was mainly attributable to the following contracts:

- (a) decrease in revenue by RM532.7 million from a contract to provide EPCIC services for a CPP and satellite platform in Mexico, mainly as a result of the completion of the contract in the FYE 2021;
- (b) decrease in revenue by RM344.1 million from a contract to provide EPCIC services for a CPP in Malaysia, mainly as a result of the completion of the major part of the contract, i.e. the offshore T&I of jacket, subsea pipeline and wellhead deck in the FYE 2021. During the FYE 2022, the Group completed 10% of the contract as compared to 27% in the FYE 2021;
- (c) decrease in revenue by RM331.5 million from a contract to provide EPCIC services for a CPP and living quarters in India, mainly as a result of the completion of the major part of the contract, i.e. the fabrication and installation of offshore platform facilities in the FYE 2021. During the FYE 2022, the Group completed 8% of the contract as compared to 42% in the FYE 2021; and
- (d) decrease in revenue by RM311.0 million from a contract to provide EPCIC services for 2 16-inch diameter offshore rigid pipelines in Indonesia, mainly as a result of completion of physical works in the FYE 2021.

Notwithstanding, the Group recorded an increase in revenue by RM316.3 million from a contract to provide T&I of a platform and pipeline and subsea cable in Mexico, which partially offset the decrease in revenue. During the FYE 2022, the Group completed 73% of the contract as compared to 14% in the FYE 2021.

Drilling

Revenue from the Group's drilling segment increased by RM305.0 million or 41.9% from RM728.4 million in the FYE 2021 to RM1,033.4 million in the FYE 2022 which was mainly attributable to the following rigs:

- (a) *Sapura Jaya*: increase in revenue by RM129.8 million, mainly as a result of higher operating days for drilling services for a contract based in Angola as the Group experienced disruption in drilling services in the FYE 2021 due to COVID-19 pandemic measures;
- (b) *Sapura Berani*: increase in revenue by RM92.9 million, mainly as a result of the commencement of drilling services for a contract based in the Ivory Coast; and
- (c) *Sapura Esperanza*: increase in revenue by RM76.8 million, mainly as a result of the commencement of integrated rig, drilling and completion ("IRDC") services for a contract based in Malaysia upon securing the contract during the financial year.

O&M

Revenue from the Group's O&M segment decreased by RM430.9 million or 63.4% from 679.3 million in the FYE 2021 to RM248.5 million in the FYE 2022 which was mainly attributable to the following:

- (a) decrease in revenue by RM138.7 million for a contract to provide maintenance services in Malaysia, mainly as a result of a variation order not approved by the client which resulted in a reversal of revenue amounting to RM59.4 million in the FYE 2022;
- (b) decrease in revenue by RM78.1 million from a contract to provide brownfield rejuvenation in Malaysia, mainly as a result of the near completion of the contract in the FYE 2022;
- (c) decrease in revenue by RM51.9 million from a contract to brownfield rejuvenation in Malaysia, mainly as a result of near completion of the contract in the FYE 2022; and
- (d) decrease in revenue by RM45.0 million arising from lower offshore support vessel services provided during the financial year.

FYE 2023 vs FYE 2022

The Group's revenue increased by RM451.0 million or 11.0% from RM4,100.2 million in the FYE 2022 to RM4,551.3 million in the FYE 2023 which was mainly attributable to higher revenue contribution from its drilling and O&M business segments.

E&C

Revenue from the Group's E&C segment was relatively stable at RM2,819.9 million in the FYE 2023 which was mainly attributable to the following contracts:

- (a) revenue contribution of RM327.4 million from a contract to provide T&I services in Malaysia which was secured during the financial year and is an expansion of the Group's on-going contract to provide EPCIC services;
- (b) increase in revenue by RM179.5 million from a contract to provide T&I services in Trinidad which was secured in September 2021; and
- (c) increase in revenue by RM132.4 million from a contract to provide T&I services in Australia which was secured in July 2021.

Notwithstanding, the Group experienced a decline in revenue from the following contracts which offset the above increase in revenue contribution:

- (a) decrease in revenue by RM365.9 million from a contract to provide T&I services for platform and pipelines and subsea cables in Mexico, mainly as a result of the completion of the contract during the financial year;
- (b) decrease in revenue by RM261.1 million from a contract to provide EPCIC services for 2 16-inch pipelines in Qatar, mainly as a result of the completion of the contract in the FYE 2022; and
- (c) decrease in revenue by RM171.7 million from a contract to provide T&I services for offshore wind turbine substructures for an offshore wind farm in Taiwan, mainly as a result of the termination of the contract in the FYE 2023 as the Group incurred losses on the contract arising from unforeseeable costs due to the COVID-19 pandemic.

Drilling

Revenue from the Group's drilling segment increased by RM340.7 million or 33.0% from RM1,033.4 million in the FYE 2022 to RM1,374.1 million in the FYE 2023 which was mainly attributable to the following rigs:

- (a) *Sapura Esperanza*: increase in revenue by RM205.7 million, mainly as a result of higher revenue from iRDC services for a contract based in Malaysia, as this contract was secured in September 2021; and
- (b) *Sapura T-17*: increase in revenue by RM72.7 million, mainly as a result of higher operating days from drilling services for a contract based in Thailand following the deployment of the rig in the FYE 2022.

O&M

Revenue from the Group's O&M segment increased by RM108.8 million or 43.8% from RM248.5 million in the FYE 2022 to RM357.3 million in the FYE 2023 which was mainly attributable to an increase in revenue by RM92.8 million from a contract to provide brownfield rejuvenation in Malaysia, mainly as a result of higher maintenance activities provided during the financial year following the extension of the contract.

FYE 2024 vs FYE 2023

The Group's revenue decreased by RM232.8 million or 5.1% from RM4,551.3 million in the FYE 2023 to RM4,318.5 million in the FYE 2024 which was mainly attributable to lower revenue contribution from its E&C and drilling business segments.

E&C

Revenue from the Group's E&C segment decreased by RM191.3 million or 6.8% from RM2,819.9 million in the FYE 2023 to RM2,628.6 million in the FYE 2024 which was mainly attributable to the following contracts:

- (a) decrease in revenue by RM293.6 million from a contract to provide T&I services in Malaysia, mainly as a result of the completion of the major part of the contract in the FYE 2023. During the FYE 2024, the Group completed 8% of the contract as compared to 79% in the FYE 2023;
- (b) decrease in revenue by RM203.1 million from a contract to provide EPCIC services in Malaysia, mainly as a result of the completion of the contract during the financial year;
- (c) decrease in revenue by RM151.2 million from a contract to provide subsea services following the transfer of the subsea services sub-segment from the E&C segment to the O&M segment, whereby revenue for this sub-segment was recognised under the O&M segment commencing FYE 2024;
- (d) decrease in revenue by RM264.1 million from the following contracts as a result of the completion of the contracts during the financial year:
 - a T&I contract in Australia;
 - a decommissioning contract in Australia;
 - a T&I contract in Trinidad; and
 - an EPCIC for CPP contract in Malaysia; and
- (e) decrease in revenue by RM217.5 million from the following contracts as a result of the completion/termination of the contracts in the FYE 2023:
 - a T&I contract in Trinidad and Tobago;
 - a EPCIC contract in Singapore; and
 - a EPCIC contract in Brunei.

Notwithstanding, the Group recorded an increase in revenue by RM1,059.2 million from the following contracts which partially offset the decrease in revenue:

- (a) increase in revenue by RM660.1 million from a contract to provide T&I services in Congo which was secured at the end of the FYE 2023; and

- (b) increase in revenue by RM399.1 million from a contract to provide EPCIC services and removal of WHP and pipelines in Thailand when the Group commenced decommissioning works during the financial year after completion of the removal of pipelines in the FYE 2023.

Drilling

Revenue from the Group's drilling segment decreased by RM137.8 million or 10.0% from RM1,374.1 million in the FYE 2023 to RM1,236.3 million in the FYE 2024 which was mainly attributable to the following rig:

- (a) *Sapura Esperanza*: decrease in revenue by RM205.7 million, mainly as a result of the completion of a contract to provide iRDC services in the FYE 2023.

Notwithstanding, the decrease in revenue was partially offset by an increase in revenue of RM155.6 million from the *Sapura T10*, *Sapura T11* and *Sapura T12* rigs mainly as a result of higher operating days from drilling services for a contract based in Thailand following the deployment of these rigs in the second half of the FYE 2023.

O&M

Revenue from the Group's O&M segment increased by RM96.3 million or 26.9% from RM357.3 million in the FYE 2023 to RM453.6 million in the FYE 2024 which was mainly attributable to the provision of subsea services following the transfer of the subsea services sub-segment from the E&C segment to the O&M segment, whereby the revenue for this sub-segment was recognised under the O&M segment commencing FYE 2024.

FYE 2025 vs FYE 2024

The Group's revenue increased by RM384.6 million or 8.9% from RM4,318.5 million in the FYE 2024 to RM4,703.1 million in the FYE 2025, mainly as a result of the Group's intensified efforts in securing new contracts, and executing new and existing contracts, particularly for its E&C and O&M business segments.

E&C

Revenue from the Group's E&C segment increased by RM339.0 million or 12.9% from RM2,628.6 million in the FYE 2024 to RM2,967.6 million in the FYE 2025 which was mainly attributable to the following contracts:

- (a) increase in revenue by RM439.8 million from a contract to provide T&I services in Angola which was secured in the third quarter of the FYE 2024. This resulted in the Group completing 36% of the contract during the FYE 2025 as compared to only 3% in the FYE 2024;
- (b) revenue contribution of RM453.8 million from a contract to provide T&I services in Malaysia which was secured during the financial year; and
- (c) revenue contribution of RM123.1 million from a contract to provide decommissioning services in Australia which was secured during the financial year.

Notwithstanding, the Group experienced a decline in revenue from the following contracts which partially offset the increase in revenue:

- (a) decrease in revenue by RM630.4 million from the following contracts, mainly as a result of the completion of the contracts during the financial year:
 - a T&I contract in Congo;
 - a decommissioning contract in Thailand; and
 - a EPCIC contract in India; and
- (b) decrease in revenue by RM89.7 million from a contract to provide T&I services in Australia, mainly as a result of the completion of the contract in the FYE 2024.

Drilling

Revenue from the Group’s drilling segment decreased by RM90.4 million or 7.3% from RM1,236.3 million in the FYE 2024 to RM1,145.9 million in the FYE 2025 which was mainly attributable to the following rigs:

- (a) Sapura Pelaut: decrease in revenue by RM34.0 million following the postponement of its assignment to the FYE 2026 or later, mainly as a result of rising charter rates and oil price uncertainties; and
- (b) Sapura T-9: decrease in revenue by RM30.9 million, mainly as a result of no contract secured for the rig during the financial year.

O&M

Revenue from the Group’s O&M segment increased by RM136.0 million or 30.0% from RM453.6 million in the FYE 2024 to RM589.6 million in the FYE 2025 which was mainly attributable to the provision of subsea services as the Group secured several major long-term contracts under the Pan Malaysia Inspection Repair Maintenance (IRM) umbrella contracts for the Petronas group and its contractors.

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT'D)

1.3 Cost of Sales

Cost of sales by component

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Labour cost	1,129,470	23.88	1,385,899	22.12	1,163,354	29.27
Charter of vessels, barges and rigs and hire of equipment	338,012	7.15	342,769	5.47	310,588	7.82
Subcontractor charges ^(a)	865,211	18.29	892,825	14.25	453,046	11.40
Material cost	972,560	20.56	950,083	15.17	351,832	8.85
Depreciation	461,389	9.75	456,959	7.29	476,577	11.99
Repair and maintenance	138,366	2.92	329,818	5.27	573,419	14.43
Rental	154,715	3.27	226,524	3.62	109,841	2.76
Provision for foreseeable losses ^(b)	192,920	4.08	1,119,887	17.88	274,076	6.90
Others ^(c)	477,843	10.10	559,282	8.93	261,646	6.58
Total	4,730,486	100.00	6,264,046	100.00	3,974,379	100.00
					4,186,775	100.00
					3,968,557	100.00

Notes:

- (a) As mentioned in Sections 3.1 and 3.3, Part A of this Circular, the Group may outsource part of the scope of work of its projects such as those requiring specialised expertise or proprietary technology and thus, the specific tasks or equipment outsourced to the Group's network of subcontractors differs according to the various projects' requirements. During the financial years under review between FYE 2021 and FYE 2025, the subcontractor charges relate to its E&C and O&M segments, and include outsourced services such as vessel support, testing and commissioning, fabrication, welding, and blasting and painting work as well as specific equipment.
- (b) Provision for foreseeable losses made for certain ongoing E&C contracts during the relevant financial years due to escalating costs to complete these contracts arising from amongst others, the COVID-19 pandemic, higher project execution cost, liquidated damages and contract termination.
- (c) Comprise other overheads such as insurance, logistic, telecommunication, survey and inspection.

Cost of sales by business segment

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
E&C	3,402,240	71.92	4,802,679	76.67	2,501,043	62.93
Drilling	651,819	13.78	920,104	14.69	1,241,220	31.23
O&M	676,427	14.30	541,263	8.64	232,116	5.84
Total	4,730,486	100.00	6,264,046	100.00	3,974,379	100.00
					4,186,775	100.00
					3,968,557	100.00

[The remainder of this page is intentionally left blank]

FYE 2022 vs FYE 2021

The Group’s cost of sales increased by RM1,533.5 million or 32.4% from RM4,730.5 million in the FYE 2021 to RM6,264.0 million in the FYE 2022 which was mainly attributable to higher labour cost, subcontractor charges, and charter/hire of vessels, barges, rigs and equipment by RM288.8 million from RM2,332.7 million in the FYE 2021 to RM2,621.5 million in the FYE 2022. The higher costs were mainly as a result of the Group incurring additional costs due to the COVID-19 pandemic such as vessel standby expenses as well as vaccination, testing and quarantine costs for its crew. In addition, the Group also incurred additional costs due to procurement delays and changes to project schedules.

The Group’s cost of sales was also higher due to higher provision for foreseeable losses from its E&C contracts by RM927.0 million in the FYE 2022, which were mainly due to legacy E&C contracts signed prior to the FYE 2021 and did not include COVID-19 provisions. Thus, a major portion of the anticipated escalating costs to be incurred due to the COVID-19 pandemic to complete these legacy E&C contracts is not expected to be reimbursed by clients. These legacy E&C contracts mainly comprise the following:

- a T&I contract in Taiwan;
- a EPCIC contract in India; and
- a EPCIC contract in Malaysia.

In addition, the Group also incurred higher repair and maintenance cost under the drilling segment during the financial year, was due to amongst others, the commencement of the iRDC contract in Malaysia during the FYE 2022 as mentioned in **Section 1.2** of this Appendix.

FYE 2023 vs FYE 2022

The Group’s cost of sales decreased by RM2,289.6 million or 36.6% from RM6,264.0 million in the FYE 2022 to RM3,974.4 million in the FYE 2023 which was mainly attributable to lower material cost, labour cost, subcontractor charges, and charter/hire of vessels, barges, rigs and equipment by RM1,292.8 million from RM3,571.6 million in the FYE 2022 to RM2,278.8 million in the FYE 2023. The lower costs were mainly due to most of the additional costs due to the COVID-19 pandemic in relation to legacy E&C contracts has been provided as foreseeable losses in the FYE 2022 as mentioned above.

The Group’s cost of sales was also lower due to lower provision for foreseeable losses from its E&C contracts by RM845.8 million in the FYE 2023 as the major provision for foreseeable losses for legacy E&C contracts were made in the FYE 2022. The major provision for foreseeable losses made during the financial year was in relation to a EPCIC contract in Brunei mainly as a result of the COVID-19 pandemic which resulted in additional costs and delay to the project schedule.

Notwithstanding, the Group incurred higher repair and maintenance cost under the drilling segment during the financial year was due to amongst others, higher activities level for the iRDC contract in Malaysia during the FYE 2023.

FYE 2024 vs FYE 2023

The Group’s cost of sales increased by RM212.4 million or 5.3% from RM3,974.4 million in the FYE 2023 to RM4,186.8 million in the FYE 2024 which was mainly attributable to higher provision for foreseeable losses from its contracts by RM351.4 million in the FYE 2024. The major provision for foreseeable losses made during the financial year was in relation to the following:

- a T&I contract in Congo mainly as a result of higher project execution cost due to unanticipated repair work as a result of 2 major offshore operational incidents and delay in obtaining specific equipment; and
- a T&I contract in Malaysia mainly as a result of unanticipated increased supply chain cost post COVID-19 pandemic.

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

Excluding the provision for foreseeable losses, the Group’s cost of sales decreased slightly by RM139.0 million or 3.8% which was mainly attributable to lower depreciation charges under the drilling segment following major impairments of drilling rigs in the FYE 2022 and FYE 2023 as detailed in **Section 1.7** of this Appendix.

Notwithstanding, the Group incurred higher cost of sales under its O&M segment following the transfer of the subsea services sub-segment from the E&C segment to the O&M segment, whereby the revenue and cost for this sub-segment was recognised under the O&M segment commencing FYE 2024.

FYE 2025 vs FYE 2024

The Group’s cost of sales decreased by RM218.2 million or 5.2% from RM4,186.8 million in the FYE 2024 to RM3,968.6 million in the FYE 2025 which was mainly attributable to lower provision for foreseeable losses from its E&C contracts by RM355.4 million in the FYE 2025. The major provision for foreseeable losses made during the financial year was in relation to a T&I contract in Angola mainly due to higher project execution cost due to changes to the project delivery approach.

Excluding the provision for foreseeable losses, the Group’s cost of sales increased slightly by RM137.2 million or 3.9% which was mainly attributable to higher labour cost by RM123.4 million from RM1,175.6 million in the FYE 2024 to RM1,299.0 million in the FYE 2025. The higher cost was in line with the increase in the Group’s revenue during the financial year.

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)

1.4 GP/(GL) and GP/(GL) Margin

	Audited													
	FYE 2021			FYE 2022			FYE 2023			FYE 2024			FYE 2025	
	GP/(GL) RM'000	GP/(GL) Margin		GP/(GL) RM'000	GP/(GL) Margin		GP/(GL) RM'000	GP/(GL) Margin		GP/(GL) RM'000	GP/(GL) Margin		GP/(GL) RM'000	GP/(GL) Margin
			%			%			%			%		
E&C	537,801	13.65	(1,984,276)	(70.40)	318,828	11.31	(161,223)	(6.13)	275,521	9.28				
Drilling	76,625	10.52	113,270	10.96	132,885	9.67	349,918	28.30	327,117	28.55				
O&M	2,910 ^(a)	0.43	(292,811)	(117.85)	125,162	35.03	(56,976)	(12.56)	131,935	22.38				
Total GP/(GL) / Overall GP/(GL) margin	617,336	11.54	(2,163,817)	(52.77)	576,875	12.68	131,719	3.05	734,573	15.62				

[The remainder of this page is intentionally left blank]

FYE 2022 vs FYE 2021

The Group incurred a GL of RM2,163.8 million (and GL margin of 52.8%) in the FYE 2022 as compared to a GP of RM617.3 million (and a GP margin of 11.5%) in the FYE 2021 which was mainly attributable to its E&C segment which generated a GL of RM1,984.3 million in the FYE 2022 as compared to a GP of RM537.8 million in the FYE 2021. The deterioration in the Group’s E&C segment was mainly due to the Group incurring additional costs due to procurement delays and changes to project schedules following the COVID-19 pandemic as well as vaccination, testing and quarantine costs for its crew, which were not reimbursable by clients as the additional costs were in relation to legacy contracts.

The Group also make a higher provision for foreseeable losses from its E&C contracts by RM927.0 million in the FYE 2022 mainly due to anticipated escalating costs to complete some of these legacy contracts as a result of the COVID-19 pandemic, as mentioned in **Section 1.3** of this Appendix.

In addition, the Group also incurred a GL of RM292.8 million in the FYE 2022 as compared to a GP of RM2.9 million in the FYE 2021 under its O&M segment, which was mainly attributable to the near completion of two brownfield rejuvenation contracts in the FYE 2022 as well as a variation order not approved by the client, as mentioned in **Section 1.2** of this Appendix.

FYE 2023 vs FYE 2022

The Group turned around its performance from a GL of RM2,163.8 million (and GL margin of 52.8%) in the FYE 2022 to a GP of RM576.9 million (and GP margin of 12.7%) in the FYE 2023 which was mainly attributable its E&C segment which generated a GP of RM318.8 million in the FYE 2023 as compared to a GL of RM1,984.3 million in the FYE 2022. The turnaround in the Group’s E&C segment was mainly due to the following:

- a reduction in the proportion of legacy contracts in the FYE 2023, which contributed almost all of the Group’s revenue in the FYE 2022 as compared to less than half of the Group’s revenue in the FYE 2023;
- most of the additional costs due to the COVID-19 pandemic in relation to legacy E&C contracts has been provided as foreseeable losses in the FYE 2022 as well as lower provision for foreseeable losses from its E&C contracts by RM845.8 million in the FYE 2023. as mentioned in **Section 1.3** of this Appendix.

In addition, the Group also generated a GP of RM125.1 million in the FYE 2023 as compared to a GL of RM292.8 million in the FYE 2022 under its O&M segment, which was mainly attributable to the extension of a brownfield rejuvenation contract as mentioned in **Section 1.2** of this Appendix as well as lower additional costs incurred due to the COVID-19 pandemic.

FYE 2024 vs FYE 2023

The Group’s GP decreased by RM445.2 million or 77.2% from RM576.9 million in the FYE 2023 to RM131.7 million in the FYE 2024, which was mainly attributable to its E&C segment which generated a GL of RM161.2 million in the FYE 2024 as compared to a GP of RM318.8 million in the FYE 2023. The deterioration in the Group’s E&C segment was mainly due to the Group making a higher provision for foreseeable losses from its E&C contracts by RM351.4 million in the FYE 2024 as mentioned in **Section 1.3** of this Appendix.

In addition, the Group also incurred a GL of RM57.0 million in the FYE 2024 as compared to a GP of RM125.1 million in the FYE 2023 under its O&M segment, which was mainly attributable to legacy contracts for subsea services following the transfer of the subsea services sub-segment from the E&C segment to the O&M segment in the FYE 2024 as mentioned in **Section 1.2** of this Appendix.

Pursuant to the above, the Group’s GP margin also decreased to 3.1% in the FYE 2024 from 12.7% in the FYE 2023.

FYE 2025 vs FYE 2024

The Group improved its performance by RM602.9 million or 457.7% from a GP of RM131.7 million in the FYE 2024 to RM734.6 million in the FYE 2025 which was mainly attributable to its E&C segment which generated a GP of RM275.5 million in the FYE 2025 as compared to a GL of RM161.2 million in the FYE 2024. The turnaround in the Group’s E&C segment was mainly due to higher revenue generated by this segment, which was mainly attributable to new contracts secured during the financial year as mentioned in **Section 1.2** of this Appendix as well as lower provision for foreseeable losses in the FYE 2025 as mentioned in **Section 1.3** of this Appendix.

In addition, the Group also generated a GP of RM131.4 million in the FYE 2025 as compared to a GL of RM57.0 million in the FYE 2024 under its O&M segment, which was mainly attributable to new subsea service contracts secured during the financial year as mentioned in **Section 1.2** of this Appendix as well as the completion of legacy subsea service contracts in the FYE 2024.

Pursuant to the above, the Group’s GP margin also improved to 15.6% in the FYE 2025 from 3.1% in the FYE 2024.

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT'D)

1.5 Other Income

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Interest income	35,659	19.41	20,656	27.06	14,035	7.19
Net gain on disposal of property, plant and equipment	287	0.16	6,953	9.11	8,670	4.44
Net realised and unrealised exchange gain	-	-	-	-	40,072	20.52
Net gain on disposal of asset held for sale	-	-	-	-	-	-
Liquidation gain from loss of control of subsidiary	-	-	-	-	45,826	23.47
Net gain on settlements	-	-	-	-	54,700	28.01
Net gain on disposal of scrap materials	-	-	-	-	-	-
Net gain on disposal of associates and joint ventures	-	-	3,579	4.69	-	-
Technical and management fees charged to joint ventures	71,020	38.66	18,336	24.03	5,401	2.76
Net additional income from previous disposal of 50% equity stake in a former subsidiary	50,055	27.24	-	-	-	-
Miscellaneous income	26,696	14.53	26,795	35.11	26,570	13.61
Total	183,717	100.00	76,319	100.00	195,274	100.00
					555,722	100.00
					1,251,794	100.00

FYE 2022 vs FYE 2021

The Group’s other income decreased by RM107.4 million or 58.5% from 183.7 million in the FYE 2022 to RM76.3 million in the FYE 2022 which was mainly attributable to the following:

- (a) absence of net additional income from the previous disposal of a 50.0% equity stake in a former subsidiary, Sapura Upstream Sdn Bhd, of RM50.1 million received in the FYE 2021; and
- (b) lower technical and management fees charged to joint ventures by RM52.7 million mainly as a result of more than one year of fees recognised in the FYE 2021 following the approval of the fees in the FYE 2021.

FYE 2023 vs FYE 2022

The Group’s other income increased by RM119.0 million or 115.9% from RM76.3 million in the FYE 2022 to RM195.3 million in the FYE 2023 which was mainly attributable to a settlement income of RM54.7 million and liquidation gain of RM45.8 million from loss of control of a subsidiary, Sapura Project Services Sdn Bhd, which was wound up on 14 September 2022.

FYE 2024 vs FYE 2023

The Group’s other income increased by RM360.4 million or 184.6% from RM195.3 million in the FYE 2023 to RM555.7 million in the FYE 2024 which was mainly attributable to the recognition of foreign exchange gains amounting to RM496.8 million during the FYE 2024 (FYE 2023: RM40.1 million). This was mainly as a result of the strengthening of the USD against the RM during the financial year. These foreign exchange gains were partially offset by the absence of a settlement income and liquidation gain totalling RM100.5 million recognised in the FYE 2023.

FYE 2025 vs FYE 2024

The Group’s other income increased by RM696.1 million or 125.3% from RM555.7 million in the FYE 2024 to RM1,251.8 million in the FYE 2025 which was mainly attributable to the following:

- (a) net gain on settlements of disputed contracts with customers upon entering into mutual settlement agreements with these customers during the financial year totalling RM236.9 million; and
- (b) net gain on disposal of SOMV, a 50.0% owned associate company amounting to RM800.6 million. Please refer to **Section 2.2**, Part A of this Circular for further details of the disposal.

Notwithstanding, the above gains were partially offset by lower recognition of foreign exchange gains by RM360.5 million mainly as a result of the weakening of the USD against the RM during the financial year.

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT'D)

1.6 Administrative and Other Expenses

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Staff costs (including directors' remuneration)	187,192	37.50	174,543	25.27	193,181	32.52
Auditors' remuneration	4,600	0.92	5,199	0.75	5,567	0.94
Net realised and unrealised exchange loss	8,990	1.80	42,138	6.10	37,337	6.28
Depreciation of property, plant and equipment	79,048	15.83	62,950	9.11	67,787	11.41
Property, plant and equipment written off	454	0.09	12,238	1.77	334	0.06
Amortisation of intangible assets	3,092	0.62	2,711	0.39	4,402	0.74
Rental of premises	29,673	5.94	10,855	1.57	5,142	0.87
Allowance for expected credit losses on trade and other receivables, and contract asset	38,690	7.75	100,799	14.59	123,101	20.72
Upkeep of property, plant and equipment	29,355	5.88	32,793	4.75	25,973	4.37
Legal and professional fees	41,685	8.35	71,470	10.35	89,374	15.04
Provision for project termination	-	-	-	-	-	-
Loss on deconsolidation of subsidiaries	-	-	-	-	-	-
Others ^(a)	76,462	15.32	175,132	25.35	41,905	7.05
Total	499,241	100.00	690,828	100.00	594,103	100.00
					611,566	100.00
					1,016,729	100.00

Note:

(a) Comprise other expenses such as insurance, utilities, travelling expenses, bank charges, advertising and recruitment.

FYE 2022 vs FYE 2021

The Group’s administrative and other expenses increased by RM191.6 million or 38.4% from 499.2 million in the FYE 2021 to RM690.8 million in the FYE 2022 which was mainly attributable to the following:

- (a) increase in foreign exchange losses by RM33.1 million in the FYE 2022 mainly as a result of the weakening of the USD against the RM during the financial year;
- (b) increase in allowance for expected credit losses on trade and other receivables, and contract asset by RM62.1 million in the FYE 2022 mainly as a result of disputed claims with customers; and
- (c) increase in legal and professional fees by RM29.8 million in the FYE 2022 as a result of amongst others, its refinancing exercise.

FYE 2023 vs FYE 2022

The Group’s administrative and other expenses decreased by RM96.7 million or 14.0% from RM690.8 million in the FYE 2022 to RM594.1 million in the FYE 2023 which was mainly attributable to lesser other expenses incurred in relation to amongst others, the COVID-19 pandemic.

FYE 2024 vs FYE 2023

The Group’s administrative and other expenses increased by RM17.5 million or 2.9% from RM594.1 million in the FYE 2023 to RM611.6 million in the FYE 2024 which was mainly attributable to additional provision for termination of RM145.1 million during the financial year, mainly in relation to the termination of the Yunlin Offshore Wind Farm T&I of wind turbine monopiles contract in Taiwan in the FYE 2023. This additional provision for termination was included under administrative and other expenses as the relevant contract has been terminated in the prior financial year.

The above additional provision was partially offset by a decrease in allowance for expected credit losses on trade and other receivables, and contract asset by RM119.2 million in the FYE 2024 mainly as a result of the absence of allowance for non-recoverable of the remaining amount of a disputed contract upon mutual settlement of the contract with the customer of RM76.4 million recognised in the FYE 2023 as well as lower disputed claims with customers.

FYE 2025 vs FYE 2024

The Group’s administrative and other expenses increased by RM405.2 million or 66.2% from RM611.6 million in the FYE 2024 to RM1,016.7 million in the FYE 2025 which was mainly attributable to the following:

- (a) increase in foreign exchange losses by RM341.2 million in the FYE 2025 mainly as a result of the weakening of the USD against the RM during the financial year; and
- (b) loss on deconsolidation of Sapura Energy Mexicana, S.A.P.I. de C.V., a wholly-owned subsidiary, upon the court’s order that the subsidiary be declared bankrupt on 23 February 2024.

The above expenses were partially offset by the absence of provision for termination of RM145.1 million recognised in the FYE 2024.

1.7 Provision for Impairment

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Provision for impairment						
- Property, plant and equipment	-	-	2,315,787	41.31	1,156,501	44.14
- Goodwill	-	-	3,289,934	58.69	1,463,671	55.86
- Investment in an associate	-	-	-	-	-	-
Total	-	-	5,605,721	100.00	2,620,172	100.00

The Group did not recognise any impairment losses in the FYE 2021.

In the FYE 2022, the Group recognised impairment losses on the following:

- (a) RM2,030.4 million on 11 drilling rigs and RM285.4 million on 6 vessels; and
- (b) RM1,668.4 million and RM1,621.5 million on goodwill in relation to the drilling segment and E&C segment respectively, due to the prolonged recovery expected in the O&G industry.

In the FYE 2023, the Group recognised impairment losses on the following:

- (a) RM1,156.5 million on 10 drilling rigs; and
- (b) RM402.3 million and RM1,061.4 million on goodwill in relation to the drilling segment and E&C segment respectively, due to the prolonged recovery expected in the O&G industry.

In the FYE 2024, the Group recognised impairments losses of RM25.8 million on 2 vessels as a result of a judicial sale of a vessel and deterioration of market value of another vessel due to changing market condition.

APPENDIX I(C) – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT'D)

In the FYE 2025, the Group recognised impairment losses on the following:

- (a) RM61.8 million on a drilling rig as a result of no contract secured for the rig and RM26.7 million on two vessels as a result of deterioration of market value due to changing market condition; and
- (b) RM120.5 million on goodwill in relation to the E&C segment due to certain subsidiaries reporting continuing operating losses and/or depleting shareholders' funds.

1.8 Finance Costs

	Audited							
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025			
	RM'000	RM'000	RM'000	RM'000	RM'000	%	%	%
Interest expense on revolving credits, trade financing and term loans	100,789	76,637	217,307	302,031	358,009	20.47	14.52	37.75
Profit sharing on Islamic financing	373,947	431,609	403,162	496,105	503,885	75.95	81.76	62.00
Interest on lease liabilities	1,196	667	2,362	1,979	1,654	0.24	0.13	0.25
Amortisation of cumulative changes in relation to previous hedge instruments	16,432	18,952	-	-	-	3.34	3.59	-
Total	492,364	527,865	622,831	800,115	863,548	100.00	100.00	100.00

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)

FYE 2022 vs FYE 2021

The Group’s finance costs increased by RM35.5 million or 7.2% from RM492.4 million in the FYE 2021 to RM527.9 million in the FYE 2022 which was mainly attributable to a higher profit sharing on the Group’s Islamic financing as the Group obtained and drawdown additional islamic financing for working capital purposes.

FYE 2023 vs FYE 2022

The Group’s finance costs increased by RM94.9 million or 18.0% from RM527.9 million in the FYE 2022 to RM622.8 million in the FYE 2023 which was mainly attributable to an increase in interest expense on revolving credits and trade financing due to higher interest rates during the financial year. The interest rates of the Group’s revolving credits and trade financing were 4.4% to 6.2% in the FYE 2023 (FYE 2022: 1.6% to 4.5%).

FYE 2024 vs FYE 2023

The Group’s finance costs increased by RM177.3 million or 28.5% from RM622.8 million in the FYE 2023 to RM800.1 million in the FYE 2024 which was mainly attributable to an increase in interest expense on term loans and a higher profit sharing on the Group’s sukuk programme due to higher interest rates and profit sharing during the financial year. The interest rates and annual profit sharing of the Group’s term loans and sukuk programme were 4.8% to 8.6% in the FYE 2024 (FYE 2023: 2.9% to 6.9%).

FYE 2025 vs FYE 2024

The Group’s finance costs increased by RM63.4 million or 7.9% from RM800.1 million in the FYE 2024 to RM863.5 million in the FYE 2025 which was mainly attributable to fees relating to the refinancing exercise in the FYE 2022 which was under recognised in prior years.

1.9 Share of Profit/(Loss) from Associates and Joint Ventures

Share of profit/(loss) by business segment

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM’000	RM’000	RM’000	RM’000	RM’000
E&C	166,196	102,379	291,432	332,199	332,522
O&M	21,526	15,095	26,607	19,385	41,281
E&P	(38,099)	(141,565)	(355,564)	(2,081)	39,389
Corporate	9,204	4,150	(1,075)	(12,280)	-
Total	158,827	(19,941)	(38,600)	337,223	413,192

The Group’s share of profit or loss under the E&C segment is mainly from the Group’s Brazil operations via Seabras Sapura Participações S.A. and Seabras Sapura Holding, GmbH.

The Group’s share of profit or loss under the O&M segment is mainly from Sapura Baker Hughes TPS Sdn Bhd.

The Group’s share of profit or loss under the E&P segment is from SOMV Upstream group.

In the FYE 2021, the lower share of profit under the E&C segment was mainly due to lower vessel utilisation following the COVID-19 pandemic.

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

In the FYE 2022, the lower share of profit under the E&C segment was mainly due to lower vessel utilisation and additional costs such as vaccination, testing and quarantine costs following the COVID-19. Meanwhile, the higher share of loss under the E&P segment was mainly due to impairment and write-off for the following:

- (a) wells in Block 30 in the Gulf of Mexico, and in Toutouwai and Karoro Fields in New Zealand; and
- (b) goodwill in respect of SOMV Upstream’s subsidiaries,

mainly as a result of unsuccessful exploration results during the financial year. In addition, the share of loss under the Corporate segment was mainly due to losses recorded by Labuan Shipyard & Engineering Sdn Bhd.

In the FYE 2023, the higher share of profit under the E&C segment was mainly due to higher vessel utilisation, which was mainly attributable to the Petrobras pipelaying support services contract in Brazilian waters. This contract was for the charter of the Group’s Diamante and Topazio vessels, which commenced in September 2021 for Diamante and February 2022 for Topazio. Meanwhile, the higher share of loss under the E&P segment was mainly due to impairment and write-off for the following:

- (a) Kanga-1 well in offshore Western Australia; and
- (b) goodwill in respect of SOMV Upstream’s subsidiaries,

mainly as a result of unsuccessful exploration results during the financial year.

In the FYE 2024, the higher share of profit under the E&C segment was mainly due to higher vessel utilisation, which was mainly attributable to higher activities for the Petrobras pipelaying support services contract in Brazilian waters during the year. The Group also recorded a lower share of loss under the E&P segment mainly as a result of no impairment of goodwill recognised during the financial year. Meanwhile, the higher share of loss under the Corporate segment was mainly due to higher losses recorded by Labuan Shipyard & Engineering Sdn Bhd prior to its disposal on 5 February 2024.

In the FYE 2025, the higher share of profit under the O&M segment was due to higher profit generated by Sapura Baker Hughes TPS Sdn Bhd, which was mainly attributable to higher repair and maintenance activities for its clients during the financial year. In addition, the Group also recorded a turnaround in performance by the SOMV group mainly as a result of no impairment of goodwill and write-off of wells during the financial period prior to its disposal on 9 December 2024.

1.10 PBT/(LBT) and PAT/(LAT)

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
PBT/(LBT) (RM'000)	(31,725)	(8,931,853)	(3,103,557)	(412,842)	310,194
PBT/(LBT) margin (%)	(0.59)	(217.84)	(68.19)	(9.56)	6.60
PAT/(LAT) (RM'000)	(160,252)	(9,060,859)	(3,175,527)	(518,700)	68,135
PAT/(LAT) margin (%)	(3.00)	(220.98)	(69.77)	(12.01)	1.45

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

FYE 2022 vs FYE 2021

Both the Group’s LBT and LAT increased by RM8,900.1 million or 28,054.0% and RM8,900.6 million or 5,554.1% respectively in the FYE 2022 which was mainly attributable to the following:

- (a) provision for impairment losses totalling RM5,605.7 million in the FYE 2022 mainly in relation to goodwill as well as 11 drilling rigs arising from prolonged recovery expected in the O&G industry as mentioned in **Section 1.7** of this Appendix; and
- (b) deterioration in the Group’s performance from a GP of RM617.3 million in the FYE 2021 to a GL of RM2,163.8 million in the FYE 2022 as explained in **Section 1.4** of this Appendix.

Accordingly, both the Group’s LBT margin and LAT margin also deteriorated to more than 100.0% in the FYE 2022.

FYE 2023 vs FYE 2022

The Group’s LBT and LAT decreased by RM5,828.3 million or 65.3% and RM5,885.3 million or 65.0% respectively in the FYE 2023 which was mainly attributable to the following:

- (a) lower provision for impairment losses in relation to goodwill and drilling rigs by RM2,985.5 million in the FYE 2023; and
- (b) improvement in the Group’s performance from a GL of RM2,163.8 million in the FYE 2022 to a GP of RM576.9 million in the FYE 2023 as explained in **Section 1.4** of this Appendix.

Accordingly, the Group’s LBT margin and LAT margin also improved to 68.2% and 69.8% respectively in the FYE 2023.

FYE 2024 vs FYE 2023

The Group’s LBT and LAT decreased by RM2,690.7 million or 86.7% and RM2,656.8 million or 83.7% respectively in the FYE 2024 which was mainly attributable to lower impairment provision for losses in relation to goodwill and drilling rigs and vessels by RM2,594.3 million during the financial year.

Accordingly, the Group’s LBT margin and LAT margin also improved to 9.6% and 12.0% respectively in the FYE 2024 from 68.2% and 69.8% respectively in the FYE 2023.

FYE 2025 vs FYE 2024

The Group turned around its performance from a LBT and LAT of RM412.8 million and RM518.7 million respectively in the FYE 2024 to a PBT and PAT of RM310.2 million (increased by RM723.0 million or 175.1%) and RM68.1 million (increased by RM586.8 million or 113.1%) respectively in the FYE 2025. The turnaround in the Group’s performance was mainly due to the improvement in performance of its E&C and O&M segments, as a result of amongst others, securing new contracts during the financial year as well as lower provision for foreseeable losses as mentioned in **Section 1.4** of this Appendix.

Accordingly, the Group also record a PBT margin and PAT margin of 6.6% and 1.4% respectively in the FYE 2025 (FYE 2024: LBT margin of 9.6% and LAT margin of 12.0%).

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

1.11 Income Tax Expense

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Income tax expense (RM'000)	128,527	129,006	71,970	105,858	242,059
Effective tax rate (%)	(405.13)	(1.44)	(2.32)	(25.64)	78.03
Malaysian statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00

Notwithstanding that the Group incurred losses during the FYE 2021 to FYE 2024, the Group was subject to tax mainly as a result of the following:

- (a) certain companies within the Group were profitable and thus, were subject to tax;
- (b) certain expenses were not deductible for tax purposes; and
- (c) deferred tax assets not recognised in respect of tax losses and unabsorbed capital allowances.

FYE 2022 vs FYE 2021

The Group's effective tax rate increased from (405.1)% in the FYE 2021 to (1.4)% in the FYE 2022 which was mainly attributable to the increase in the Group's LBT by RM8,900.1 million during the financial year.

FYE 2023 vs FYE 2022

The Group's effective tax rate decreased slightly from (1.4)% in the FYE 2022 to (2.3)% in the FYE 2023 which was mainly attributable to higher utilisation of tax losses during the financial year.

FYE 2024 vs FYE 2023

The Group's effective tax rate decreased from (2.3)% in the FYE 2023 to (25.6)% in the FYE 2024 which was mainly attributable to the reduction in the Group's LBT by RM2,690.7 million during the financial year.

FYE 2025 vs FYE 2024

The Group's effective tax rate increased from (25.6)% in the FYE 2024 to 78.0% in the FYE 2025 which was mainly attributable to the turnaround in the Group's performance from a LBT of RM412.8 million to a PBT of RM310.2 million during the financial year as well as deferred tax assets not recognised in respect of tax losses and unabsorbed capital allowances.

[The remainder of this page is intentionally left blank]

2. LIQUIDITY AND CAPITAL RESOURCES

2.1 Working Capital

For the financial years under review between FYE 2021 and FYE 2025, the Group's main sources of liquidity and capital comprise the following:

- (a) internal sources of funds such as cash generated from the Group’s business operations, proceeds from the disposal of property, plant and equipment, and equity interests in subsidiaries as well as dividends received from joint ventures; and
- (b) external sources of funds such as banking facilities from financial institutions.

As part of the Group’s turnaround strategy, it aims to reduce the Group’s debt to improve liquidity and enhance financial flexibility. Pursuant thereto, the Group has obtained approvals from the majority of its financiers for its Composite Scheme as well as new Convening and Restraining Orders from the Court in March 2024. These approvals will enable the Group to move forward with the finalisation of its Composite Scheme ahead of court convened meetings with creditors.

In addition, the Group has also signed a conditional Sale and Purchase Agreement to sell its 50.0% equity interest in SOMV Upstream to TotalEnergies for a cash consideration of USD581.9 million (or RM2,451.7 million), which was completed on 9 December 2024. The proceeds from this disposal will primarily be used to settle amounts owed to its scheme creditors, including its Multi-Currency Financing lenders.

The Board is of the opinion that its working capital will be sufficient for its existing and foreseeable requirements for a period of 12 months from the completion of its Proposed Regularisation Plan as elaborated in **Section 15**, Part A of this Circular.

[The remainder of this page is intentionally left blank]

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

2.2 Cash Flows

The table below sets out the summary of the statements of cash flows of the Group for the financial years under review between FYE 2021 and FYE 2025:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	164,783	503,940	108,066	400,796	201,375
Net cash (used in)/generated from investing activities	(70,355)	(61,044)	140,020	296,879	3,004,713
Net cash (used in)/generated from financing activities	(330,198)	(361,198)	4,848	(106,812)	(2,446,112)
Net (decrease)/increase in cash and cash equivalents	(235,770)	81,698	252,934	590,863	759,976
Effects of exchange rate changes	(9,669)	2,057	2,582	(13,894)	14,065
Cash and cash equivalents at beginning of the financial year	603,898	358,459	442,214	697,730	1,274,699
Cash and cash equivalents at end of the financial year	358,459	442,214	697,730	1,274,699	2,048,740

FYE 2021

Net cash generated from operating activities

For the FYE 2021, the Group's operating profit before working capital changes was RM640.1 million. Its net cash generated from operating activities was RM164.8 million after adjusting for the following key items:

- (a) increase in trade and other receivables of RM280.6 million mainly as a result of revenue recognised from variation orders pending approval from clients; and
- (b) net increase in amount due from its associates and joint ventures of RM145.7million.

Net cash used in investing activities

For the FYE 2021, the Group recorded net cash used in investing activities of RM70.4 million which was mainly attributable to purchase of plant and equipment of RM164.15 million, mainly for dry docking capital expenditure related to tender assisted drilling rigs and vessels.

The capital expenditure was partially offset by a repayment of advances from a joint venture of RM23.5 million as well as receipt of a net additional income from the previous disposal of a 50.0% equity interest in a former subsidiary of RM50.1 million.

Net cash used in financing activities

For the FYE 2021, the Group recorded net cash used in financing activities of RM330.2 million which was mainly due to payment of finance costs of RM422.4 million during the financial year. This finance payment was partially offset by a net drawdown of financing facilities such as revolving credits of RM71.5 million for working capital purposes.

FYE 2022

Net cash generated from operating activities

For the FYE 2022, the Group’s operating loss before working capital changes was RM1,657.1 million. Its net cash generated from operating activities was RM503.9 million after adjusting for the following key items:

- (a) decrease in trade and other receivables of RM1,141.3 million mainly as a result of a decrease in its contract assets, which was due to amongst others, a decrease in its revenue; and
- (b) increase in trade and other payables of RM1,160.8 million mainly as a result of an increase in accruals of RM474.0 million.

In addition, the Group also paid income tax amounting to RM100.6 million in the FYE 2022.

Net cash used in investing activities

For the FYE 2022, the Group recorded net cash used in investing activities of RM61.0 million which was mainly attributable to purchase of plant and equipment of RM154.4 million, mainly for dry docking capital expenditure related to tender assisted drilling rigs and vessels.

The capital expenditure was partially offset by a repayment of advances from a joint venture of RM44.5 million as well as proceeds from disposal of a semi-tender drilling rig, and other plant and equipment, totalling RM20.6 million.

Net cash used in financing activities

For the FYE 2022, the Group recorded net cash used in financing activities of RM361.2 million which was mainly due to payment of finance costs of RM425.3 million as well as pledged of additional cash with financial institutions of RM145.0 million. This finance payment was partially offset by a net drawdown of financing facilities of RM236.0 million for working capital purposes.

FYE 2023

Net cash generated from operating activities

For the FYE 2023, the Group’s operating profit before working capital changes was RM650.7 million. The Group’s net cash from operating activities was RM108.1 million after adjusting for the following key items:

- (a) decrease in trade and other payables of RM620.8 mainly as a result of lower contract costs incurred during the year; and
- (b) decrease in trade and other receivables of RM176.2 million mainly as a result of focused efforts to collect from clients.

In addition, the Group also paid income tax amounting to RM63.6 million in the FYE 2023.

Net cash generated from investing activities

For the FYE 2023, the Group recorded net cash generated from investing activities of RM140.0 million which was mainly attributable to the proceeds from disposal of a pipe-laying and crane vessel (i.e. Sapura 3000 Vessel) and 3 drilling rigs (i.e. Sapura T-19, Sapura T-20 and Sapura Setia) totalling RM349.3 million.

These proceeds were partially offset by purchases of plant and equipment of RM234.5 million, mainly for dry docking capital expenditure related to tender assisted drilling rigs and vessels.

Net cash generated from financing activities

For the FYE 2023, the Group recorded net cash generated from financing activities of RM4.8 million which was mainly attributable to the withdrawal of cash previously pledged with financial institutions of RM123.1 million.

This withdrawal was partially offset by a net repayment of financing facilities such as the Group’s trade financing of RM89.6 million from amongst others, the proceeds from disposal of its vessel and rigs as mentioned above. In addition, the Group also made repayment of lease liabilities of RM11.2 million during the financial year.

FYE 2024**Net cash generated from operating activities**

For the FYE 2024, the Group’s operating profit before working capital changes was RM178.6 million. The Group’s net cash generated from operating activities was RM400.8 million after adjusting for the following key items:

- (a) increase in trade payables of RM300.6 million; and
- (b) net decrease in amount due from the Group’s associates and joint ventures of RM275.6 million,

which were partially offset by the following:

- (a) increase in trade and other receivables of RM183.1 million mainly as a result of higher progress billings in the fourth quarter of the FYE 2024; and
- (b) payment of income tax amounting to RM125.4 million in the FYE 2024.

Net cash generated from investing activities

For the FYE 2024, the Group recorded net cash generated from investing activities of RM296.9 million which was mainly attributable to the repayment from a joint venture of RM471.5 million during the financial year.

This repayment was partially offset by purchases of plant and equipment of RM208.1 million, mainly for dry docking capital expenditure related to tender assisted drilling rigs and vessels.

Net cash used in financing activities

For the FYE 2024, the Group recorded net cash used in financing activities of RM106.8 million which was mainly attributable to the payment of finance costs of RM40.9 million and net repayment of financing facilities and lease liabilities totalling RM39.5 million.

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

FYE 2025

Net cash generated from operating activities

For the FYE 2025, the Group's operating profit before working capital changes was RM937.3 million. The Group's net cash generated from operating activities was RM201.4 million after adjusting for the following key items:

- (a) increase in trade and other receivables by RM492.7 million mainly as a result of higher progress billings in the fourth quarter of the FYE 2025; and
- (b) payment of income tax amounting to RM81.0 million in the FYE 2025.

Net cash used in investing activities

For the FYE 2025, the Group recorded net cash generated from investing activities of RM3,004.7 million which was mainly attributable to the receipt of the SOMV Disposal Net Cash Consideration, as mentioned in **Section 3.2.2**, Part A of this Circular, following the completion of the disposal on 9 December 2024.

Net cash used in financing activities

For the FYE 2025, the Group recorded net cash used in financing activities of RM2,446.1 million which was mainly due to the placement of the SOMV Disposal Net Cash Consideration in a designated security account pursuant to the SOMV Net Sale Proceeds Trust Deed as mentioned in **Section 3.2.2**, Part A of this Circular.

2.3 Borrowings

All of the Group's borrowings are secured, interest-bearing and denominated in RM and USD. The Group's total outstanding borrowings as at 31 May 2025 stood at RM10,657.9 million, details of which are set out below:

Type	Purpose	Tenure Year	Interest rate %	Less than 1 year RM'000
<i>Denominated in RM</i>				
Revolving credits	Working capital	1 to 5	5.75 - 6.13	355,400
Term loan	Refinancing of previous facility	1 to 7	7.21 - 7.32	872,799
Sukuk programme	Refinancing of previous facility	1 to 7	6.77 - 7.32	6,370,923
				7,599,122
<i>Denominated in USD</i>				
Term loan	Refinancing of previous facility	1 to 7	7.40 - 7.42	2,216,877
Sukuk programme	Refinancing of previous facility	1 to 7	4.85 – 7.42	841,905
				3,058,782
Total				10,657,904

All of the Group's borrowings have been classified as short-term borrowings due to breach of loan covenants.

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

3. KEY FINANCIAL RATIOS

The Group’s key financial ratios during the financial years under review between FYE 2021 and FYE 2025 are as follows:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Trade receivables turnover (days) ^(a)	52	55	33	35	55
Trade payables turnover (days) ^(b)	137	123	185	166	187
Inventories turnover (days) ^(c)	31	25	37	36	39
Current ratio (times) ^(d)	0.65	0.21	0.18	0.20	0.37
Gearing ratio (times) ^(e)	1.16	136.7	(f)	(f)	(f)

Notes:

- (a) Computed based on the average between the opening and closing of net trade receivables over the Group’s revenue multiplied by 365 days.
- (b) Computed based on the average between the opening and closing of trade payables over the Group’s cost of sales multiplied by 365 days.
- (c) Computed based on the average between the opening and closing of inventories over the Group’s cost of sales multiplied by 365 days.
- (d) Computed based on current assets over current liabilities.
- (e) Computed based on total borrowings over total equity.
- (f) Not applicable as the Group is in a shareholders’ deficit position.

3.1 Trade Receivables Turnover

The normal credit period granted to the Group’s clients ranges from 30 to 90 days. The Group’s credit terms to clients are assessed and approved on a case-to-case basis taking into consideration various factors such as relationships with clients, clients’ payment history, credit worthiness, financial background, market reputation as well as clients’ ability to pay.

Included in its trade receivables are retention sums from contract clients which are unsecured, interest free and are expected to be collected in accordance with the terms of the respective contract agreements as follows:

	Audited				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM’000	RM’000	RM’000	RM’000	RM’000
Trade receivables	741,051	669,593	500,789	756,587	1,615,526
Less: Allowance for expected credit loss	(39,175)	(88,838)	(210,830)	(141,734)	(679,941)
Less: Retention sums from contract customers (net of allowance for expected credit loss)	(22,331)	(21,468)	(26,706)	(51,531)	(80,523)
Net trade receivables	679,545	559,287	263,253	563,322	855,062

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)
--

The Group’s trade receivables turnover period was fairly stable at 52 days and 55 days respectively in the FYE 2021 and FYE 2022.

The Group’s trade receivables turnover period decreased from 55 days in the FYE 2022 to 35 days in the FYE 2023 which was mainly due to focused efforts to collect from clients.

However, the Group’s trade receivables turnover period increased from 35 days in the FYE 2024 back to 55 days in the FYE 2025 mainly as a result of higher progress billings in the fourth quarter of the FYE 2024 and FYE 2025.

The ageing analysis of the Group’s trade receivables as at 31 January 2025 is as follows:

	Not past due RM’000	1-90 days RM’000	Past due 91 days-1 year RM’000	More than 1 year	Total RM’000
Trade receivables	589,651	143,449	801,903	80,523	1,615,526
Allowance for impairment losses	-	-	(679,941)	-	(679,941)
Net trade receivables	589,651	143,449	121,962	80,523	935,585
% of total net trade receivables	63	15	13	9	100
Subsequent collections as at the LPD	(535,695)	(143,229)	(95,029)	(176)	(774,129)
Outstanding net trade receivables	53,956	220	26,933	80,347	161,456

3.2 Trade Payables Turnover

The normal credit period granted by the Group’s suppliers ranges from 30 to 90 days.

The Group’s high trade payables turnover period of 166 days to 187 days in the FYE 2023 to FYE 2025 was mainly due to the Restraining Orders obtained in March 2022 and subsequently renewed to enable the Group to move forward with the finalisation of its Composite Scheme ahead of court convened meetings with creditors as the Group faced financial constraints following protracted downturn in new investments in the O&G industry and the COVID-19 pandemic.

The ageing analysis of the Group’s trade payables as at 31 January 2025 is as follows:

	Not past due RM’000	1-90 days RM’000	Past due 91 days-1 year RM’000	More than 1 year RM’000	Total RM’000
Trade payables	100,726	230,974	96,585	1,594,593	2,022,878
% of total trade payables	5	11	5	79	100
Subsequent payments as at the LPD	(82,197)	(102,854)	(82,420)	(25,365)	(292,835)
Outstanding net trade payables	18,529	128,121	14,165	1,569,228	1,730,043

APPENDIX I(C) – MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION OF THE GROUP (CONT’D)

3.3 Inventories Turnover

The Group’s inventories mainly consist of consumables, materials and spares for its business operations, i.e. its E&C, drilling and O&M services. These mainly include fuels, chemicals and lubricants as well as steel products such as tubulars.

The Group’s inventories turnover period increased from 25 days in the FYE 2022 to 37 days in the FYE 2023 which was mainly due to lower cost of sales incurred in the FYE 2023.

3.4 Current Ratio

	FYE 2021 RM’000	FYE 2022 RM’000	Audited FYE 2023 RM’000	FYE 2024 RM’000	FYE 2025 RM’000
Current assets	4,189,798	3,390,794	2,821,421	3,580,936	6,639,629
Current liabilities	6,479,223	15,841,620	15,484,383	18,109,554	17,891,071
Current ratio	0.65	0.21	0.18	0.20	0.37

The Group’s current ratio was less than 1 time for the financial years under review between FYE 2021 and FYE 2025 which was mainly due to utilisation of financing facilities for its business operations.

The Group’s current ratio decreased from 0.6 times in the FYE 2021 to 0.2 times in the FYE 2022 which was mainly due to the classification of all its borrowings as short-term borrowings due to breach of loan covenants during the financial year.

3.5 Gearing Ratio

	FYE 2021 RM’000	FYE 2022 RM’000	Audited FYE 2023 RM’000	FYE 2024 RM’000	FYE 2025 RM’000
Total borrowings	10,332,182	10,658,021	10,615,934	10,982,446	10,758,947
Total equity	8,936,750	77,986	(2,905,722)	(4,221,080)	(3,601,973)
Gearing ratio (times)	1.16	136.67	(a)	(a)	(a)

Note:

(a) Not applicable as the Group is in a shareholders’ deficit position.

The Group’s gearing ratio increased from 1.2 times in the FYE 2021 to 136.7 times in the FYE 2022 which was mainly due to impairment losses recognised in relation to its assets and goodwill mainly as a result of the prolonged recovery expected in the O&G industry as well as losses incurred on contracts arising from unforeseeable costs due to the COVID-19 pandemic.

The Group’s shareholders’ funds continued to deteriorate in the FYE 2023 and FYE 2024 which was mainly due to impairment losses recognised in relation to its assets and goodwill mainly as a result of the prolonged recovery expected in the O&G industry as well as provision for foreseeable losses due to escalating costs to complete its E&C contracts as a result of the COVID-19 pandemic and higher project execution cost.

The Group’s shareholders’ funds improved slightly in the FYE 2025 which was mainly due to the turnaround of the Group’s performance during the financial year as mentioned in **Section 1.10** of this Appendix.

4. SIGNIFICANT TRENDS

Save as disclosed in this Circular and to the best knowledge and belief of the Board, there are no other known trends, demands, commitments, events or uncertainties that are reasonably expected to have a material effect on its financial performance, position and operations.

[The remainder of this page is intentionally left blank]

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS

1. GENERAL OVERVIEW OF THE SCHEMES OF ARRANGEMENT COMPRISING THE COMPOSITE SCHEME

- 1.1 The Scheme Companies have been divided into 4 sub-groups which are as follows:
- (a) the MCF Obligor (Subsidiary) Group;
 - (b) the Core Asset-Owning Group;
 - (c) the Non-Core Group; and
 - (d) the Company.
- 1.2 Due to the different circumstances surrounding each of these groups of Scheme Companies, a different base scheme of arrangement applies for each group. Within each group however, the same base scheme has been entered into by each Scheme Company within that group. The only exception to this would be certain differences to cater for the special position of Sapura TMC, the treasury company of the group.

2. SCHEME CREDITORS OF THE SCHEME COMPANIES

- 2.1 Pursuant to the POD Exercise, any Scheme Creditor of a Scheme Company which:
- (a) is an Unsecured Creditor of such Scheme Company; and
 - (b) is owed, in the aggregate, less than RM200,000.00 or its equivalent,
- has not been admitted into the relevant Scheme for that Scheme Company, but has had or will have its accepted Outstanding Liabilities settled in cash, in the ordinary course of business.
- 2.2 The Scheme entered into by each Scheme Company will compromise all Outstanding Liabilities of such Scheme Company (excluding claims of Unsecured Creditors below RM200,000.00 or its equivalent as described in Paragraph 2.1) which have been admitted and verified in the POD Exercise undertaken in respect of such Scheme Company, together with certain designated contingent claims against such Scheme Company (if any).

3. SCHEME CREDITORS AS CONTINGENT CREDITORS IN SEB SCHEME

- 3.1 Scheme Creditors of Scheme Companies other than the Company, whose Outstanding Liabilities have been admitted under the Schemes proposed by such Scheme Companies and are to be novated to or solely assumed by the Company on the Restructuring Effective Date, have been treated as Contingent Creditors of the Company for the purposes of the SEB Scheme. The Proof of Debt submitted by such Scheme Creditor to the relevant Scheme Company has been deemed for all intents and purposes to have been submitted to the SEB Scheme process for the purposes of the SEB Scheme, and the outcome of the POD Exercise undertaken by the relevant Scheme Company in respect of such Proof of Debt is binding on the Company.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

- 3.2 The classes of Scheme Creditors covered under the individual schemes of arrangement of each of the 23 Scheme Companies are set out below:

	Secured Creditors ⁽¹⁾	Preferred Unsecured Creditors	Unsecured Creditors	Intercompany Creditors
MCF Obligor (Subsidiary) Group	✓	✓	✓	✓
Core Asset-Owning Group		✓		✓
Non-Core Group		✓		✓
SEB		✓	✓	✓

Note:

- (1) Sapura TMC does not have any Preferred Unsecured Creditors or Unsecured Creditors. The individual scheme of arrangement for Sapura TMC therefore only has one class of creditors, viz. Secured Creditors i.e., the MCF Financiers.

4. POOLING OF RESOURCES

In order for the Scheme Companies to meet their obligations under the individual Schemes comprising the Composite Scheme, the resources of the Group will be pooled. Such pooling of resources is necessary because the intertwined nature of the finances and operations of the Scheme Companies renders it impracticable to keep them distinct. This is especially the case given that Sapura TMC is the treasury company for the Group and there is a complex network of existing intercompany liabilities between Scheme Companies.

In addition, due to the synergies that arise from the wholistic pooling of assets and resources, such pooling would be critical to maximise the returns that may be made available to the creditors of each of the Scheme Companies under the Composite Scheme, which in each case would be higher than the estimated unsecured recovery in a liquidation of such Scheme Company on an individual basis.

In this regard, the amount of indebtedness the Group can carry going forward has been determined based on an assessment of the cash-generative ability of the Group (i.e. the ability of the Group to generate cash flow available for repayment of debt).

5. INTER-CONDITIONALITY

- 5.1 The individual Schemes for each of:

- (a) the Company;
- (b) the Scheme Companies in the MCF Obligor (Subsidiary) Group; and
- (c) the Scheme Companies in the Core Asset-Owning Group,

are all inter-conditional upon each other.

- 5.2 The individual Schemes for each of the Scheme Companies in the Non-Core Group were conditional upon the individual Schemes for each of the MCF Obligors (including the Company) and the Scheme Companies in the Core Asset-Owning Group being approved and coming into effect.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

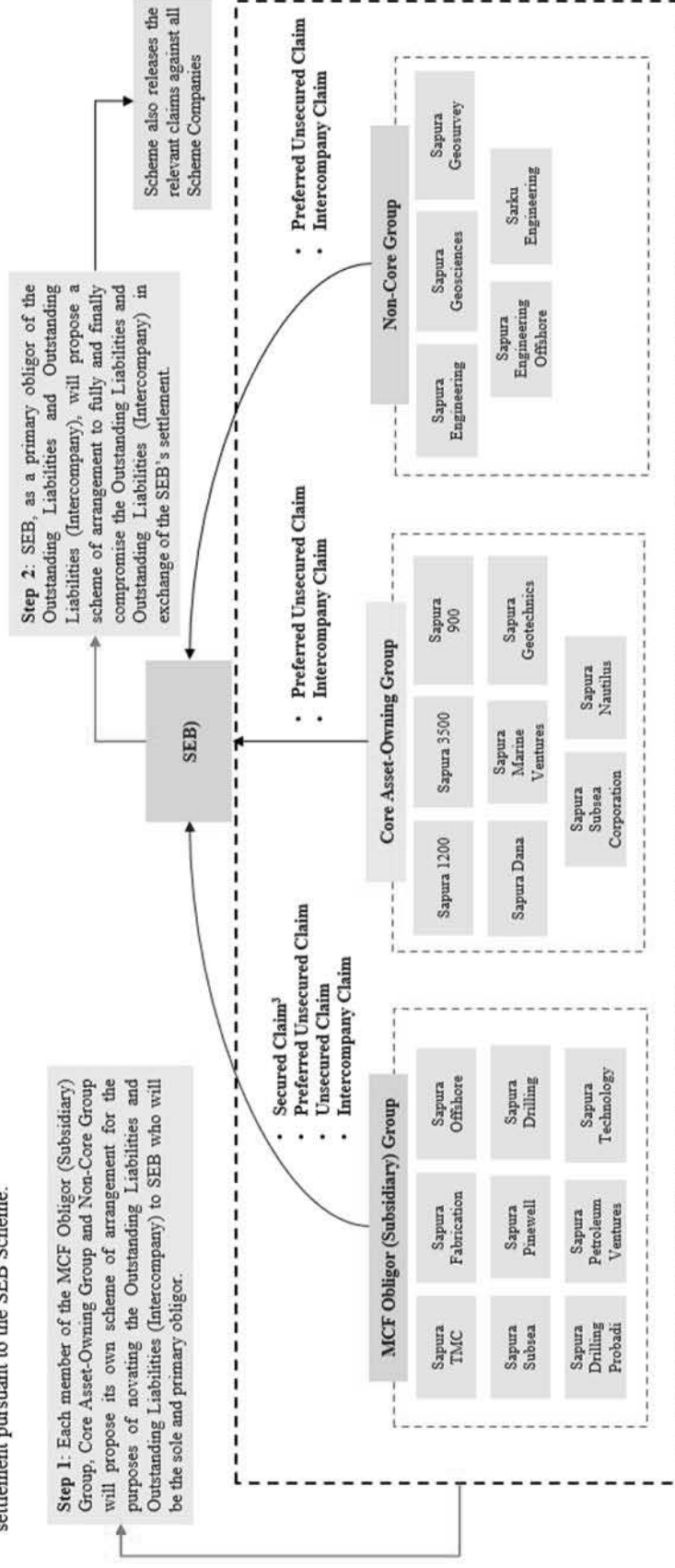
- 6. NOVATION TO/ASSUMPTION OF OUTSTANDING LIABILITIES OF OTHER SCHEME COMPANIES BY SEB**
- 6.1 To facilitate the efficient implementation of the individual Schemes comprising the Composite Scheme, the admitted Outstanding Liabilities of all Scheme Companies (other than the Company and specified exceptions) owing to the Scheme Creditors of such Scheme Companies will, under the individual Schemes, after waiver of all penalty charges, late payment charges, and interest accruing from the Cut-Off Date to the Restructuring Effective Date, all be taken over solely by the Company on Restructuring Effective Date, either by way of novation or assumption, as explained below. Such novated or assumed Outstanding Liabilities will then be fully and finally settled by the Company under the terms of the SEB Scheme in the manner set out in this appendix.
- 6.2 The mechanics of the SEB Scheme in relation to the novation or assumption of Outstanding Liabilities of the Scheme Companies to or by the Company are summarised in Illustration 1 below.

[The remainder of this page is intentionally left blank]

Illustration 1: Novation/Assumption of Outstanding Liabilities and Outstanding Liabilities (Intercompany) of the 22 Scheme Companies to/by SEB

Illustration 1: Step-by-Step Schematic

As part of the implementation of the restructuring, the Outstanding Liabilities¹ and Outstanding Liabilities (Intercompany)² of the Scheme Companies will firstly be novated to and assumed solely by SEB under the respective individual schemes of arrangement to be undertaken by the members of the MCF Obligor (Subsidiary) Group, Core Asset-Owning Group and Non-Core Group. These Outstanding Liabilities and Outstanding Liabilities (Intercompany) will be fully and finally compromised in exchange for SEB's settlement pursuant to the SEB Scheme.



¹ After waiver of accrued penalty charges, accrued late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date

² After waiver of accrued penalty charges, accrued late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date, and the netting-off with Outstanding Receivables (Intercompany)

³ Only applicable to Sapura TMC

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

7. NOVATION OF OUTSTANDING LIABILITIES (INTERCOMPANY), POST NETTING-OFF, OF OTHER SCHEME COMPANIES TO THE COMPANY

- 7.1 The Outstanding Liabilities (Intercompany) of the Scheme Companies (other than the Company and specified exceptions) owing to the Intercompany Creditors of such Scheme Companies will, under the individual Schemes, after waiver of all penalty charges, late payment charges and interest and netting-off against the Outstanding Receivables (Intercompany), all be taken over solely by the Company on Restructuring Effective Date by way of novation. Such novated Outstanding Liabilities (Intercompany) will then be fully and finally settled by the Company in the manner described in the Explanatory Statement and the Scheme Paper.
- 7.2 For completeness, the intercompany clean-up will involve Intercompany Creditors which are Scheme Companies and also Intercompany Creditors which are not Scheme Companies. Therefore, the agreement of the relevant Intercompany Creditors to the settlement of the Outstanding Liabilities (Intercompany) as described above will be documented under a GIA which will be executed by inter alia the relevant Group members after Sanction Date, and the effectiveness of which will be conditional upon the occurrence of the Restructuring Effective Date.
- 7.3 The Intercompany Creditors of the Scheme Companies do not include the following members of the Group which are creditors of the Scheme Companies:
- (a) Non-Participating Group Members (as defined in the GIA), who will not enter into the GIA; and
 - (b) Group B Participating Group Members (as defined in the GIA), who will enter into the GIA, but who are incorporated or domiciled in any of the foreign jurisdictions listed in Part IV (Non-Participating Jurisdictions) of Schedule 1 of the Group Intercompany Agreement.
- 7.4 These members of the Group will not have any outstanding liabilities owed to them by any Scheme Company settled under the relevant Scheme for that Scheme Company. In the case of the Group B Participating Group Members, each such group member will on the Restructuring Effective Date irrevocably release and waive all outstanding intercompany liabilities owed to them by the Scheme Companies, by way of bilateral arrangements.
- 7.5 The following Paragraphs 8 to 11 of this **Appendix II** of this Circular explain the individual Schemes entered into by the Scheme Companies in each of the 4 groups of Scheme Companies, as follows:
- (a) Paragraph 8 – the Schemes entered into by members of the MCF Obligor (Subsidiary) Group;
 - (b) Paragraph 9 – the Schemes entered into by members of the Core Asset-Owning Group;
 - (c) Paragraph 10 – the Schemes entered into by members of the Non-Core Group; and
 - (d) Paragraph 11 – the Scheme entered into by the Company.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

8. THE SCHEMES OF ARRANGEMENT FOR THE MCF OBLIGOR (SUBSIDIARY) GROUP

Each Scheme Company within the MCF Obligor (Subsidiary) Group except Sapura TMC, Sapura Drilling Probadi, Sapura Petroleum Ventures and Sapura Drilling Labuan, has 3 classes of Scheme Creditors: (i) Preferred Unsecured Creditors, (ii) Unsecured Creditors and (iii) Intercompany Creditors.

Sapura Drilling Probadi, Sapura Petroleum Ventures, and Sapura Drilling Labuan each have 2 classes of Scheme Creditors: (i) Unsecured Creditors and (ii) Intercompany Creditors.

Sapura TMC, as the treasury company for the Group, has 2 classes of Scheme Creditors: (i) Secured Creditors and (ii) Intercompany Creditors. This is explained further below.

Nature of Outstanding Liabilities of MCF Obligors to MCF Financiers

- 8.1 The MCF Financiers, who granted the MCF Facilities to Sapura TMC, constitute a majority in value of the Scheme Creditors of the Scheme Companies in the MCF Obligor (Subsidiary) Group.
- 8.2 The MCF Facilities granted by the MCF Financiers to Sapura TMC are of 2 different types: (i) conventional financing (i.e. the Conventional Facilities) and (ii) Shariah-based financing (i.e. the Multi-Currency Sukuk Programme).
- 8.3 Sapura TMC, the treasury company for the Group, is the original borrower of the Conventional Facilities, as well as the issuer of the Sukuk Murabahah issued under the Multi-Currency Sukuk Programme.
- 8.4 Sapura TMC has granted common security for the MCF Facilities over its material assets in favour of Maybank Investment Bank Berhad as security agent. Such security interests comprise fixed and floating charges over all material assets of Sapura TMC created pursuant to a debenture dated 18 March 2014 (as supplemented from time to time), as well as specific charges over certain bank accounts of Sapura TMC. The benefit of such security is shared by the MCF Financiers pursuant to the MCF Intercreditor Agreement.
- 8.5 The other MCF Obligors are all guarantors of Sapura TMC's obligations to the MCF Financiers under the MCF Facilities and have not granted any security over their assets in favour of the MCF Financiers.
- 8.6 In the premises:
 - (a) as against Sapura TMC, the MCF Financiers constitute secured creditors; and
 - (b) as against each of the other MCF Obligors, the MCF Financiers constitute unsecured creditors.

Other Creditors of the MCF Obligors

- 8.7 The MCF Financiers are not the only creditors of the Scheme Companies in the MCF Obligor (Subsidiary) Group. Besides the MCF Financiers, each of the MCF Subsidiary Obligors except Sapura TMC also has Unsecured Creditors, Intercompany Creditors, and (except in the case of Sapura Drilling Probadi, Sapura Petroleum Ventures, and Sapura Drilling Labuan) Preferred Unsecured Creditors.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

General outline of Scheme Structure for each MCF Subsidiary Obligor (other than Sapura TMC)

8.8 The individual scheme of arrangement entered into by each MCF Subsidiary Obligor (other than Sapura TMC), covers, where applicable, 3 different classes of creditors, as follows:

- (a) Preferred Unsecured Creditors (being the Ecosystem Creditors and the Essential Creditors);
- (b) Unsecured Creditors (including but not limited to the MCF Financiers); and
- (c) Intercompany Creditors.

Settlement of Outstanding Liabilities owing to Preferred Unsecured Creditors

8.9 On the Restructuring Effective Date, the admitted Outstanding Liabilities of each MCF Subsidiary Obligor (other than Sapura TMC) owed to each of its Preferred Unsecured Creditors shall be fully and finally settled as follows:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

- (b) the balance of the Outstanding Liabilities admitted in respect of such Preferred Unsecured Creditor after the waiver referred to in Paragraph (a) above shall be irrevocably novated to the Company (with the intent that such Outstanding Liabilities will be settled by the Company under the SEB Scheme by way of a payment in cash); and
- (c) upon the novation referred to in Paragraph (b) above taking effect, all Outstanding Liabilities owing to such Preferred Unsecured Creditor by the relevant MCF Subsidiary Obligor shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant MCF Subsidiary Obligor will thereupon be irrevocably released and discharged from all other claims of, obligations or liabilities that might otherwise be owing or owed to, such Preferred Unsecured Creditor (whether actual, contingent or otherwise).
- (d) For the avoidance of doubt:
 - (i) any release and discharge of the Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor as provided for above shall also have the effect of irrevocably releasing and discharging any third party who might otherwise be liable to make payment of or to perform any such Outstanding Liabilities, claims, obligations or liabilities (whether as guarantor, security provider, surety, principal debtor or otherwise) from any and all claims, obligations or liabilities that the relevant Scheme Creditor might otherwise have against such third party (whether such claims, obligations, or liabilities against such third party arise contractually, under a judgment of a court, or an arbitral award or otherwise) in relation to or in connection with such discharged Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor; and

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

- (ii) none of the MCF Subsidiary Obligors will be required to enter into or sign any other document or instrument in order to effect such release and discharge.

Settlement of Outstanding Liabilities owing to Unsecured Creditors (including the MCF Financiers)

8.10 On the Restructuring Effective Date, the Outstanding Liabilities of each MCF Subsidiary Obligor (other than Sapura TMC) owed to each of its Unsecured Creditors (including the MCF Financiers) shall be restructured and compromised in the following manner:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

(b) Novation of remaining Outstanding Liabilities to the Company and/or Assumption of Outstanding Liabilities by SEB

- (i) On the Restructuring Effective Date, the Outstanding Liabilities owing by each MCF Subsidiary Obligor (other than Sapura TMC):
 - (1) to its Unsecured Creditors (other than the MCF Financiers) remaining after taking into account the waiver referred to in Paragraph (a) above, shall be **irrevocably novated to the Company**; and
 - (2) to the MCF Financiers remaining after taking into account the waiver referred to in (a) above, **shall be solely assumed by the Company**, on the basis that the MCF Financiers will comprise Unsecured Creditors of the Company in relation to such Outstanding Liabilities,

(with the intent that such novated or assumed Outstanding Liabilities will be settled by the Company under the SEB Scheme in the manner set out in Paragraph 11 below).

- (ii) Each such MCF Subsidiary Obligor (other than Sapura TMC) shall upon the novation or assumption of its Outstanding Liabilities on the Restructuring Effective Date as referred to in Paragraph (b) (i) above, be irrevocably released and discharged from all such Outstanding Liabilities and all other claims, obligations or liabilities that might otherwise relate thereto (whether actual, contingent or otherwise).

(c) Release and Discharge of Outstanding Liabilities

For the avoidance of doubt, upon the restructuring and compromise of the Outstanding Liabilities owed by the MCF Subsidiary Obligors (other than Sapura TMC) to their Unsecured Creditors on the Restructuring Effective Date in the manner set out in Paragraphs 11(b) (i) to (vi) below:

- (i) all Outstanding Liabilities of all such MCF Subsidiary Obligors to such Unsecured Creditors remaining (or that might have otherwise remained) shall be irrevocably and permanently waived and deemed to have been discharged absolutely; and

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

- (ii) each of the MCF Subsidiary Obligors shall be irrevocably released and discharged from any and all Outstanding Liabilities to their Unsecured Creditors, and all other claims, obligations or liabilities that might otherwise relate thereto (whether actual, contingent or otherwise).
- (d) For the avoidance of doubt:
 - (i) any release and discharge of the Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor as provided for above shall also have the effect of irrevocably releasing and discharging any third party who might otherwise be liable to make payment of or to perform any such Outstanding Liabilities, claims, obligations or liabilities (whether as guarantor, security provider, surety, principal debtor or otherwise) from any and all claims, obligations or liabilities that the relevant Scheme Creditor might otherwise have against such third party (whether such claims, obligations, or liabilities against such third party arise contractually, under a judgment of a court, or an arbitral award or otherwise) in relation to or in connection with such discharged Outstanding Liabilities, claims, obligations or liabilities of the relevant MCF Subsidiary Obligor; and
 - (ii) none of the MCF Subsidiary Obligors will be required to enter into or sign any other document or instrument in order to effect such release and discharge.

Settlement of Outstanding Liabilities (Intercompany) owing to Intercompany Creditors

8.11 On the Restructuring Effective Date, the admitted Outstanding Liabilities (Intercompany) of each MCF Subsidiary Obligor owed to its Intercompany Creditors shall be fully and finally settled as follows:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

(b) Netting-off of intercompany balances

The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver referred to in Paragraph (a) above shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the relevant MCF Subsidiary Obligor (provided that such netting off shall only be undertaken after all intercompany entries in the books of such MCF Subsidiary Obligor arising from the implementation of the relevant Scheme have been duly posted and accounted for);

(c) Novation of remaining Outstanding Liabilities (Intercompany) to SEB

The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver and netting off referred to in Paragraphs (a) and (b) above, if any, shall be irrevocably novated to the Company as debtor (with the intent that such Outstanding Liabilities (Intercompany) will be settled by the Company under the SEB Scheme in the manner set out in Paragraph 14); and

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

(d) Release and Discharge of Outstanding Liabilities (Intercompany)

Upon the novation referred to in Paragraph (c) above taking effect, all Outstanding Liabilities (Intercompany) owing to such Intercompany Creditors by the relevant MCF Subsidiary Obligors shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant MCF Subsidiary Obligor will thereupon be irrevocably released and discharged from all other claims or obligations or liabilities that might otherwise be owing or owed to such Intercompany Creditor (whether actual, contingent, known or unknown, or otherwise). For the avoidance of doubt, none of the MCF Subsidiary Obligors will be required to enter into or sign any other document or instrument in order to effect such release and discharge.

General outline of Scheme Structure for Sapura TMC

8.12 Sapura TMC does not have any Preferred Unsecured Creditors or Unsecured Creditors. The individual scheme of arrangement for Sapura TMC will therefore only have 2 classes of creditors: (i) Secured Creditors (i.e. the MCF Financiers) and (ii) Intercompany Creditors.

8.13 On the Restructuring Effective Date, the admitted Outstanding Liabilities (Intercompany) owing by Sapura TMC to its Intercompany Creditors shall be restructured and compromised in the manner set out in Paragraph 8.11 above.

Settlement of Outstanding Liabilities (Intercompany) owing to Secured Creditors

8.14 Under the individual scheme of arrangement for Sapura TMC, on the Restructuring Effective Date, the Outstanding Liabilities owing to its Scheme Creditors shall be restructured and compromised in the following manner:

(a) Waiver of Interest and/or Profit

All:

- (i) penalty charges;
- (ii) late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

(b) Assumption of Outstanding Liabilities by SEB

- (i) On the Restructuring Effective Date, the Outstanding Liabilities owing by Sapura TMC to its Secured Creditors (i.e. the MCF Financiers) remaining after taking into account the waiver referred to in Paragraph (a) above, shall be solely assumed by the Company (with the intent that such novated or assumed Outstanding Liabilities will be settled by the Company under the SEB Scheme in the manner set out in Paragraph 11 below), on the basis that the MCF Financiers will comprise Unsecured Creditors of the Company in relation to such Outstanding Liabilities;
- (ii) Sapura TMC shall upon the assumption by the Company of its Outstanding Liabilities on the Restructuring Effective Date as referred to in Paragraph (i) above, be irrevocably released and discharged from all such Outstanding Liabilities and all other claims, obligations or liabilities that might otherwise relate thereto (whether actual, contingent, known or unknown, or otherwise), except to the extent expressly provided for under Paragraph 11 below.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

(c) For the avoidance of doubt:

- (i) any release and discharge of the Outstanding Liabilities, claims, obligations or liabilities of Sapura TMC as provided for above shall also have the effect of irrevocably releasing and discharging any third party (other than the Company) who might otherwise be liable to make payment of or to perform any such Outstanding Liabilities, claims, obligations or liabilities (whether as guarantor, security provider, surety, principal debtor or otherwise) from any and all claims, obligations or liabilities that the relevant Scheme Creditor might otherwise have against such third party (whether such claims, obligations, or liabilities against such third party arise contractually, under a judgment of a court, or an arbitral award or otherwise) in relation to or in connection with such discharged Outstanding Liabilities, claims, obligations or liabilities of Sapura TMC; and
- (ii) Sapura TMC shall not be required to enter into or sign any other document or instrument in order to effect any release and discharge.

8.15 As between the Sanction Date and the Restructuring Effective Date, the interim standstill as referred to in Paragraph 15 (Standstill Period between Sanction Date and Restructuring Effective Date) shall apply to each Scheme Company in the MCF Obligor (Subsidiary) Group and its Scheme Creditors.

9. THE SCHEMES OF ARRANGEMENT FOR THE CORE ASSET-OWNING GROUP

General outline of Scheme Structure for each Core Asset-Owning Company

9.1 Each Scheme Company within the Core Asset-Owning Group has 2 classes of Scheme Creditors: (i) Preferred Unsecured Creditors and (ii) Intercompany Creditors.

Settlement of Outstanding Liabilities owing to Preferred Unsecured Creditors

9.2 On the Restructuring Effective Date, the Outstanding Liabilities of each Core Asset-Owning Company owed to each of its Preferred Unsecured Creditors shall be fully and finally settled as follows:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

(b) the balance of the Outstanding Liabilities admitted in respect of such Preferred Unsecured Creditor after the waiver referred to in Paragraph (a) above shall be irrevocably novated to the Company (with the intent that such Outstanding Liabilities will be settled by the Company under the SEB Scheme by way of a payment in cash within 90 days of the Restructuring Effective Date, as described in Paragraph (a) below); and

(c) upon the novation referred to in Paragraph (b) above taking effect on the Restructuring Effective Date:

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

- (i) all Outstanding Liabilities owing by the relevant Core Asset-Owning Company to such Preferred Unsecured Creditor shall be deemed for all intents and purposes to have been fully and finally settled and compromised vis-à-vis such Core Asset-Owning Company;
- (ii) such Preferred Unsecured Creditor shall be deemed for all intents and purposes to be a Preferred Unsecured Creditor of the Company instead of such Core Asset-Owning Company; and
- (iii) the relevant Core Asset-Owning Company will thereupon be irrevocably released and discharged from all other claims, obligations or liabilities that might otherwise be owing or owed to, such Preferred Unsecured Creditor (whether actual, contingent, known or unknown, or otherwise).

Settlement of Outstanding Liabilities (Intercompany) owing to Intercompany Creditors

9.3 On the Restructuring Effective Date, the admitted Outstanding Liabilities (Intercompany) of each Core Asset-Owning Company owed to its Intercompany Creditors (other than the Company) shall be fully and finally settled in accordance with the Group Intercompany Agreement as follows:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

(b) Netting-off of intercompany balances

For each Core Asset-Owning Company, the balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver referred to in Paragraph (a) above shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the relevant Core-Asset Owning Company (provided that such netting off shall only be undertaken after all intercompany entries in the books of such Core-Asset Owning Company arising from the implementation of the relevant Scheme have been duly posted and accounted for).

(c) Novation of remaining Outstanding Liabilities (Intercompany) to SEB

The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver and netting off referred to in Paragraphs (a) and (b) above, if any, shall be irrevocably novated to the Company as debtor (with the intent that such Outstanding Liabilities (Intercompany) will be settled by the Company under the SEB Scheme in the manner set out in Paragraph 14).

(d) Release and Discharge of Outstanding Liabilities (Intercompany)

Upon the novation referred to in Paragraph (c) above taking effect, all Outstanding Liabilities (Intercompany) owing to such Intercompany Creditors by the relevant Core Asset-Owning Companies shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant Core Asset-Owning Companies will thereupon be irrevocably released and discharged from all other claims

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

or obligations or liabilities that might otherwise be owing or owed to such Intercompany Creditor (whether actual, contingent, known or unknown, or otherwise). For the avoidance of doubt, none of the Core Asset-Owning Companies will be required to enter into or sign any other document or instrument in order to effect such release and discharge.

- 9.4 As between the Sanction Date and the Restructuring Effective Date, the provisions of Paragraph 15 (Standstill Period between Sanction Date and Restructuring Effective Date) shall apply to each Core Asset-Owning Company and its Scheme Creditors.

10. THE SCHEMES OF ARRANGEMENT FOR THE NON-CORE GROUP

General outline of Scheme Structure for each Non-Core Group Company

- 10.1 Each Scheme Company within the Non-Core Group has 2 classes of Scheme Creditors: (i) Preferred Unsecured Creditors and (ii) Intercompany Creditors.

Settlement of Outstanding Liabilities owing to Preferred Unsecured Creditors

- 10.2 On the Restructuring Effective Date, the Outstanding Liabilities of each Non-Core Group Company owed to each of its Preferred Unsecured Creditors shall be fully and finally settled as follows:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

- (b) the balance of the Outstanding Liabilities admitted in respect of such Preferred Unsecured Creditor after the waiver referred to in Paragraph (a) above shall be irrevocably novated to the Company (with the intent that such Outstanding Liabilities will be settled by the Company under the SEB Scheme by way of a payment in cash within 90 days of the Restructuring Effective Date, as described in Paragraph (a) below); and

- (c) upon the novation referred to in Paragraph (b) above taking effect on the Restructuring Effective Date:

- (i) all Outstanding Liabilities owing by the relevant Non-Core Group Company to such Preferred Unsecured Creditor shall be deemed for all intents and purposes to have been fully and finally settled and compromised vis-à-vis such Non-Core Group Company;
- (ii) such Preferred Unsecured Creditor shall be deemed for all intents and purposes to be a Preferred Unsecured Creditor of the Company instead of such Non-Core Group Company; and
- (iii) the relevant Non-Core Group Company will thereupon be irrevocably released and discharged from all other claims, obligations or liabilities that might otherwise be owing or owed to, such Preferred Unsecured Creditor (whether actual, contingent, known or unknown, or otherwise).

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

Settlement of Outstanding Liabilities (Intercompany) owing to Intercompany Creditors

- 10.3 On the Restructuring Effective Date, the Outstanding Liabilities (Intercompany) of each Non-Core Group Company owed to each of its Intercompany Creditors (other than the Company) shall be fully and finally settled as follows:
- (a) All:
 - (i) accrued penalty charges;
 - (ii) accrued late payment charges; and
 - (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,shall be irrevocably and permanently waived.
 - (b) Netting-off of intercompany balances

The balance of the Outstanding Liabilities (Intercompany) after taking into account the waiver referred to in Paragraph (a) above shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the relevant Non-Core Group Company (provided that such netting off shall only be undertaken after all intercompany entries in the books of such Non-Core Group Company arising from the implementation of the relevant Scheme have been duly posted and accounted for).
 - (c) Novation of remaining Outstanding Liabilities (Intercompany) to the Company

The balance of the Outstanding Liabilities (Intercompany) admitted in respect of such Intercompany Creditor after the waiver and netting off referred to in Paragraphs (a) and (b) above, if any, shall be irrevocably novated to the Company as debtor (with the intent that such Outstanding Liabilities (Intercompany) will be settled by the Company under the SEB Scheme in the manner set out in Paragraph 14).
 - (d) Release and Discharge of Outstanding Liabilities (Intercompany)

Upon the novation referred to in Paragraph (c) above taking effect, all Outstanding Liabilities (Intercompany) owing to such Intercompany Creditors by the relevant Non-Core Group Companies shall be deemed, for all intents and purposes, to have been fully and finally settled and compromised and the relevant Non-Core Group Companies will thereupon be irrevocably released and discharged from all other claims or obligations or liabilities that might otherwise be owing or owed to such Intercompany Creditor (whether actual, contingent, known or unknown, or otherwise). For the avoidance of doubt, none of the Non-Core Group Companies will be required to enter into or sign any other document or instrument in order to effect such release and discharge.
- 10.4 As between the Sanction Date and the Restructuring Effective Date, the provisions of Paragraph 15 (Standstill Period between Sanction Date and Restructuring Effective Date) shall apply to each Non-Core Group Company and its Scheme Creditors.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

11. THE SEB SCHEME: RESTRUCTURING AND SETTLEMENT OF OUTSTANDING LIABILITIES BY SEB

11.1 Insofar as Scheme Creditors of the Company are concerned, on Restructuring Effective Date, the Outstanding Liabilities of the Company including those novated or assumed solely by the Company, as described in Paragraph 6 (after waiver of all penalty charges, late payment charges and interest), shall be restructured and repaid under the SEB Scheme in the following manner, and subject to the mechanics described in Paragraph 13:

(a) Preferred Unsecured Creditors

The principal Outstanding Liabilities of the Scheme Companies owing to their Preferred Unsecured Creditors, as novated to or assumed solely by the Company, will be settled by the Company in full, in cash, within 90 days from Restructuring Effective Date.

(b) Unsecured Creditors

(i) **SOMV Debt**

A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into "SOMV Debt" to be assumed by Sapura Upstream. The salient terms of the SOMV Debt will be as follows:

- The SOMV Debt will mature on 31 March 2026 and may be extended at the sole discretion of the Creditors holding the SOMV Debt, provided that an approval of the requisite majority of such Creditors has been achieved.
- The SOMV Debt will have a non-compounding PIK interest/profit of two per cent. (2.0%) per annum.
- The SOMV Net Sale Proceeds will, after release of the same from the SPA Security Arrangements, be utilised to repay the principal of and PIK interest/profit on the SOMV Debt within the tenure of such SOMV Debt.
- The SOMV Debt will be secured against a first ranking assignment of the SOMV Net Sale Proceeds.

(ii) **Sustainable Debt (Drilling)**

A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into "Sustainable Debt (Drilling)" to be assumed by Sinar Drilling. The salient terms of Sustainable Debt (Drilling) will be as follows:

- The tenure of the Sustainable Debt (Drilling) will be 8 years commencing from and inclusive of the Restructuring Effective Date.
- Interest/profit shall be payable semi-annually in arrear at a fixed rate of four point five per cent. (4.5%) per annum.
- The principal shall be repaid on a semi-annual basis throughout the 8-year tenure of the Sustainable Debt (Drilling).
- Both principal and interest/profit repayments/payments will commence on the last day of every consecutive 6th calendar month following the calendar month in which the Restructuring Effective Date occurs.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

- Sinar Drilling shall deposit the Minimum Drilling FSRA Balance into the Drilling FSRA. To this end, Sinar Drilling shall ensure that an amount of RM30 million is deposited in the Drilling FSRA on the Restructuring Effective Date, and the remainder of the Minimum Drilling FSRA Balance shall be built up by Sinar Drilling within the first eighteen-month period (by equal monthly instalments) from the Restructuring Effective Date. Sinar Drilling shall, subject to the prior consent of the requisite majority of Scheme Creditors holding Sustainable Debt (Drilling) being first obtained in accordance with the terms governing the Sustainable Debt (Drilling), be entitled to utilise the monies deposited in the Drilling FSRA to make payment of the relevant principal instalments of the Sustainable Debt (Drilling) and interest/profit payable under the terms of the Sustainable Debt (Drilling) from time to time, provided that the Minimum Drilling FSRA Balance is thereafter restored within sixty (60) days of any such payment.
- The Sustainable Debt (Drilling) will be secured against the following:
 - a first ranking equitable mortgage over the shares of Sinar Drilling, Sapura Drilling Labuan, Sapura Drilling Probadi and other drilling entities (i.e. the rig-owning entities and certain intermediate holding companies);
 - a debenture granted by Sinar Drilling creating first ranking fixed (or where appropriate, floating) charges over its assets;
 - a first ranking assignment and charge over designated bank accounts of Sinar Drilling;
 - a first ranking assignment and charge over the Drilling FSRA;
 - a new corporate guarantee issued by the Company in respect of the Sustainable Debt (Drilling) in favour of the Sustainable Debt (Drilling) creditors; and
 - cross guarantee and cross collateralisation of the Sustainable Debt (Drilling) and the Sustainable Debt (Brazil).

(iii) Sustainable Debt (Brazil)

A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into “Sustainable Debt (Brazil)” to be assumed by Sinar Brazil. The salient terms of Sustainable Debt (Brazil) will be as follows:

- The tenure of the Sustainable Debt (Brazil) will be eight (8) years commencing from and inclusive of the Restructuring Effective Date.
- Interest/profit shall be payable semi-annually in arrear at a fixed rate of 4.50% per annum.
- The principal shall be repaid on a semi-annual basis throughout the 8-year tenure of the Sustainable Debt (Brazil).
- Both principal and interest/profit repayments/payments will commence on the last day of every consecutive 6th calendar month following the calendar month in which the Restructuring Effective Date occurs.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

- Sinar Brazil shall deposit the Minimum Brazil FSRA Balance into the Brazil FSRA. To this end, Sinar Brazil shall ensure that an amount of RM60 million is deposited in the Brazil FSRA on the Restructuring Effective Date, and the remainder of the Minimum Brazil FSRA Balance shall be built up by Sinar Brazil within the first eighteen-month (by equal monthly instalments) period from the Restructuring Effective Date. Sinar Brazil shall, subject to the prior consent of the requisite majority of Scheme Creditors holding Sustainable Debt (Brazil) being first obtained in accordance with the terms governing the Sustainable Debt (Brazil), be entitled to utilise the monies deposited in the Brazil FSRA to make payment of the relevant principal instalments of the Sustainable Debt (Brazil) and interest/profit payable under the terms of the Sustainable Debt (Brazil) from time to time, provided that the Minimum Brazil FSRA Balance is thereafter restored within sixty (60) days of any such payment.
- The Sustainable Debt (Brazil) will be secured against the following:
 - a first ranking equitable mortgage over the shares of Sinar Brazil;
 - a debenture granted by Sinar Brazil creating first ranking fixed (or where appropriate, floating) charges over its assets;
 - a first ranking assignment and charge over designated bank accounts of Sinar Brazil;
 - a first ranking assignment and charge over the Brazil FSRA;
 - a new corporate guarantee issued by the Company in respect of the Sustainable Debt (Brazil) in favour of the Sustainable Debt (Brazil) Creditors; and
 - cross guarantee and cross collateralisation of Sustainable Debt (Drilling) and Sustainable Debt (Brazil).

(iv) RCUIDS

A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into RCUIDS to be issued by the Company. The salient terms of the RCUIDS will be as follows:

- Each RCUIDS will be issued at RM1.20, representing an indicative premium of fifty per cent. (50%) to the consolidated share price of existing SEB Shares which assumes the prevailing market price of 4 sen consolidated at a proposed indicative ratio of 20 existing SEB Shares for 1 Consolidated SEB Share.
- The tenure of each RCUIDS issued on the Restructuring Effective Date will be 8 years from and inclusive of the Restructuring Effective Date (the last date of such tenure being the maturity date of the RCUIDS). The tenure of each RCUIDS issued as “PIK” non-compounding profit (of 2.00% per annum) under the terms governing the RCUIDS will likewise end on the maturity date of the RCUIDS.
- The RCUIDS will be convertible into new Consolidated SEB Shares at any time from the Issue Date at a ratio of 1 RCUIDS for 1 new Consolidated SEB Share.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

- On the RCUIDS Maturity Date, any outstanding RCUIDS shall be automatically and mandatorily converted into new Consolidated SEB Shares.
- The RCUIDS may be redeemed for cash at the option of the Company, and subject to approval from SEB's Board.
- The RCUIDS will not be listed on any stock exchange but will be tradable and transferrable.
- The RCUIDS are subject to the following selling restrictions:
 - (i) At the issuance of the RCUIDS, the RCUIDS may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons to whom an offer or invitation to subscribe for or purchase the RCUIDS and to whom the RCUIDS are issued would fall within: (i) paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 of the CMSA and (ii) Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA, Part I of Schedule 7 (or Section 230(1)(b)) of the CMSA and Schedule 8 (or Section 257(1)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA and the Guidelines on Categories of Sophisticated Investors issued by the SC, subject to any changes in the applicable laws.
 - (ii) After the issuance of the RCUIDS, the RCUIDS may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons to whom an offer or invitation to subscribe for or purchase the RCUIDS and to whom the RCUIDS are issued would fall within: (i) paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 of the CMSA and (ii) Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA and Schedule 8 (or Section 257(1)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA and the Guidelines on Categories of Sophisticated Investors issued by the SC, subject to any changes in the applicable laws.

(v) Issuance of Settlement Shares

A portion of the Outstanding Liabilities of each Scheme Company in the MCF Obligor (Subsidiary) Group, as novated to or assumed solely by the Company will be converted into ordinary shares (being new Consolidated SEB Shares) to be issued by the Company. The salient terms of the Settlement Shares are as follows:

- Each Settlement Share will be issued at an issue price of RM0.80, calculated based on the consolidated share price of the Company which assumes a prevailing market price of 4 sen consolidated at a proposed indicative ratio of 20 existing SEB Shares for 1 Consolidated SEB Share.

(vi) Irrevocable and permanent waiver

On the Restructuring Effective Date, for every RM1.00 of the Outstanding Liabilities owing by the Company to each of the relevant Unsecured Creditors remaining after taking into account the steps referred to in Paragraphs 11.1(b) (i), (ii), (iii), (iv) and (v) above, 7.05 sen shall be irrevocably and permanently waived by such Unsecured Creditor.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

- 11.2 As between the Sanction Date and the Restructuring Effective Date, the interim standstill referred to in Paragraph 15 (Standstill Period between Sanction Date and Restructuring Effective Date) shall apply to the Company and its Scheme Creditors.

12. SCHEME CONVERSION FOR CALCULATION, ALLOCATION AND REPAYMENT

Insofar as the Unsecured Creditors of each of the Company and the Scheme Companies in the MCF Obligor (Subsidiary) Group are concerned:

- (a) for the purposes only of calculating the amounts of the SOMV Debt, the Sustainable Debt, and the relevant equity and equity-like instruments to be allocated to such Unsecured Creditors under the SEB Scheme, all claims for Outstanding Liabilities denominated in a currency other than Ringgit Malaysia (in each case, the “**Original Currency**”) shall be converted to RM using the relevant Scheme Exchange Rate;
- (b) thereafter, the amounts of the SOMV Debt and the Sustainable Debt allocated to such Unsecured Creditors, shall immediately be re-converted from RM to the Original Currency of the underlying Outstanding Liabilities using the relevant Scheme Exchange Rate (i.e., each such Unsecured Creditor’s portion of the Sustainable Debt and the SOMV Debt shall be denominated in the Original Currency of the underlying Outstanding Liabilities). For the avoidance of doubt, the RCUIDS and Settlement Shares to be allocated to Unsecured Creditors under the SEB Scheme shall be denominated solely in Ringgit Malaysia.

13. SUMMARY OF SEB’S PROPOSED SETTLEMENT OF THE OUTSTANDING LIABILITIES OWING TO ITS SCHEME CREDITORS ON RESTRUCTURING EFFECTIVE DATE, UNDER THE SEB SCHEME:

- 13.1 The mode by which the Outstanding Liabilities of the Company owing to its Preferred Unsecured Creditors will be settled on the Restructuring Effective Date is set out in the table below:

<i>Outstanding Liabilities</i>	<i>Step</i>
All penalty charges, late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date	Irrevocably and permanently waived
Remaining Outstanding Liabilities remaining after such waiver	To be settled as follows:
<i>For Every RM1.00 of remaining Outstanding Liabilities, or its equivalent</i>	<i>Mode of Settlement</i>
100 sen	To be repaid by the Company in cash
Total: 100 sen	

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

- 13.2 The mode by which the Outstanding Liabilities of the Company owing to its Unsecured Creditors will be settled on the Restructuring Effective Date is set out in the table below:

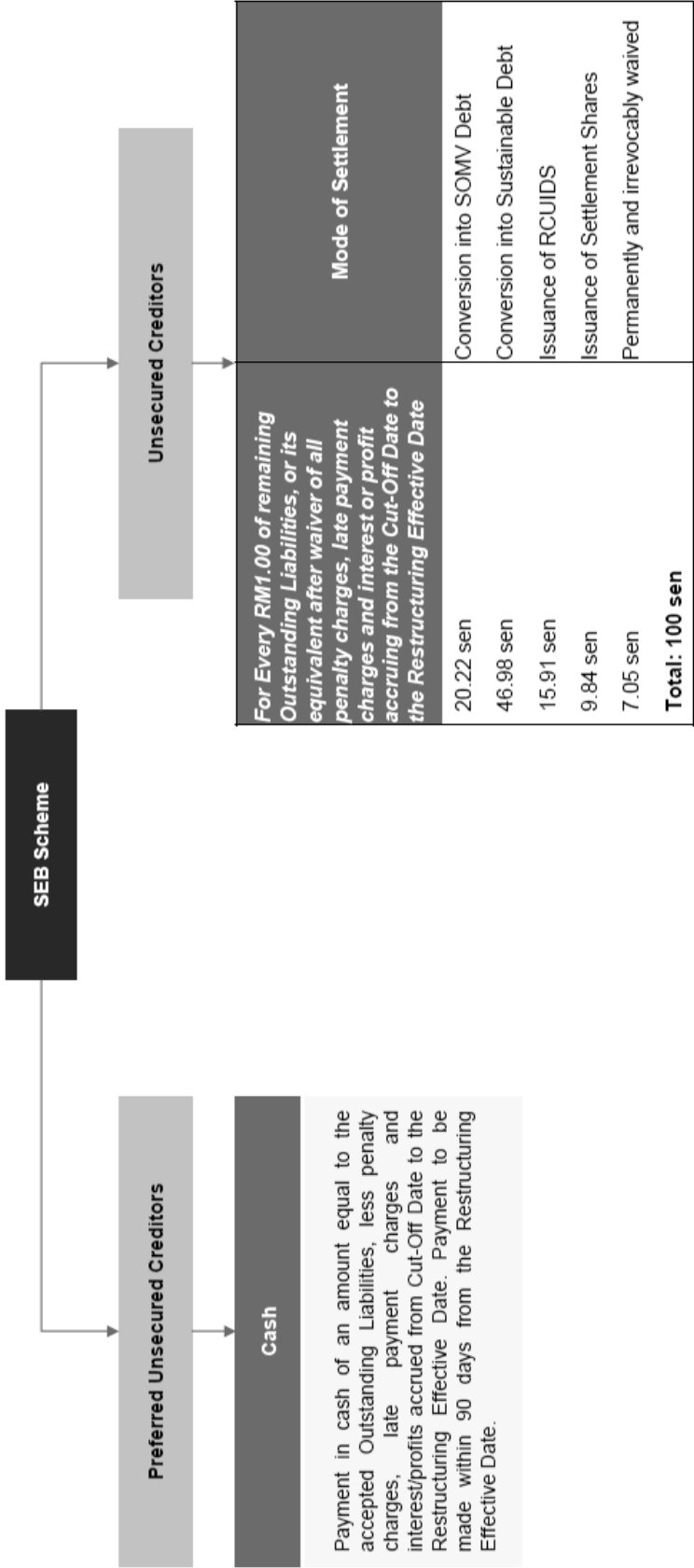
<i>Outstanding Liabilities</i>	<i>Step</i>
All penalty charges, late payment charges and interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date	Irrevocably and permanently waived
Remaining Outstanding Liabilities after such waiver	To be settled as follows:
<i>For Every RM1.00 of remaining Outstanding Liabilities, or its equivalent</i>	<i>Mode of Settlement</i>
20.22 sen	Conversion into SOMV Debt, to be repaid by Sapura Upstream.
46.98 sen	Conversion into Sustainable Debt, to be repaid as follows:
	(i) for every 1 sen of Outstanding Liabilities to be converted into Sustainable Debt, up to 0.5 sen will be converted into Sustainable Debt (Drilling) to be assumed solely by and repaid by Sinar Drilling, payable to the Unsecured Creditors of the Company on a pro rata basis; and
	(ii) for every 1 sen of Outstanding Liabilities to be converted into Sustainable Debt, up to 0.5 sen will be converted into Sustainable Debt (Brazil) to be assumed solely by and repaid by Sinar Brazil, payable to the Unsecured Creditors of the Company on a pro rata basis;
15.91 sen	Issuance of RCUIDS by the Company.
9.84 sen	Issuance of Settlement Shares by the Company.
7.05 sen	Permanently and irrevocably waived.
Total: 100 sen	

- 13.3 The proposed settlement under the SEB Scheme is summarised in Illustration 2 below.

[The remainder of this page is intentionally left blank]

Illustration 2: Distribution under SEB Scheme

Following novation/assumption of the Outstanding Liabilities to/by SEB, SEB will have two classes of Scheme Creditors:



APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

14. THE SEB SCHEME: RESTRUCTURING AND SETTLEMENT OF OUTSTANDING LIABILITIES (INTERCOMPANY)

14.1 On the Restructuring Effective Date, the admitted Outstanding Liabilities (Intercompany) of the Company owed to each of its Intercompany Creditors (including all Outstanding Liabilities (Intercompany) owed to Intercompany Creditors of the other Scheme Companies which have been novated to the Company) shall be fully and finally settled in accordance with the GIA, as follows:

(a) Waiver of Interest and/or Profit

All:

- (i) accrued penalty charges;
- (ii) accrued late payment charges; and
- (iii) interest or profit accruing from the Cut-Off Date to the Restructuring Effective Date,

shall be irrevocably and permanently waived.

(b) Netting-off of intercompany balances

The balance of the Outstanding Liabilities (Intercompany) of such Intercompany Creditor after the waiver referred to in Paragraph (a) above shall then to the extent possible be netted off against the Outstanding Receivables (Intercompany) owed by such Intercompany Creditor to the Company (provided that such netting off shall only be undertaken after all intercompany entries in the books of the Company arising from the implementation of the relevant Scheme have been duly posted and accounted for);

(c) Settlement of any remaining Outstanding Liabilities (Intercompany) and Outstanding Receivables (Intercompany) of SEB

The balance of all Outstanding Liabilities (Intercompany) or all Outstanding Receivables (Intercompany) (as applicable) of each Intercompany Creditor of the Company after the waiver and netting off referred to in Paragraphs (a) and (b) above, shall, subject in each case to all relevant approvals being obtained (where required), be fully and finally settled and compromised within 60 days of the Restructuring Effective Date, as follows:

- (i) any remaining Outstanding Liabilities (Intercompany) owing by the Company to any Intercompany Creditor shall be irrevocably and permanently waived; or
- (ii) any remaining Outstanding Receivables (Intercompany) owed by any Intercompany Creditor to the Company as an Intercompany Creditor shall be irrevocably and permanently waived and treated as a deemed capital contribution from the Company.

15. STANDSTILL PERIOD BETWEEN SANCTION DATE AND RESTRUCTURING EFFECTIVE DATE

On and from the Sanction Date and until the Restructuring Effective Date (unless the Restructuring Effective Date does not occur on or before the Longstop Date, in which event these restrictions shall cease to apply to Scheme Creditors from the Longstop Date), no Scheme Creditor of any Scheme Company shall take any steps to commence or continue, or instruct, direct or authorise any other person to commence or continue against any of the Scheme Companies or its directors, managers, officers, employees or advisors:

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

- (a) any Court proceedings in any jurisdiction including, for the avoidance of doubt, any intended or future proceedings, in respect of or arising out of any Outstanding Liabilities;
- (b) any arbitration proceedings and/or proceedings under the Construction Industry Payment and Adjudication Act 2012;
- (c) any winding-up proceedings and all proceedings for the appointment of any liquidator(s), receiver(s) and/or manager(s), nominee(s) (pursuant to an application for a corporate voluntary arrangement) and/or judicial manager(s) over such Scheme Company and/or any of its assets);
- (d) any proceedings in any tribunal whether pursuant to any statute or otherwise;
- (e) all execution or enforcement proceedings or process, the filing of admiralty in rem writs and warrants of arrest or other proceedings;
- (f) any dealing with the assets of such Scheme Company in any way or entering upon any premises upon which such assets may be located (except in lawful exercise of its rights of inspection as a landlord);
- (g) all extra-judicial proceedings including any demands for payment, enforcement or exercise or intended exercise, of any liens, securities, right of set-off, undertakings and guarantees under any documentary and standby letters of credit, performance bonds, bid bonds, bank guarantees or security documents or creation of any statutory lien and/or other contingent trade related instruments against such Scheme Company or any institution that has issued such instrument at the request of such Scheme Company pursuant to a facility entered into with that Scheme Company; or
- (h) any enforcement or exercise of any right (including but not limited to any garnishee actions, contra or set off of debts, claims against guarantees provided, enforcement of alleged liens, right of dilution, registration, encumbrance, sale or forced sale, buy-out, divestiture, repudiation, rescission, set-off, repossession, distress, conversion, possession, termination, suspension, modification or cancellation or the right to revoke any qualification or registration), option or remedy arising by law, by virtue of any agreement or by any other means against such Scheme Company or the assets of such Scheme Company as a result of:
 - (i) any default or non-performance by such Scheme Company and/or its subsidiaries howsoever arising and/or any other circumstances which may give rise to any right to take action against such Scheme Company;
 - (ii) any guarantees provided by such Scheme Company;
 - (iii) any and/or alleged liens against the assets of such Scheme Company; and/or
 - (iv) the proposing or approval of the scheme of arrangement proposed by such Scheme Company; and
 - (v) the execution of any scheme documents or the carrying out of any steps and transactions contemplated in this Scheme Paper in accordance with its terms.

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

16. LIST OF THE ESSENTIAL CREDITORS

No.	Essential Creditors	Country of incorporation	Registration No.
1	ABB PTE. LTD.	SINGAPORE	197000334W
2	ABL ENERGY & MARINE CONSULTANTS PTE	SINGAPORE	198305882K
3	ABS CONSULTING (S) PTE LTD	SINGAPORE	199401654H
4	ABSG CONSULTING INC.	SINGAPORE	S72FC2230F
5	ACTUANT OPERATIONS SINGAPORE PTE LTD	SINGAPORE	200104132C
6	ADMIRAL INDUSTRIAL MARINE	UNITED STATES	27-1318953
7	ADMIRAL MARINE SERVICES PRIVATE LIM	INDIA	PTC033345
8	ADVANCED MARINE PTE LTD	SINGAPORE	197900041G
9	ADVANCED OFFSHORE SERVICES PVT. LTD	INDIA	FTC301044
10	AGGREKO (SINGAPORE) PTE LTD	SINGAPORE	197602554G
11	AIR LIQUIDE, LLC	RUSSIAN FED.	1057746750
12	AIRTEL	INDIA	L74899HR1995PLC095967
13	AISHA AUTOMATION SDN BHD	BRUNEI	RC20000483
14	AKER POWERGAS PVT LTD	INDIA	U24246MH1957PTC010950
15	AKSBERG MARINE CONSULTANT PTE LTD	SINGAPORE	201842156C
16	ALATAS SINGAPORE PTE LTD	SINGAPORE	200007503W
17	ALFA LAVAL SINGAPORE PTE LTD	SINGAPORE	199507724G
18	ALLIANZ MARINE SERVICES (L.L.C)	UNITED ARAB EMIRATES	1035100
19	ALLIED INTERNATIONAL S.R.L.	ITALY	0129445033
20	ALVARO CUAUHEMOC SANCHEZ PACHECO	MEXICO	SAPA640219
21	AMBICO INTEGRATED MARKETING	INDIA	BA-91690
22	AMC MARINE & OFFSHORE CO LIMITED	CHINA	75680968
23	AMERICAN BUREAU OF SHIPPING	SINGAPORE	ACM_134432
24	AMERICAN BUREAU OF SHIPPING TAIWAN	TAIWAN	24774784
25	AMOS KOREA CO., LTD	KOREA	610-86-219
26	AMOS MIDDLE EAST FZE	UNITED ARAB EMIRATES	7440
27	AMOS SUPPLY PTE LTD	SINGAPORE	197800350H
28	ANALYTICAL LABORATORIES (S) PTE LTD	SINGAPORE	197302347G
29	ANSCHUETZ SINGAPORE PTE LTD	SINGAPORE	200820584C
30	AQAL LOGISTICS PTE LTD	SINGAPORE	20050863H
31	AQUALISBRAEMAR INDIA PRIVATE LIMITED	INDIA	PTC167514
32	AQUA-TERRA SOLUTIONS PTE LTD	SINGAPORE	200706579C
33	AQUATIC ASIA PACIFIC PTE LTD	SINGAPORE	201131282K
34	ARABIAN OCEAN SERVICES LLC	UNITED ARAB EMIRATES	67159
35	ARCELORMITTAL TUBULAR PRODUCTS AL-J	SAUDI ARABIA	2055009656
36	AROX ENGINEERING PTE LTD	SINGAPORE	201212855R
37	ARYA OFFSHORE SERVICES PRIVATE LIMITED	INDIA	PTC019065
38	ASHTeAD TECHNOLOGY	SINGAPORE	199308207K

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
39	ASIAN AMERICAN LIVER CENTRE PTE LTD	SINGAPORE	199405221E
40	ASIAN LIFT PTE LTD	SINGAPORE	1985 01672
41	ASL OFFSHORE & MARINE PTE LTD	SINGAPORE	199508603M
42	ASL SHIPYARD PTE LTD	SINGAPORE	199203932K
43	ATLAS COPCO (INDIA) LTD	INDIA	PLC020566
44	ATLAS COPCO (SOUTH-EAST ASIA) PTE LTD	SINGAPORE	197901051R
45	ATOLL OXYGEN SDN BHD	BRUNEI	RC00008322
46	BALLTEC LIMITED	UNITED KINGDOM	5188491
47	BAN LEE MACHINERY PTE LTD	SINGAPORE	197500442C
48	BARG IMPEX	INDIA	27AAPFB910
49	BECON TRADING & CONTRACTING W.L.L	QATAR	55552
50	BELDAM CROSSLEY LIMITED	UNITED KINGDOM	137350
51	BEN LINE AGENCIES (B) SDN BHD	BRUNEI	RC20004378
52	BENTLEY SYSTEMS INTERNATIONAL	IRELAND	474589
53	BHATIA BROTHERS (GULF) FZE	UNITED ARAB EMIRATES	1046
54	BLACKGOLD RESOURCES PTE. LTD.	SINGAPORE	201018434M
55	BOLLORE LOGISTICS SINGAPORE PTE LTD	SINGAPORE	198304000N
56	BORNEO SYSTEMATIC SDN BHD	BRUNEI	RC20000714
57	BOS ENGINEERING GHANA LIMITED	GHANA	CS04485201
58	BOSKALIS WESTMINSTER CONTRACTING LIMITED	QATAR	31087
59	BOSSS MARINE SERVICES LIMITED	GHANA	CS02795201
60	BOURBON GULF WLL	QATAR	32906
61	BOURBON OFFSHORE ASIA PTE LTD	SINGAPORE	200400857H
62	BRIDON SINGAPORE PTE LTD	SINGAPORE	197901111Z
63	BUREAU VERITAS (B) SDN BHD	BRUNEI	RC30000050
64	BUREAU VERITAS INDIA PVT LTD	INDIA	U74210MH2001PTC134262
65	CAMERON MIDDLE EAST FZE	UNITED ARAB EMIRATES	128817
66	CAN TRADERS & SERVICES PTE LTD	SINGAPORE	198100604M
67	CAPE GROUP LTD.	IRAN	10102914999
68	CATHELCO S.E.A PTE LTD	SINGAPORE	199607929N
69	CEVA LOGISTICS INDIA PVT PTD	INDIA	2030
70	CHANDRA SHIP MANAGEMENT PVT LTD	INDIA	PTC036819
71	CHEE FATT CO (PTE) LTD	SINGAPORE	197302471N
72	CHIN YUAN METAL PTE LTD	SINGAPORE	199200322C
73	CHUAN HUAT INTERNATIONAL (S) PTE LTD	SINGAPORE	M2-0119639
74	CLYDE & CO CLASIS SINGAPORE PTE LTD	SINGAPORE	201316191K
75	COMARINA INFRAESTRUCTURA S:A DE C.V	MEXICO	CIN160307MU3
76	COMPANY SERVICES SWISS SA	SWITZERLAND	1111
77	COMPASS GROUP SERVICES CO.,LTD	THAILAND	205556031761
78	COMPREHENSIVE SUPPORT SERVICES PTE	SINGAPORE	2010607206

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
79	COMPREHENSIVE SUPPORT SERVICES PVT	INDIA	U9300PN201
80	CONNTRAK CATERING (THAILAND) CO., LTD	THAILAND	0105539136
81	CONNTRAK CATERING SERVICES LLC	UNITED ARAB EMIRATES	CN-2297823
82	CONTROLS & ELECTRICS PTE LTD	SINGAPORE	199805363G
83	CORNES SINGAPORE PTE LTD	SINGAPORE	201026827R
84	CRANELINK MACHINERY PTE LTD	SINGAPORE	201707197H
85	CRS COMMUNICATIONS PTE LTD	SINGAPORE	199708503E
86	CRYSTAL OFFSHORE PTE LTD	SINGAPORE	200511585Z
87	CSS GULF FZE	UNITED ARAB EMIRATES	152145
88	CV. KAIROS GLOBAL MARINE	INDONESIA	93.008.18
89	CYBERMARINE TECHNOLOGIES PTE LTD	SINGAPORE	200304200D
90	DAMEN SCHELDE MARINE SERVICES PTE LTD	SINGAPORE	200000342N
91	DANIEL MEASUREMENT SOLUTIONS PVT LTD	INDIA	PTC049905
92	DEEP SEA OFFSHORE SERVICES	INDIA	U74900MH2015PTC264314
93	DISTRIBUIDORA FRANJOE, S. DE R.L.	MEXICO	DFR010308L
94	DISTRIBUIDORA Y COMERCIALIZADORA	MEXICO	DCP030828I
95	DNV GL AS - INDIAN BRANCH	INDIA	F02403
96	DNV SINGAPORE PTE LTD	SINGAPORE	198200541Z
97	DONG FANG OFFSHORE CO., LTD.	TAIWAN	82964333
98	DPM (S) PTE LTD	SINGAPORE	19900604Z
99	DREDGING INTERNATIONAL ASIA PACIFIC	SINGAPORE	199603154R
100	DUPREX OFFSHORE PTE LTD	SINGAPORE	201429860N
101	EASTERN NAVIGATION PTE LTD	SINGAPORE	196000051C
102	EBEMGLOBAL GHANA LIMITED	GHANA	CS07216201
103	EISENBAU KRAMER GMBH	GERMANY	HRB 1718
104	EKIT (B) SDN BHD	BRUNEI	RC00009067
105	ELECTROMECHANICA DEL NOROESTE, S.A.	SPAIN	A36683332
106	ELEMENT MATERIALS TECHNOLOGY SINGAP	SINGAPORE	200809162G
107	EMERSON PROCESS MANAGEMENT (INDIA)	INDIA	CIN U29196
108	EMERSON PROCESS MANAGEMENT CHENNAI	INDIA	PTC024245
109	EMHA MONITORING B.V.	NETHERLANDS	24165212
110	EMILIO ENRIQUE GONZALEZ GARCIA	MEXICO	GOG640821
111	ENERGY LOGISTICS PTE LTD	SINGAPORE	200807134W
112	ENGTEK PTE LTD	SINGAPORE	197100446K
113	ENTREPOT MARKETING PTE LTD	SINGAPORE	198403608R
114	ERICK URESTI OROPEZA	MEXICO	UEOE8303085B8
115	ESCA MARINE & ENGINEERING SDN BHD	BRUNEI	RC/0000910
116	ESSAR INTERNATIONAL (S) PTE LTD	SINGAPORE	200508650W
117	EVA MARINE TRADING CO LTD	TAIWAN	22844503
118	EXPRESS OFFSHORE SOLUTIONS	SINGAPORE	199300209C
119	FAIRLEAD MARINE SERVICES PTE LTD	SINGAPORE	199102829Z

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
120	FALAH-TEK SDN BHD	BRUNEI	26273857
121	FEDERAL HARDWARE ENGINEERING CO.	SINGAPORE	198001714-
122	FENDER CARE MARINE PRODUCTS (ASIA PACIFIC) PTE LIMITED	SINGAPORE	199200656G
123	FIRE AND SAFETY SPECIALIST LATIN	MEXICO	FSS080208Q
124	FIVE ALUMINIUM BOAT & ENGINEERING	SINGAPORE	200810725G
125	FLORIDA ENGINEERING COMPANY	INDIA	BA-102621
126	FMC LOADING SYSTEMS SAS	FRANCE	879022309
127	FMC TECHNOLOGIES S.A.S	FRANCE	705580389
128	FORUM ENERGY ASIA PACIFIC PTE LTD	SINGAPORE	53132027-L
129	FRANKLIN OFFSHORE INTERNATIONAL PTE	SINGAPORE	198402596-
130	FREUDENBERG OIL & GAS TECHNOLOGIES	UNITED KINGDOM	02634027
131	FUGRO SATELLITE POSITIONING PTE LTD	SINGAPORE	199403196C
132	FUGRO SINGAPORE MARINE PTE LTD	SINGAPORE	199403196C
133	G.T. FREIGHT FORWARDERS (S) PTE LTD	SINGAPORE	197803303G
134	GALI INTERNACIONAL SA	SPAIN	A08229759
135	GASOFFSHORE PTE LTD	SINGAPORE	201002441R
136	GASOIL SERVICES PTE LTD	SINGAPORE	201613101W
137	GCS COMPLIANCE SERVICES EUROPE LIMITED	UNITED KINGDOM	448751
138	GE ENERGY POWER CONVERSION UK LTD	UNITED KINGDOM	5571739
139	GENERAL FILTER PTE LTD	SINGAPORE	201209202H
140	GHM INDUSTRIES, INC.	UNITED STATES	1211995841
141	GLOBAL AGENCY COMPANY-RM	SPAIN	A36683332
142	GLOBAL GASES GROUP FZE	UNITED ARAB EMIRATES	167029
143	GLOBAL GASES INDIA PRIVATE LIMITED	INDIA	PTC195989
144	GLOBAL MARITIME MIDDLE EAST LLC	QATAR	62906
145	GLOBAL METEOCEAN PTE LTD	SINGAPORE	200916987R
146	GLOBE WIRELESS, L.L.C (INMARSAT SOL	UNITED STATES	522165183
147	GOLTENS SINGAPORE PTE LTD	SINGAPORE	197400330H
148	GRIFFIN TRAVEL PTE LTD	SINGAPORE	199705463-
149	GRO OILFIELD ALLIANCE GHANA LTD	GHANA	CS14568201
150	HAITONG MARINE SERVICE CO.,LTD.	CHINA	1451744
151	HARVEST TECHNOLOGY PTY LTD	AUSTRALIA	601 194 13
152	HENGTONG SUBMARINE POWER CABLE CO.,	CHINA	3205810002
153	HIND OFFSHORE PVT LTD	INDIA	U74999MH1990PTC055743
154	HINDUSTAN LUBES	INDIA	2735001464
155	HOE SENG (S.K.) PTE LTD	SINGAPORE	200822392R
156	HOLMEN HEAVYLIFT OFFSHORE PTE LTD	SINGAPORE	201118545N
157	HONEYWELL AUTOMATION INDIA LTD	INDIA	AAACT3904F
158	HOPPE MARINE GMBH	GERMANY	HRB123708
159	HORIZON GEOSCIENCES MARINE AND	QATAR	113695
160	HORIZON SURVEY COMPANY (FZE)	UNITED ARAB EMIRATES	788

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
161	HOSE DEPOT S DE RL DE CV	MEXICO	HDE111031R
162	HOUSTON ELECTRIC CO PTE LTD	SINGAPORE	199303441D
163	HUISMAN FAR EAST SERVICES PTE LTD	SINGAPORE	200803620H
164	HYCO TECH SDN BHD	BRUNEI	RC00009154
165	HYDROFIT FZE	UNITED ARAB EMIRATES	839
166	HYDRONAV SERVICES (S) PTE LTD	SINGAPORE	199005535K
167	I.S.T. MARINE AND OFFSHORE SUPPLIES	SINGAPORE	200608770C
168	IHC ASIA PACIFIC PTE LTD	SINGAPORE	201012188W
169	IHC IQIP B.V.	NETHERLANDS	23038500
170	IHC IQIP SINGAPORE PTE LTD	SINGAPORE	201510562K
171	IHC SAS - HYTOP B.V.	NETHERLANDS	29026813
172	IKM SUBSEA SINGAPORE PTE. LTD.	SINGAPORE	201101195G
173	IMI CORPORATION PTE LTD	SINGAPORE	199205115N
174	IMPA MARINE PTE LTD	SINGAPORE	199606128K
175	INDEX-COOL MARINE & INDUSTRY PTE LTD	SINGAPORE	1989/00206
176	INDIAN REGISTER OF SHIPPING	SINGAPORE	T08FC7297J
177	INDIANA GRATINGS PRIVATE LIMITED	INDIA	11-105716
178	INMARSAT SOLUTIONS (CANADA) INC	CANADA	956823-9
179	INTERMARITIME CERTIFICATION SERVICE	SINGAPORE	53189299M
180	INTERNATIONAL RELIABILITY SERVICES	BRUNEI	AGO/RC/541
181	INTERNATIONAL SHIPS STORES SUPPLIER	INDIA	27AAAFI013
182	INTERTEK INDIA PRIVATE LIMITED	INDIA	PTC202243
183	ISCO DEVELOPMENT SERVICES SDN BHD	BRUNEI	AGO/RC/276
184	JACKS WINCHES PTE LTD	SINGAPORE	200901667G
185	JAMES FISHER MARINE SERVICES LIMITED	UNITED KINGDOM	SC103667
186	JAMES FISHER OFFSHORE LIMITED	UNITED KINGDOM	SC103667
187	JASON ELECTRONICS PTE LTD	SINGAPORE	197800377K
188	JCWE SDN BHD	BRUNEI	RC20003659
189	JDR CABLE SYSTEMS LTD	UNITED KINGDOM	SC186919
190	JEBSEN & JESSEN SINGAPORE PTE LTD	SINGAPORE	200708134K
191	JEXCELLENCE SINGAPORE PTE LTD	SINGAPORE	201918897M
192	JFD LTD	UNITED KINGDOM	SC123684
193	JINZAIFA INDUSTRIAL & TRADING PTE LTD	SINGAPORE	200201515C
194	JOHNSON CONTROLS (S) PTE LTD	SINGAPORE	198205221M
195	JOTUN INDIA PRIVATE LIMITED	INDIA	PTC160431
196	JOWA (S) PTE LTD	SINGAPORE	199403632N
197	JSP ADVANCE PTE LTD	SINGAPORE	200905348N
198	JT OFFSHORE PTE LTD	SINGAPORE	201709861Z
199	K. U. T. DIESELS (PTE) LTD	SINGAPORE	197602016E
200	KARMSUND MARITIME SINGAPORE PTE LTD	SINGAPORE	200718627C
201	KAWASAKI HEAVY INDUSTRIES LTD	JAPAN	04844373

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
202	KB ASSOCIATES PTE LTD	SINGAPORE	200205925W
203	KEHASAN (B) SDN BHD	BRUNEI	RC00001357
204	KEPPEL SHIPYARD LIMITED	SINGAPORE	197000594D
205	KIAN SENG HARDWARE TRADING PTE LTD	SINGAPORE	198102113N
206	KIM HENG MARINE & OILFIELD PTE LTD	SINGAPORE	197800703R
207	KIRLOSKAR EBARA PUMPS LIMITED	INDIA	2778000029
208	KLINGER LIMITED - AUSTRALIA	AUSTRALIA	008 679 83
209	KONGSBERG MARITIME AS	NORWAY	NO 973 172
210	KONGSBERG MARITIME NETHERLANDS B.V.	NETHERLANDS	2053188
211	KONGSBERG MARITIME PTE LTD	SINGAPORE	198700622W
212	KORN FERRY (SG) PTE LTD	SINGAPORE	197500776G
213	KRIS WIRA TRANSPORT SDN BHD	BRUNEI	RC00005641
214	KTL OFFSHORE PTE LTD	SINGAPORE	197300732E
215	KWANG-YOUN-GI ENGINEERING CO., LTD	TAIWAN	79119122
216	L&T VALVES LIMITED	INDIA	PLC012188
217	LANKHORST ENGINEERED PRODUCTS BV	NETHERLANDS	01042093
218	LANPAN PTE LTD	SINGAPORE	200613209N
219	LEPS LOADLINK OFFSHORE PTE LTD	SINGAPORE	200807781R
220	LEPSA, S.A. DE C.V.	MEXICO	ROC-LEPSA
221	LIFT & SHIFT INDIA PVT LTD	INDIA	U74140MH20
222	LIM KIM HAI ELECTRIC CO (S) PTE LTD	SINGAPORE	197301744R
223	LLOYD'S REGISTER VOYAGE AS	NORWAY	926 707 38
224	LPC INDUSTRIAL SERVICES PTE LTD	SINGAPORE	199905264G
225	LUBRICANTES DE CALIDAD DEL GOLFO	MEXICO	LCG0408204
226	LYC HARDWARE & ENGINEERING PTE LTD	SINGAPORE	199501232G
227	M J OFFSHORE AND MARINE SERVICES LL	INDIA	U74999MH2015ULT268990
228	MACGREGOR PTE LTD	SINGAPORE	201311633G
229	MAHKOTA MAJU SDN BHD	BRUNEI	RC00006142
230	MANITOWOC CRANE GROUP ASIA PTE LTD	SINGAPORE	199401055M
231	MANSAM PTY LTD	AUSTRALIA	152 252 42
232	MARINE OFFSHORE CONSULTANCY SERVICE	INDIA	27AEAPD539
233	MARITEC PTE LTD	SINGAPORE	199906554N
234	MASSUTERA ENGINEERING SDN BHD	BRUNEI	RC00001819
235	MASTER SYSTEMS W.L.L	QATAR	113961
236	MATRONIX PTE LTD	SINGAPORE	201505330E
237	MATTHEWS DANIEL SERVICES (BERMUDA)	UNITED ARAB EMIRATES	47898
238	MEGALIFT SDN BHD	BRUNEI	AGO/RC/587
239	MEGAWATTS ENGINEERING SERVICES	SINGAPORE	199603082W
240	MENCK GMBH	GERMANY	HRB3894NO
241	MESON FAR EAST PTE LTD	SINGAPORE	200716980M
242	MH HYDRAULICS SINGAPORE PTE LTD	SINGAPORE	201214862H
243	MIDDLE EAST CRANE EQUIPMENTS TRADING LLC	UNITED ARAB EMIRATES	CN-1334590

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
244	MM LOGISTICS CO., LTD	THAILAND	0905542000
245	MMA OFFSHORE ASIA PTE LTD	SINGAPORE	200715016C
246	MOC SDN BHD	BRUNEI	AG/RC/3722
247	MTCS (UK) LTD	UNITED KINGDOM	50030668
248	NACE INTERNATIONAL	UNITED STATES	8485301
249	NAMAKA SUBSEA PTE LTD	SINGAPORE	201726096D
250	NASS ENGINEERING SERVICES PVT LTD	INDIA	PTC322262
251	NATIONAL OILWELL VARCO NORWAY AS	NORWAY	936 738 54
252	NATIONAL OILWELL VARCO, L.P.	UNITED STATES	2579999
253	NAVIS SHIP SERVICES PTE LTD	SINGAPORE	200605340R
254	NEMACOM LIMITED	UNITED KINGDOM	02643082
255	NEWAY VALVE (SINGAPORE) PTE LTD	SINGAPORE	201229500G
256	NORTHROP GRUMMAN SPERRY MARINE (S)	SINGAPORE	199201938D
257	NST WELDING ASIA PTE LTD	SINGAPORE	201127791E
258	NUFOSS SERVICES PTE LTD	SINGAPORE	198205351E
259	OCEAN SCIENCE CONSULTING LTD	UNITED KINGDOM	318365
260	OCEANIC MARINE SERVICES (WUXI)	CHINA	9132020069
261	OCS TECHNICAL SOLUTIONS INDIA PVT LTD	INDIA	PTC300504
262	OFFNOISE-HSD-SYSTEMS GMBH	GERMANY	4178333
263	OFFSHORE HOOK-UP & CONSTRUCTION	INDIA	AAACO1290M
264	OFFSHORE WEATHER SERVICES (ASIA)	SINGAPORE	200411377R
265	OIL STATES INDUSTRIES	UNITED STATES	2522017
266	OMA LOGISTICS GHANA LTD	GHANA	CS75337201
267	OMEGA INTEGRATION PTE LTD	SINGAPORE	199908134D
268	OPTICAL METROLOGY SERVICES LTD	UNITED KINGDOM	569556
269	OSBIT LIMITED	UNITED KINGDOM	4091038
270	OSMI, S.R.O.	SLOVAKIA	SK20223666
271	OVERSEAS MOTORS PTE LTD	SINGAPORE	195600088M
272	PACIFIC CREST PTE LTD	SINGAPORE	200414317H
273	PAGEO SUBOCEAN PTE LTD	SINGAPORE	201603836N
274	PAPE ENGINEERING PTE LTD	SINGAPORE	200805633G
275	PARAM OFFSHORE SERVICES PVT LTD	INDIA	U11101MH2008PTC177893
276	PENTAGON FREIGHT SERVICES (S) PTE LTD	SINGAPORE	198101955G
277	PH HYDRAULICS & ENGINEERING PTE LTD	SINGAPORE	M200209982
278	PHAROS MARINE AUTOMATIC POWER LIMITED	UNITED KINGDOM	6757705
279	PIPELINE ENGINEERING & SUPPLY CO LIMITED	UNITED KINGDOM	SC189419
280	PIPELINE TECHNIQUE LIMITED	UNITED KINGDOM	SC189419
281	POLYMETRA GMBH	SWITZERLAND	CHE-113.93
282	POWER DIESEL ENGINEERING PTE LTD	SINGAPORE	200415073N
283	PRANAVAM MARINE SERVICES	INDIA	AAIFP1612R

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
284	PRICEWATERHOUSECOOPERS TAX CONSULTION	TAIWAN	TW3045
285	PRINCETON PHARMACY (S) PTE LTD	SINGAPORE	198202804W
286	PROGRESIF SENDIRIAN BERHAD	BRUNEI	RC20004614
287	PSL LIMITED	INDIA	24AAACP273
288	PT AIR PRODUCTS INDONESIA	INDONESIA	01.133.521
289	PT TALENTA GELORA SERAFIM	INDONESIA	0901146168
290	PT. ASL SHIPYARD INDONESIA	INDONESIA	1.085.016.
291	PT. FRANKLIN OFFSHORE INDONESIA PER	INDONESIA	1705130024
292	PT. KARYA SUKSES PERSADA	INDONESIA	33.10.1.43
293	PT. SARATHY GEOTECH AND ENGINEERING	INDONESIA	03.256.182
294	PT. WINTERMAR	INDONESIA	2238/2004
295	PTSC OFFSHORE SERVICES JOINT	VIETNAM	3500818790
296	QINHUANGDAO J.CHENG MARINE PARTS CO	CHINA	9113030267
297	QUALITAS MATERIAL TESTING LABORATOR	UNITED ARAB EMIRATES	CN-1458445
298	RADIO HOLLAND SINGAPORE PTE LTD	SINGAPORE	199802747N
299	RAPID MARINE HVAC (ASIA PACIFIC) PT	SINGAPORE	200303641G
300	REDAELLI TECNA S.P.A.	ITALY	MI1080570
301	REMACUT S.R.L	ITALY	TO835136
302	RETO EQUIPOS S DE RL DE CV	MEXICO	REQ100128QL9
303	RH MARINE NETHERLANDS B.V.	NETHERLANDS	24193093
304	RIC MARINE & OFFSHORE SUPPLIES PTE	SINGAPORE	201431463R
305	RINA ENERGY (B) SDN. BHD.	BRUNEI	RC20002571
306	RINA SERVICES S.P.A	SINGAPORE	3487840104
307	RINGO AUTOMATION PTE LTD	SINGAPORE	200818602E
308	RK OFFSHORE SHIPMANAGEMENT PTE LTD	SINGAPORE	200618002K
309	RMS MARINE & OFFSHORE SERVICE	SINGAPORE	201510715H
310	ROGER INTERNATIONAL EQUIPMENT & SER	SINGAPORE	200201737W
311	ROHRBACK COSASCO SYSTEMS INC.	UNITED STATES	0708118410
312	RONTGEN TECHNISCHE DIENST B.V	NETHERLANDS	24051923
313	ROTEX ENGINEERING & SERVICES PTE LTD	SINGAPORE	200107891W
314	ROVOP LIMITED	UNITED KINGDOM	402747
315	RSK PETROLEUM SDN BHD	BRUNEI	NS0285416W
316	RYSTAD ENERGY ASIA PTE LTD	SINGAPORE	201616288Z
317	SAFEWAY B.V.	NETHERLANDS	63153343
318	SAMKANG M&T CO. LTD	KOREA	615-81-061
319	SARATHY GEOTECH & ENGINEERING	INDIA	PTC044635
320	SCHILLING ROBOTICS, LLC	UNITED STATES	2003269100
321	SCHNEIDER ELECTRIC SYSTEMS SINGAPORE PTE LTD	SINGAPORE	197700782D
322	SCHOTTEL FAR EAST PTE LTD	SINGAPORE	197200803H
323	SEA AND LAND TECHNOLOGIES PTE LTD	SINGAPORE	199407967R
324	SEA HORSE MARINE AND TRADING CO	INDIA	760220632V

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
325	SEAL FOR LIFE INDUSTRIES BVBA	BELGIUM	0879.163.161
326	SEAQUEST MARINE SYSTEMS PTE LTD	SINGAPORE	200209380W
327	SEATRONICS PTE LTD	SINGAPORE	200003393W
328	SEMCO SALVAGE (V) PTE LTD	SINGAPORE	198602403D
329	SERIKANDI OILFIELD SERVICES SDN BHD	BRUNEI	RC00007573
330	SERIMAX SOUTH EAST ASIA PTE LTD	SINGAPORE	200619296N
331	SERVICIOS MARINOS DEL SURESTE, SA D	MEXICO	SMS0706049
332	SEVEN SEAS SHIPCHANDLERS LLC	UNITED ARAB EMIRATES	216353
333	SGS TAIWAN LTD.	TAIWAN	86386881
334	SGS TESTING & CONTROL SERVICES SING	SINGAPORE	199404065N
335	SHANGHAI AOMU MECHANICAL AND ENGINEERING CO LTD	CHINA	91310114MA
336	SHANGHAI JIANGJIA SHIPPING TECHNOLOGY CO LTD	CHINA	9131023069
337	SHEFFIELD ENERGY PTE LTD	SINGAPORE	198901065W
338	SHEFFIELD ENERGY PTE LTD TAIWAN BRANCH	TAIWAN	54953412
339	SHINHO MARINE SUPPLIES CORP	TAIWAN	47395519
340	SHM SHIPCARE	INDIA	27AARFS891
341	SINGAPORE INNOVATION TECHNOLOGY PTE	SINGAPORE	201503376H
342	SINGAPORE MARINE ENGINEERING AND SP	SINGAPORE	200811768G
343	SINSCO INTERNATIONAL PTE LTD	SINGAPORE	200608450M
344	SM & ASSOCIATES	INDIA	ABVFS3340M
345	SMART TECHNICAL SERVICES CO. LTD	MYANMAR	105605269
346	SMITH PHARMACY PTE LTD	SINGAPORE	200304019E
347	SOIL MACHINE DYNAMICS LIMITED	UNITED KINGDOM	01028571
348	SOLAS MARINE SERVICES EST.	UNITED ARAB EMIRATES	28360
349	SOLAS MARINE SERVICES PTE LTD	SINGAPORE	201526461C
350	SOLAS MARINE SERVICES WLL	QATAR	52170
351	SOLUCIONES INDUSTRIALES ELECTRICAS	MEXICO	SIE1803122
352	SOMEHSA GEOSCIENCES PTE LTD	SINGAPORE	199500501E
353	SONARDYNE ASIA PTE LTD	SINGAPORE	199307994W
354	SONGKHLA MARINE SERVICE & SUPPLY CO	THAILAND	0905556002
355	SOPHIE SUPPLY PTE LTD	SINGAPORE	201400274Z
356	SPECIALIST SERVICES LLC	UNITED ARAB EMIRATES	1000457711
357	SPEEDCAST COMMUNICATION DE MEXICO	MEXICO	CCM050824I
358	SPEEDCAST COMMUNICATIONS (INDIA)	INDIA	PTC292949
359	SPEEDCAST LIMITED	HONG KONG	30353825-0
360	SPERRE ASIA PTE LTD	SINGAPORE	199002062N
361	STAREK SCIENTIFIC CO., LTD	TAIWAN	69533699
362	STORMGEO FZ LLC	UNITED ARAB EMIRATES	18283

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Essential Creditors	Country of incorporation	Registration No.
363	STRATUMFIVE LIMITED	UNITED KINGDOM	6788758
364	SUBSEA PROTECTION SYSTEMS (FAR EAST) PTE LTD	SINGAPORE	201631500H
365	SUBSEA PROTECTION SYSTEMS L.L.C.	QATAR	41926
366	SUPREME RUBBER LLC	UNITED ARAB EMIRATES	RAKIA25WIZ
367	T.T SURVEYS LIMITED	UNITED KINGDOM	1891769
368	TAI MAY INTERNATIONAL CORP. LTD.	TAIWAN	42796206
369	TAKORADI GAS LIMITED	GHANA	CS31280201
370	TANG MARINE SERVICE CO., LIMITED	CHINA	2208165
371	TAT HONG MACHINERY PTE LTD	SINGAPORE	199000957N
372	TAYLORS INTERNATIONAL OPERATIONS	MEXICO	TOM121113Q
373	TEAMTEC AS	NORWAY	NO97438847
374	TECHNO FIBRE (S) PTE LTD	SINGAPORE	M201119502
375	TEHO WATER & ENVIROTEC PTE LTD	SINGAPORE	200808548H
376	TENARIS GLOBAL SERVICE FAR EAST PTE	SINGAPORE	199203217W
377	TENDRILL INTERNATIONAL SDN BHD	BRUNEI	RC00008829
378	TERO MARINE AS	NORWAY	941123503M
379	TERO MARINE ASIA PACIFIC PTE LTD	SINGAPORE	201203627H
380	THE WELDING INSTITUTE	UNITED KINGDOM	59321964
381	THELMA INDUSTRIES PTE LTD	SINGAPORE	197803148D
382	TIANCHENG ELECTRICAL MARINE EQUIPMENT	SINGAPORE	201114137Z
383	TOP MARITIME SERVICE COMPANY LIMITED	THAILAND	0115554017
384	TRACE INTERNATIONAL INC.	UNITED STATES	278909
385	TRACTORS SINGAPORE LIMITED-SGD	SINGAPORE	196600025H
386	TRELLEBORG SINGAPORE PTE LTD	SINGAPORE	197200418W
387	TRIM SYSTEMS PTE LTD	SINGAPORE	197602249E
388	TSC SUBSEA LTD	UNITED KINGDOM	1787682
389	TYSER & CO. LTD.	UNITED KINGDOM	4256470
390	ULO SYSTEMS FZC	UNITED ARAB EMIRATES	12730
391	ULO SYSTEMS LLC	UNITED ARAB EMIRATES	40140
392	UNIQUE SYSTEM (SEA) PTE LTD	SINGAPORE	199405332D
393	UNISAFE PTE LTD	SINGAPORE	201135620R
394	UNITED POWER & RESOURCES PTE LTD	SINGAPORE	197300171W
395	USHA MARTIN SINGAPORE PTE LTD	SINGAPORE	199901924M
396	VALLIANZ OFFSHORE MARINE PTE LTD	SINGAPORE	201113722D
397	VEINTECH HANDELS GMBH	GERMANY	4608799
398	VELOSI CERTIFICATION LLC	QATAR	18031
399	VERIPOS (US) INC	UNITED STATES	3204851797
400	VERITAS PETROLEUM SERVICES B V	NETHERLANDS	58848754
401	VIDDACOM (B) SDN BHD	BRUNEI	RC/0000702
402	VIK-SANDVIK DESIGN INDIA PVT. LTD.	INDIA	PTC156146

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)
--

No.	Essential Creditors	Country of incorporation	Registration No.
403	VILMAR SA	ROMANIA	2961600
404	VINARCO SERVICES (THAILAND) LIMITED	THAILAND	0105539067
405	VISWALAB SINGAPORE PTE LTD	SINGAPORE	200412273N
406	VOSS (F.E) PTE LTD	SINGAPORE	198701264H
407	VOYAGER WORLDWIDE PTE LTD	SINGAPORE	199004604Z
408	WARTSILA SINGAPORE PTE LTD	SINGAPORE	198102876E
409	WILHELMSSEN SHIPS SERVICE (S) PTE LTD	SINGAPORE	197501948R
410	WILHELMSSEN SHIPS SERVICE AS	NORWAY	917 019 21
411	WILLIAM ENG PTE LTD	SINGAPORE	200517153Z
412	WING SHIP MARINE SERVICES PTE LTD	SINGAPORE	199905034Z
413	WINSTON ENGINEERING CORPORATION PTE	SINGAPORE	197701171H
414	WORLD WIDE OFFSHORE AND SHIP SUPPLY	INDIA	27AAAFW021
415	WSS MARINE & OFFSHORE SERVICES PTE LTD	SINGAPORE	200924109E
416	YOKOGAWA (THAILAND) LIMITED	THAILAND	0105532089

[The remainder of this page is intentionally left blank]

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

17. List of the Other Unsecured Creditors

No.	Other Unsecured Creditors	Country of incorporation	Registration No.
1	WILSON TAYLOR ASIA PACIFIC PTE LTD	SINGAPORE	199705312H
2	ULTRA DEEP SUBSEA PTE LTD	SINGAPORE	201413989R
3	TRANSVICTORY WINCH SYSTEM PTE LTD	SINGAPORE	201100646K
4	SUBSEA 7 SINGAPORE CONTRACTING PTE LTD	SINGAPORE	197100161W
5	SINGAPORE JINTENG INTERNATIONAL PTE LTD	SINGAPORE	201318265D
6	RAK SYSCOM PTE LTD	SINGAPORE	201020144H
7	POSH SUBSEA PTE LTD	SINGAPORE	201820716H
8	POSH SEMCO PTE LTD	SINGAPORE	198601194H
9	OCEAN WORKS ASIA PTE LTD	SINGAPORE	200415353M
10	MECHFIRE OFFSHORE & MARINE PTE LTD	SINGAPORE	200921336K
11	KREUZ SUBSEA TECHNOLOGIES PTE LTD	SINGAPORE	201323405M
12	KREUZ SUBSEA PTE LTD	SINGAPORE	200813466N
13	COWI SINGAPORE PTE LTD	SINGAPORE	201730394E
14	FUKUSUKE SINGAPORE PTE LTD	SINGAPORE	201205760K
15	EQUATORIAL MARINE FUEL MANAGEMENT SERVICES PTE LTD	SINGAPORE	200000671E
16	MCKINSEY & COMPANY, INC. (MALAYSIA)	MALAYSIA	199402000044 (993579-H)
17	QATAR FUEL (WOQOD)	QATAR	24872
18	HALUL OFFSHORE SERVICES COMPANY W.L.L	QATAR	23118
19	BUZWAIR INDUSTRIAL GASES FACTORIES	QATAR	47246
20	SRISAI OILFIELD EQUIPMENTS & MARINE	INDIA	PTC024407
21	RADIANT STEEL	INDIA	760430443
22	PRISM LOGISTIC PRIVATE LIMITED	INDIA	PTC095600
23	PREMIER CLEARING AGENCY PRIVATE LIMITED	INDIA	PTC139758
24	PETRO6 ENGINEERING & CONSTRUCTION	INDIA	PTC077312
25	MARUTI LIFT AND SAFE TECHNIQUE PVT LTD	INDIA	PTC246067
26	MAROON OCEAN OFFSHORE PRIVATE LIMITED	INDIA	U63030MH20
27	ICON ENGINEERING PTY LTD	INDIA	2 009 171 528
28	BERGEN PIPE SUPPORTS (INDIA) PVT LTD	INDIA	37AACCE518
29	DEUGRO PROJECTS (INDIA) PVT LTD	INDIA	PTC163295
30	CHOWGULE AND COMPANY PRIVATE LIMITED	INDIA	PTC000041
31	ALICO INDUSTRIES COMPANY LIMITED	UNITED ARAB EMIRATES	28481
32	ROLLSTUD MIDDLE EAST INC.	UNITED ARAB EMIRATES	100325488300003
33	OCS SERVICES DMCC	UNITED ARAB EMIRATES	DMCC3071
34	ARROW PIPES & FITTINGS FZCO	UNITED ARAB EMIRATES	271
35	MARINE ASSETS CORPORATION DMCC	UNITED ARAB EMIRATES	JLT-3626

APPENDIX II – DETAILS ON THE SCHEMES BETWEEN THE SCHEME COMPANIES AND THEIR SCHEME CREDITORS (CONT'D)

No.	Other Unsecured Creditors	Country of incorporation	Registration No.
36	ASTRO OFFSHORE PTE LTD	SINGAPORE	200916694M
37	ECHO CARGO & SHIPPING LLC	UNITED ARAB EMIRATES	55140
38	DBMSC-STEEL FZCO	UNITED ARAB EMIRATES	4852
39	SIKA TAIWAN LTD	TAIWAN	13128986
40	SI PING INTERNATIONAL CO.LTD.	TAIWAN	54236165
41	PRINCESS YACHTS TAIWAN CO.LTD	TAIWAN	1090743080
42	PKR OFFSHORE CO., LTD	TAIWAN	85007074
43	ASIAN MARINE SALVAGE LIMITED	TAIWAN	59201741
44	IPS NESTL TAIWAN LTD	TAIWAN	1103401389
45	CWIND TAIWAN CO., LTD	TAIWAN	50758824
46	AVATAR OFFSHORE MARINE SERVICES CO. LTD.	TAIWAN	16804285
47	THE VALIDATION CENTRE (TVC) LTD	UNITED KINGDOM	4596823
48	ALIXPARTNERS UK, LLP	UNITED KINGDOM	OC360308
49	R&M ELECTRICAL GROUP LIMITED	UNITED KINGDOM	2218034
50	PROCESS SYSTEMS ENTERPRISE LIMITED	UNITED KINGDOM	03307708
51	GLACIER MACHINING SOLUTIONS LIMITED	UNITED KINGDOM	170383
52	FIBRON BX LIMITED	UNITED KINGDOM	2094347
53	PT. CITRA SIP INDONESIA	INDONESIA	AHU12660AH
54	PT. BAHARI EKA NUSANTARA	INDONESIA	9120204191
55	PT UT QUALITY INDONESIA	INDONESIA	149482
56	PT GLOBAL OCEANIA SEJAHTERA	INDONESIA	9120302351
57	CLIPPER OIL, INC	UNITED STATES	1272858
58	ATI FLAT ROLLED PRODUCTS HOLDINGS,	UNITED STATES	6479074
59	STAR MATRIX LIMITED	HONG KONG	930555
60	IHSAN VENTURES LIMITED	HONG KONG	1789661
61	ROMONA INC.	RUSSIAN FED.	65 0014459
62	EUPEC FRANCE	FRANCE	339858219
63	TRUTH MARITIME SERVICES CO.,LTD	THAILAND	115554017
64	NANJING AUTO ELECTRIC CO. LTD	CHINA	17023915-2
65	APROVISIONAMIENTOS MARITIMOS PETROLEROS S.A.DE C.V	MEXICO	AMP980403K
66	K2 MANAGEMENT A/S	DENMARK	30812743
67	YUNNENG WIND POWER CO. LTD.	TAIWAN	72976520
68	PETROFAC (MALAYSIA) LIMITED	MALAYSIA	199802000012 (993886-M)

[The remainder of this page is intentionally left blank]

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

REPORTING ACCOUNTANTS’ REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4 July 2025

The Board of Directors
Sapura Energy Berhad
Level 4, Menara PNB
201-A, Jalan Tun Razak
50400 Kuala Lumpur

Dear Sirs,

Report on the compilation of Pro Forma Consolidated Statement of Financial Position included in the Circular to the Shareholders of Sapura Energy Berhad in connection with the Proposed Capital Reconstruction, Proposed Debt Restructuring, Proposed Fund-Raising and Proposed Exemption (collectively known as the “Proposed Regularisation Plan”)

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statement of Financial Position of Sapura Energy Berhad (“SEB” or “the Company”) and its subsidiaries (collectively known as the “Group”) prepared by the directors of the Company (the “Directors”). The Pro Forma Consolidated Statement of Financial Position consists of the Pro Forma Consolidated Statement of Financial Position as at 31 January 2025 and related notes as set out in Attachment A.

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statement of Financial Position is in accordance with Chapter 10 of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“Bursa Securities”)(“Applicable Criteria”) which we have stamped for identification purposes.

The Pro Forma Consolidated Statement of Financial Position has been compiled by the Directors to illustrate the impact of the event or transaction set out in Note 1 of Attachment A on the Group’s financial position as at 31 January 2025, as if those transactions or events had taken place on 31 January 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the financial year ended 31 January 2025, on which audit reports have been published.

The Directors’ Responsibility for the Pro Forma Consolidated Statement of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statement of Financial Position on the basis of the Applicable Criteria.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)



REPORTING ACCOUNTANTS’ REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm also applies Malaysia Approved Standard on Quality Management and International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion, as required under Chapter 10 of the Main Market Listing Requirement issued by Bursa Securities, about whether the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements and International Standard on Assurance Engagements, ISAE 3420: *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants and International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statement of Financial Position on the basis of the Applicable Criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statement of Financial Position.

The purpose of Pro Forma Consolidated Statement of Financial Position included in the circular to the shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)



REPORTING ACCOUNTANTS’ REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Our Responsibilities (cont’d.)

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statement of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statement of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statement of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statement of Financial Position has been compiled, in all material respects, on the basis of the Applicable Criteria as set out in Note 1 and Note 2 of Attachment A.

Other matters

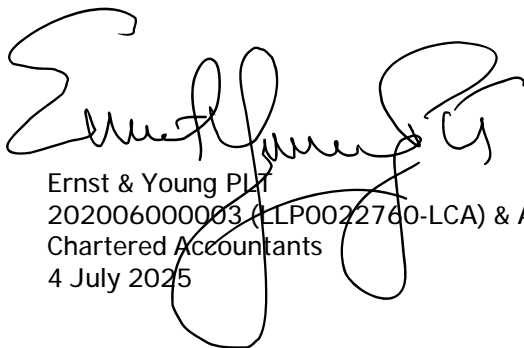
This letter is issued for the sole purpose of complying with Chapter 10 of the Main Market Listing Requirements issued by Bursa Securities in connection with the Proposed Regularisation Plan. Our work had been carried out in accordance with Malaysian Approved Standard on Assurance Engagements and International Standard on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Proposed Regularisation Plan described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Proposed Regularisation Plan.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Yours faithfully

A large, stylized handwritten signature in black ink, likely belonging to a representative of Ernst & Young PLT.

Ernst & Young PLT
2020060000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
4 July 2025

A handwritten signature in black ink, likely belonging to Ismed Darwis Bin Bahatjar.

Ismed Darwis Bin Bahatjar
No. 02921/04/2026 J
Chartered Accountant

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

1. Introduction

The Pro Forma Consolidated Statement of Financial Position ("SOFP") of Sapura Energy Berhad ("SEB" or the "Company") as at 31 January 2025 ("Pro Forma Consolidated SOFP"), for which the Board of Directors of SEB ("Directors") is solely responsible, has been prepared for illustrative purpose only for inclusion in the Circular to shareholders of SEB in connection with the:

- (I) Proposed Capital Reconstruction (As detailed in the Circular);
- (II) Proposed Debt Restructuring (As detailed in the Circular);
- (III) Proposed Fund-Raising (As detailed in the Circular); and
- (IV) Proposed Exemption (As detailed in the Circular);

(Collectively, referred to as the "Proposed Regularisation Plan")

On 31 May 2022, SEB made the First Announcement that the Company was an affected listed issuer as it had triggered the prescribed criterion under Paragraph 2.1(e) of PN17 of the Listing Requirements by reason of the fact that:

- (a) the Company's shareholders' equity on a consolidated basis of RM85 million as at 31 January 2022 was less than 50.00% of its share capital of RM10,872 million; and
- (b) the Company's auditors had highlighted a material uncertainty related to going concern in the Company's latest audited financial statements for the FYE 2022.

On 30 March 2023, SEB announced that the Company had further triggered another prescribed criterion under Paragraph 2.1(a) of PN17 of the Listing Requirements, in that the Company's shareholders' equity on a consolidated basis for the unaudited quarterly report on consolidated results for the fourth quarter ended 31 January 2023 was less than 25.00% of its share capital, and such shareholders' equity was less than RM40 million.

The Proposed Regularisation Plan above are intended to address the triggered criterion under Paragraph 2.1(a) and Paragraph 2.1(e) of PN17 of the Listing Requirements as mentioned above.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

The details of each of the components of the Proposed Regularisation Plan are summarised as follows:

(I) Proposed Capital Reconstruction, which encompasses the following:

(a) Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails a reduction of 99.99% of the Company's issued share capital by cancelling paid-up share capital which is lost or unrepresented by available assets pursuant to Section 116(1)(b) of the Companies Act 2016. This includes the issued share capital, warrants and the existing Employee Share Option Schemes ("ESOS") Options granted to the eligible employees of the Group. The credit arising from the Proposed Share Capital Reduction will be used to offset the accumulated losses of the Company.

(b) Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 20 SEB shares held by shareholders, whose name appears in the Record of Depositors of the Company at the close of business on the Share Consolidation Entitlement Date into 1 consolidated SEB share. The Proposed Share Consolidation will not have any effect on the percentage of shareholding of the shareholders. It is the intention of the Company to implement the Proposed Share Consolidation after the implementation of the Proposed Share Capital Reduction to align the number of consolidated SEB shares with the reduced issued share capital of the Company.

(II) Proposed Debt Restructuring

In order to manage the high level of indebtedness to creditors including the MCF Financiers (the conventional facility lenders and the Sukukholders of the outstanding Sukuk Murabahah issued under the Multi-Currency Sukuk Programme, and the Conventional Facilities) and the trade and other creditors, the Group proposed Schemes Of Arrangement ("SOA") to the creditors under Section 366 of the Companies Act 2016.

SEB and 22 of its subsidiaries (collectively, the "Scheme Companies") are involved in this exercise. The creditors involved in the SOA are collectively known as the Scheme Creditors. For full details of the SOA, please refer to Appendix II of the Circular.

On 27 February 2025, via 52 separate Court Convened Meetings between 21 February 2025 and 27 February 2025, pursuant to the Convening Order granted by the High Court of Malaya under Section 366(1) of Companies Act 2016, the Scheme Creditors have approved the proposed SOA and compromise between the Scheme Companies and their respective Scheme Creditors.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

On 6 March 2025, the Scheme Companies obtained a Court Order (Sanction) granted by the High Court of Malaya at Kuala Lumpur approving each of the SOA and compromise between the Scheme Companies and their respective Scheme Creditors at the Court Convened Meetings. The SOA shall take effect and be binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025 (the "Sanction Date").

In conjunction with the SOA sanctioned by the High Court, the Proposed Debt Restructuring for the unsecured creditors encompasses the following:

(a) Agreed Debt Waiver

7.05% of the Outstanding Liabilities owing to the Scheme Creditors are proposed to be irrevocably and permanently waived.

(b) Proposed Conversion into SOMV Debt

20.22% of the Outstanding Liabilities owing to the Scheme Creditors are proposed to be converted to debt owed by Sapura Upstream Assets Sdn. Bhd. ("SOMV Debt") and to be settled via the proceeds from the disposal of Sapura Upstream Asset Sdn. Bhd.'s entire 50.00% equity interest in SOMV to TotalEnergies.

The disposal was completed on 9 December 2024 with a net cash consideration amounts to USD581.9 million (after closing adjustments) (or equivalent to approximately RM2,451.8 million, based on the exchange rate of USD1:RM4.2350 being the middle rate quoted by BNM at 5.00 p.m. as at the LPD and partial realisation of foreign exchange difference on 9 June 2025).

Within 6 months from the completion of the disposal, 85% of the SOMV Net Sale Proceeds* (USD479 million) will be used to repay the RM2,250 million of the SOMV Debt. At Assumed Completion Date, additional 5% (USD28 million) is expected to be released and the surplus to be utilised in the order as below:

- First, USD29 million for SEB Group's working capital
- Second, USD80 million remitted to SEB for redemption of RCUIDS
- Third, any further surplus will be split into 70% for RCUIDS redemption, 20% to prepay Sustainable Debts, and 10% for SEB Group's working capital.

The remaining 10% of the SOMV Net Sale Proceeds (USD56 million) will be released after the Assumed Completion Date. For full details on the proposed utilisation of the proceed, please refer to Section 8.1 of the Circular.

* Net sale proceeds are USD562 million after deducting transaction costs and capital gain tax.

(c) Proposed Conversion into Sustainable Debts

46.98% of the total Outstanding Liabilities owing to the Scheme Creditors, are proposed to be restructured into the Sustainable Debts to be assumed and settled by Sinar Drilling Sdn. Bhd. and Sinar Brazil Sdn. Bhd.

This shall be repaid on semi-annual basis within the 8 years tenure starting from RED** and bears at a fixed rate of 4.5% interest per annum.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

The proposed schedule of payment is summarised in the table below:

Semi-annual payment instalment	Months after RED**)	Percentage of repayment under		
		Sinar Bhd	Drilling Sdn. Bhd.	Sinar Brazil Sdn. Bhd.
1	6		0.7653%	4.4005%
2	12		0.7653%	5.9311%
3	18		0.7653%	1.5306%
4	24		0.7653%	1.5306%
5	30		0.7653%	1.5306%
6	36		0.7653%	1.5306%
7	42		0.7653%	1.5306%
8	48		0.7653%	1.5306%
9	54		0.7653%	1.5306%
10	60		0.7653%	1.5306%
11	66		0.7653%	1.5306%
12	72		2.6786%	1.5306%
13	78		2.6786%	1.5306%
14	84		2.6786%	1.9133%
15	90		2.6786%	1.9133%
16	96		80.8673%	69.0052%
Total repayments			100%	100%

** the date on which the compromise and settlement of the Outstanding Liabilities of the Scheme Creditors under the terms of such Scheme becomes effective, being the date on which all of the condition precedents are satisfied or waived. The condition precedents are detailed in Appendix II of the Circular.

(d) Proposed Issuance of RCUIDS

15.91% of the total Outstanding Liabilities owing to the Scheme Creditors, are proposed to be settled via issuance of up to RM1,770,030,265 in nominal value (RM2,053,235,108 including payment-in-kind [issue more units of RCUIDS] profit of 2.00% per annum not compounding and nil redemption to maturity) of Redeemable Convertible Unsecured Islamic Debt Securities (“RCUIDS”).

(e) Proposed Issuance of Settlement Shares

9.84% of the total Outstanding Liabilities owing to the Scheme Creditors, are proposed to be settled via issuance of 1,368,408,062 Settlement Shares to the unsecured creditors at the Settlement Share Issue Price, which is based on the consolidated SEB share price of RM0.80.

In addition to (a) to (e) above, all penalty charges, late payment charges; and interest or profit accruing from the Cut-Off Date (as defined in Definition Section of the Circular) to the Restructuring Effective Date (“RED”) are irrevocably and permanently waived as detailed in Appendix II of the Circular.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

(III) Proposed Fund-Raising

In respect of Preferred Unsecured Creditors (the Ecosystem Creditors and the Essential Creditors of the Scheme Companies, under the Definition Section of the Circular), the debt is proposed to be settled via way of subscription for RM1,100 million in nominal value of Redeemable Convertible Loan Stock (“RCLS”) at the RCLS Issue Price of RM0.48 per RCLS. This will be subscribed by a Ministry of Finance’s appointed special purpose vehicle (Malaysia Development Holding Sdn Bhd).

The utilisation of fund is exclusively to pay the creditors of the Group who are Malaysian service providers in or to the Oil and Gas sector incorporated or registered in, and controlled by the residents of Malaysia (including the Ecosystem Creditors) as further detailed in Section 4.1 of the Circular.

(IV) Proposed Exemption

The exemption refers to exemption on Malaysia Development Holding Sdn Bhd from Mandatory Offer under subparagraph 4.08(1)(c) of the Securities Commission Rules on Take-Overs, Mergers and Compulsory Acquisitions. This matter has no pro forma financial effect to the Company and is not covered in this report.

2. Basis of preparation

The Pro Forma Consolidated SOFP has been prepared based on the audited consolidated statement of financial position of SEB as at 31 January 2025 (“Audited Financial Statements”), which was prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards, and the requirements of the Companies Act 2016 (“CA 2016”). The Pro Forma Consolidated SOFP has also been prepared in a manner consistent with both the format of the Audited Financial Statements and the accounting policies of SEB and its subsidiaries (collectively referred to as “SEB Group”).

The Pro Forma Consolidated SOFP has been prepared in accordance with the Guidance Note For Issuers of Pro Forma Financial Information issued by Malaysian Institute of Accountants. It is for illustrative purposes only to show the effects of the Proposed Regularisation Plan assuming that the Proposed Regularisation Plan has been completed on 31 January 2025 (“Assumed Completion Date”).

The Pro Forma Consolidated SOFP, and the notes thereto, are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest million (RM’mil) except when otherwise indicated. The exchange rate of USD1.00: RM4.2350, being the middle rate quoted by BNM at 5.00pm on the latest practicable date (“LPD”) (i.e. 10 June 2025) is applied to convert the pro forma adjustments in relation to the Proposed Regularisation Plan to derive the pro forma balances in the Pro Forma Consolidated SOFP.

The Pro Forma Consolidated SOFP has been prepared for illustrative purpose only, and because of its nature, may not reflect the actual financial position and result. Furthermore, such pro forma consolidated financial information does not purport to predict the future financial position of the SEB Group.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

4. Effects on the Pro Forma Consolidated Statement of Financial Position (“SOFP”)

The Pro Forma Consolidated SOFP incorporates the effects of the completion of the Proposed Regularisation Plan. For the purposes of illustration of the Pro Forma Consolidated SOFP, the Assumed Completion Date is 31 January 2025, assuming that the Proposed Regularisation Plan was completed on the said Assumed Completion Date.

It should be noted that the expected shareholders’ equity arising from the Proposed Regularisation Plan is solely for the purposes of preparation of this Pro Forma Consolidated SOFP of SEB and for illustrative purposes only. Accordingly, the final determination of the shareholders’ equity may defer significantly from what is reflected in the Pro Forma Consolidated SOFP.

Below are the pro forma effect and adjustments arising from the Proposed Regularisation Plan on the Assumed Completion Date as described above.

Pro Forma 1: Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails a reduction of 99.99% of the Company’s issued share capital by cancelling paid-up share capital which is lost or unrepresented by available assets pursuant to Section 116(1)(b) of the Companies Act 2016. The Company proposes a reduction of its issued share capital of RM11,854 million to improve the capital structure of the Company by reducing its accumulated losses.

For illustrative purposes, the Pro Forma Consolidated SOFP of SEB Group after incorporating the effects from the Proposed Share Capital Reduction at the Assumed Completion Date are as follows:

Share capital:

	RM’mil
Share capital as at 31 January 2025 (audited)	11,855
Less: Reduction of issued share capital arising from the Proposed Share Capital Reduction	(11,854)
Share capital as at Pro Forma 1	1

Accumulated losses:

	RM’mil
Accumulated losses as at 31 January 2025 (audited)	17,124
Less: Reduction of accumulated losses arising from the Proposed Share Capital Reduction	(11,854)
Accumulated losses as at Pro Forma 1	5,270

The transaction costs in relation to the Share Capital Reduction is presented together under Pro Forma 3.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

Pro Forma 2: Proposed Share Consolidation

The Pro Forma 2 incorporates the effects from Pro Forma 1 and effects of Proposed Share Consolidation. The Proposed Share Consolidation entails the consolidation of every 20 SEB shares held by shareholders, whose name appears in the Record of Depositors of the Company at the close of business on the Share Consolidation Entitlement Date into 1 consolidated SEB share. A 20-to-1 share consolidation does not have any effects on the Pro Forma Consolidated SOFP at the Assumed Completion Date.

Transaction costs in relation to the Share Consolidation is presented together under Pro Forma 3.

Pro Forma 3: Proposed Debt Restructuring

The Pro Forma 3 incorporates the effects from Pro Forma 1, 2, and the effects of the Proposed Debt Restructuring. Extending from background information above, the Scheme Creditors under the Proposed Debt Restructuring include the MCF Financiers and the other unsecured creditors. The total outstanding balances under the debt restructuring exercise amounted up to RM11,125 billion.

Summary of the Proposed Debt Restructuring are as follows:

(a) Agreed Debt Waiver

Up to RM784 million of the Outstanding Liabilities owing to the Scheme Creditors (representing 7.05% of the Outstanding Liabilities) are proposed to be irrevocably and permanently waived. This would result in a pro forma gain on waiver of debts, reducing the pro forma accumulated losses of the Group by the same amount.

(b) Proposed Conversion into SOMV Debt

Up to RM2,250 million of the Outstanding Liabilities owing to the Scheme Creditors (representing 20.22% of the Outstanding Liabilities) are proposed to be converted to debt owed by Sapura Upstream Assets Sdn. Bhd. ("SOMV Debt") and to be settled via the proceeds from the disposal of Sapura Upstream Assets Sdn. Bhd.'s entire 50.00% equity interest in SOMV to TotalEnergies.

The disposal was completed on 9 December 2024 upon fulfilment of all condition precedents stipulated in the agreement. The net sale proceeds from the disposal were USD562 million (equivalent to RM2,366 million). The proceeds from the completed disposal will be used to settle the SOMV Debt, and the surplus (if any) is agreed to be utilised in the manner explained in background section above. For the purposes of illustrative Pro Forma Consolidated SOFP, at Assumed Completion Date, no redemption of RCUIDS is assumed as there is no surplus from the 90% release of SOMV Net Sale Proceeds at the Assumed Completion Date.

To fully settle the SOMV debt, the Group will utilise the remaining 10% of SOMV disposal net cash consideration which will be released after the RED, i.e. 9 December 2025 (12 months from completion of SOMV disposal).

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

At the assumed completion date, the remaining unsettled SOMV debts are illustrated under Borrowing (SOMV Debt) in the Pro Forma Consolidated SOFP.

(c) Proposed Conversion into Sustainable Debts

As explained under the background section above, up to RM5,227 million of the total Outstanding Liabilities owing to the Scheme Creditors, (representing 46.98% of the Outstanding Liabilities), are proposed to be restructured into the Sustainable Debts to be assumed and settled by Sinar Drilling Sdn. Bhd. (up to RM2,613.3 million) and Sinar Brazil Sdn. Bhd. (up to RM2,613.3 million), which shall be repaid on semi-annual basis within the 8 years tenure starting from RED and bears at a fixed rate of 4.5% interest per annum. The proposed schedule of payment is presented in the background section above.

For the purposes of illustrative Pro Forma Consolidated SOFP, at the Assumed Completion Date, the existing debts of the unsecured creditors are extinguished, and 46.98% of which is restructured in this sustainable debt, with the remaining being settled via Pro Forma 3(a), (b), (d) and (e) as described above and below. As a result, the liabilities of the SEB Group are reduced by up to RM5,144 million at the Assumed Completion Date.

In addition, the differences between the fair values of the new Sustainable Debts and the equivalent portion of the carrying values of the existing debts extinguished (due to unamortised transaction costs) resulted in a net loss on extinguishment of liabilities amounting to RM11 million at the Assumed Completion Date.

(d) Proposed Issuance of RCUIDS

Up to RM1,770 million of the total Outstanding Liabilities owing to the Scheme Creditors, (representing 15.91 % of the Outstanding Liabilities), are proposed to be settled via issuance of up to RM1,770,030,265 in nominal value (RM2,053,235,108 including payment-in-kind [issue more units of RCUIDS] profit of 2.00% per annum not compounding and nil redemption to maturity) of redeemable convertible unsecured Islamic debt securities (“RCUIDS”).

For the purposes of illustrative Pro Forma Consolidated SOFP, no fair value gain or loss is recognised on RCUIDS as the fair value of the equity instrument is not reliably measured at the Assumed Completion Date. However, at the issuance of the RCUIDS in a future date, provided that the fair value of the RCUIDS can be reliably measured, any differential amount between the fair value of the RCUIDS and the carrying values of the debts could result in a future gain or loss to be recognised.

In addition, the differences between the fair values of the RCUIDS and the equivalent portion of the carrying values of the existing debts extinguished (due to unamortised transaction costs) resulted in a net loss on extinguishment of liabilities amounting to RM4 million at the Assumed Completion Date.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON (CONT’D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

(e) Proposed Issuance of Settlement Shares

Up to RM1,095 million of the total Outstanding Liabilities owing to the Scheme Creditors, (representing 9.84 % of the Outstanding Liabilities), are proposed to be settled via issuance of up to 1,368,408,062 Settlement Shares to the Unsecured Creditors at the Settlement Share Issue Price, which is based on the consolidated SEB share price of RM0.80. The units to be issued is adjusted to match the SEB share price at the date of completion of the Proposed Debt Restructuring at RED.

Similar to (c) and (d) above, the differences between the fair values of the Settlement Shares and the equivalent portion of the carrying values of the existing debts extinguished (due to unamortised transaction costs) resulted in a net loss on extinguishment of liabilities amounting to RM3 million at the Assumed Completion Date.

Apart from the categories mentioned above, other associated effects of the Proposed Debt Restructuring to the Pro Forma Consolidated SOFP at the Assumed Completion Date are illustrated as follows:

(f) Waiver of interest accrued between 1 February 2022 to RED

Pursuant to Appendix 4 of the Circular, all penalty charges, accrued late payment charges and interest/profits accruing from the cut-off date to the RED will be irrevocably and permanently waived.

At the Assumed Completion Date, this would result in a pro forma gain on waiver of accrued interests of RM2,068 million, reducing the pro forma accumulated losses of the Group by the same amount.

(g) Foreign exchange (“forex”) gain/loss

The foreign exchange differences arose from the differences in rates between the Assumed Completion Date (31 January 2025) and LPD (10 June 2025) on the Sustainable Debts. The resulting unrealised forex gain/loss has been recognised in the illustrative Pro Forma Consolidated SOFP.

(h) Realisation of foreign exchange losses

On 9 June 2025, SEB converted a portion of SOMV Disposal Net Cash Consideration (USD398.8 million out of USD581.9 million) into RM1,676.4 million. The resulting realised forex loss has been recognised in the illustrative Pro Forma Consolidated SOFP. For the remaining portion, it is converted at LPD as explained under (g) above.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

(i) Transaction costs

The transaction costs in relation to the Proposed Regularisation Plan are estimated at RM216 million at the Assumed Completion Date.

The estimated expenses in relation to the Proposed Regularisation Plan are as below, on the assumption that all estimated expenses were fully paid on the Assumed Completion Date:

	RM'mil
Total estimated expenses in relation to the Proposed Regularisation Plan	216
Less: Expenses paid as per Audited Financial Statements	(146)
Expenses accrued but unpaid as per Audited Financial Statements	(25)
Estimated expenses included in the pro forma calculation	45

For illustrative purposes, the Pro Forma Consolidated SOFP of SEB Group at the Assumed Completion Date after incorporating the effects from the Proposed Debt Restructuring are as follows:

Assets: Cash and bank balances

	RM'mil
Cash and bank balances as at Pro Forma 2	4,629
Less: Payment with proceeds collected from disposal (b) **	(2,120)
Less: Effects of foreign exchange differences (g)	(27)
Less: Realisation of foreign exchange losses (h)	(72)
Less: Transaction costs (i)	(70)
Cash and bank balances as at Pro Forma 3	2,340

Liabilities: Borrowings (Existing Debts)

	RM'mil
Borrowing as at Pro Forma 2	10,759
Less: 7.05% agreed waiver (a) **	(737)
Less: 20.22% settlement via SOMV Debt (refer below) (b) **	(2,114)
Less: 46.98% retained as Sustainable Debt (c) **	(4,912)
Less: 15.91% debt extinguished via issuance of RCUIDS (d)	(1,668)
Less: 9.84% debt extinguished via issuance of SEB share (e)	(1,032)
Add: Loss on extinguishment of liabilities (c),(d),(e)	62
Less: Effects of foreign exchange differences (g)	(3)
Borrowing as at Pro Forma 3	355

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

Liabilities: Trade and other payables (including accruals for interests)

	RM'mil
Trade and other payables as at Pro Forma 2	6,121
Less: 7.05% agreed waiver (a) **	(45)
Less: 20.22% settlement via SOMV Debt (b) **	(130)
Less: 46.98% retained as Sustainable Debt (c) **	(301)
Less: 15.91% debt extinguished via issuance of RCUIDS (d)	(102)
Less: 9.84% debt extinguished via issuance of SEB share (e)	(63)
Less: Direct waiver of interest from 1 February 2022 to RED (f)	(2,068)
Less: Gain on extinguishment of liabilities (c),(d),(e)	(44)
Less: Transaction costs (i)	(25)
Add: Effects of foreign exchange differences (g)	87
Trade and other payables as at Pro Forma 3	3,430

Liabilities: Sustainable Debts

	RM'mil
Sustainable debts as at Pro Forma 2	-
Add: Transfer 46.98% retained as Sustainable Debt (c) **	5,213
Less: Effects of foreign exchange differences (g)	(47)
Sustainable debts as at Pro Forma 3, presented as:	5,166
• Current : Borrowing	293
• Current : Trade & other payables	13
• Non-current : Borrowing	4,651
• Non-current : Trade & other payables	209

Liabilities: SOMV debt

	RM'mil
SOMV debt as at Pro Forma 2	-
Add: Transfer 20.22% debt to SOMV Debt (b) **	2,244
Less: Effects of foreign exchange differences (g)	(20)
Less: Payment with proceeds collected from disposal (b) **	(2,120)
SOMV debt as at Pro Forma 3	104

Equity: Share capital

	RM'mil
Share capital as at Pro Forma 2	1
Add: Settlement of debts via issuance of SEB Ordinary Share (e)	1,095
Share capital as at Pro Forma 3	1,096

Equity: RCUIDS

	RM'mil
Equity (RCUIDS) as at Pro Forma 2	-
Add: Settlement of debts via issuance of RCUIDS (d)	1,770
Equity (RCUIDS) as at Pro Forma 3	1,770

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

Equity: Accumulated losses

	RM'mil
Accumulated losses as at Pro Forma 2	(5,270)
Add: 7.05% agreed waiver (a) **	782
Add: Waiver of interest between 1 February 2022 to RED (f)	2,068
Add: Effects of foreign exchange differences (g)	40
Less: Realisation of foreign exchange losses (h)	(72)
Less: Transaction costs (i)	(45)
Less: Net loss on extinguishment of liabilities (c),(d),(e)	(18)
Accumulated losses as at Pro Forma 3	(2,515)

Equity: Other Reserves: Functional currency translation reserve ("FCTR")

	RM'mil
Other reserves as at Pro Forma 2	1,718
Less: Effects of foreign exchange differences *	(84)
Other reserves as at Pro Forma 3	1,634

Note:

* FCTR 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. For the purposes of illustrative Pro Forma Consolidated SOFP, the movement in the reserve is due to the settlement in the form of Agreed Debt Waiver (Pro Forma 3(a)) and waiver of interest accrued (Pro Forma 3(f)) within these foreign operations.

** Certain figures shown in pro forma adjustments are different from the explanatory notes above due to the differences in foreign exchange rate used for illustrative pro forma purposes (i.e. closing forex rate ; scheme forex rate ; LPD forex rate)

Pro Forma 4: Proposed Fund-Raising

The Pro Forma 4 incorporates the effects from Pro Forma 1, 2, 3 and the effects of the Proposed Fund-Raising.

In respect of Preferred Unsecured Creditors (the Ecosystem Creditors and the Essential Creditors of the Scheme Companies), the debt are proposed to be settled via way of subscription for RM1,100.0 million in nominal value of Redeemable Convertible Loan Stock ("RCLS") at the RCLS Issue Price of RM0.48 per RCLS. This will be subscribed by a Malaysian Ministry of Finance's appointed special purpose vehicle (Malaysia Development Holding Sdn Bhd).

As part of the conditions set by the Ministry of Finance, funds from the RCLS subscription shall be fully utilised to settle the debt from the preferred unsecured creditors as disclosed in Section 3.3 of the Circular.

APPENDIX III – REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 JANUARY 2025 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

Sapura Energy Berhad

Attachment A

**Notes to Pro Forma Consolidated Statement of Financial Position
as at 31 January 2025**

For illustrative purposes, the Pro Forma Consolidated SOFP of SEB Group at the Assumed Completion Date after incorporating the effects from the Proposed Fund-Raising are as follows:

Equity: RCLS

	RM'mil
Equity (RCLS) as at Pro Forma 3	-
Add: RCLS subscription	1,100
Equity (RCLS) as at Pro Forma 4	1,100

Liabilities: Trade and other payables

	RM'mil
Trade and other payables as at Pro Forma 3	3,430
Less: Settlement using funds received from RCLS subscription	(1,100)
Trade and other payables as at Pro Forma 4	2,330

Similarly, the transaction costs in relation to the Proposed Fund-Raising is presented together under Pro Forma 3.

[The rest of this page is intentionally left blank]



Sapura Energy Berhad

Executive Summary

Internal Control and Risk Management Report
As of 30 June 2025



**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**



30 June 2025

Sapura Energy Berhad
Level 4, Menara PNB, 201-A,
Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia.

Dear Sir/Madam,

EXECUTIVE SUMMARY OF THE INTERNAL CONTROL AND RISK MANAGEMENT REPORT

In accordance with our Letter of Engagement dated 30 May 2023, as well as Addendum 1 to the Letter of Engagement dated 8 August 2023, and Addendum 2 to the Letter of Engagement dated 31 July 2024, we have conducted an Internal Control Review for Sapura Energy Berhad. Accompanying this letter is a report containing our findings and recommendations.

We would like to take this opportunity to express our appreciation to the management and staff of Sapura Energy Berhad for the cooperation given to us during our review.

Yours faithfully,

DocuSigned by:

408EFE10DA70426...

Dominic Chegne
Partner

Important Notice

Disclaimer

This report is issued solely to Sapura Energy Berhad in accordance with the terms outlined in our Letter of Engagement dated 30 May 2023, as well as Addendum 1 to the Letter of Engagement dated 8 August 2023, and Addendum 2 to the Letter of Engagement dated 31 July 2024 and should not be used or relied upon for any other purposes.

Our report is not to be shown or distributed to any third party in whole or in part based on our Terms of Engagement stated above unless otherwise mentioned in Clause 2.1 of the Terms of Business. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

Limitations

This report does not comprise of any assurance opinion, attestation or any form of assurance in relation to the engagement. The nature of this Service is advisory, and we have not undertaken or executed any Management functions which remain your responsibility.

Table of Contents

1.0	Glossary	5
2.0	Scope of Review	6
2.1	Introduction	6
2.2	Coverage of Our Review	6
3.0	Design Principles	7
4.0	Considerations in Prioritisation of Recommendations	8
5.0	Sequence of ICR Review Progress	9
6.0	Remediation Action Status as of 30 June 2025	28

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

1.0 Glossary

Acronym	Definition	Acronym	Definition
ABAC	Anti-Bribery and Corruption	ITT	Invitation to Tender
AGM	Annual General Meeting	JV	Joint Venture
ATS	Approval to Submit	KPI	Key Performance Indicator
BAC	Board Audit Committee	LoA	Limits of Authority
BAE	Board of Directors' Assessment and Evaluation	LTIP	Long Term Incentive Plan
BAS	Business Acceptance Sheet	MACC	Malaysian Anti-Corruption Commission Act
BAU	Business as Usual	MCCG	Malaysian Code on Corporate Governance
BCM	Business Continuity Management	MOC	Management of Change
BCP	Business Continuity Plan	O&M	Operations and Maintenance
BIA	Business Impact Analysis	OpCo	Operating Company
BNRC	Board Nomination and Remuneration Committee	P&Ps	Policies and Procedures
BODs	Board of Directors	PO	Purchase Order
BRMC	Board Risk Management Committee	PSOH	Project State of Health
BU	Business Unit	QHSE	Quality, Health, Safety and Environment
Bursa Securities	Bursa Malaysia Securities Berhad	SEB	Sapura Energy Berhad
CBE	Commercial Bid Evaluation	SOPs	Standard Operating Procedures
CEO	Chief Executive Officer	SOW	Scope of Work
CIC	Complaints Investigation Committee	TEPS	Tender Estimating and Proposal Services
CIRP	Cyber Incident Response Plan	TMS	Total Management System
CPO	Chief People Officer	ToR	Terms of Reference
CRA	Compliance Risk Assessments	TPP	Tender Pursue Package
CRO	Chief Restructuring Officer		
CSO	Chief Strategy Officer		
CSR	Corporate Social Responsibility		
DCR	Directors' Circular Resolution		
DIR	Directive		
E&C	Engineering and Construction		
ERM	Enterprise Risk Management		
ESG	Environmental, Social and Governance		
ESOS	Employee Share Option Scheme		
ExCo	Executive Committee		
FY	Financial Year		
GCC	Group Chief Counsel		
GCEO	Group Chief Executive Officer		
GCIA	Group Chief Internal Auditor		
GCFO	Group Chief Financial Officer		
GLG	Group Legal and Governance		
Group	Sapura Energy Berhad and its Group of Companies		
HoD	Head of Department		
HR	Human Resource		
ICR	Internal Control Review		
IT	Information Technology		

2.0 Scope of Review

2.1 Introduction

This ICR for SEB is prepared pursuant to Paragraph 5.6 of Practice Note 17 of the Main Market Listing Requirements of Bursa Securities. Our approach with regards to the review is fundamentally anchored on the following key steps:

1. The review is focused on key controls within the agreed areas of review from a design of controls and implementation of controls perspective.
2. Initial assessment over the specific areas have been reviewed in a wider context that affects the overall control environment of the organisation.
3. The review is focused on the ecosystem on how the governance oversight, policies and framework are laid out and how those are institutionalised to support decision making. In addition, the review also assesses the specific key controls within the workstreams.
4. Identified findings and proposed targeted intervention and improvement plans.

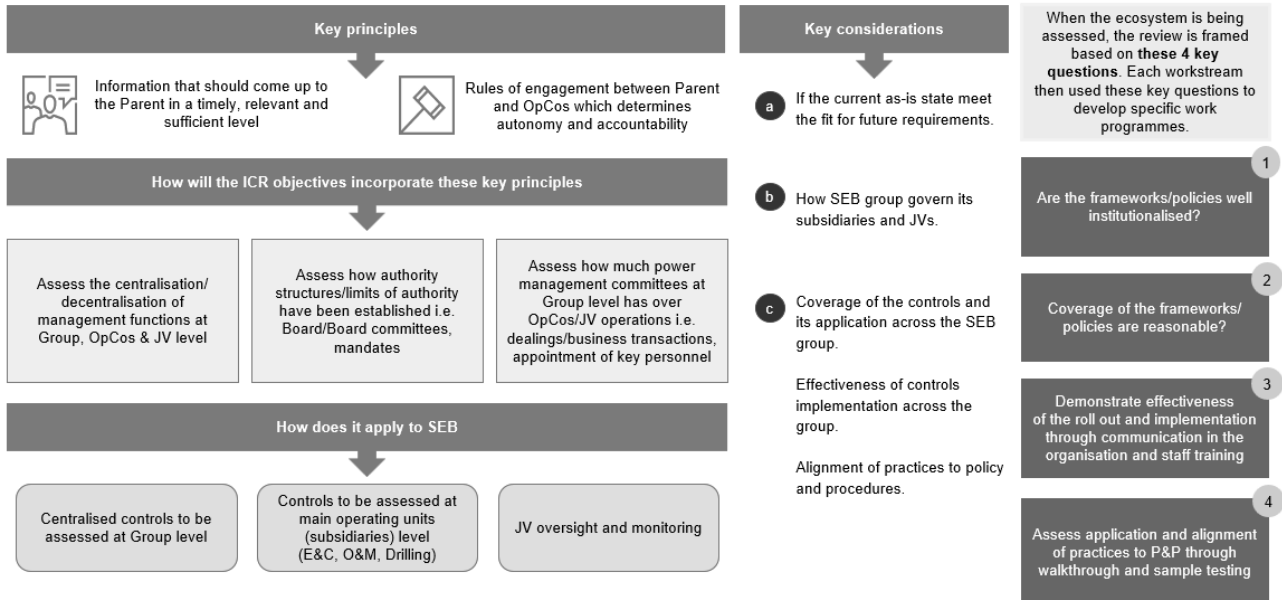
2.2 Coverage of Our Review

The findings are outlined across the 18 workstreams as shown in the table below. The approach adopted in conducting the ICR, the status of progress including the remediation actions undertaken are outlined in Section 7 – Summary of Control Environment.

No.	Workstreams
1	Business Planning and Budgeting
2	ERM
3	Delegation of Authority/LoA
4	Board Charter, ToR for Sub Board Committees and Corporate Policies
5	Organisation Reporting Structure and Monitoring Systems
6	SOPs
7	Management Information Reporting and Performance Monitoring System
8	Compliance with MCCG 2021
9	Compliance with Section 17A MACC
10	Financial Management Reporting
11	HR Management and Payroll
12	Project and Contract Management
13	Tendering, Business Development and Marketing
14	Legal and Compliance Management
15	QHSE
16	IT

3.0 Design Principles

Each of the workstream's specific work programme considers the design and institutionalisation of controls within SEB. Our approach also takes into account the Group's relationship with the subsidiaries and JVs. We have set out below the design principles for this purpose and the 4 key questions that drive the specific work programme.



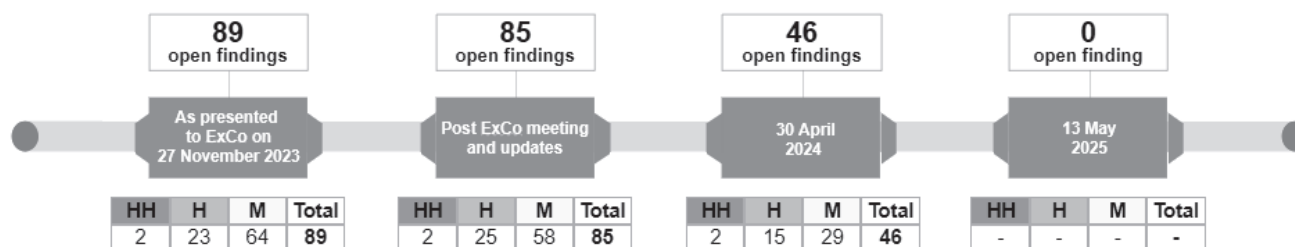
4.0 Considerations in Prioritisation of Recommendations

All findings identified in the course of the ICR have been prioritised based on the 3 levels of criticality below.

Criticality of finding closure	Definition
Highest priority (“HH”/“Highest”)	<p>Refer to controls which are critical and of key priority for SEB to address. These controls are expected to be contributing to the key control lapses indicating significant design flaw, breakdown in implementation of controls or absence of critical controls. It is expected that these control lapses be addressed immediately.</p> <p>These controls are highly critical to SEB's business operations and/or are currently in a regulatory non-compliance state. Absence of rectifying these controls will highly likely cause financial and/or operational losses and/or damages. Absence of these controls may cause certain operations to be disrupted, resulting in high exposure to risks.</p>
High priority (“H”/“High”)	<p>Refer to controls which are important for SEB to address as part for execution of day-to-day operations, without which SEB's operations may be exposed to disruptions or potential regulatory non-compliances as a result. These controls are expected to be addressed in the short term, within a reasonable period of time.</p> <p>These controls are important to SEB's business operations and/or may currently be in a partially regulatory non-compliance state. Absence of rectifying these controls may cause financial and/or operational losses and/or damages.</p>
Medium priority (“M”/“Medium”)	<p>Refer to controls which are supportive to SEB's overall operations, without which SEB's may be exposed to minor disruptions. These controls are expected to be addressed in the longer term.</p> <p>These controls are expected to be of administrative in nature and relate to hygiene factors requiring clean-up. These controls are not expected to give rise to any non-compliance issues and cause risk of financial and/or operational losses and/or damages.</p>

5.0 Sequence of ICR Review Progress

The below sets out the status of progress of the ICR review and remediation since commencement across the project timeline.



Following the kick-off meeting in July 2023, on-going fieldwork has been taking place from July 2023 till November 2023. As of 27 November 2023, the first draft of the ICR report was presented to the ExCo with a total of 85 open findings. The ExCo is chaired by Datuk Mohd. Anuar Taib (GCEO) with seven (7) members comprising of Chew Seng Heng (CRO), Puspa Hanita Abd. Aziz (CPO), Melissa Lokman (CSO), Dominique De Soras (CEO, E&C), Louay Laham (CEO, Drilling), Mohamed Nasri Mehat (CEO, O&M), and Norzaimah Maarof (GCC).

These 89 open findings:

- Did not include findings relating to the Project and Contract Management workstream as there were outstanding documentation resulting in our inability to then draw appropriate conclusions. An additional 19 findings were then included when the samples were re-selected.
- Included 23 findings relating to HR Management and Payroll workstream. 22 of these 23 findings were since removed based on additional documentation provided.

Following the above developments since the ExCo meeting, a total of 85 finalised findings were since raised. Since 27 November 2023, Management has commenced the remediation activities for identified findings. PwC workstreams have been validating on the remediation activities that took place throughout the period of January 2024 till February 2025.

Based on the 30 April 2024 position, we have reviewed the remediation actions undertaken on these 85 findings. We observed that 39 of the findings have since been closed with 46 findings remaining open.

As of 30 June 2025, we have reviewed the remediation actions undertaken on the remaining open findings and observed that all findings have since been remediated.

The implementation of the recommendations from the PwC ICR review by SEB management indicates that the Board and Management of SEB are aware of the importance and take responsibility for the internal control and risk management systems.

- No reperformance of validation was performed on any findings that were closed and previously validated.
- The review is conducted on an exception basis. Whilst good practices observed within SEB are recognised, this review focuses on outlining the areas where deviations from established norms or best practices have been identified. This approach ensures that attention is concentrated on potential issues or risks that require remediation actions.

6.0 Summary of Control Environment

Workstream: Business Planning and Budgeting

Summary of our scope of work and findings

For the Business Planning and Budgeting workstream, the review was conducted to ensure that the business planning and budgeting process encompasses frameworks/policies that are well institutionalised, rollout is effective, and implementation is done with sufficient communication and staff training, and that application and practices are aligned to P&Ps.

To determine whether this has been well operationalised in SEB, the review focused on the following:

- Development of a framework and policies for implementing business planning and budgeting across the Group.
- Availability of budget templates or mechanisms for data compilation with clear timelines and instructions.
- Evidence that the budget has been thoroughly evaluated and approved at the appropriate level.

From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:

1. Formalise Group and divisional policies to govern the business planning and budgeting process.
2. Establish formal documentation for annual budget deliberation, challenge and approval at the ExCo level.
3. We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.

Workstream: ERM

Summary of our scope of work and findings
<p>For the ERM workstream, the scope of review is inclusive of SEB's ERM ecosystem. The ERM ecosystem consists of the institutionalisation of risk management standards and principles, and how the spirit of ERM is displayed through embedding them as part of BAU process.</p> <p>To determine whether this has been well operationalised in SEB, the review focused on the following:</p> <ul style="list-style-type: none"> • Risk governance and organisation: Formalised policies, an organised structured and proper roles and responsibilities in place. • Risk Management processes: How risks are proactively identified, assessed, monitored, and reported to the appropriate parties, including any use of technology to enable process efficiency. • Training and communications: Trainings and awareness programme conducted to communicate on risk. • BCM governance structure: BCM Framework/Policies are established to ensure the ability to continue its critical operations and deliver products and services, even during a crisis situation. • BCM processes: Established BCM processes are in place such as BIA & BCM Strategies, Response and Recovery Plans, and BCM Exercises. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Update risk P&Ps of the Group to capture the current and intended risk management practices. 2. Consolidate risk assessment practices into a single centralised process (e.g. Centralising risk assessment practices on the SPEED system). 3. Implement a BCM programme by phases which is inclusive of documenting the Management's commitment to BCM, reviewing BIA and BCP templates, perform BIA for critical departments and BCM exercises, develop a BCP, and actively maintain and monitor BCM related initiatives. <p>We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.</p>

Workstream: Delegation of Authority/LoA

Summary of our scope of work and findings

For the Delegation of Authority/LoA workstream, the review was conducted to ensure that the LoA document is clear and reflective of actual organisational practices, aligns with other governance documents such as the Board Charter, TORs, P&Ps, and is free from conflict with applicable laws and regulations.

To determine whether this has been well operationalised in SEB, the review focused on the following:

- Establishment and demarcation of authority limits: To ensure authority limits are established and demarcated which provide clear guidance on circumstances where Board and Management should be involved in decision making process, and to assess if the authority limits are well institutionalised and applied across the organisation.
- Approval and communication of LoA: To ensure the demarcation of authority limits is approved by the Board before it is communicated to and exercised by the Management.
- Alignment to regulatory or legislative provisions/policies, monitoring, periodic review and update: To ensure clear articulation of legislative/policy or LoA prevalence, application of the LoA by employees, accompanied by periodic reviews to assess relevance of the LoA in current circumstances.

From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:

1. Establish parameters for investments/divestments that GCEO can approve with periodic notification to the Board.
2. Establish notification to the Board for disposals and write-offs on a periodic basis and consultation to the Legal team (for external borrowings/working capital facilities).
3. Define approval authority for budgeted CSR and establish notification to ExCo for CSR, corporate sponsorship and donations on periodical basis.
4. Establish clarity in the LoA on which shall prevail in the event of a conflict between the LoA and regulatory or legislative provisions.
5. Establish clarity on the Board's approval authority for borrowings and working capital facilities where the bank requires SEB Board resolution.
6. Establish clarity in the CPO's role for unbudgeted advertising and promotions, corporate re-branding exercise and unbudgeted CSR.
7. Incorporate approval limits for key matters into LoA (e.g. Finance, Legal & Governance).
8. Comply with the OpCo procedure document in practice which requires any permanent delegation to direct reports to be approved by personnel holding a higher authority than the personnel delegating. In addition, formalise the requirement for temporary delegation when personnel are away from work.
9. Establish alignment with the Companies Act 2016 requirements for changes to subsidiary capital structure.
10. Establish BAC recommendation role and shareholders' approval role for Group-wide Retention Plan and define Talent Council's role in deliberating ESOS or LTIP principles/impact.
11. Establish clarity in Board's authority for changes to LoA and define the timeframe for periodic review/update of the LoA.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated all findings above and presented the revised LoA to the Board which was approved on 12 December 2024 (the LoA will take effect from 1 February 2025). For 3 out of above 11 findings, Management has established alternative controls based on deliberation with the Board and has provided the basis to us.

Workstream: Board Charter, ToR for Sub Board Committees and Corporate Policies

Summary of our scope of work and findings
<p>For the Board Charter, ToR for Sub Board Committees and Corporate Policies workstream, the review was based on ensuring that the Board Charter and ToR documents are clear, reflective of roles and responsibilities, and the rights and authorities of the Board and Board Committees in the organisation.</p> <p>To determine whether this has been well operationalised in SEB, the review focused on the following:</p> <ul style="list-style-type: none"> • Establish Board Charter, ToR and corporate policies: Governance structure and documentation is established and provide clarity in roles/responsibilities and authority. • Institutionalisation of Board Charter, ToR and corporate policies: Board is granted rights and access to information to discharge its duties. • Approval of Board Charter and ToR by the Board: Board Charter and ToR is endorsed and approved by the Board before it is exercised. • Communication to employees: Employees are aware of the roles and responsibilities of the Board and Board Committees before seeking approvals. • Review and update: Reviews are conducted to assess the relevance of the Board Charter, ToR in current circumstances. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiency for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Define number of days for circulation of meeting papers and relevant information to members of the BNRC. <p>We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the finding above.</p>

Workstream: Organisation Reporting Structure and Monitoring Systems

Summary of our scope of work and findings

For the Organisation Reporting Structure and Monitoring Systems workstream, the review was based on ensuring that the Organisation Structure is clear and reflective of lines of reporting and levels of hierarchy within the organisation.

To determine whether this has been well operationalised in SEB, the review focused on the following:

- Establish organisation wide reporting structure: Establishment of reporting structure for Board, Board Committees and Management and institutionalisation of hierarchy of reporting and decision making within the Group.
- Approval of reporting structure: Reporting structure which is approved by GCEO.
- Communication to employees: Clear communication of organisation reporting structure to all employees and availability of reporting structure which is easily accessible by all employees.
- Review and update: Updated reporting structure which reflects actual line of reporting in the Group.

From our review completed in November 2023, we have concluded that there are no findings to highlight for this workstream.

Workstream: SOPs

Summary of our scope of work and findings
<p>For the SOP workstream, the review focused on the following:</p> <ul style="list-style-type: none"> • P&Ps are established for all key processes and functions: P&Ps are established for key processes and functions within SEB Group. • Governance of P&Ps are well established: P&Ps are reviewed and approved in accordance to LoA or equivalent governing document. • Established communication channels between Group and subsidiaries/JVs: Issuance or revision of P&Ps are communicated and rolled out by SEB Group to business units/subsidiaries through appropriate channels on a timely basis. • Oversight and monitoring of P&Ps: P&Ps are periodically assessed for relevancy and alignment to practices. Likewise, there are monitoring mechanisms to track updates of the P&Ps. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Establish and formalise the P&Ps for certain processes (e.g. Business planning & reporting, cash flow Management, etc.). 2. Address inconsistencies between P&P and practices (e.g. ERM/BCM). 3. Establish alignment of approving authority between LoA, TMS Governing Procedure documents, and practice (<i>comprises of 2 findings</i>). 4. Establish notification of policy updates to end-users and establish oversight over P&P Management and updates (<i>comprises of 2 findings</i>). 5. Review the overdue 294 P&Ps to ensure that the P&P are relevant and updated. <p>We have presented these findings to the ExCo on 23 November 2023 and 17 April 2025 respectively. The Management has since remediated the findings above.</p>

Workstream: Management Information Reporting and Performance Monitoring System

Summary of our scope of work and findings

For the Management Information Reporting and Performance Monitoring System workstream, the review was conducted based on ensuring that clear dissemination of information at relevant levels is present. In addition, monitoring mechanisms has to be in place to ensure practices within the organisation follow established processes.

To determine whether this has been well operationalised in SEB, the review focused on the following:

- Establish Management information reporting process: Mechanism to monitor, report and escalate developments and risks is established from Management up to Board and Board Committees.
- Approval of Management information reporting process: Monitoring, reporting and escalation mechanism is endorsed and approved by the appropriate authority before it is implemented by Management.
- Communication to employees: Employees are aware of the process of periodic reporting and are able to escalate key opportunities or severe risks to appropriate authority (Management/Board/Board Committees) for timely decision-making process.
- Monitoring of key matters: There is process established to review reports/meeting materials against actual results and analysis prepared, prior to circulation to the Board/Board Committees. Status of matters arising is monitored and reported up to resolution.
- Review and update: Periodic reviews are conducted to assess the relevance of the monitoring, reporting and escalation mechanism in view of current circumstances.

From our review completed in November 2023, we have observed the following to be the primary control deficiency for Management to focus on:

1. Establish retention and safekeeping of documents such as agenda, meeting records, dating and listing of DCR as part of good governance practice in order to maintain traceability of matters discussed and action plans.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the finding above.

Workstream: Compliance with MCCG 2021

Summary of our scope of work and findings
<p>For the Compliance with MCCG 2021 workstream, the review was conducted to ensure that the following elements are in place:</p> <ul style="list-style-type: none"> • Sustainability risks and opportunities are addressed in an integrated and strategic manner. • Risk management is addressed as part of corporate governance. • Reporting and communication mechanisms are in place. <p>To determine whether this has been well operationalised in SEB, the review focused on the following:</p> <ul style="list-style-type: none"> • Corporate governance related P&Ps are established. • Governance structure, oversight, Board composition and independence of SEB Group are established: Governance structure of SEB Group is established with appropriate committees, roles and responsibilities of Board, Board Committees and Management are clearly defined, Board is committed in promoting good business conduct and maintaining a healthy corporate culture, and relevant trainings for continuous development of the directors is in place. • Sustainability risks and opportunities are addressed in an integrated and strategic manner: Sustainability risks and opportunities is addressed by SEB Group in an integrated and strategic manner to support its long-term strategy and success, and designated persons within Management to manage sustainability is ascertained. • Risk management is addressed as part of corporate governance: Established governing body to oversee risk management within SEB Group as well as a structured process to identify, monitor, mitigate/manage and report on key risks. • Reporting and communication mechanisms are in place: Type and frequency of communication channels are established, preparation and disclosure of Annual Report/Integrated Report for SEB Group is assessed, and timelines for meeting papers prior to Board-level meetings, notice and minutes of AGM are appropriately in place. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Ensure timeliness of submission of meeting papers prior to Board-level meetings, notice, and minutes of AGM. 2. Establish structured or formal action plan to address areas highlighted from annual BAE. 3. Establish a structured plan for director trainings for continuous development. 4. Enhance deliberations on sustainability-related matters within SEB's business and operational deliberations and incorporate training on ESG-related matters into the Directors' training programme. 5. Formalise an action plan to address departures from MCCG 2021. <p>We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.</p>

Workstream: Compliance with Section 17A MACC

Summary of our scope of work and findings

For the Compliance with MACC Section 17A workstream, the review was conducted based on the TRUST principles as set out in the Guidelines on Adequate Procedures as issued by the Prime Minister's Department. These provisions provide guidance to SEB in developing adequate procedures to raise as defence mechanism against corporate liability in relation to ABAC matters, where required.

The TRUST principles comprise of the following:

- T - Top Level Commitment: Top level Management must be able to provide assurance to its internal and external stakeholders that SEB is operating in compliance with its policies and any applicable regulatory requirements.
- R - Risk Assessment: Corruption risk assessments periodically to identify, assess and prioritise internal and external corruption risks and establish process, systems and controls to mitigate these risks.
- U - Undertake Control Measures: Appropriate controls and contingency measures are in place to address any corruption risks arising from weaknesses in SEB's governance framework, processes and procedures.
- S - Systematic Review and Monitoring: Top level Management should ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced.
- T - Training and Communication: Develop and disseminate internal and external training and communications covering the areas of policy, training, reporting channel and consequences of non-compliance.

From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:

1. Include ABAC matters in the agenda of the BODs meetings to facilitate discussions on ABAC related matters on a monthly or quarterly basis.
2. Conduct CRAs periodically to identify, analyse, assess and prioritise the internal and external corruption risks of the organisation.
3. Establish a formal process to document updates and conduct CIC meetings quarterly to review the status of whistleblowing cases. Additionally, provide regular updates to the BAC in accordance with its ToR to ensure oversight by top-level Management.
4. Conduct an internal audit on the ABAC programme at least once a year. Formalise consequence management for staff that fail to adhere to ABAC programme and set up ABAC-related KPIs for all staff. Appoint integrity champions or integrity liaison officers within business units to assist in adopting initiatives.
5. Formalise data collection and tracking process for mandatory trainings (e-learn and physical), role-specific trainings and acknowledgement forms signed by employees at induction.
6. Monitor compliance by JV by appointing task nominee directors within JV companies to ensure ABAC policies are cascaded to JV level.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.

Workstream: Financial Management Reporting

Summary of our scope of work and findings
<p>For the Financial Management Reporting workstream, the review was conducted to ensure that the financial management reporting process encompasses frameworks/policies that are well institutionalised, effective rollout and implementation with sufficient communication and staff training, and application and practices that are aligned to P&Ps.</p> <p>To determine whether this has been well operationalised in SEB, the review focused on the following:</p> <ul style="list-style-type: none"> • Establishment of organisation-wide financial management reporting frameworks. • Data compilation templates, timelines, and instructions. • Evidence of financial report deliberation and approval at the appropriate level. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Formalise Group and divisional policies to govern the Financial Reporting Framework. 2. Establish policies and framework for the future tracking and escalation of cash flow matters to ExCo and the Board. 3. Enhance documentation of meeting minutes to include action items and establish a proper process to track the action plans and their corresponding progress. <p>We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.</p>

Workstream: HR Management and Payroll

Summary of our scope of work and findings

For the HR Management and Payroll workstream, the review focused on the following:

- Staff costs: Management of Human Capital costs, ensuring that expenses align with approved budgets, forecasts and controls.
- HR P&Ps: Sufficient controls are in place when it comes to human resources as a control objective in line with being future-fit, addressing non-compliance issues and financial implications thereof.
- Employment: Matters pertaining to employment are managed in a manner that is future fit without negative impacts financially.
- Employer statutory compliance: Documentation and standard operating process with controls in place guide the payroll team on end-to-end payroll processing. Consistent and standardise payroll process for the Group. Monthly timeline and planners in place to provide control and checking on payment and reporting deadlines.

From our review completed in November 2023, we have observed the following to be the primary control deficiency for the Management to focus on:

1. Develop a clearly defined policy, procedure or guideline on the bonus determination and payout process to avoid bonus allocation inconsistencies.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the finding above.

Workstream: Project and Contract Management

Summary of our scope of work and findings
<p>For the Project and Contract Management workstream, the review focused on the following:</p> <ul style="list-style-type: none"> • Frameworks/policies well institutionalised and reasonableness of coverage: All P&Ps are established as governing documents to structure practices over the entire project management lifecycle. • Effective rollout and implementation, communication and staff training: Drive consistent on-ground execution by ensuring uniform adoption of P&Ps through periodic staff trainings and effective communication. • Application and practices aligned to P&Ps: Degree of alignment between the established P&P and organisation's operational practices, ensuring consistency and compliance. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <p>E&C</p> <ol style="list-style-type: none"> 1. Obtain the appropriate approvals on the control budget, CBE and change order documents for all E&C projects as defined in the effective LoA policy. Appropriate discipline measures for non-compliance instances should also be established. 2. Prepare documents and establish review mechanism at each project stage to ensure documents are prepared, reviewed and approved sufficiently and appropriately. 3. Client sign-offs on key documents obtained, such as the MOC procedure design and external customer report, before proceeding to the next stage of the project as indication of client agreement to key document contents. 4. Prepare Additional Budget Requests, which require appropriate approvals as per the effective LoA policy, if there are significant cost overruns in a project. Additionally, maintain a tracker for all Additional Budget Requests as part of effective project management. 5. PSOH reports for all E&C projects are prepared with reference to a standardised report template where all key sections are included. If specific sections in the PSOH report template are not applicable to a certain project, clearly explain the reason(s) for the non-inclusion of those sections in the project's PSOH report. <p>Drilling</p> <ol style="list-style-type: none"> 1. Incorporate the Management response into the current Drilling - Project Management SOP would help in institutionalising the actual on-ground practice. 2. Implement an approval process for BAS, SOW and Drilling procedure PRO-00-0892. Additionally, precisely outline approval methods. 3. Mandate project and contract management process training for all the relevant team members and conduct periodic refresher sessions to ensure procedure compliance and track team members' training completion (<i>comprises of 2 findings</i>). 4. Obtain approvals on bid/no-bid decision before proceeding with the BAS/tender response preparation in all cases. 5. Secure written approvals from the designated approvers in accordance with the established procedure. 6. Maintain a list of all the historical retrospective POs along with the necessary approvals (<i>comprises of 2 findings</i>). <p>O&M</p> <ol style="list-style-type: none"> 1. Formalise missing procedures to reflect current practice in place. 2. Regularly monitor training compliance in accordance with policies, factor non-compliance instances into the annual performance review, institutionalise a competency framework for professionals, and perform periodic assessments for project management professionals and development plans. 3. Establish control monitoring mechanism for approval at project stages and frequently conduct compliance checking at each stage and appropriate discipline measures for non-compliance instance (<i>comprises of 2 findings</i>). 4. Prepare documents and establish review mechanism at each project stage to ensure documents

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

are prepared, reviewed and approved sufficiently and appropriately (*comprises of 2 findings*).

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.

Workstream: Tendering, Business Development and Marketing

Summary of our scope of work and findings
<p>For the Tendering, Business Development and Marketing workstream, the review focused on the following:</p> <ul style="list-style-type: none"> • Frameworks/policies well institutionalised and reasonableness of coverage: All P&Ps are established as governing documents to structure practices over the entire project management lifecycle. • Effective rollout and implementation, communication and staff training: Drive consistent on-ground execution by ensuring uniform adoption of P&Ps through periodic staff trainings and effective communication. • Application and practices aligned to P&Ps: Degree of alignment between the established P&P and organisation's operational practices, ensuring consistency and compliance. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <p>E&C</p> <ol style="list-style-type: none"> 1. Update the TEPS policy by inclusion of a formal feedback process, sign-off guidance on the budgetary submission and framing documents and constituent members of a peer review to bring more clarity into the TEPS policy for the appropriate controls to be implemented during the tendering process. 2. Coach the process owner of TEPS and the Tender Manager at repeated frequency along with a strong consequence management protocol for the LoA non-compliances on documents such as the TPP form and the ATS. Assign an oversight role to the Head of tendering to ensure compliance to LoA across the tendering process (such as during TPP, ATS stage). 3. Establish a document management system for easy retrieval, appoint a process owner for compliance, train tender managers on documentation, and conduct periodic spot checks for proper storage. 4. Conduct a formal feedback session in specified intervals between tendering and project teams. <p>Drilling</p> <ol style="list-style-type: none"> 1. Mandate project and contract management process training for all the relevant team members and conduct periodic refresher sessions to ensure procedure compliance and track team members' training completion. 2. Estimate contract value for the bid based on the number of expected days of work on the job and seek approval as per LoA, as well as define approval limits clearly for daily rate contracts in the LoA/tendering procedure. 3. Prepare the bid/no-bid decision documents and the necessary approvals for all the ITT requests from the prospective clients as per the defined policy, without an exception. Secure written approvals from the designated approvers in accordance with the established procedure and LoA. <p>O&M</p> <ol style="list-style-type: none"> 1. Design and apply a dedicated end-to-end tendering process, clearly articulating activities, roles and responsibility, review and approval requirements at each stage. Allocate process owner to ensure all steps are carried out properly in line with the workflow/operating policies. 2. Establish formal communication channel and update notification mechanism to relevant stakeholders. 3. Define the required documents applicable at each stage of the tendering process along with clear review and approval requirements to ensure documents are prepared, reviewed and approved sufficiently and appropriately. 4. Design mandatory training program relevant to each level and formalise monitoring of training records. 5. Establish control monitoring mechanism at approval stage gates and frequently conduct compliance checking at each stage gate along with appropriate disciplinary measures for non-compliance instances. 6. Ensure that the required documents are prepared at each stage of the tendering process and that the appropriate approvals, apart from LoA approvals, are obtained as per the defined policy,

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

without exception (*comprises of 2 findings*).

7. Formalise risk management activities across the tendering process for technical, commercial and contract risks, such as audit trails (ie. progress marking, meeting minutes, approval sign-offs, etc) during the tendering process to enable data retrieval for operation management and control monitoring activities.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.

Workstream: Legal and Compliance Management

Summary of our scope of work and findings
<p>For the Legal and Compliance Management workstream, the review was conducted to ensure that the legal and compliance management process encompasses frameworks/policies that are well institutionalised, effective rollout and implementation with sufficient communication and staff training, and application and practices that are aligned to P&Ps.</p> <p>To determine whether this has been well operationalised in SEB, the review focused on the following:</p> <ul style="list-style-type: none"> • Establishment of framework/policies for Group wide implementation of legal and compliance management. • Availability of a platform to log legal and compliance matter. • Existence of document control and reporting mechanism. • Established mechanism to analyse incidences and monitor laws and regulations applicable to the Group. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiencies for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Formalise Group and divisional policies to govern the Legal and Compliance Framework process. 2. Establish a timeframe and detailed plan for regulatory scanning of the applicable laws and regulations relevant to SEB Group. 3. Enhance document control through a central depository for final signed documents. <p>We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the findings above.</p>

APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT (CONT'D)

Workstream: QHSE

Summary of our scope of work and findings
--

For the QHSE workstream, the review was conducted to ensure that the QHSE operations and processes encompasses frameworks/policies that are well institutionalised, effective rollout and implementation with sufficient communication and staff training, and application and practices are aligned to P&Ps.

To determine whether this has been well operationalised in SEB, the review focused on the following:

- Establishment of framework/policies for Group wide implementation of QHSE.
- Availability of a platform to log legal and compliance matter.
- Existence of document control and reporting mechanism.
- Established mechanism to analyse incidences and monitor laws and regulations applicable to the Group.

From our review completed in November 2023, we have observed the following to be the primary control deficiency for the Management to focus on:

1. Enhance Group visibility and monitoring over QHSE-related laws, regulations and licenses of respective entities.

We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the finding above.

Workstream: IT

Summary of our scope of work and findings
<p>For the IT workstream, the review was conducted with an approach that focuses on four (4) key areas that are essential in developing and maintaining a resilient organisation. The framework addresses each of these components across people, process, and technology elements. This methodology accepts that disruptions are inevitable and, in response, ensures that established and mature processes exist across organisation environment in the following domains.</p> <p>To determine whether this has been well operationalised in SEB, the review focused on the following:</p> <ul style="list-style-type: none"> • Anticipate: Maintain a state of informed preparedness for adversity. • Withstand: Continue essential objective or business function despite adversity. • Recover: Restore objective or business functions during or after adversity. • Sustain: Modify objective or business functions and/or supporting capabilities to predict changes in the technical, operational, or threat environments. <p>From our review completed in November 2023, we have observed the following to be the primary control deficiency for the Management to focus on:</p> <ol style="list-style-type: none"> 1. Establish clear roles and responsibilities at the Group level and local entities. 2. Conduct criticality assessment of all SEB's information assets/systems. 3. Establish cloud risk management framework prior to cloud adoption. 4. Establish contractual obligation with third-party service provider to ensure compliance with Group IT Security standards. 5. Establish a comprehensive CIRP that address the preparedness of the Group in handling and preventing cyber incidents. 6. Incorporate cyber-attack scenarios and response, escalation process, and business continuity planning in the CIRP. 7. Access Management - Implement appropriate access Management procedures for the identification, authentication and authorisation of users (internal and external) at the application, operating system and database level. <p>We have presented these findings to the ExCo on 23 November 2023. Management has since remediated the finding above.</p>

6.0 Remediation Action Status as of 30 June 2025

No.	Finding(s)	Rating	Remediation action status as of 30 June 2025	Target completion date as of 30 June 2025
1	Business Planning and Budgeting			
	01/01 - Formalise Group and divisional policies to govern the business planning and budgeting process	Medium	Completed	N/A
	01/02 - Establish formal documentation for annual budget deliberation, challenge and approval at the ExCo level	Medium	Completed	N/A
2	ERM			
	02/01 - Update risk P&Ps of the Group to capture the current and intended risk management practices	Medium	Completed	N/A
	02/02 - Consolidate risk assessment practices into a single centralised process (e.g. Centralising risk assessment practices on the SPEED system)	Medium	Completed	N/A
	02/03 - Implement a BCM programme by phases which is inclusive of documenting the Management's commitment to BCM, reviewing BIA & BCP templates, perform BIA for critical departments and BCM exercises, develop a BCP, and actively maintain and monitor BCM related initiatives	High	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

3	Delegation of Authority/LoA			
	03/01 - Establish parameters for investments/divestments that GCEO can approve with periodic notification to the Board	High	Completed	N/A
	03/02 - Establish notification to the Board for disposals and write-offs on a periodic basis and consultation to the Legal team (for external borrowings/working capital facilities)	Medium	Completed	N/A
	03/03 - Define approval authority for budgeted CSR and establish notification to ExCo for CSR, corporate sponsorship and donations on periodical basis	Medium	Completed	N/A
	03/04 - Establish clarity of prevalence between LoA or regulatory/legislative provisions/SEB policy	Medium	Completed	N/A
	03/05 - Establish clarity on the Board's approval authority for borrowings and working capital facilities where the bank requires SEB Board resolution	Medium	Completed	N/A
	03/06 - Establish clarity in the CPO's role for unbudgeted advertising and promotions, corporate re-branding exercise and unbudgeted CSR	Medium	Completed	N/A
	03/07 - Incorporate approval limits for key matters into LoA (e.g. Finance, Legal & Governance)	Medium	Completed	N/A
	03/08 - Comply with the OpCo procedure document in practice which requires any permanent delegation to direct reports to be approved by a personnel holding a higher authority than the personnel delegating. In addition, formalise the requirement for temporary delegation when personnel are away from work	High	Completed	N/A
	03/09 - Establish alignment with the Companies Act 2016 requirements for changes to subsidiary capital structure	Medium	Completed	N/A
	03/10 - Establish BAC recommendation role and shareholders' approval role for Group-wide Retention Plan and define Talent Council's role in	Medium	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

	deliberating ESOS or LTIP principles/impact			
	03/11 - Establish clarity in Board's authority for changes to LoA and define the timeframe for periodic review/update of the LoA	Medium	Completed	N/A
4	Board Charter, ToR for Sub Board Committees and Corporate Policies			
	04/01 - Define number of days for circulation of meeting papers and relevant information to members of the BNRC	Medium	Completed	N/A
5	Organisation Reporting Structure and Monitoring Systems			
	<i>No findings noted for this workstream.</i>			
6	SOPs			
	06/01 - Establish and formalise the P&Ps for certain processes (e.g. Business planning & reporting, cash flow Management, etc.)	High	<i>Please refer to the respective workstreams for remediation action category and expected completion month.</i>	
	06/02 - Address inconsistencies between P&Ps and practices (e.g. ERM/BCM)	Medium	<i>Please refer to the respective workstreams for remediation action category and expected completion month.</i>	
	06/03 & 06/04 - Establish alignment of approving authority between LoA, TMS Governing Procedure documents, and practice	Highest	Completed	N/A
	06/05 & 06/07 - Establish notification of policy updates to end-users and establish oversight over P&Ps Management and updates	Medium	Completed	N/A
	06/06 - Review the overdue 294 P&Ps to ensure that the P&Ps are relevant and updated	High	Completed	N/A
7	Management Information Reporting and Performance Monitoring System			
	07/01 - Establish retention and safekeeping of documents such as agenda, meeting records, dating and listing of DCR, as part of good governance practice in order to maintain traceability of matters discussed and action plans	High	Completed	N/A
8	Compliance with MCCG 2021			
	08/01 - Ensure timeliness of submission of meeting papers prior to Board-level meetings,	Medium	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

	notice, and minutes of AGM			
	08/02 - Establish structured or formal action plan to address areas highlighted from annual BAE	Medium	Completed	N/A
	08/03 - Establish a structured plan for director trainings for continuous development	Medium	Completed	N/A
	08/04 - Enhance deliberations on sustainability-related matters within SEB's business and operational deliberations and incorporate training on ESG-related matters into the Directors' training programme	Medium	Completed	N/A
	08/05 - Formalise an action plan to address departures to MCCG 2021	Medium	Completed	N/A
9	Compliance with Section 17A MACC			
	09/01 - Include ABAC matters in the agenda of the BODs meetings to facilitate discussions on ABAC related matters on a monthly or quarterly basis	High	Completed	N/A
	09/02 - Conduct CRAs periodically to identify, analyse, assess and prioritise the internal and external corruption risks of the organisation	High	Completed	N/A
	09/03 - Establish a formal process to document updates and conduct CIC meetings quarterly to review the status of whistleblowing cases. Additionally, provide regular updates to the BAC in accordance with its ToR to ensure oversight by top-level Management	High	Completed	N/A
	09/04 - Conduct an internal audit on the ABAC programme at least once a year. Formalise consequence management for staff that fail to adhere to ABAC programme and set up ABAC-related KPIs for all staff. Appoint integrity champions or integrity liaison officers within business units to assist in adopting initiatives	High	Completed	N/A
	09/05 - Formalise data collection and tracking process for mandatory trainings (e-learn and physical), role-specific trainings and acknowledgement forms	High	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

	signed by employees at induction			
	09/06 - Monitor compliance by JV by appointing task nominee directors within JV companies to ensure ABAC policies are cascaded to JV level	High	Completed	N/A
10	Financial Management Reporting			
	10/01 - Formalisation of Group and divisional policies to govern the Financial Reporting Framework	Medium	Completed	N/A
	10/02 - Establish policies and framework for the future tracking and escalation of cash flow matters to ExCo and the Board	High	Completed	N/A
	10/03 - Enhance documentation of meeting minutes to include action items and establish a proper process to track the action plans and their corresponding progress	Medium	Completed	N/A
11	HR Management and Payroll			
	11/01 - Develop a clearly defined policy, procedure or guideline on the bonus determination and payout process to avoid bonus allocation inconsistencies	Medium	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

12	Project and Contract Management			
	E&C			
	12/05 - Obtain the appropriate approvals on the control budget, CBE and change order documents for all E&C projects as defined in the effective LoA policy. Appropriate discipline measures for non-compliance instances should also be established	High	Completed	N/A
	12/06 - Prepare documents and establish review mechanism at each project stage to ensure documents are prepared, reviewed and approved sufficiently and appropriately	Medium	Completed	N/A
	12/07 - Client sign-offs on key documents obtained, such as the MOC procedure design and external customer report, before proceeding to the next stage of the project as indication of client agreement to key document contents	Medium	Completed	N/A
	12/10 - Prepare Additional Budget Requests, which require appropriate approvals as per the effective LoA policy, if there are significant cost overruns in a project. Additionally, maintain a tracker for all Additional Budget Requests as part of effective project management	High	Completed	N/A
	12/12 - PSOH reports for all E&C projects are prepared with reference to a standardised report template where all key sections are included. If specific sections in the PSOH report template are not applicable to a certain project, clearly explain the reason(s) for the non-inclusion of those sections in the project's PSOH report	Medium	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

12	Project and Contract Management (cont'd)			
	Drilling			
	12/01 - Incorporate the Management response into the current Drilling - Project Management SOP would help in institutionalising the actual on-ground practice	Medium	Completed	N/A
	12/02 - Implement an approval process for BAS, SOW and Drilling procedure PRO-00-0892. Additionally, precisely outline approval methods	Medium	Completed	N/A
	12/03 - Mandate project and contract management process training for all the relevant team members and conduct periodic refresher sessions to ensure procedure compliance and track team members' training completion	Medium	Completed	N/A
	12/04 - Mandate project and contract management process training for all the relevant team members and conduct periodic refresher sessions to ensure procedure compliance and track team members' training completion	Medium	Completed	N/A
	12/05 - Obtain approvals on bid/no-bid decision before proceeding with the BAS/tender response preparation in all cases	High	Completed	N/A
	12/06 - Secure written approvals from the designated approvers in accordance with the established procedure	High	Completed	N/A
	12/08 - Maintain a list of all the historical retrospective Pos along with the necessary approvals	Medium	Completed	N/A
	12/10 - Maintain a list of all the historical retrospective Pos along with the necessary approvals	Medium	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

12	Project and Contract Management (cont'd)			
	O&M			
	12/01 - Formalise missing procedures to reflect current practice in place	Medium	Completed	N/A
	12/04 - Regularly monitor training compliance in accordance with policies, factor non-compliance instances into the annual performance review, institutionalise a competency framework for professionals, and perform periodic assessments for project management professionals and development plans	Medium	Completed	N/A
	12/05 - Establish control monitoring mechanism for approval at project stages and frequently conduct compliance checking at each stage and appropriate discipline measures for non-compliance instance	High	Completed	N/A
	12/09 - Establish control monitoring mechanism for approval at project stages and frequently conduct compliance checking at each stage and appropriate discipline measures for non-compliance instance	Medium	Completed	N/A
	12/10 - Prepare documents and establish review mechanism at each project stage to ensure documents are prepared, reviewed and approved sufficiently and appropriately	Medium	Completed	N/A
	12/11 - Prepare documents and establish review mechanism at each project stage to ensure documents are prepared, reviewed and approved sufficiently and appropriately	Medium	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

13	Tendering, Business Development and Marketing			
	E&C			
	13/01 - Update the TEPS policy by inclusion of a formal feedback process, sign-off guidance on the budgetary submission and framing documents and constituent members of a peer review to bring more clarity into the TEPS policy for the appropriate controls to be implemented during the tendering process	Medium	Completed	N/A
	13/05 - Coach the process owner of TEPS and the Tender Manager at repeated frequency along with a strong consequence management protocol for the LoA non-compliances on documents such as the TPP form and the ATS. Assign an oversight role to the Head of tendering to ensure compliance to LoA across the tendering process (such as during TPP, ATS stage)	Medium	Completed	N/A
	13/06 - Establish a document management system for easy retrieval, appoint a process owner for compliance, train tender managers on documentation, and conduct periodic spot checks for proper storage	Medium	Completed	N/A
	13/08 - Conduct a formal feedback session in specified intervals between tendering and project teams	Medium	Completed	N/A

APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT (CONT'D)

13	Tendering, Business Development and Marketing (cont'd)			
	Drilling			
	13/04 - Mandate project and contract management process training for all the relevant team members and conduct periodic refresher sessions to ensure procedure compliance and track team members' training completion	Medium	Completed	N/A
	13/05 - Estimate contract value for the bid based on the number of expected days of work on the job and seek approval as per LoA, as well as define approval limits clearly for daily rate contracts in the LoA/tendering procedure	Medium	Completed	N/A
	13/06 - Prepare the bid/no-bid decision documents and the necessary approvals for all the ITT requests from the prospective clients as per the defined policy, without an exception. Secure written approvals from the designated approvers in accordance with the established procedure and LoA	High	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

13	Tendering, Business Development and Marketing (cont'd)			
	O&M			
	13/01 - Design and apply a dedicated end-to-end tendering process, clearly articulating activities, roles and responsibility, review and approval requirements at each stage. Allocate process owner to ensure all steps are carried out properly in line with the workflow/operating policies	High	Completed	N/A
	13/02 - Establish formal communication channel and update notification mechanism to relevant stakeholders	Medium	Completed	N/A
	13/03 - Define the required documents applicable at each stage of the tendering process along with clear review and approval requirements to ensure documents are prepared, reviewed and approved sufficiently and appropriately	Medium	Completed	N/A
	13/04 - Design mandatory training program relevant to each level and formalise monitoring of training records	Medium	Completed	N/A
	13/05 - Establish control monitoring mechanism at approval stage gates and frequently conduct compliance checking at each stage gate along with appropriate disciplinary measures for non-compliance instances	Medium	Completed	N/A
	13/06 - Ensure that the required documents are prepared at each stage of the tendering process and that the appropriate approvals, apart from LoA approvals, are obtained as per the defined policy, without exception	Medium	Completed	N/A
	13/07 - Ensure that the required documents are prepared at each stage of the tendering process and that the appropriate approvals, apart from LoA approvals, are obtained as per the defined policy, without exception	Medium	Completed	N/A
	13/08 - Formalise risk management activities across the tendering process for technical, commercial and contract risks, such as audit trails (i.e. progress marking, meeting minutes, approval sign-offs, etc) during the tendering process to enable data retrieval for operation management and control monitoring activities	Medium	Completed	N/A

APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT (CONT'D)

14	Legal and Compliance Management			
	14/01 - Formalisation of Group and divisional policies to govern the Legal and Compliance Framework process	High	Completed	N/A
	14/02 - Establish a timeframe and detailed plan for regulatory scanning of the applicable laws and regulations relevant to SEB Group	High	Completed	N/A
	14/03 - Enhance document control through a central depository for final signed documents	High	Completed	N/A
15	QHSE			
	15/01 - Enhance Group visibility and monitoring over QHSE-related laws, regulations and licenses of respective entities	High	Completed	N/A

**APPENDIX IV – REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS REPORT
(CONT'D)**

16	IT			
	16/01 - Establish clear roles and responsibilities at the Group level and local entities	Medium	Completed	N/A
	16/02 - Conduct criticality assessment of all SEB's information assets/systems	Medium	Completed	N/A
	16/03 - Establish cloud risk management framework prior to cloud adoption	High	Completed	N/A
	16/04 - Establish contractual obligation with third-party service provider to ensure compliance with Group IT Security standards	Medium	Completed	N/A
	16/05 - Establish a comprehensive CIRP that address the preparedness of the Group in handling and preventing cyber incidents	Medium	Completed	N/A
	16/06 - Incorporate cyber-attack scenarios and response, escalation process, and business continuity planning in CIRP	Medium	Completed	N/A
	16/07 - Implement appropriate access management procedures for the identification, authentication and authorisation of users (internal and external) at the application, operating system and database level	Medium	Completed	N/A

APPENDIX V – INDEPENDENT MARKET RESEARCH REPORT



**Westwood
Global Energy
Group**

Westwood Global Energy Pte Ltd
1 Pickering Street
Level 8 Great Eastern Centre
048659
Singapore
Email: tpayne@westwoodenergy.com

The Board of Directors
Sapura Energy Berhad
Level 4, Menara PNB, 201-A
Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Date: **4 JUL 2025**

Dear Sirs and Madams,

This Independent Market Research Report has been prepared for inclusion in the Circular of Sapura Energy Berhad in relation to the Proposed Regularisation Plan to be undertaken by the Company. We also understand that the report will be made available for public inspection.

Westwood Global Energy Group (WGEG) was formed in January 2015 and is comprised of the complementary expertise, products and services of seven industry leading brands: Hannon Westwood, Novas Consulting, Richmond Energy Partners, Energent Group, Riglogix, JSI Services and Douglas-Westwood (DW). Our history of producing leading published market studies within the energy sector gives us an excellent wealth of information on energy market dynamics and trends. Clients include energy majors, contractors & suppliers and governments worldwide. We also have continuing work supporting corporate transactions and strategy consulting in the sector including several FTSE 350 organisations and listed entities across European, North American and Southeast Asian exchanges.

This research is undertaken with the purpose of providing an overview of the global, regional, and Malaysian offshore energy industry. The research methodology includes both primary research with Westwood Global Energy proprietary databases as well as secondary research such as reviewing press articles, government literatures, and publicly available databases. Westwood Global Energy has prepared this Independent Market Research Report in an independent and objective manner and has taken all reasonable considerations and care to ensure the accuracy and completeness of the Independent Market Research Report.

Yours faithfully,

.....
For and behalf of Westwood Global Energy Pte Ltd
Thom Payne
Head of Offshore Energy Services

Sapura Energy Berhad

Independent Market Research Report

4 JUL 2025

Westwood Global Energy Group

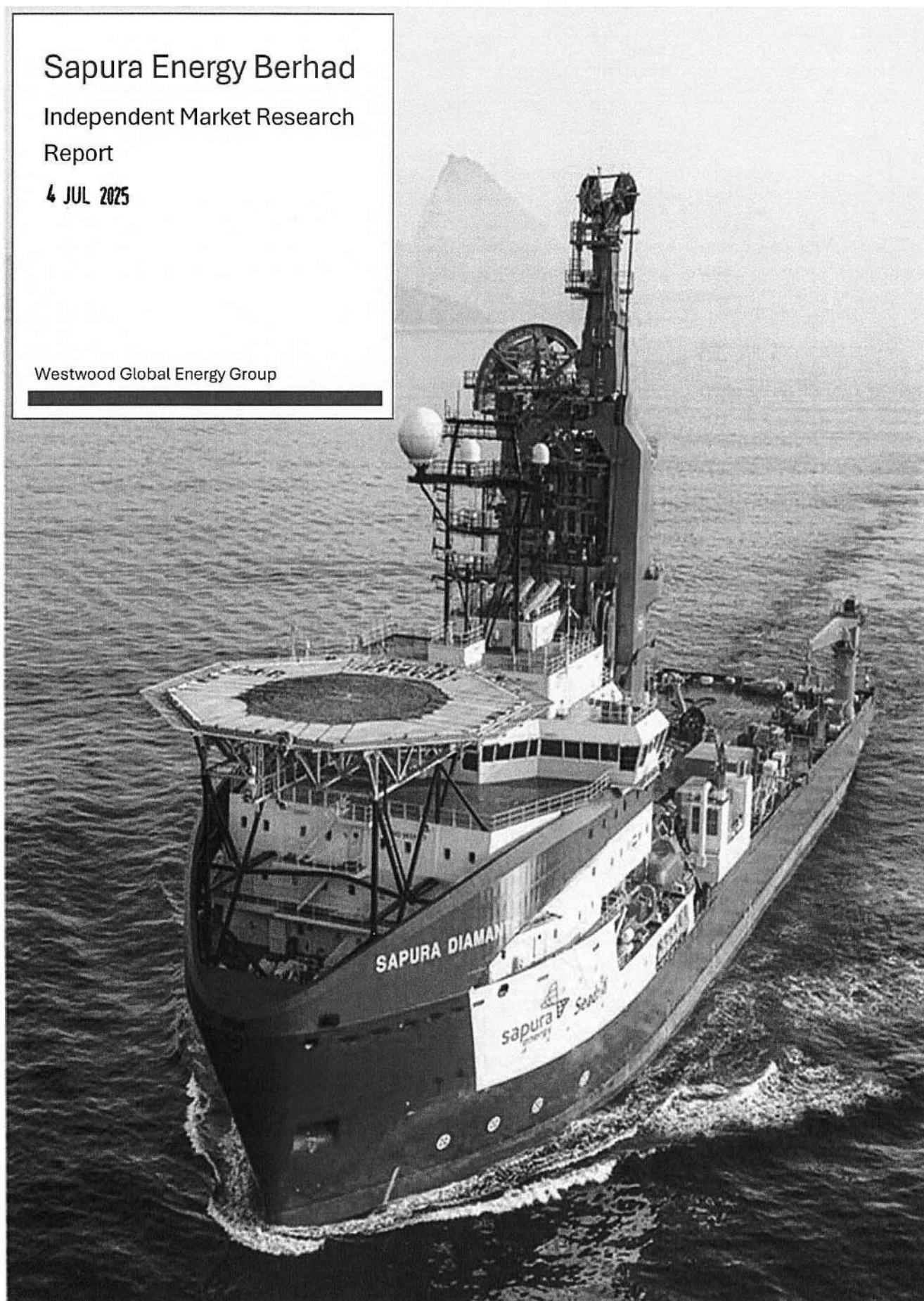




Table of Contents

Glossary.....	3
1. Company Overview	7
1.1 Introduction	7
1.2 The Oil & Gas Lifecycle	8
2. Macroeconomic Fundamentals	9
2.1 Global Energy Consumption & Macroeconomic Outlook	9
2.2 APAC Energy Consumption & Macroeconomic Outlook	11
2.3 Malaysia Energy Consumption & Macroeconomic Outlook	13
2.4 Oil Price Dynamics	15
2.5 Global Offshore Energy Services Expenditure	16
2.6 APAC Offshore Energy Services Expenditure	19
2.7 Malaysia Offshore Energy Services Expenditure	20
3. Engineering & Construction Segment	22
3.1 Engineering & Fabrication Service	22
3.1.1 Overview.....	22
3.1.2 Market Drivers	23
3.2 Decommissioning Service	25
3.2.1 Overview.....	25
3.2.2 Market Drivers	25
3.3 Transportation & Installation Service	26
3.3.1 Overview.....	26
3.3.2 Heavy Construction Vessel	27
3.3.3 Flex-lay Vessel	28
4. Drilling Segment.....	30
4.1 Overview	30
4.2 TAD Rig Services	31
4.2.1 Market Outlook.....	31
4.2.2 Competitive Landscape	32
5. Operations & Maintenance Segment	33
5.1 O&M Services Market Drivers	33
5.2 Subsea Services	33
5.2.1 Overview.....	33
5.2.2 ROVSV Vessel.....	34
5.2.3 Sat DSV Vessel.....	36



Glossary

Technical Terms

ASEAN	: Association of Southeast Asian Nations
bbl	: Barrel
c.	: circa
CAGR	: Compound Annual Growth Rate
CAPEX	: Capital Expenditure
CCS	: Carbon Capture & Storage
DP	: Dynamic Positioning
E&C	: Engineering & Construction
E&P	: Exploration & Production
EIA	: US Energy Information Administration
EJ	: Exajoules
EOR	: Enhanced Oil Recovery
EPCI	: Engineering, Procurement, Construction and Installation
FEED	: Front End Engineering Design
FID	: Field Investment Decision
FPS	: Floating Production Systems
FPSO	: Floating Production Storage and Offloading
ft	: feet
GCC	: Gulf Cooperation Council
GDP	: Gross Domestic Product
HLV	: Heavy Lift Vessel
HWU	: Hydraulic Workover Units
IEA	: International Energy Agency
IMF	: International Monetary Fund
IOC	: International Oil Company
IRM	: Inspection, Repair & Maintenance
km	: kilometre
LNG	: Liquefied Natural Gas

APPENDIX V – INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SAPURA ENERGY BERHAD INDEPENDENT MARKET RESEARCH REPORT



Westwood
Global Energy
Group

LOA	: Length Overall
m ²	: metre square
mmboepd	: Million barrel of oil equivalents per day
MODU	: Mobile Offshore Drilling Units
mt	: metric tonnes
NOC	: National Oil Company
O&G	: Oil & Gas
O&M	: Operations & Maintenance
OPEC	: Organisation of the Petroleum Exporting Countries, including Algeria, Republic of the Congo, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, United Arab Emirates, and Venezuela
OPEC+	: Includes OPEC member countries and other non-OPEC including Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, Sudan and South Sudan
OWF	: Offshore Wind Farm
P&A	: Plugging & Abandonment
PLV	: Pipelay Vessels
PoB	: People on Board
PSC	: Production Sharing Agreements
ROV(SV)	: Remotely Operated Vehicles (Support Vessels)
Saturation DSV	: Saturation Diving Support Vessel
SSCV	: Semisubmersible Crane Vessels
SURF	: Subsea, Umbilical, Flowlines & Risers
SWEC	: Standardised Work and Equipment Categories
T&I	: Transportation & Installation
TAD	: Tender Assisted Drilling
WHO	: World Health Organisation

Regions/Countries

APAC	: Asia-Pacific
EE & FSU	: Eastern Europe & Former Soviet Union
IDN	: Indonesia
IND	: India

APPENDIX V – INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SAPURA ENERGY BERHAD INDEPENDENT MARKET RESEARCH REPORT



Westwood
Global Energy
Group

L. America	: Latin America
MYS	: Malaysia
N. America	: North America
RoTW	: Rest of the World
VNM	: Vietnam
W. Europe	: Western Europe

Companies

Allseas	: Allseas Group S.A.
Archer	: Archer Limited
Atlantica Delta	: Atlantica ATDL Delta Limited
Boskalis	: Royal Boskalis Westminster N.V.
Bourbon	: Bourbon Group
BP	: British Petroleum
Brooke	: Brooke Dockyard and Engineering Works Corporation
COOEC	: China Offshore Oil Engineering Co., Ltd.
Dalian Shipbuilding	: Dalian Shipbuilding Industry Company
DeepOcean	: DeepOcean Group Holding B.V.
DOF Group	: DOF ASA
Energy Holding	: SED Energy Holdings Plc
GSP Offshore	: Grup Servicii Petroliere S.A.
Gunanusa	: PT Gunanusa Utama Fabricators
Heerema Marine	: Heerema Marine Contractors Nederland SE
HydroDive	: HydroDive Nigeria Limited
Island Offshore	: Island Offshore Management AS
Keppel	: Keppel Ltd.
KKB Engineering	: KKB Engineering Berhad
L&T	: Larsen & Toubro Limited
LES Energy	: LES Energy Services Limited
MMHE	: Malaysia Marine and Heavy Engineering Holdings Berhad
McDermott	: McDermott International, Ltd.

APPENDIX V – INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SAPURA ENERGY BERHAD INDEPENDENT MARKET RESEARCH REPORT



Westwood
Global Energy
Group

Mermaid Offshore	:	Mermaid Maritime Public Company Limited
Muhibbah Engineering	:	Muhibbah Engineering (M) Bhd
NMDC	:	National Marine Dredging Company PJSC
Ocean Services	:	Ocean Services, LLC
Oceaneering	:	Oceaneering International, Inc.
PACC Offshore	:	PACC Offshore Services Holdings Ltd.
PDVSA	:	Petróleos de Venezuela, S.A.
PetroVietnam Drilling	:	PetroVietnam Drilling and Well Service Corporation
PETRONAS	:	Petroliam Nasional Berhad
PTSC	:	PetroVietnam Technical Services Corporation
PTTEP	:	PTT Exploration and Production PLC
Reach Subsea	:	Reach Subsea ASA
RigCo Holding	:	RigCo Holding, Inc.
Saipem	:	Saipem S.p.A.
Seamec	:	Seamec Limited
Seaway 7	:	Seaway 7 ASA
SEB	:	Sapura Energy Berhad
Shanghai Salvage	:	Shanghai Salvage Company
Shanghai Shipyard	:	Shanghai Shipyard Co., Ltd.
Shelf Subsea	:	Shelf Subsea Pty Ltd
SinoOcean	:	SinoOcean Energy Holding Limited
Solstad Offshore	:	Solstad Offshore ASA
Subsea 7	:	Subsea 7 S.A.
T7 Global	:	T7 Global Berhad
TechnipFMC	:	TechnipFMC plc
WGEG	:	Westwood Global Energy Group



1. Company Overview

1.1 Introduction

SEB provides a range of drilling, engineering, construction and offshore support services to the Malaysian, Southeast Asian and Global offshore energy sector. The Company's fleet of vessels, mission equipment and fabrication yards support the entire project lifecycle of offshore oil & gas with the potential to also support growing new energy markets such as offshore wind developments, Hydrogen and CCS that are critical to the global energy transition. The Company's operations are split into three divisions which are discussed below.

E&C

The E&C segment specialises in the execution of offshore oil and gas projects. This is achieved through the utilisation of purpose-built fabrication facilities and a versatile fleet comprising large, specialised heavy construction vessels equipped with high-capacity cranes and pipelaying systems, as well as smaller support vessels delivering diving and ROV services.

SEB primarily secures EPCI contracts for fixed platforms and offshore pipeline projects, encompassing comprehensive FEED and fabrication services. SEB operates two fabrication facilities in Malaysia, strategically located in Lumut and Teluk Kalong.

In addition to the initial construction stage of an offshore energy project, vessels in the E&C fleet can also provide T&I services. E&C vessels can be contracted by a combination of E&P players as well as other offshore contractors on a subcontract basis. The market for E&C services is highly global, spanning major shallow-water oil and gas regions such as Southeast Asia and the Arabian Gulf, deepwater oil and gas hubs like Latin America. Currently, SEB's E&C fleet is supporting deepwater flexible product installation for Petrobras offshore Brazil as well as other E&Ps offshore West Africa and Southeast Asia.

Drilling

SEB operates 11 TAD rigs which is the largest fleet in the world. TADs are a specialised and differentiated type of offshore drilling rig used to drill and provide workover as well as plug & abandonment operations on development wells on existing oil & gas production platforms. Six of SEB's TAD fleet are conventional, flat bottom barges targeting shallow water and benign metocean conditions, the remaining five units are semisubmersible TADs which can target deeper waters and harsher metocean conditions due to the greater stability offered by the pontoon hull design.

TADs are contracted by oil & gas exploration & production companies such as Petronas and PTTEP to sustain and enhance production from their offshore oil & gas fields. These rigs are typically used in shallow water markets with more benign metocean ocean conditions such as Southeast Asia and West Africa. Currently, SEB's TAD fleet is operating in Malaysia, Thailand and Angola.

O&M

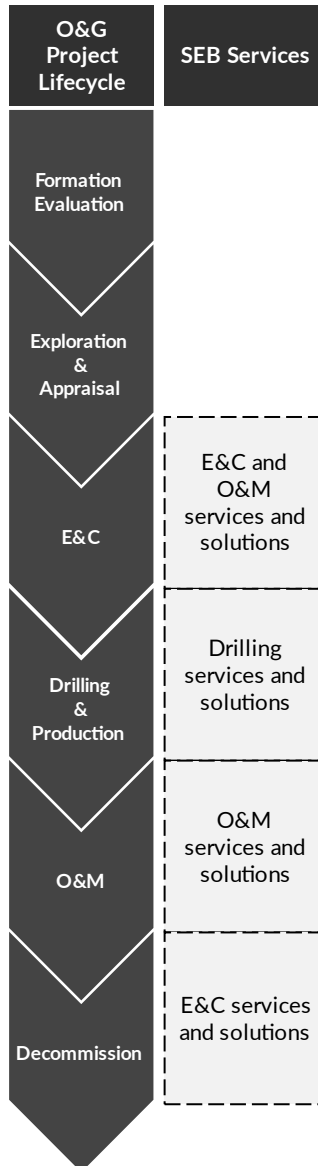
The O&M division comprises a variety of services to support the ongoing production and efficient operation of offshore oil & gas. The O&M business operates diving support vessel and ROVSV which can provide IRM of subsea infrastructure such as platform jackets, pipelines and subsea production systems. The Company's two fabrication facilities also support O&M operations – in particular, with regards to the modification of existing production platforms.

Assets that are focused on O&M activities includes a fleet of six offshore support, accommodation and geoscience vessels that provide survey services, cargo transfer and additional berth capacity for workers during major offshore projects. The Company also provides maintenance and repair of gas turbines via its Sapura Technology Solutions business. Given the importance of onshore facilities and the relative smaller size of vessels, O&M operations are typically more localised to the Malaysian and Southeast Asian market.



1.2 The Oil & Gas Lifecycle

SEB is focused on the upstream oil and gas activity, particularly in the field development, operations & maintenance, and decommissioning stages.



Upstream

The upstream oil and gas industry encompasses the processes of exploring, evaluating, developing, and managing oil and gas reserves. The primary stages involved in the upstream sector are outlined below:

Formation Evaluation: The use of seismic acquisition to identify and model the geology of potential hydrocarbon bearing formations. Life of field seismic can also be used to optimise EOR strategies.

Exploration & Appraisal: Once potential reservoirs are identified, the exploration and appraisal drilling phase will commence to determine the actual existence and commercial viability of oil and gas reserves.

Engineering & Construction: The engineering and construction of offshore oil and gas platforms involve designing robust structures to withstand marine conditions. Substructures like jackets or semi-submersibles are fabricated onshore, transported, and installed using pile driving or anchoring. Topsides with processing and utility systems are assembled offshore and integrated with the substructure. The process includes commissioning critical systems to ensure safe, efficient operations while adhering to regulatory standards.

Drilling & Production: Specialised rigs are employed to drill wells and reach the reservoir, where perforations are created at the reservoir depth to enable the flow of oil and gas. Extraction to the surface is achieved using either natural pressure or artificial lift systems.

Operations & Maintenance: Once hydrocarbon production has commenced the wells and process facilities require constant maintenance to ensure optimal productivity and safety.

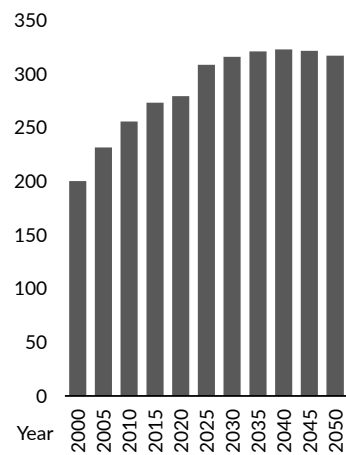
Decommission: Oilfield site is decommissioned when it is no longer cost effective to extract from the field. This phase includes sealing wells, removing of infrastructure (dismantling platforms, pipelines, and processing facilities), and remediating site through seabed restoration and addressing any environmental damage.



2. Macroeconomic Fundamentals

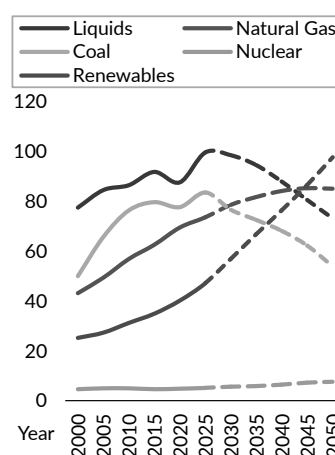
2.1 Global Energy Consumption & Macroeconomic Outlook

Figure 1:
Global
consumption
mmboepd



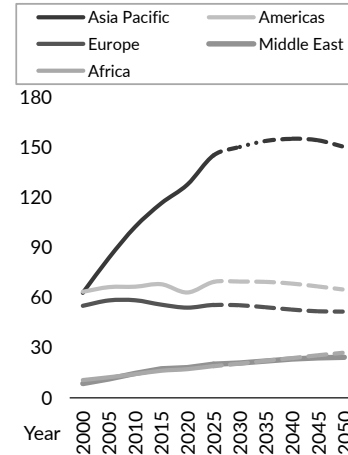
2025-2050 is projected

Figure 2:
Global energy mix
mmboepd



— Actual — — — Forecast

Figure 3:
Global energy consumption by
region
mmboepd



[Source: BP Energy Outlook 2024, Current Trajectory]

Rising global energy consumption through 2050 will be shaped by a combination of population growth, increasing energy intensity, and higher GDP per capita across emerging and developed regions. Oil and gas will remain crucial in meeting these demands, serving as key inputs for transportation fuels, electricity generation, and the production of petrochemicals essential for plastics, fertilizers, and industrial chemicals.

The global population, currently 8 billion, is projected to grow at a CAGR of 0.7% to reach 9.7 billion by 2050, according to the World Bank. Emerging economies, particularly India and African nations, will lead this growth. India's population is forecasted to increase from 1.4 billion to 1.7 billion by 2050, alongside rising income levels, while African nations will experience economic development driven by infrastructure improvements, a growing labour force, and higher living standards.

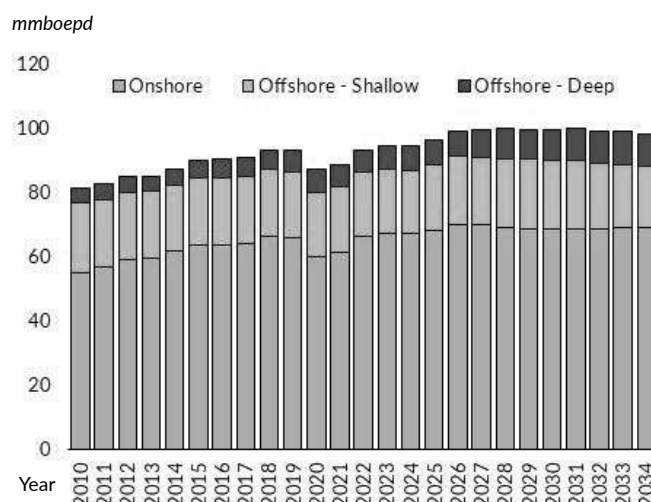
Over the past two decades, global energy consumption has nearly doubled due to population growth, economic expansion, and rapid industrialisation, especially in emerging markets. The growth of energy-intensive industries such as manufacturing and construction has further accelerated this trend. Looking ahead, global energy consumption is projected to increase from 297 to 318 mmboed between 2022 and 2040, reflecting a modest CAGR of 0.5% before stabilising.

Evolution of the Energy Mix Outlook: Various international energy organisations and oil companies hold widely disparate views on the future of oil consumption and demand post the pandemic, shaped by aggressive climate policies and uncertainties in the oil market. Organisations like OPEC and the EIA are more bullish on the future of oil, with the former stating that global oil demand will keep rising through at least 2050, while the IEA forecasts that growth in oil demand will peak in 2030. BP's current trajectory projects an inflection point in oil consumption post 2030, primarily due to a one-third reduction in gasoline and diesel demand across North America, the EU, and China. In contrast, global natural gas demand is expected to experience sustained growth, driven by a 50% increase in emerging economies (excluding mainland China) by 2050, fuelled by industrialisation and power sector expansion. Additionally, the adoption of modern bioenergy—including biofuels, biomethane, and solid biomass—is anticipated to see significant growth, reinforcing the renewable energy mix and providing low-carbon solutions for decarbonising sectors that are challenging to electrify.



Regional Demand Outlook: As of 2022, Asia Pacific represents 46% of global energy consumption, with its share projected to reach 47% by 2050. This marginal uptick reflects a deceleration in China's energy consumption growth, counterbalanced by contributions from India and other APAC markets. The muted growth trajectory in China and developed economies is primarily attributable to macroeconomic headwinds and accelerated adoption of energy efficiency measures. Conversely, the Middle East and Africa are poised for a steady increase in their energy consumption share, expanding from 13% in 2022 to 16% by 2050, underpinned by demographic growth and industrialisation.

Figure 4:
Global oil production outlook by source



[Source: WGEG]

Global oil production is projected to grow by 6%, reaching 100 mmboepd by 2029 in alignment with underlying demand, before softening in the following decade. The Middle East, the world's primary crude oil supplier since 1969, currently accounts for 33% of global offshore oil production, with Saudi Arabia contributing a significant share. Other major producers in the region include the UAE and Iraq, collectively bolstering the region's dominance, which is expected to rise to 40% of total offshore oil production by 2034. Key offshore oil production regions outside the Middle East include Latin America (20%), West Africa (11%), and Asia-Pacific (12%).

Emerging frontier markets, such as Namibia, Guyana, and Suriname, have seen significant high-impact discoveries in recent years, driven by IOC exploration activities. Notably, Guyana's deepwater Stabroek Basin is set to boost production to over 1.3 mmboepd by 2030, with combined output in the region expected to reach 1.5 mmboepd by 2030 and 2.7 mmboepd by 2050.

Regional supply dynamics are also shifting as Russian exports are unlikely to return to pre-sanction levels. However, this shortfall is anticipated to be offset by investment and capacity growth in Latin America and the Arab Gulf. The Gulf states, particularly Saudi Arabia, Qatar, and the UAE, are investing heavily in offshore production capacity, despite delays in projects like Saudi Arabia's Safaniya redevelopment. These developments underline the evolving global oil supply landscape, shaped by shifting regional contributions and expanding frontier markets.

Figure 5:
Global offshore oil production 2024 by region

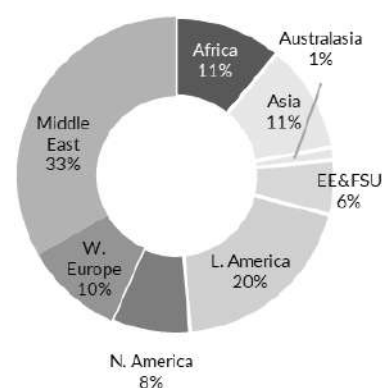
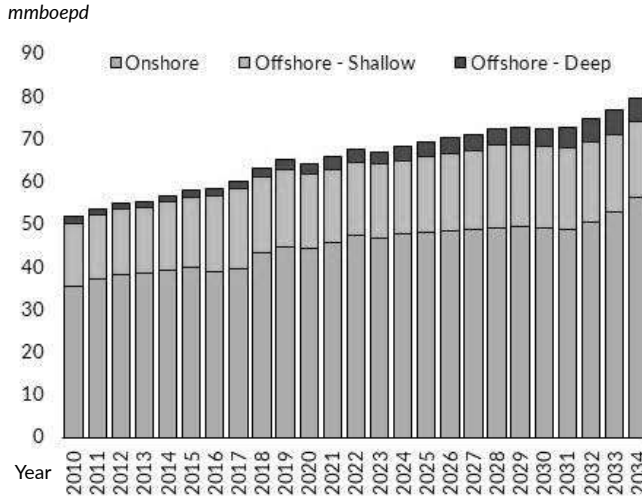


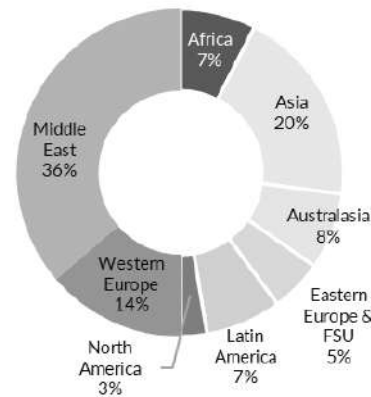


Figure 6:
Global gas production outlook by source



[Source: WGEG]

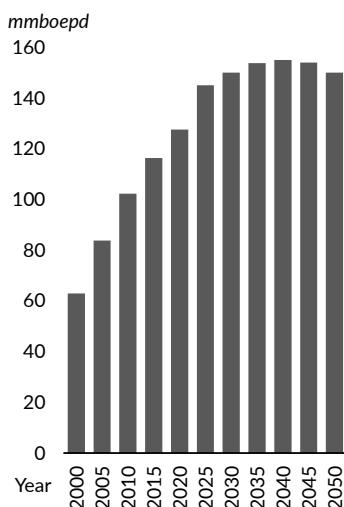
Figure 7:
Global offshore gas production 2024 by region



Gas production is projected to grow by 7%, reaching 73 mmboepd by 2029. As a transitional energy source, natural gas plays a critical role in bridging the shift from traditional fossil fuels to cleaner energy alternatives. Its lower carbon footprint compared to coal and oil makes it a key enabler of decarbonisation efforts. A significant regional shift in the natural gas market is anticipated, mirroring trends in oil, largely driven by sanctions on Russian gas exports. The resulting supply gap is expected to be addressed primarily through expanded offshore developments in Qatar and increased shale gas drilling in the United States. Key gas production regions include the GCC (36%), followed by the Asia-Pacific (28%) and Western Europe (14%). Throughout the projection period, rising offshore output in the Middle East, particularly from Qatar, is expected to offset declining production in Western Europe.

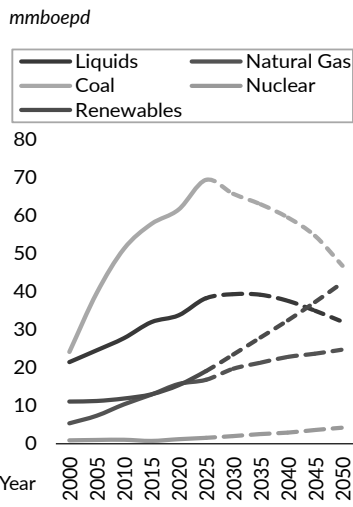
2.2 APAC Energy Consumption & Macroeconomic Outlook

Figure 8:
APAC primary energy consumption



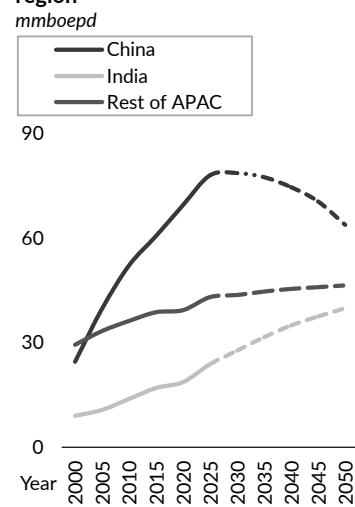
2025-2050 is projected

Figure 9:
APAC energy mix



2025-2050 is projected

Figure 10:
APAC energy consumption by region



2025-2050 is projected

[Source: BP Energy Outlook 2024, Current Trajectory]



Primary energy consumption in the APAC region (excluding mainland China) is projected to grow at a robust CAGR of 1.2%, significantly outpacing the global average of 0.2%. This growth is predominantly driven by India and the Rest of APAC, with India's energy demand expanding at a CAGR of 2.3%. India's primary energy consumption is expected to increase from 21 mmboepd in 2022 to 40 mmboepd by 2050, largely fuelled by its demographic expansion. The Population Reference Bureau forecasts India's population to grow from 1.4 billion in 2024 to 1.7 billion by 2050, further amplifying energy demand. Natural gas, together with biomethane, is also anticipated to capture a growing share of the energy mix, with its usage concentrated in China and key developing economies such as India, reflecting the region's transition toward cleaner energy sources.

Figure 11:
APAC* oil production outlook by source
mmboepd

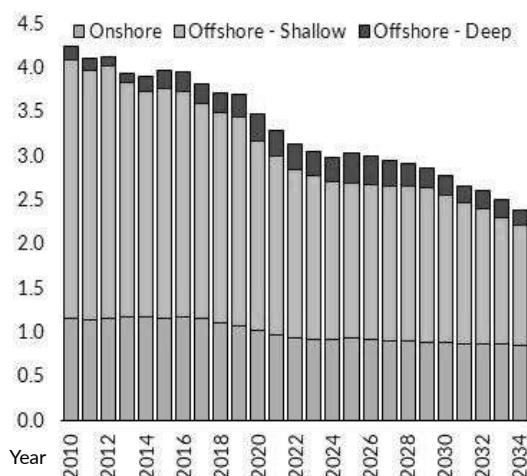
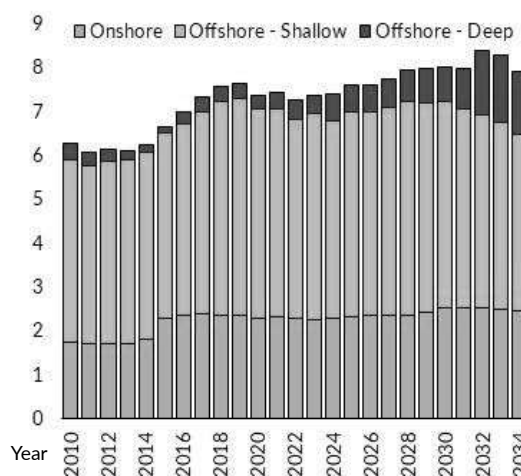


Figure 12:
APAC* gas production outlook by source
mmboepd



[Source: WGEG] *APAC (excluding mainland China)

Asia-Pacific oil production, excluding mainland China, is supported by key producers such as India, Indonesia, and Malaysia. While the region faces challenges from maturing fields and declining reserves, investments in enhanced oil recovery techniques have contributed to stabilising output. Malaysia's offshore developments, particularly in deepwater, are expected to sustain production growth through 2024–2028 before tapering off in the longer term.

On the natural gas front, Asia-Pacific production is projected to grow from 7.4 to 8.0 mmboepd by 2029, reflecting an 8% increase. The region is the second-largest natural gas producer globally and a key player in LNG exports. Australia leads the pack, ranking among the top global producers and exporters of natural gas, with a strong focus on LNG. Leveraging vast offshore reserves, Australia's production hubs, including the North West Shelf, Gorgon, and Ichthys projects, have positioned the country as a critical supplier to major markets like Japan and South Korea. Other notable LNG exporters in the region include Malaysia and Indonesia, further reinforcing Asia-Pacific's role in the global energy landscape.



2.3 Malaysia Energy Consumption & Macroeconomic Outlook

Figure 13:
Malaysia total energy consumption
EJ

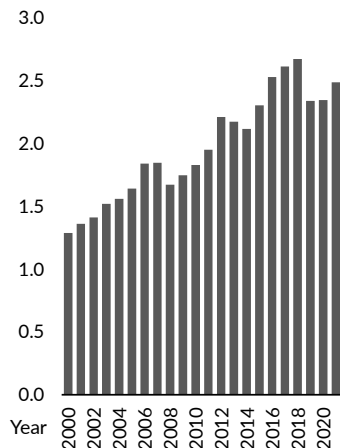


Figure 14:
Malaysia energy consumption by
source
EJ

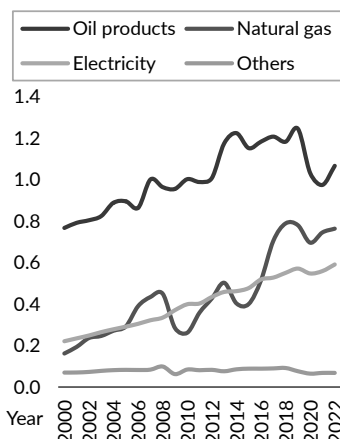
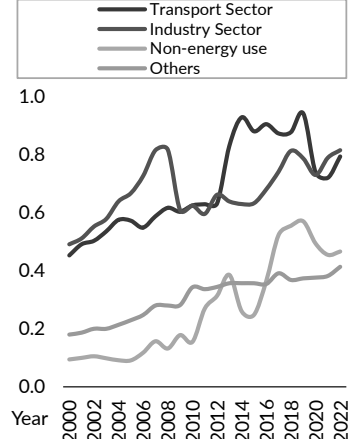


Figure 15:
Malaysia energy consumption by
sector
EJ



[Source: IEA 2024]

Malaysia's economic fundamentals have remained robust, with an average real GDP growth of approximately 5% over the past decade prior the pandemic. The IMF projects Malaysia's real GDP to grow annually by 4.0–4.4% through 2029, with GDP per capita expected to increase from \$12,100 in 2023 to \$17,600 in 2029. The WHO forecasts the population to grow at a 0.9% CAGR, reaching 44.3 million by 2050.

Malaysia's total energy consumption has expanding at a CAGR of 3.3% from 2000 to 2023, increasing from 1.2 to 2.5 EJ. Oil products and natural gas are the primary energy sources, with notable growth in the utilisation of natural gas since 2016. The transportation sector dominates energy demand, reflecting the country's dependence on road and freight transport driven by its geographic landscape and urbanisation trends. This underscores a strong reliance on petroleum products. Simultaneously, the industrial sector, a cornerstone of Malaysia's economic growth, requires substantial energy to power manufacturing, petrochemicals, and heavy industries—key contributors to the nation's GDP.

Figure 16:
Malaysia oil production outlook by source
mmbopd

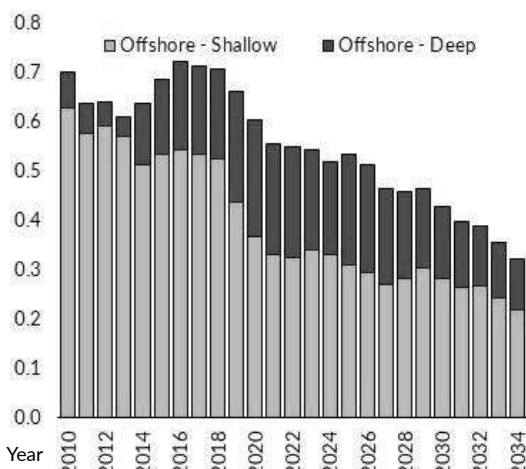
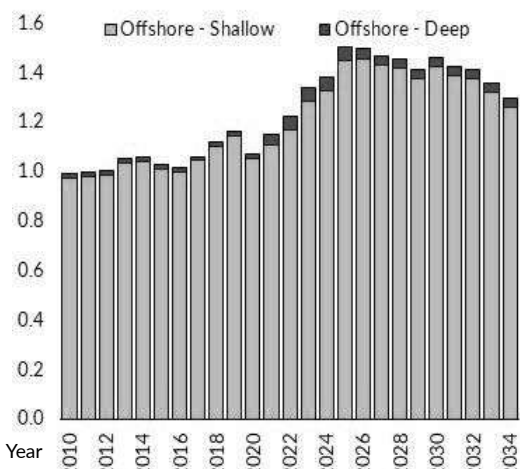


Figure 17:
Malaysia gas production outlook by source
mmbopd



[Source: WGE]



Malaysia is a key player in the global energy market, ranking as the fifth-largest exporter of LNG after Russia, Qatar, Australia, and the United States. In 2023, Malaysia exported 27.73 million tonnes of LNG, representing approximately 7% of global LNG trade. The country also remains a net exporter of oil and gas, bolstered by its resilient energy sector.

While overall oil production began to decline after 2018, Malaysia has bolstered its position in deepwater offshore oil production since 2014 through strategic investments in major fields like Gumusut-Kakap, Malikai, and Kikeh in offshore Sabah. Leveraging advanced subsea infrastructure and floating production systems, these projects have unlocked previously untapped reserves, cementing Malaysia's reputation as a regional leader in deepwater operations.

In recent years, Malaysia has pivoted its energy strategy toward expanding natural gas production to address growing domestic demand and increase export capacity, while gradually reducing its reliance on oil production. Natural gas output is expected to rise from 1.3 mmboepd in 2023 to 1.4 mmboepd by 2029, reflecting a CAGR of 0.9%. This growth trajectory is supported by new Production Sharing Contracts issued in 2024 for the DEWA complex cluster, comprising 12 gas discoveries, and ongoing exploration efforts in the Sarawak Basin. A notable development is the Jerun gas field in offshore Sarawak, which was brought online by SapuraOMV in 2024 and is projected to achieve peak production of 0.09 mmboepd by 2030.

Regulatory Framework of Malaysian O&G Industry

The Petroleum Development Act 1974 grants Petronas, the NOC in Malaysia, ownership and exclusive authority over petroleum exploration in Malaysia, both onshore and offshore. It also empowers Petronas to manage and oversee downstream activities and developments related to petroleum and its products. Additionally, Petronas holds the authority to issue licenses required for contractors to engage in upstream activities. Consequently, any contractor intending to undertake exploration and production operations must apply for and obtain a license from Petronas before proceeding with such activities.

According to the Petroleum Development Act 1974 and Petroleum Regulations 1974, an entity who wishes to provide products and services in upstream oil and gas activities (exploration, development and production) in Malaysia must have a valid license with Petronas. For foreign companies, they must either appoint a local vendor as an agent which serves as a local representative and service provider, form a local branch or form a joint venture company with a local vendor or individual. In addition, vendors must comply with SWEC, which includes meeting minimum Bumiputera and technical requirements. Examples of international E&P companies' presence in Malaysia include Sabah Shell Petroleum Company, ConocoPhillips Malaysia New Ventures, and ExxonMobil Exploration and Production Malaysia.

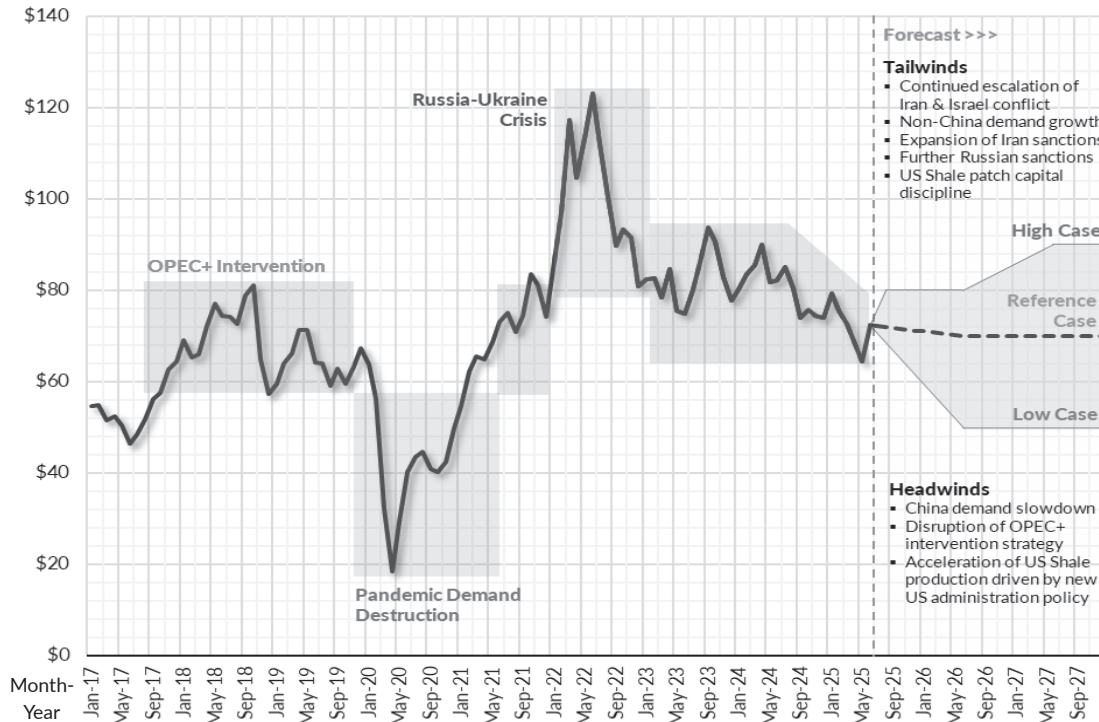
In Malaysia, PSCs are agreements between Petronas, the custodian of the country's hydrocarbon resources, and contractors such as international or national oil companies. Under these contracts, Petronas retains ownership of the resources, while contractors bear all financial and operational risks of exploration, development, and production. Costs incurred are recoverable from production up to a specified limit, with the remaining output (profit oil/gas) shared between Petronas and the contractor based on agreed percentages, often favouring Petronas. Contractors must also pay royalties, bonuses, and a petroleum income tax. PSCs include an exploration phase with mandatory work commitments and a defined relinquishment policy, transitioning to a development and production phase if commercial discoveries are made. In December 2024, Petronas announced the awarding of PSCs to ConocoPhillips, Shell, and Petronas Carigali for the Ubah cluster in offshore Sabah.



2.4 Oil Price Dynamics

Figure 18: Oil price trends & outlook

\$/barrel Brent



[Source: WGEG]

Oil prices play a key role in overall levels of onshore and offshore E&P activity with higher cashflows incentivising O&G companies to reinvest into new production capacity and projects. Over the past several years, oil prices have been shaped by a combination of economic supply & demand factors as well as “black swan” events. The latter included the Covid-19 pandemic which saw unprecedented demand destruction leading to a crash in prices and the Russian invasion of the Ukraine which led to sanctions on Russian hydrocarbon exports and subsequent shortages of oil & gas supplies across Europe.

However, between these events, oil prices have been largely influenced by OPEC+, also known as the Declaration of Cooperation (DoC) group, production quotas which were introduced in 2017 with the intent of providing stability to the global oil market. These quotas have largely kept oil prices in a \$60-80/bbl.

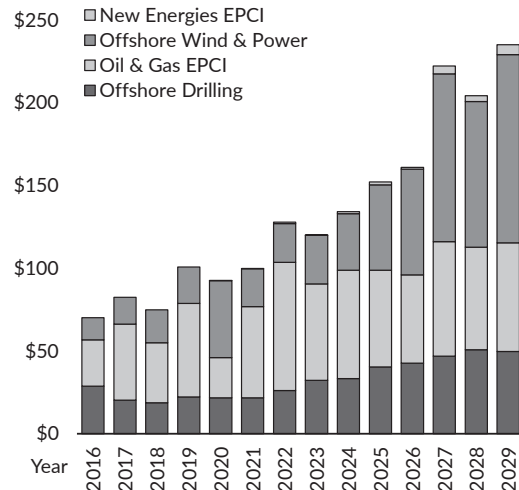
Over the next few years, oil prices will likely continue to be primarily affected by a number of supply & demand factors including the potential slowdown of China’s crude consumption growth and the increasing supply from the USA, Guyana, Brazil and Canada. The OPEC+ group has also announced an intention to re-introduce around 2.2 mmbpd of crude oil from voluntary cuts (those defined as “in addition” to the official quotas) starting from April 2025 until September 2026. However, OPEC+ has also set “compensation quotas” for those members who have previously exceeded stated quotas and have reserved the right to hold-off on increasing output should supply & demand dynamics begin to threaten oil market stability.

The new Republican administration in the US which took office in January 2025 has created a potential wildcard for 2025 prices with an intention to increase US drilling & production in an attempt to lower consumer gasoline prices. More recently, the escalation of armed conflict between Israel, the US and Iran in June 2025 saw a temporary geopolitical premium on oil prices over fears that the Strait of Hormuz (a major chokepoint for global crude trade) could be closed.



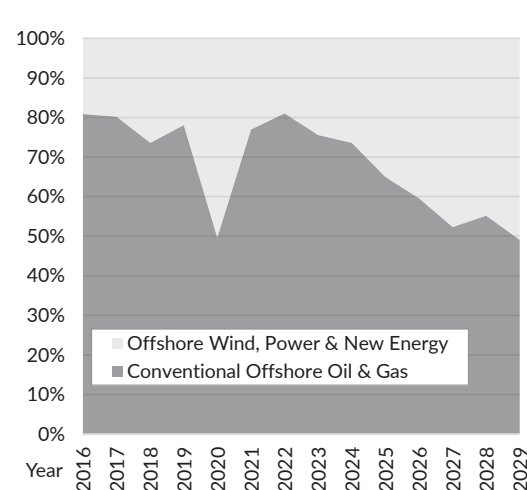
2.5 Global Offshore Energy Services Expenditure

Figure 19: Global offshore energy services spending by segment
USD billions



[Source: WGEG]

Figure 20: Proportion of global offshore energy services spending by segment
% of total spending



[Source: WGEG]

Figure 21: Global offshore EPCI & installations

		Actual		Forecast				Actual		Forecast				Actual		Forecast	
		2020-24	2025-29	2020-24	2025-29			2020-24	2025-29	2020-24	2025-29			2020-24	2025-29	2020-24	2025-29
Offshore Oil & Gas	Units					Offshore Wind	Units					Offshore New Energy	Units				
EPCI	\$bn	\$281	\$309			EPCI	\$bn	\$156	\$419			EPCI	\$mn	\$2,435	\$16,896		
Fixed Platforms	#	418	435			Fixed turbines / foundations	#	3,265	6,963			Fixed platforms	#	-	13		
Floating Platforms	#	95	105			Floating turbines	#	36	256			Pipelines	km	-	899		
Rigid pipelines	km	10,718	10,585			Offshore substations	#	36	105								
Flexibles	km	9,495	9,048			Cables	km	12,222	21,979								
Fixed platforms >40 yrs old (% of total)	# (%)	2360 (28%)															

[Source: WGEG]

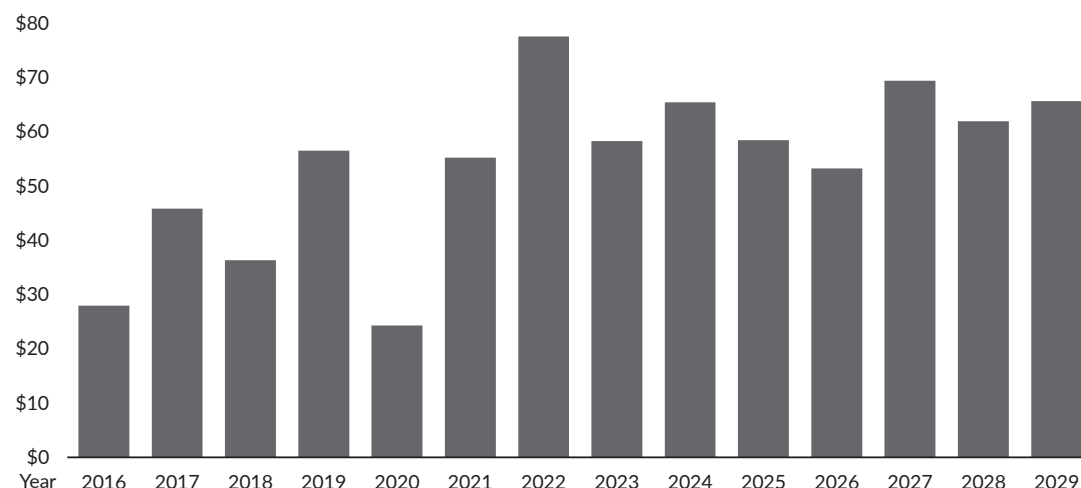
The Company's operations are primarily driven by investment into new offshore energy projects by E&P players and offshore windfarm developers in Malaysia, Southeast Asia and globally. Global offshore energy services spending comprises of new energies EPCI (engineering, procurement, construction and installation), offshore wind & power EPCI, oil & gas EPCI and offshore drilling. Figure 19 shows historical and forecast spend on global offshore energy projects by year of contract award and by major segments.

In 2024, global offshore energy investment equalled \$134 billion, having averaged \$95 billion a year over the 2016 to 2023 period. WGEG expects to see an uptick in global spending driven by improved oil & gas market fundamentals, continued emergence of the offshore wind industry, and industry cost inflation which will drive up prices for products & services such as dayrates for offshore drilling rigs. Global offshore energy investment is expected to continue to grow over the next five years to reach \$235 billion by 2029, 75% above 2024 levels.

Historically, the offshore energy sector has been dominated by oil & gas related activity. Over the 2016 to 2024 period, offshore oil & gas EPCI and offshore drilling accounted for an estimated 74% of global investment. Over the 2025 to 2029 period, these two markets will see their share of total spend drop to 55%. New Energy markets such as Hydrogen and CCS are still in their infancy with only \$17 billion of investment expected over the 2025 to 2029 period, equivalent to just 2% of total spend. However, these markets are highly strategic and present future growth opportunities to offshore E&C contractors as these markets allow them to leverage their existing core competencies of pipelay and platform T&I to support low-carbon projects critical to global energy transition.



Figure 22: Global offshore oil & gas EPCI investment
USD billions

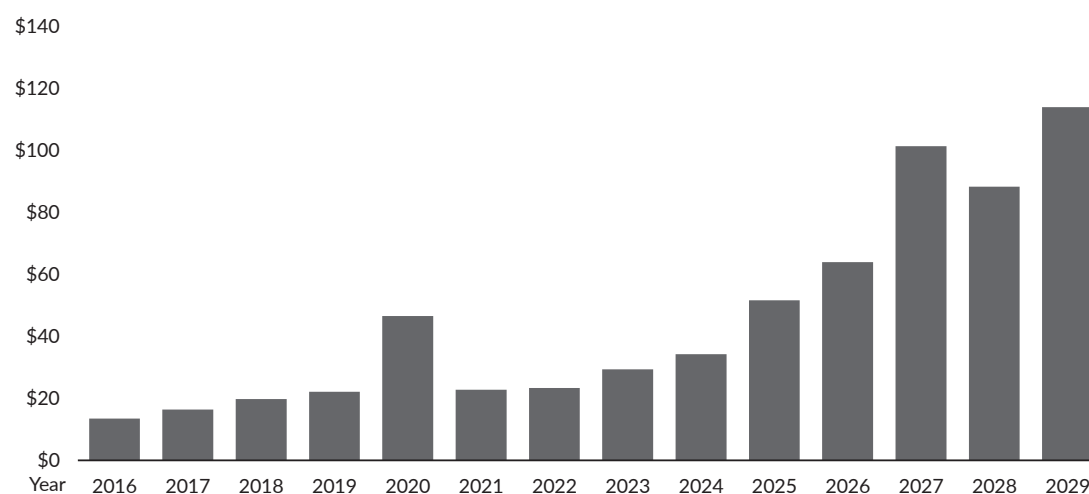


[Source: WGEG]

Offshore oil & gas EPCI activity covers the fabrication and installation of complex infrastructure such as pipelines, production platforms and subsea equipment. This segment is the principal driver of demand for SEB's E&C segment. Over the past five years global spending totalled \$281 billion (\$56 billion a year on average), robust oil prices are expected to drive investment over the 2025 to 2029 period to \$309 billion (\$62 billion a year on average), an increase of 10%. The total volume of infrastructure to be installed is also expected to increase over the next five years including 435 fixed production platforms, 105 floating production platforms, 10,585 km of rigid offshore pipelines and just under 9,000 km of flexibles (flowlines & umbilicals).

Major regions include the shallow water Arabian Gulf which will see \$41.8 billion of investment over the 2025 to 2029 period and will account for over half the planned global fixed platform installations, providing significant opportunity for heavy lift and pipelay vessels. Latin America is another major region with over \$75.0 billion of expected offshore oil & gas EPCI spending over 2025 to 2029. Latin America will also account for 3,100 km of flexible product installation, the key demand driver for SEB's fleet of flex-lay vessels.

Figure 23: Global offshore wind EPCI investment
USD billions



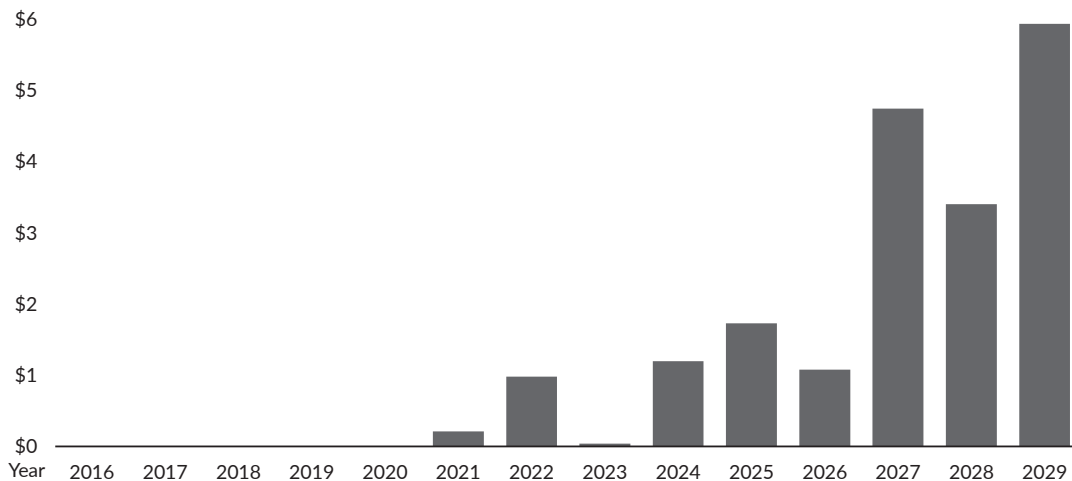
[Source: WGEG]



The development of offshore wind farms requires a significant volume of infrastructure including turbines, foundations, substations and cables. Currently, the majority of offshore windfarms feature fixed bottom turbines, as opposed to floating turbines which utilise a pontoon structure for stability in deeper waters. Fixed bottom turbines are supported by foundations that can range between 1,500 to 3,000 metric tonnes in weight depending on their design and water depth. Installing these foundations requires the use of heavy-lift vessels. Historically, the offshore wind industry has relied on vessels originally designed for the oil and gas sector to facilitate construction. In recent years, numerous dedicated heavy lift vessels for foundation installation have been ordered. Whilst these newer vessels have an optimised design including large open deck space and higher hook heights, it is expected that vessels built for the oil & gas industry will continue to support the offshore wind market over the coming decade.

Driven by ambitious government targets, global offshore wind investment (excluding mainland China) is expected to see exponential growth over the next five years from \$34.2 billion in 2024 to an estimated \$113.9 billion by 2029, with a total of \$419 billion of EPCI investment forecasted for the 2025 to 2029 period. Nevertheless, supply chain challenges and cost pressure has surfaced as headwinds.

Figure 24: Global offshore new energy EPCI investment
USD billions



[Source: WGEG]

An increasing focus on reducing greenhouse gas emissions by world governments is driving the development and adoption of “new energy” technologies aimed at reducing carbon footprint and eventually replacing the use of conventional hydrocarbons in the global energy mix. One emerging technology is CCS which reduces the carbon footprint of industrial clusters and oil & gas production facilities by sequestering released carbon dioxide and then transporting it via pipeline to offshore fields where it is re-injected into the subsurface to either enhance production or to be stored in depleted oil & gas reservoirs.

Another emerging technology is the use of hydrogen to both store and generate energy, most notably in the transportation sector via the use of fuel cells. Historically, hydrogen has been generated from natural gas via steam reforming and is known as blue hydrogen when carbon emissions are captured and grey hydrogen when carbon emissions are released to the atmosphere. The recent and rapid emergence of the offshore wind industry presents a significant opportunity for hydrogen production. Its intermittent power output often leads to surplus electricity, which, combined with the abundant availability of water, makes it well-suited for electrolysis—a process that uses electrochemical reactions to separate hydrogen and oxygen molecules in water. When hydrogen is generated through electrolysis using renewable energy, it is referred to as green hydrogen.

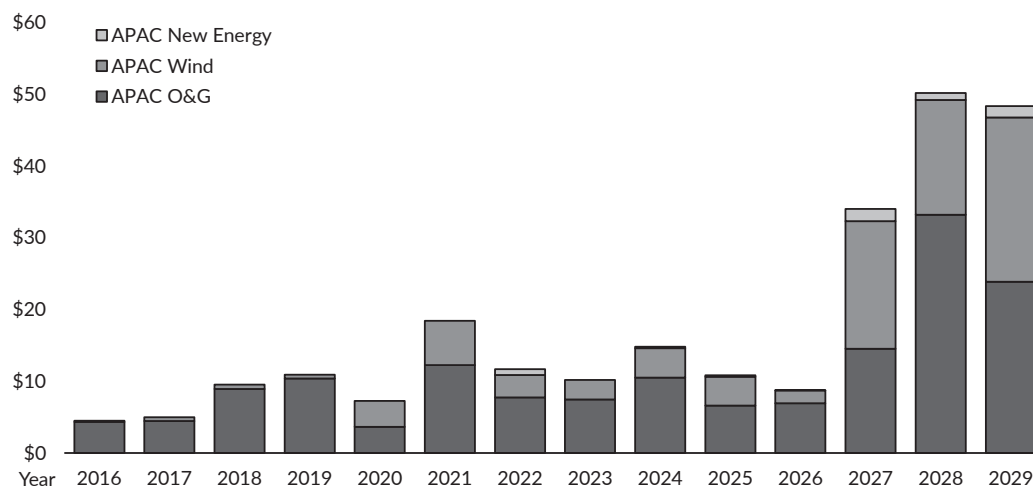
Both CCS and green hydrogen require very similar offshore infrastructure to the oil & gas industry including processing facilities, pipelines and subsea equipment. As such, this market is considered a key strategic growth driver for offshore E&C contractors looking to diversify their operations and support the energy transition. Although still at a very early stage of development, offshore new energy EPCI activity is gaining pace with over \$17 billion of expected investment over the next five years, driven mainly by Western Europe.



2.6 APAC Offshore Energy Services Expenditure

Figure 25: APAC* offshore EPCI investment

USD billions



[Source: WGEG]

Figure 26: APAC* offshore EPCI & installations

	Actual			Forecast				Actual			Forecast		
	Units	2020-24	2025-29	Units	2020-24	2025-29		Units	2020-24	2025-29	Units	2020-24	2025-29
Offshore Oil & Gas				Offshore Wind			Offshore New Energy						
EPCI	\$bn	\$42	\$85	EPCI	\$bn	\$20	EPCI	\$mn	\$974	\$4,459			
Fixed Platforms	#	99	85	Fixed turbines / foundations	#	954	Fixed platforms	#	-	5			
Floating Platforms	#	15	35	Floating turbines	#	8	Pipelines	km	-	326			
Rigid pipelines	km	2,582	2,701	Offshore substations	#	7							
Flexibles	km	750	1,137	Cables	km	2,799							
Fixed platforms >40 yrs old (% of total)	# (%)	537 (21%)											

[Source: WGEG] *APAC (excluding mainland China)

The APAC region (excluding mainland China) is projected to account for 16% of global offshore EPCI expenditure between 2025 and 2029. Offshore oil and gas EPCI expenditure is forecasted to be \$85.1 billion over the 2025 to 2029 period. Total EPCI expenditure is expected to grow post-2026 supported by offshore wind and offshore gas developments in the region.

Over the next five years, the region will see the installation of 85 fixed platforms, 2,701 km of rigid pipelines, and 35 floating production platforms. Fixed platform installations will be primarily driven by activities in India, Thailand, and Malaysia. Noteworthy projects include the Daman Upside Development Project in India, and the Arthit field developments in Thailand. Meanwhile, Australia, Vietnam, and Indonesia are poised to lead installations of floating platforms.

While APAC's decommissioning market remains nascent compared with Western Europe, demand is set to accelerate as an increasing number of fields and platforms approach end-of-life. In the near term, Australia will lead this progression, driven by projects such as the Simpson, Harriet, Halibut and Dolphin platforms, among others. This trend could present a growth opportunity for SEB, particularly with the introduction of its recently launched Kitar Solutions, which is well-positioned to support the expanding decommissioning market in the APAC region.

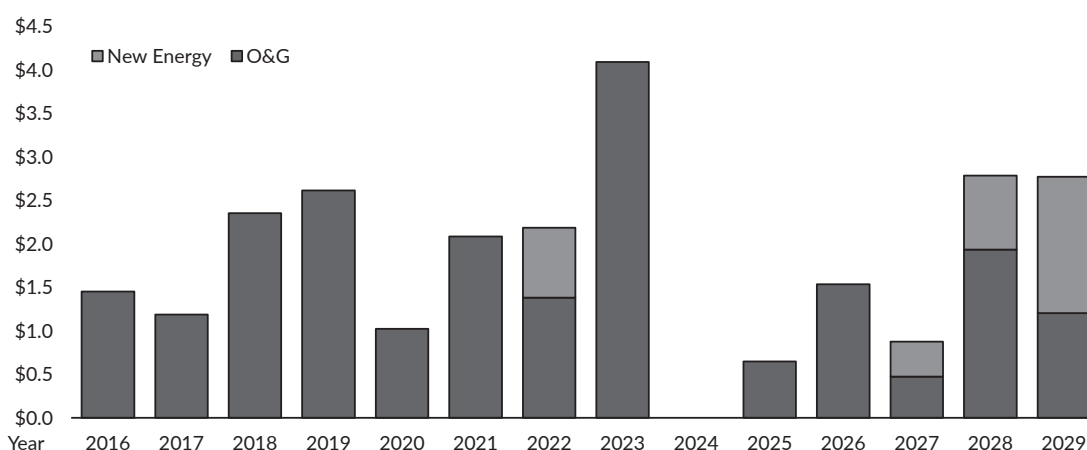
The APAC region is projected to generate \$63 billion in offshore wind EPCI expenditure, representing an increase of more than three times compared to the total investment over the past five years. During the forecast period, the region will see the installation of an additional 1,400 fixed-bottom turbines and foundations, 34 offshore substations, and 5,800 km of subsea power cables, creating substantial opportunities for offshore wind energy service providers. Taiwan is expected to lead the market, accounting for 36% of foundation installations between 2025 and 2029, followed by South Korea, Japan, and Vietnam.



Investments in new energy, particularly CCS projects, are gaining significant traction in APAC, with Southeast Asia leading the charge. The region's reliance on fossil fuels positions CCS as a strategic solution for reducing industrial and coal-related emissions. To accelerate CCS deployment and address key challenges such as economic feasibility, lengthy lead times, project complexity, and innovation gaps, the ASEAN CCS Deployment Framework and Roadmap has been established. Malaysia is at the forefront of CCS development in the region, spearheaded by the Kasawari project. Petronas is also planning to advance multiple offshore storage sites and associated infrastructure, positioning the country as Southeast Asia's premier carbon-capture hub. Meanwhile, other parts of APAC are expected to see a growing pipeline of CCS installations toward the end of the forecast period. Notable projects include Arthit CCS in Thailand, Donghae CCS in South Korea, Vorwata CCS in Indonesia, and the South East Australia CCS initiative. Offshore new energy investments reached \$1,569 million in the last 5 years, and it is forecasted to total \$4.5 billion between 2025 and 2029.

2.7 Malaysia Offshore Energy Services Expenditure

Figure 27: Malaysia offshore EPCI investment
USD billions



[Source: WGEG]

Figure 28: Malaysia offshore EPCI & installations

Offshore Oil & Gas	Units	Actual		Forecast	Offshore Wind	Units	Actual		Forecast	Offshore New Energy	Units	Actual		Forecast
		2020-24	2025-29				2020-24	2025-29				2020-24	2025-29	
EPCI	\$bn	\$9	\$6		EPCI	\$bn	-	-		EPCI	\$mn	\$803	\$2,820	
Fixed Platforms	#	24	18		Fixed turbines / foundations	#	-	-		Fixed platforms	#	-	2	
Floating Platforms	#	2	4		Floating turbines	#	-	-		Pipelines	km	-	158	
Rigid pipelines	km	606	433		Offshore substations	#	-	-						
Flexibles	km	111	58		Cables	km	-	-						
Fixed platforms >40 yrs old (% of total)	# (%)	134 (25%)												

[Source: WGEG]

Malaysia is one of Southeast Asia's largest producers in oil and gas, hosting significant gas fields such as the North Malay Basin in Terengganu, Pegaga in Sarawak, and Block A-18 in the Malaysia-Thailand Joint Development Area. Most of the country's proven oil reserves are concentrated in Sarawak (61%) and Sabah (19%), while Sarawak accounts for nearly 90% of Malaysia's LNG exports. Due to low wind speeds and limited coastal suitability, wind power is not a strategic focus for the country.

Oil and gas EPCI investment in Malaysia is projected to remain steady at \$5.8 billion over the next five years, driven by the installation of 18 fixed platforms, 4 floating platforms, and associated subsea pipelines and equipment. EPCI fell in 2024 because Thailand's PTTEP halted the Lang Lebah offshore gas field development project before the EPCI stage to "re-engineer" the project to improve its economic viability. The country is also advancing its decommissioning activities, with plans outlined in Petronas' Activity Outlook 2025–2027, which include the removal of 28 wellhead platforms and 3 central processing platforms, amongst others between 2026 to 2029.



Malaysia is emerging as a key CCS market in APAC, aiming to position itself as a regional hub for CO₂ storage. Petronas' Malaysia Petroleum Management has identified an estimated 46 trillion cubic feet of potential CCS capacity across 16 depleted fields. The flagship Kasawari project, targeting first CO₂ injection by Q4 2025, will inject compressed CO₂ into the depleted M1 field. Future projects include the Kuantan CCS and Golok CCS which are expected to come online as early as 2029.



3. Engineering & Construction Segment

3.1 Engineering & Fabrication Service

3.1.1 Overview

Figure 29: Engineering & fabrication component types & definitions

Installation Type		Definition	SEB Coverage
Fixed Platforms		A wellhead fixed platform is a type of offshore oil and gas production structure that is permanently anchored to the seabed. It serves as the primary interface between the subsea wellheads and the surface facilities, facilitating the extraction, processing, and transportation of hydrocarbons. Multiple wellhead fixed platforms may also be tied back to a platform which acts as a central processing platform.	Yes
Floating Platforms		Beyond water depths of 400 meters, conventional fixed platforms become technically and economically unfeasible. In such conditions, floating platforms provide a viable alternative for accessing deepwater hydrocarbon reserves. Most FPS are deployed in the "deepwater triangle" of Brazil, West Africa, and the Gulf of Mexico, where significant deepwater resources are located. Additionally, floating platforms can also be deployed in shallow waters due to their re-deployable nature, which enhances the economic viability of marginal developments by spreading capital costs across multiple fields.	Yes
Offshore Pipelines	Trunk line	Trunklines are major pipeline systems designed to transport large volumes of hydrocarbons over long distances from production or processing facilities to distribution hubs or export terminals. These offshore pipelines are typically laid across extensive geographic regions.	Yes
	Export Pipeline/Inter-platform Pipelines	Once extracted and processed, hydrocarbons are typically transported between offshore platforms via inter-platform pipelines or transported to onshore facilities through export pipelines.	Yes

[Source: WGEG]

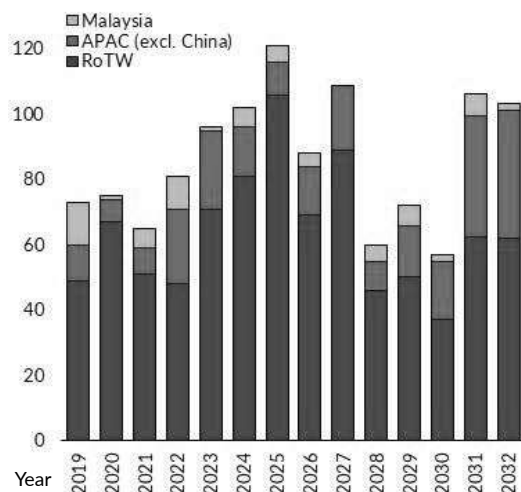
SEB primarily secures EPCI contracts for fixed platforms and offshore pipeline projects, encompassing comprehensive engineering and fabrication services. The company is engaged in the fabrication of a wide array of oil and gas structures, which involves the precise cutting, welding, and assembly of steel components, fixtures, and fittings in alignment with FEED specifications to create the final structures.

These fabrication activities are predominantly conducted at the Company's advanced fabrication yard in Lumut. This facility is fully equipped with the necessary infrastructure and heavy lifting equipment, enabling efficient fabrication processes and the seamless load-out of structures onto barges.



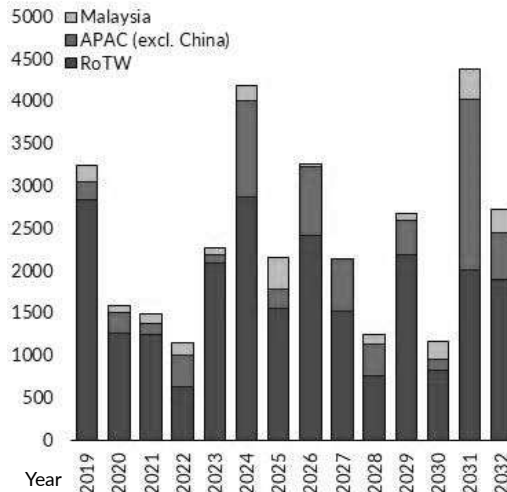
3.1.2 Market Drivers

Figure 30: Global Fixed Platform Installations
platforms



[Source: WGEG]

Figure 31: Global Offshore Pipeline Installations
km



[Source: WGEG]

Figure 32: APAC Fixed Platform Installations
platforms

Country	2019-2024 Actual		2025 - 2032 Forecast	
	Installed	On Order	Planned	
India	22	8	38	
Thailand	39	1	37	
Malaysia	37	9	22	
Indonesia	15	6	19	
Vietnam	3	8	39	
Others	9	5	4	

[Source: WGEG]

Figure 33: APAC Offshore Pipeline Installations
km

Country	2019-2024 Actual		2025 - 2032 Forecast	
	Installed	On Order	Planned	
Australia	692	160	1413	
Malaysia	803	379	1047	
India	733	520	496	
Others	762	425	1907	

[Source: WGEG]

The demand for engineering and fabrication services within the offshore oil and gas sector remains robust, supported by ongoing installation activities of jackets and topsides for production facilities. Between 2025 to 2032, there is a forecasted increase in overall offshore fixed platform installations, primarily driven by the Middle East region, which is expected to see the deployment of over 341 facilities. Asia is anticipated to be the second-largest regional market, with an estimated of 220 new facilities slated for installation.

Between 2025 to 2032, an estimated 19,700 kilometres of pipelines will be installed globally. The APAC region is expected to account for c.26% of these installations, driven by export pipelines associated with Indonesia's Mahakam Expansion project and Thailand's Arthit Phase IV project. The Middle East will contribute about 23%, supported by Saudi Arabia's Manifa and Safaniya expansions, along with Qatar's North Field Compression and Expansion projects. Additionally, around 2,100 kilometres of pipelines will be installed for CCS projects during this period, with Western Europe leading these efforts.



3.1.3 Competitive Landscape

Figure 34: APAC* Fixed Platform Fabricators

Company Name		Brunei	India	Indonesia	Malaysia	Myanmar	Thailand	Vietnam
PT Meindo Elang Indah	IDN			✓				
MMHE	MYS				✓			
SEB	MYS	✓	✓		✓			
L&T	IND		✓					
KKB Engineering	MYS				✓			
Gunanusa	IDN					✓		
Timas Suplindo	IDN			✓				
Muhibbah Engineering	MYS				✓			
Brooke	MYS				✓			
T7 Global	MYS				✓		✓	
Others			✓		✓	✓	✓	✓

[Source: WGEG] *APAC (excluding mainland China)

Figure 35: SEB APAC* fixed platform market share

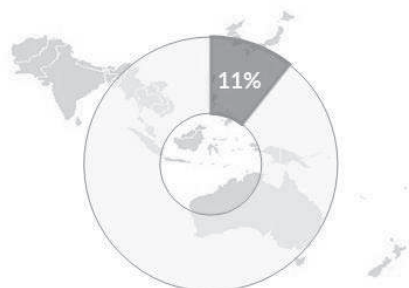
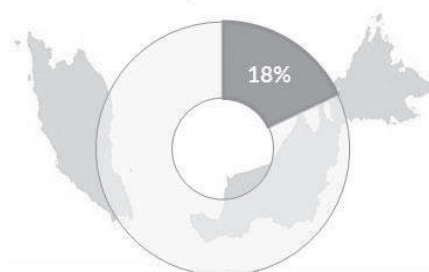


Figure 36: SEB Malaysia fixed platform market share



[Source: WGEG] *APAC (excluding mainland China)

Key players in the competitive landscape are selected based on their engineering and fabrication capabilities for fixed platforms installed across the various country markets. SEB's market position is derived from the number of fixed platform EPC over the 2021-25 period, where it commands a market-leading 11% share in APAC. In Malaysia, SEB commands a 18% market share, competing alongside Malaysia Marine and Heavy Engineering (MMHE) and KKB Engineering. MMHE has repositioned itself towards energy transition initiatives, expanding into renewables and low-carbon solutions, including the OWF substation platform and Kasawari CCS project. In contrast, SEB differentiates itself through a broader regional footprint, extending its presence beyond Malaysia to India and Brunei, reinforcing its competitive resilience.



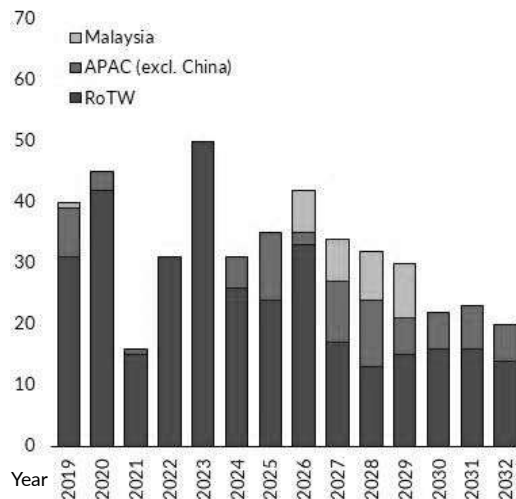
3.2 Decommissioning Service

3.2.1 Overview

The decommissioning of fixed offshore platforms encompasses the permanent closure of oil & gas wells through well P&A, followed by the safe dismantling and removal of all structural components, including topsides, jackets, and subsea installations, once they are no longer economically viable or have reached the end of their operational lifespan. Forecasting decommissioning activities for offshore platforms remains inherently challenging due to the nature of these projects as liabilities without direct economic benefits to operators. During periods of low oil prices, E&P companies tend to minimize unnecessary expenditures by deferring decommissioning costs. Conversely, in times of high oil prices, the extended viability of marginal and mature fields, driven by improved cash flows, often delay decommissioning efforts. Consequently, E&Ps typically postpone decommissioning expenses unless compelled by significant external or regulatory pressures, making the timing and financial planning of decommissioning activities highly variable and dependent on market conditions and regulatory environments.

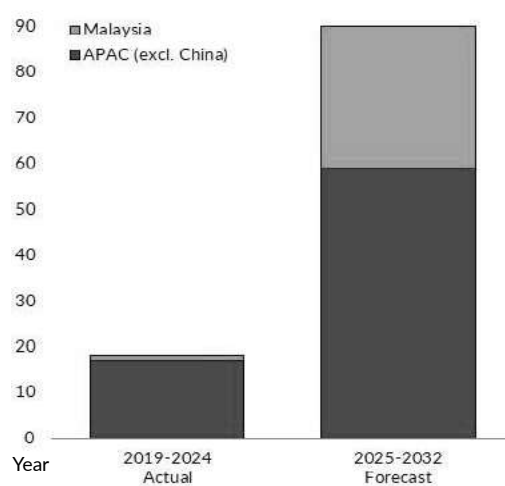
3.2.2 Market Drivers

Figure 37: Global Fixed Platform Removal
platforms



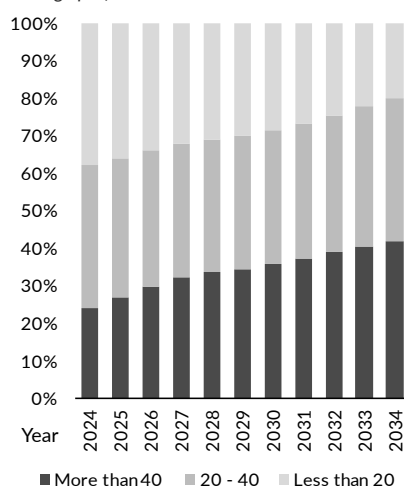
[Source: WGEG]

Figure 38: APAC Fixed Platform Removal
platforms



[Source: WGEG]

Figure 39: APAC fixed platform age profile
% in age profile



[Source: WGEG]

facility removals slated to begin from 2026 onwards. This evolving market landscape underscores the substantial potential for growth and investment within the offshore decommissioning sector.

While primarily driven by regulatory mandates, the decommissioning segment offers significant growth opportunities for offshore engineering contractors. Western Europe is a leading market and is also expected to dominate the decommissioning landscape as the region is forecasted to account for 39% of global platform removals between 2025 to 2032. APAC is expected to emerge as a key decommissioning region with 40% of its platform installations projected to surpass 40 years of age by 2034. An estimated 90 platforms are scheduled for removal between 2025 and 2032, highlighting the growing focus on aging infrastructure.

Petronas released its activity outlook for 2025-2027 during the 1Q25 period, anticipating the removal of close to 37 facilities over the next three years. Brunei Shell has unveiled its Decommissioning and Restoration Plan, which includes the removal of 30 offshore facilities as part of its Phase 1 program, expected to boost activity levels from 2029 onwards. Additionally, WGEG forecasts that Australia, particularly the Bass Strait region, will become a prominent decommissioning market, with fields such as Whiting, Mackerel, and Kingfish having ceased production since 2020 and



3.3 Transportation & Installation Service

3.3.1 Overview

Offshore E&C T&I activity primarily revolves around the use of a range of complex dedicated vessels that perform a variety of tasks to support the installation, maintenance and decommissioning of offshore energy infrastructure such as oil & gas production platforms, pipelines, subsea equipment and offshore wind turbine foundations. These vessels are differentiated by their mission equipment such as crane capacity, pipeline tensioning capacity as well as diving & ROV services.

Figure 40: Types and descriptions of offshore E&C fleet

Asset Type	Definition	Active	Orderbook	Av. Age	SEB Fleet
Offshore Heavy Construction Heavy Lift [HLV] and Rigid Pipelay [PLV]	SSCV Semisubmersible Crane Vessels (SSCV) are amongst the largest vessels serving the offshore energy industry and boast tandem lift cranes with capacities in excess of 10,000mt. Given the huge capex associated with newbuilding (>\$1bn) these assets typically focus on the largest and most complex lifts such as the North Sea decom market.	4	1	23.8	Nil
	Tier 1 OWF Heavier & taller foundations for offshore wind farms are driving the need for a specialised asset that combines deck space, lifting height and lift capacities in excess of 4,000mt. There is currently only one such vessel in operation, however, several deliveries are expected to enter services over the next few years, replacing older WTIVs and O&G HLVs.	6	1	8.7	Nil
	Tier 2 OWF Older HLVs focused on foundation installation scopes but with lower lifting heights and crane capacities less than 4,000mt. Typically, these vessels differentiate from their O&G peers by substituting accommodation for deck space. These assets can still service the majority of shallow water windfarms.	6	4	9.0	Nil
	Tier 1 O&G Very large monohull vessels equipped with either cranes with lifting capacities in excess of 4,000mt or pipelayers focused on major international trunkline projects. These vessels have also supported Offshore Wind substation activities but this is expected to lessen given the emergence of dedicated OWF HLVs	10	1	22.9	Nil
	Tier 2 O&G Consists of monohull HLVs with cranes rated 1,000-4,000mt and monohull PLVs focused on upstream oil & gas operations. The T2 O&G fleet has worked extensively in the OWF sector over the past few years, however this is expected to be impacted by the introduction of dedicated OWF HLVs.	26	1	19.8	Sapura 3500 Sapura 1200 LTS 3000
	Tier 3 Primarily consists of barges and highly localised monohulls targeting shallow water markets such as upstream O&G in the Middle East and Asia as well as near shore offshore wind farms in Europe. The active fleet is potentially very large with limited barriers to entry. However, we have identified a fleet of around 29 assets servicing the O&G sector that are competitive to SEB.	29	-	32.6	Sapura 2000 Sapura 900
SURF	Flex-Lay Flex-layers are highly engineering vessels dedicated to the installation of flexible SURF products such as umbilicals and some flowlines critical to deepwater O&G developments. Vessels are differentiated by ability to store product and "tension capacity" which denotes the weight of product in water that can be supported with greater capacities allowing access to deeper water projects	37	-	12.6	Sapura Jade Sapura Onix Sapura Topazio Sapura Rubi Sapura Esmeralda Sapura Diamante

[Source: WGEG] SEB fleet size dated as of 2Q2025



Based on WGEG categorisation of vessel types, SEB currently own five vessels in the heavy construction fleet with the Sapura 3500 able to support heavy lift operations for both oil & gas and offshore wind projects and the Sapura 1200/LTS 3,000, both highly capable rigid pipelay vessel. The Sapura 2000 and 900 are smaller vessels classified as Tier 3 heavy construction assets typically focused on smaller, shallow water oil & gas projects.

SEB also operate six flex-lay vessels which feature vertical lay systems allowing for the installation of flexible products such as flowlines & umbilicals to support deepwater oil & gas projects. These vessels are currently supporting Petrobras offshore Brazil on long-term contracts but could also potentially support cable lay projects for offshore wind farms.

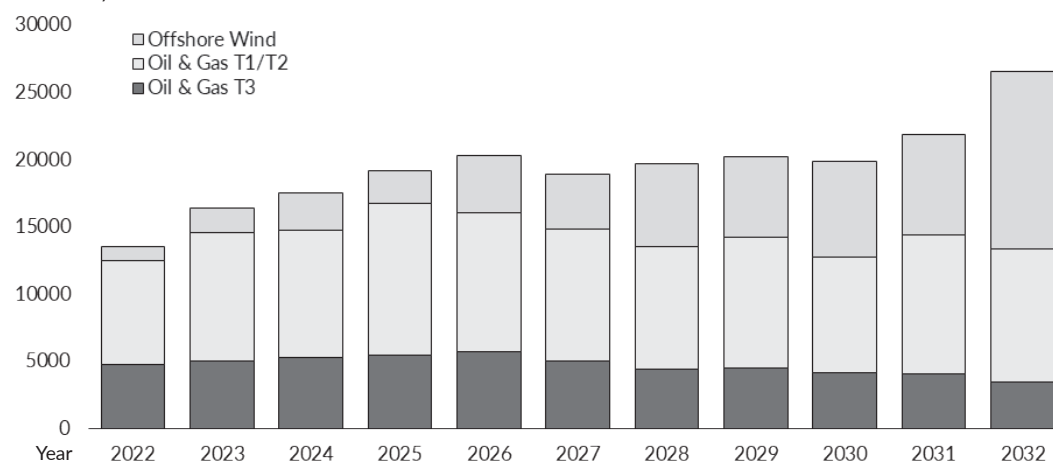
3.3.2 Heavy Construction Vessel

3.3.2a Market Outlook

The demand for heavy construction vessels has increased significantly over the past few years from 13,300 vessel days in 2022 to 16,700 days in 2023, an increase of 22%. Over the next few years demand for SEB's heavy construction vessels is expected to continue to grow to reach 20,300 days in 2026. This growth will be largely driven by the continued emergence of the offshore wind sector as well as unprecedented levels of oil & gas related EPCI activity in the Arab Gulf. After peaking in 2026, O&G demand is expected to soften between 2027 and 2031 with increasing levels of decommissioning activity in the North Sea and Southeast Asia partially offsetting falling greenfield EPCI related activity. By 2032, offshore wind related work will account for 50% of total heavy construction vessel demand compared to just 16% in 2024.

Figure 41: Global offshore heavy construction vessel market outlook

Vessel days



[Source: WGEG] 2025-2032 is projected

3.3.2b Competitive Landscape

Figure 42: Heavy construction vessel competitive matrix

Company Name	In Service	On Order	Age	LOA (m)	Deck (m²)	Crane (tonnes)	Top Tensioning (tonnes)	PoB	DP Capable	Geographical Footprint							
										W. Europe	Middle East	EE&FSU	Asia	N. America	L. America	Australasia	Africa
SEB	3	-	11	157	2000	2474	370	290	100%		✓		✓				✓
Saipem	7	-	21	198	2767	2396	1013	354	86%	✓	✓				✓		✓
Allseas	3	-	41	286	1500	383	580	297	100%	✓						✓	
COOEC	3	1	24	201	2150	5100	300	134	33%				✓				
Seaway 7	2	-	8	200	7030	4000	-	160	100%	✓							
Heerema	2	-	30	183	9614	4315	-	349	100%	✓			✓				
Boskalis	2	-	19	224	6900	3500	-	148	100%					✓			
NMDC	2	-	14	188	4000	2900	339	325	100%		✓						
Shanghai Salvage	2	-	11	170	3500	3750	-	320	100%		✓						
Subsea 7	2	-	16	151	1050	2650	360	372	50%								✓
McDermott	1	-	9	184	4000	2000	450	401	100%				✓				
Total	48	7	18	193	4136	3182	533	238	85%								

[Source: WGEG; no heavy construction vessel footprint in EE&FSU as of 2Q2025]



Figure 43: SEB APAC* heavy construction market share

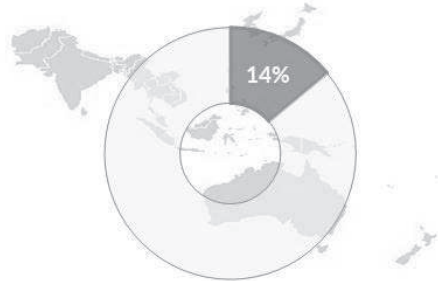
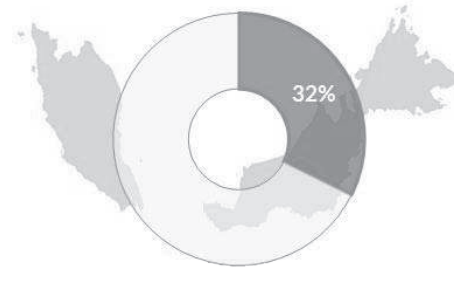


Figure 44: SEB Malaysia heavy construction market share



[Source: WGEG] *APAC (excluding mainland China)

The competitive landscape comprises key industry participants, identified based on their operations within the Tier 1 and Tier 2 heavy construction vessel segment. SEB operates alongside prominent conventional EPCI contractors such as Saipem, Heerema, and McDermott. Service offerings for these companies are focused on platform installation and decommissioning operations, as well as the adjacent pipelay market. Additionally, they possess competitive capabilities in the fabrication of fixed platform topsides and jackets. The market also includes specialised T&I players such as Allseas and Boskalis, which focus on niche operational segments. Furthermore, there are competitors dedicated to OWF projects like Seaway 7, which target the growing renewable energy sector. SEB's market positioning is derived from its heavy construction vessel operations from 2021 to 2025, securing a 14% market share within the APAC region. In Malaysia, SEB maintains a strong competitive foothold, capturing a 32% market share, positioning itself against industry players such as Allseas and Heerema.

3.3.3 Flex-lay Vessel

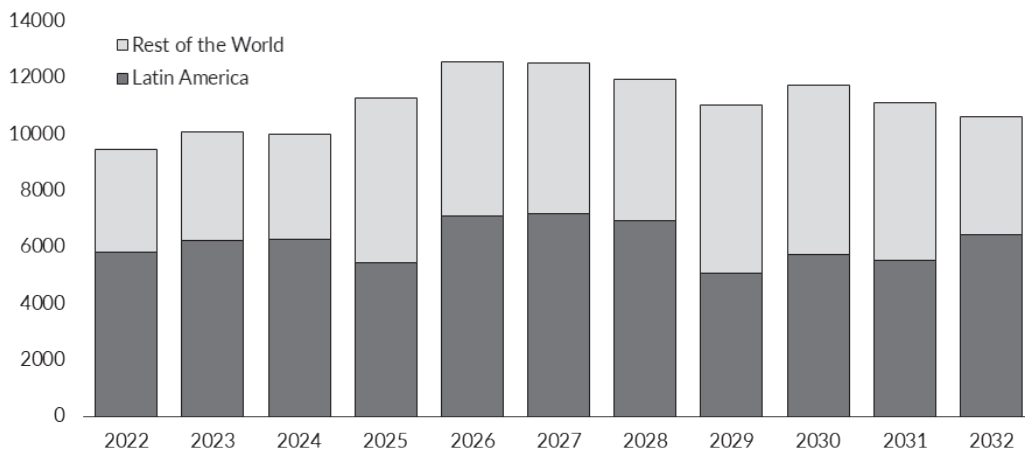
3.3.3a Market Outlook

The global flex-lay vessel market is concentrated in Latin America, with Brazil as a focal region due to the prominence of Petrobras, the national oil company (NOC). Petrobras is among the largest investors in deepwater oil and gas field developments, demonstrating a strong preference for flexible flowlines over conventional rigid alternatives. To support its extensive development pipeline, Petrobras has secured a significant fleet of flex-lay vessels on long-term charters, including six vessels from SEB's portfolio. These vessels are integral for greenfield flexible product installations as well as ongoing maintenance and removal operations.

Other key regions, including Western Europe and Africa, have experienced mixed project momentum in 2025. In Western Europe, several developments—such as the Gjoa field—have been fast-tracked. Conversely, Africa has seen delays in major deepwater projects, notably the Owowo and Golfinho-Atum fields, with the latter impacted by ongoing political instability and security challenges.

Figure 45: Global flex-lay vessel market outlook

Vessel days



[Source: WGEG] 2025-2032 is projected



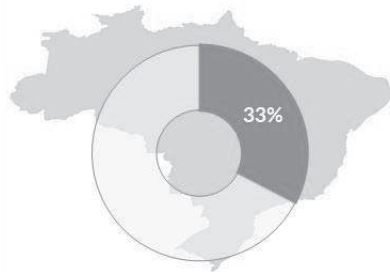
3.3.3b Competitive Landscape

Figure 46: Flex-lay vessels competitive matrix

									Geographical Footprint							
									W. Europe	Middle East	EE&FSU	Asia	N. America	L. America	Australasia	Africa
Company Name	In Service	On Order	Age	LOA (m)	Deck (m²)	Crane (tonnes)	Top Tensioning (tonnes)	PoB								
SEB	6	-	10	145	0	217	508	120							✓	
TechnipFMC	10	-	10	140	2191	235	457	116		✓					✓	
Subsea 7	8	-	12	149	1619	325	446	122		✓					✓	
McDermott	3	-	13	155	3000	313	650	176								✓
Solstad Offshore	2	-	10	167	2300	650	150	160		✓					✓	
DeepOcean	1	-	9	150	2300	400	150	140		✓						
DOF Group	1	-	17	157	2100	400	125	140		✓						
Ocean Services LLC	1	-	45	126	1650	300	0	200							✓	
Oceanearring	1	-	27	74	557	60	60	50						✓		
LES Energy	1	-	15	134	-	-	-	-								✓
Total	34	-	13	144	2027	292	413	129								

[Source: WGEG; no flex-lay vessel footprint in Middle East, EE&FSU and Asia as of 2Q2025]

Figure 47: SEB Brazil flex-lay market share



[Source: WGEG]

The competitive landscape for flex-lay vessels is consolidated, with three industry leaders—SEB, TechnipFMC, and Subsea 7—collectively operating 71% of the global fleet. SEB's SURF fleet features specialised flex-lay vessels equipped with top-tensioning capacities ranging from 300 to 550 metric tons, catering to a wide range of project requirements. Within the segment of larger, high-capacity vessels, SEB directly competes with TechnipFMC and Subsea 7, maintaining its position as a key player in this critical market segment. In Brazil—the largest flex-lay vessel market—SEB commands a 33% market share based on vessel activities over the 2021-25 period.



4. Drilling Segment

4.1 Overview

Offshore drilling involves the mechanical process of penetrating the seabed to create a wellbore for the exploration and extraction of petroleum resources. Typically conducted in rock formations beneath the seabed, this process is significantly more complex than onshore drilling due to the challenging and remote environments in which it often occurs.

The offshore drilling industry is supported by a diverse range of offshore rigs. These rigs are classified as either fixed units, which are installed on production platforms, or mobile units, which may be partially (e.g., tender rigs) or fully independent of production platforms. MODUs encompass rigs that either rest on the seafloor or float above it, including semi-submersibles and drillships. Floating rigs are stabilized using either anchoring systems or dynamic positioning technologies, which rely on thrusters and advanced global positioning systems.

The following table outlines the description and commercial aspects of each of the major offshore rig types:

Figure 48: Types and Descriptions of Drilling Rigs

Asset Type		Definition	Active & Stacked	Water Depth Range (ft)	Av. Dayrate (USD)	Global Utilization	SEB Fleet
	Platform Rig	Platform rigs are installed on suitable offshore production platforms that allow operators to drill new development wells and perform workover services for existing shallow water wells.	277	N/A	\$50,100	75%	Nil
	Tender Rig	Tender assisted rigs allow operators to perform platform drilling from smaller platforms by holding large modules such as pumps, living quarters and generators on a barge which can be mobilised when necessary. They can have semisubmersible designs for deep water or flat-bottom designs for shallow waters. These are prevalent in West Africa and Asia where larger platforms lack dedicated platform rigs.	27	N/A	\$147,000	65%	5 Semi-tender rigs 6 barge-type tender rigs
MODU	Jackup	Jack-up rigs are self elevating mobile platforms used for drilling wells. They are transported to the drilling site and secured in place using a jacking system. These rigs can either drill directly in open water or perform drilling and maintenance work through existing production platforms.	500	500	\$102,000	85%	Nil
	Semisub	Floating rigs that are towed to location and either moored or dynamically positioned at the drilling site. These are often used in deeper water and harsher operating environment	84	12,000	\$379,000	76%	Nil
	Drillship	Floating & self-propelled rigs that sail to location and are dynamically positioned. Speed of deployment and endurance make these rigs highly valued for deepwater exploration activity	102	19,000	\$414,000	84%	Nil

[Source: WGEG] *Leading Edge Dayrate/Utilisation dated as of 2Q2025; SEB fleet size dated as of 2Q2025



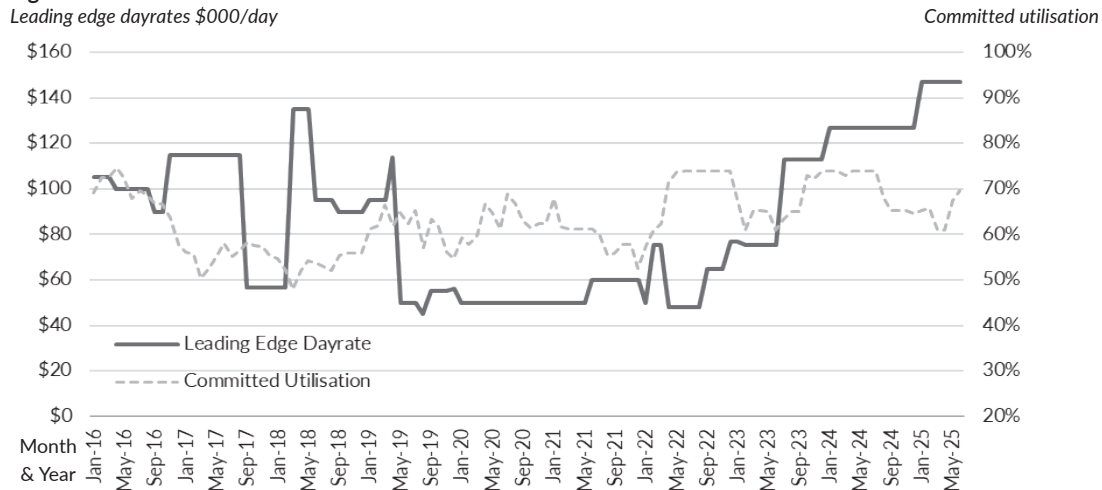
SEB operates a fleet of 11 tender rigs which are used predominantly to support ongoing production of shallow water fields in Southeast Asia and West Africa. The TAD design is relatively niche and differentiated with only 27 units in the global fleet; these rigs provide E&Ps with a specialised, fit-for-purpose and cost-efficient drilling solution. TADs may face some competition from jackups which can perform similar duties but are typically more expensive to charter, particularly in current market conditions.

4.2 TAD Rig Services

4.2.1 Market Outlook

Offshore E&P spending has trended upward in recent years, supporting higher utilisation and dayrate levels across all offshore rig segments, including TAD units. Global committed utilisation for the marketed TAD fleet averaged 64% in 2023, rose to 73% in 2024, before moderating to 65% in the first half of 2025. Dayrates have improved materially from pandemic lows of approximately \$50,000 in 2020, reaching an average of \$147,000 over 1H2025.

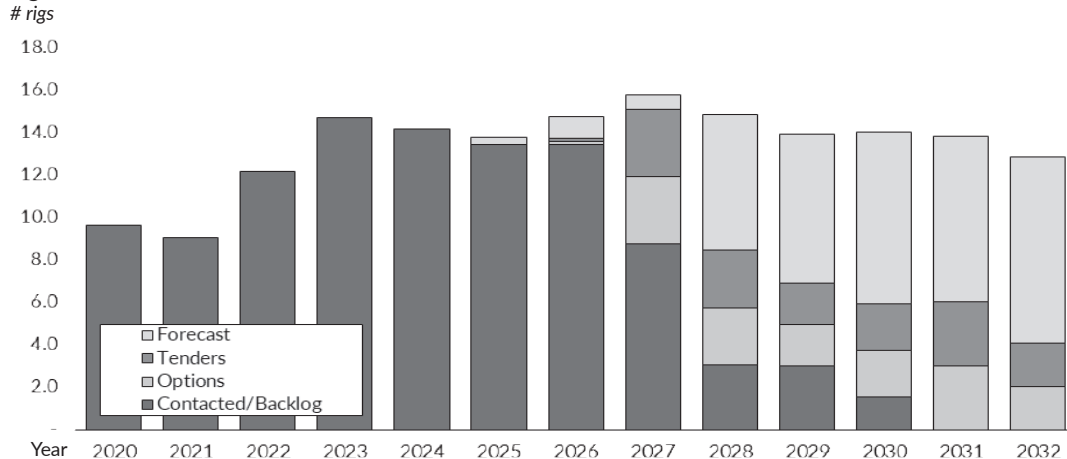
Figure 49: Global TAD market indicators



[Source: WGEG]

Demand growth for TADs is expected to remain steady over the coming decade with the number of contracted rigs expected around 14 units per annum. Future demand will largely be driven by Southeast Asian and East African E&Ps looking to sustain production from their shallow water fields. In the long term, the need to plug & abandon (P&A) older wells in preparation for decommissioning campaigns may provide further upside to TAD demand. However, E&Ps have a variety of other options for P&A work including jackups and lower cost hydraulic workover units (HWUs)

Figure 50: Global offshore TAD market demand outlook



[Source: WGEG] 2025-2032 is projected

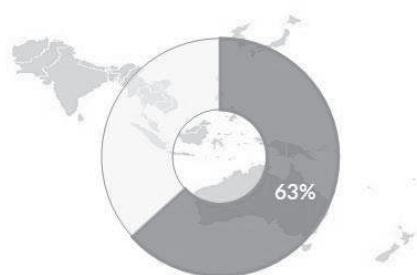
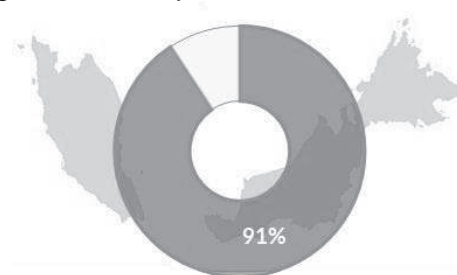


4.2.2 Competitive Landscape

Figure 51: Global offshore TAD market competitive landscape

					Geographical Footprint							
					W. Europe	Middle East	EE&FSU	Asia	N. America	L. America	Australasia	Africa
Company Name	In Service	On Order	Age	Max Water Depth (ft)								
SEB	11	-	18	6000				✓				✓
Energy Holdings	6	-	11	6437				✓				
SinoOcean	2	-	8	3000				✓				
PDVSA (NOC)	2	-	38	120						✓		
PV Drilling	1	-	14	6500				✓				
GSP	1	-	16	656	✓							
Archer	1	-	31	656	✓							
Atlantica Delta	1	-	10	4000								✓
Keppel	1	-	-	656				✓				
Shanghai Shipyard	1	1	-	3400	Unit On Order/ Under Construction							
Dalian Shipbuilding	-	1	-	6560								
Total	27	2	16	4714								

[Source: WGEG; no TAD footprint in the Middle East, EE&FSU, N. America and Australasia as of 2Q2025]

Figure 52: SEB APAC TAD market share

Figure 53: SEB Malaysia TAD market share


[Source: WGEG]

The competitive landscape assessment prioritises industry players based on their ownership of TAD rigs. The global tender rig market is highly consolidated, with SEB holding a dominant 41% share of the total fleet, followed by Energy Holdings at 22%.

SEB's market share is derived from an analysis of contracted supply days over the 2021–2025 period. Within the APAC region, SEB maintains a commanding 63% market share, further solidifying its leadership with a 91% share in Malaysia. In contrast, Energy Holdings accounts for 46% of the APAC market but holds a 9% share in Malaysia.

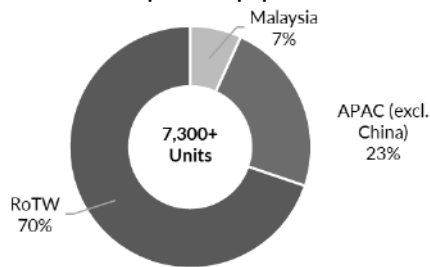
Since its establishment in 2012, Energy Drilling has expanded its footprint, leveraging strategic relationship with PTTEP and recently augmenting its fleet with three Seadrill units previously under its management. The company has also sought to broaden its international reach through a partnership with SinoOcean. Most notably, in June 2025, Energy Drilling merged with SeaBird Exploration and rebranded as SED Energy Holdings. Comparatively, SEB operates a larger and more diversified fleet, serving a broader client base.



5. Operations & Maintenance Segment

5.1 O&M Services Market Drivers

Figure 54: Global fixed platform population 2024



Globally, there are approximately 7,300 fixed platform installations excluding Mainland China, with 7% located offshore Malaysia and an additional 23% across the rest of APAC. Other key country markets include Indonesia and Thailand. The aging infrastructure of these platforms, as illustrated in Figure 39, together with the installation base creates a sustained demand for operation and maintenance services to ensure continued production efficiency and safety.

[Source: WGEG]

SEB provides comprehensive topside maintenance services for these offshore oil and gas platforms. These services include both preventive and corrective maintenance, as well as platform modifications and rejuvenation work. Additionally, SEB offers inspection and testing solutions to verify and optimize the performance of platform equipment and associated components. These activities are essential to maintaining the safety, reliability, and operational efficiency of offshore oil and gas infrastructure.

5.2 Subsea Services

5.2.1 Overview

SEB operates two ROVSV which as highly versatile assets that can work across the project lifecycle of shallow & deepwater oil & gas projects as well as the offshore wind industry. The Sapura Constructor, a Saturation DSV, is a specialised asset primarily deployed for the construction and maintenance of shallow water oil and gas infrastructure.

Figure 55: Types and descriptions of offshore subsea service fleet

Asset Type	Definition	Active	Orderbook	Av. Age	SEB Fleet
Subsea Services	ROVSV				
	Extremely versatile subsea support assets that can support Remotely Operated Vehicles (ROVs) to perform construction, maintenance and removal of both O&G and OWF infrastructure.	160	26	14.7	Sapura Jane Sapura Conquest
	More capable assets may be differentiated by a larger deck, inbuilt ROV hangars, larger subsea cranes (typically				
	Sat DSV				
	In water depths of up to 200m divers are still often preferred to support the construction and maintenance of oil & gas infrastructure due to greater dexterity and overall efficiency.	58	3	16.8	Sapura Constructor
	Beyond 40m of water depth, saturation diving is required with teams of diving remaining in an onboard				

[Source: WGEG] SEB fleet size dated as of 2Q2025



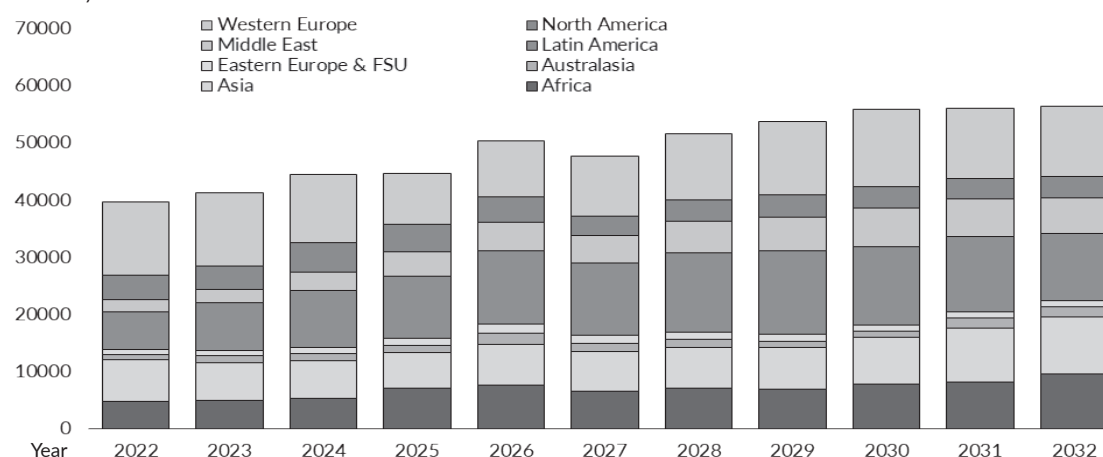
5.2.2 ROVSV Vessel

5.2.2a Market Outlook

Between 2023 and 2024, demand for ROVSVs increased by 8% year-on-year, rising from 41,300 to 44,600 vessel days. In 2024, the North Sea emerged as the preeminent regional market—accounting for 27% of global demand—followed by Latin America at 22% and Asia at 15%. ROVSVs are highly versatile offshore assets, supporting the full lifecycle of oil & gas projects and, increasingly, offshore wind developments; they are typically distinguished by their hull dimensions, crane capacities and accommodation configurations tailored for wind-farm assignments. Looking ahead to the 2025–2029 period, global ROVSV demand is projected to expand by 21%, with Latin America expected to overtake Western Europe as the fastest-growing market region, driven by burgeoning frontier opportunities in Guyana and Suriname.

Figure 56: Global offshore ROV Support Vessel outlook

Vessel days



[Source: WGEG] 2025-2032 is projected

5.2.2b Competitive Landscape

Figure 57: ROVSV competitive matrix

Company Name	In Service	Age	LOA (m)	Lift Capacity (tonnes)	PoB	Geographical Footprint							
						W. Europe	Middle East	EE&FSU	Asia	N. America	L. America	Australasia	Africa
SEB	2	16	77	60	98								
Solstad Offshore	13	18	101	152	91	✓			✓		✓		✓
DOF Group	13	16	93	92	73	✓			✓		✓	✓	✓
DeepOcean	11	15	94	138	77	✓			✓		✓		✓
Bourbon Offshore	10	13	92	133	101		✓		✓				✓
Reach Subsea	8	15	90	112	71	✓		✓		✓	✓		
Boskalis	5	12	95	113	79	✓	✓		✓				✓
Subsea 7	5	13	99	161	98	✓	✓		✓		✓		✓
POSH	4	12	96	148	192		✓		✓				
COOEC	4	11	113	213	103				✓				
Total	160	15	94	128	87								

[Source: WGEG]



Figure 58: SEB APAC* ROVSV market share

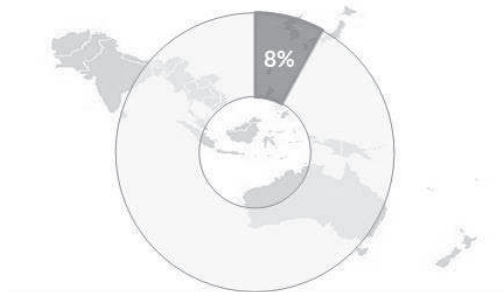
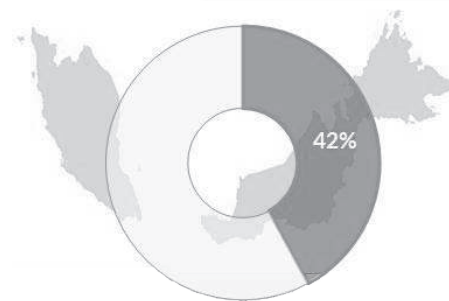


Figure 59: SEB Malaysia ROVSV market share



[Source: WGEG] *APAC (excluding mainland China)

The global ROVSV market is consolidated, with the top 10 players controlling 48% of the global fleet. These leading operators also possess the competency and capabilities to operate across other subsea construction segments, including saturation diving support, light construction and the Flex-lay market, similar to SEB. SEB's market positioning is represented by its ROVSV vessel activities from 2021 to 2025, securing an 8% market share within the APAC region. In Malaysia, SEB maintains a strong competitive foothold, capturing a dominant 42% market share.



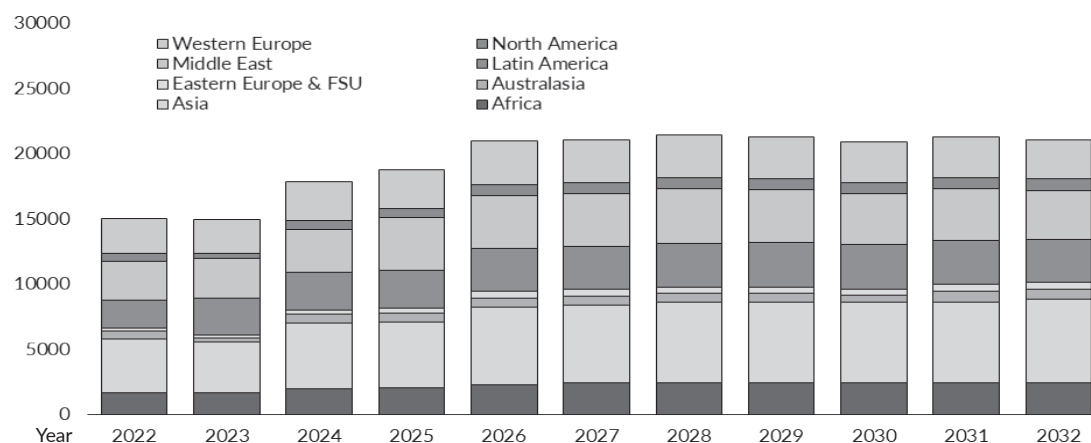
5.2.3 Sat DSV Vessel

5.2.3a Market Outlook

Global Sat DSV activity was estimated at 18,000 days in 2024—a 20% increment year-on-year underpinned by robust offshore campaigns in Asia (India) and Western Europe (notably the UK). Looking ahead, demand is forecast to grow by 3.2% CAGR over the 2025–29 period, driven by an acceleration of EPCI programmes across the Arabian Gulf alongside decommissioning activity in the North Sea and Southeast Asia. Regionally, Asia (India and China) now represents 28% of global requirements, followed by the Middle East at 18% and Western Europe at 16%.

Figure 60: Global offshore Saturation Diving Vessel outlook

Vessel days



[Source: WGEG] 2025-2032 is projected

5.2.3b Competitive Landscape

Figure 61: Sat DSV competitive matrix

Company Name	In Service	Age	LOA (m)	# Divers	# Bells	Geographical Footprint						
						W. Europe	Middle East	EE&FSU	Asia	N. America	L. America	Australasia
SEB	1	17	118	12	1				✓			
Seamec	5	32	98	16	1		✓		✓			
Subsea 7	4	13	131	21	2	✓						✓
Mermaid Offshore	4	18	96	15	1		✓		✓			✓
Boskalis	4	17	105	17	2	✓	✓		✓			
Shelf Subsea	1	15	82	12	1				✓			
TechnipFMC	3	10	145	22	2	✓						
DOF Group	3	19	102	14	1						✓	✓
HydroDive	3	27	77	-	1							✓
Solstad Offshore	2	18	87	11	2				✓		✓	
Total	58	17	106	16	1							

[Source: WGEG; no Sat DSV footprint in EE&FSU and N. America as of 2Q2025]



Figure 62: SEB APAC* DSV market share

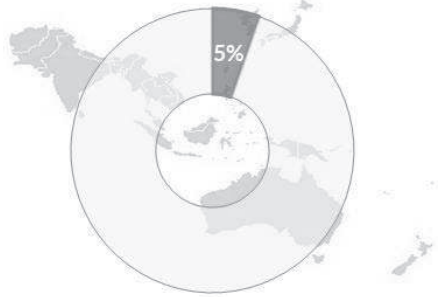


Figure 63: SEB Malaysia DSV market share



[Source: WGEG] *APAC (excluding mainland China)

The Saturation DSV market is highly consolidated, with the top 10 players accounting for 60% of the global fleet. The fleet's average age is c.17 years, though some operators, like Seamec, manage significantly older assets with an av. age of 32 years. Seamec has been actively modernising its fleet and increasing its capacity to better serve the Indian market. Comparatively, Sapura's vessel aligns more closely with the global average in terms of age, leveraging above-average LOA vessels to efficiently support shallow water construction and maintenance operations. SEB's market positioning in the APAC region is derived by its DSV operations over the period of 2021 to 2025, capturing a 5% market share. In Malaysia, SEB accounts for 18% of the market.

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they jointly and severally accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable inquiries and to the best of their knowledge and belief, opinions expressed in the Circular has been arrived at after due and careful consideration and there is no false or misleading statement or other facts not contained in the Circular, the omission of which would make any statement in this Circular false or misleading.

The Board will immediately inform and announce to Bursa Securities if the Board becomes aware of any circumstance or significant change which has or will have material effect on the information in this Circular.

In respect of the Proposed Exemption, the Board will disclose such fact to SC in writing and make an announcement on Bursa Securities, if the Board becomes aware of any circumstance or significant change which has or will have material effect on the information in this Circular, pursuant to subparagraph 11.07(2) of the Rules and the disclosure and announcement referred to in subparagraph 11.07(1) shall be made before 9 a.m. on the next market day. If circumstances require, a supplementary document to the offeree shareholders will be issued pursuant to subparagraph 11.07(2) of the Rules.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

2.1 MIDF INVESTMENT

MIDF Investment, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name in this Circular and all references thereto in the form and context in which they appear in this Circular.

MBSB Berhad is the holding company of Malaysian Industrial Development Finance Berhad and MIDF Investment is a wholly-owned subsidiary of Malaysian Industrial Development Finance Berhad. MBSB Berhad, its subsidiaries and its related companies (collectively referred to as “**MBSB Group**”) are involved in diversified financial activities. MBSB Group has been engaged, and may in the future be engaged, in transactions with and/or perform services for the Group and its affiliates, in addition to MIDF Investment's role as the Principal Adviser for the Proposals. MIDF Investment have not engaged in any transactions and performed services for SEB and/or its affiliates.

Further, in the ordinary course of business, any member of MBSB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of the Group and its affiliates, or any other entity or transactions for its own account or the account of its customer. This is a result of the business of MBSB Group generally acting independent of each other and accordingly, there may be situations where parts of MBSB Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest.

Nonetheless, MBSB Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese Walls between different business divisions.

MIDF Investment has given its written confirmation that there are no conflict of interest which exists or is likely to exist that affects or may affect their ability to act independently and objectively in its capacity as the Principal Adviser for the Proposed Regularisation Plan.

2.2 WGE

WGE, being the Independent Business and Market Research Consultants for the Proposed Regularisation Plan, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name, its independent market research report and all references thereto in the form and context in which they appear in this Circular.

WGE has given its written confirmation that there are no conflict of interest which exists or is likely to exist that affects or may affect their ability to act independently and objectively in its capacity as the Independent Market Researcher for the Proposed Regularisation Plan.

2.3 PRICEWATERHOUSECOOPERS RISK SERVICES SDN BHD

PricewaterhouseCoopers Risk Services Sdn Bhd, being the Internal Control Reviewer for the Proposed Regularisation Plan, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name, its internal control review and risk management report and all references thereto in the form and context in which they appear in this Circular.

PricewaterhouseCoopers Risk Services Sdn Bhd has given its written confirmation that there are no conflict of interest which exists or is likely to exist that affects or may affect their ability to act independently and objectively in its capacity as the Internal Control Reviewer for the Proposed Regularisation Plan.

2.4 ERNST & YOUNG PLT

Ernst & Young PLT, being the Reporting Accountants for the Proposed Regularisation Plan, has given and not subsequently withdrawn its written consent for the inclusion in this Circular of its name, report on the compilation of the proforma consolidated statement of financial position of the Company for the FYE 2025 and all references thereto in the form and context in which they appear in this Circular.

Ernst & Young PLT has given its written confirmation that there are no conflict of interest which exists or is likely to exist that affects or may affect their ability to act independently and objectively in its capacity as the Reporting Accountant for the Proposed Regularisation Plan.

2.5 KENANGA IB

Kenanga IB, being the Independent Adviser to the non-interested Directors and non-interested shareholders of the Company for the Proposed Exemption, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they so appear in this Circular.

Kenanga IB has given its written confirmation that there are no conflict of interest which exists or is likely to exist that affects or may affect their ability to act independently and objectively in its capacity as the Independent Adviser to the non-interested Directors and non-interested shareholders for the Proposed Exemption.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, there are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Group during the 2 years preceding the date of this Circular.

- (a) SOMV SPA dated 22 April 2024 between the Company, Sapura Upstream and TotalEnergies in relation to the SOMV Disposal. The SOMV Disposal was completed on 9 December 2024. Please refer to **Section 2.2**, Part A of this Circular for further information on the SOMV SPA.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD (or as otherwise indicated), neither the Company nor its subsidiaries are involved in any material litigation, claims or arbitration, either as plaintiff or defendant and to the best of the Board's knowledge, there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Group:

4.1 Sarku Engineering vs Oil and Natural Gas Corporation Limited

On 20 February 2006, Sarku Engineering, a wholly owned subsidiary of the Company entered into a contract with Oil and Natural Gas Corporation Limited, a company incorporated in India, for the performance of works by Sarku Engineering to revamp 26 well platforms located in Mumbai High South field offshore site.

On 21 September 2012, Sarku Engineering commenced arbitration proceedings by filing a Statement of Claim against Oil and Natural Gas Corporation Limited in relation to disputes pursuant to the contract for a sum of INR 1,063,759,201 (equivalent to approximately RM52.6 million) and USD123,819,632 (equivalent to approximately RM524.4 million) (including interest, costs, losses and damages).

On 17 December 2012, Oil and Natural Gas Corporation Limited filed their reply to the Statement of Claim. No counter claims have been filed by Oil and Natural Gas Corporation Limited. 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 Oil and Natural Gas Corporation Limited's witness was held from 22 to 24 December 2014 and 5 to 6 January 2015.

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

Oil and Natural Gas Corporation Limited'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 Sarku Engineering's counsel. The tribunal heard Oil and Natural Gas Corporation Limited's counsel's submissions on 12 and 13 February 2019. Final written submissions were submitted to the tribunal on 15 April 2019. Oil and Natural Gas Corporation Limited presented its submissions on 31 July 2019.

On 30 November 2019, Sarku Engineering was awarded the sum of USD3,009,789 (equivalent to approximately RM12.7 million) by the arbitral tribunal, comprising claims of work done valued at USD1,983,521 (equivalent to approximately RM8.4 million) (subject to 4.368% withholding tax to be deducted by Oil and Natural Gas Corporation Limited) and interests of USD1,026,267 (equivalent to approximately RM4.3 million) (subject to income tax of 43.68%).

Sarku Engineering has instructed its solicitors to file an appeal against the above award.

Sarku Engineering has been advised by its solicitors that Sarku Engineering 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 Sarku Engineering in arriving at its findings and they have made and error in rejecting most of Sarku Engineering's claims; and

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (ii) There were instances of procedural irregularities in favour of Oil and Natural Gas Corporation Limited in the arbitration which may be grounds to a successful challenge of the award in the High Court of Judicature at Bombay.

Oil and Natural Gas Corporation Limited 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 Oil and Natural Gas Corporation Limited for correction of the errors in the award was allowed by the arbitral tribunal on 29 August 2020. The total amount payable by Oil and Natural Gas Corporation Limited as per the final award is USD413,037 (equivalent to approximately RM1.7 million). The difference between the first award and the final award is in the sum of USD2,596,752 (equivalent to approximately RM11.0 million). Parties will have 90 days from the date of the final award to file an appeal to the High Court of Judicature at Bombay.

Sarku Engineering's solicitor 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 Sarku Engineering. The matter is now pending admission stage where it is to be listed for hearing upon filing of petition.

For the sums awarded to Sarku Engineering under the final award which are not being appealed against, a Letter of Demand was issued to Oil and Natural Gas Corporation Limited on 7 May 2021 to demand for the payment of sum of INR19,693,815 (equivalent to approximately RM1.0 million) and USD146,904 (equivalent to approximately RM0.6 million). Sarku Engineering's solicitors advised that the Letter of Demand will not affect Sarku Engineering's position in respect of its action to challenge or set aside the award.

Considering the lack of response from Oil and Natural Gas Corporation Limited on the Letter of Demand, the Group's lawyers are weighing further options and possible enforcement actions. The advice from the Group's lawyers 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.

The Group has instructed Sarku Engineering's lawyers to appoint a junior counsel to appear before the High Court of Judicature at Bombay to expedite the listing process of the appeal filed by Sarku Engineering.

However, after several attempts by the Sarku Engineering's solicitors, the Appeal had been considered for listing/admission on 27 June 2024. As such, Sarku Engineering will no longer be appointing junior counsel nor filing the Execution Petition.

With respect to the sums awarded under the final award, Sarku Engineering has been advised to file an Execution Petition in court and the Group was in the process of filing the Execution Petition.

On 27 June 2024, the High Court of Judicature at Bombay allowed Oil and Natural Gas Corporation Limited's newly appointed counsel's request for time to prepare for the appeal hearing. The court fixed the hearing on 18 July 2024.

On the 18 July 2024 appeal hearing at the High Court of Judicature at Bombay, in light of the short time frame, the court was not able to hear the appeal and fixed 22 August 2024 for hearing.

On the 22 August 2024 appeal hearing at the High Court of Judicature at Bombay, the hearing could not proceed due to court's paucity of time. The court fixed 26 September 2024 for the next appeal hearing date.

On the 26 September 2024 appeal hearing at the High Court of Judicature at Bombay, the hearing could not proceed due to the change of roster. Thus, the appeal hearing was then listed on 27 September 2024.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

Since then, the High Court of Judicature at Bombay had fixed 3 hearing dates on 27 September 2024, 15 October 2024 and 26 November 2024 respectively, but the hearing could not be heard on those dates due to court's paucity of time. The court had fixed the next date for hearing on 27 January 2025.

On 27 January 2025, the appeal hearing was not listed for hearing on this date due to the change in the roster of the sitting judges. Thus, the court directed that the appeal hearing will be on 27 March 2025.

On 27 March 2025, the appeal could not be heard as other scheduled matters took the entire time of the court. The court registry fixed the next hearing date on 21 April 2025.

On 21 April 2025, the appeal at the High Court of Judicature at Bombay was not heard as it was listed too far down on the court's schedule. The High Court of Judicature at Bombay has yet to fix the next appeal hearing.

On 30 April 2025, the counsel informed that the next date of listing of the appeal is 16 June 2025.

On 18 June 2025, counsel informed that the appeal could not be heard on 16 June 2025, and that the next hearing date was fixed on 8 July 2025.

Based on a letter of confirmation dated 2 July 2025, the counsel is of the view that among the factors that can affect the outcome of the proceedings are such variables including the approach that the High Court of Judicature at Bombay may take based on the limited grounds available for the challenge.

Pending the outcome of the court's decision, the potential financial impact that could arise from the proceedings is unable to be ascertained.

4.2 Petrofac (Malaysia) Limited vs Sapura Fabrication

On 18 March 2011, Sapura Fabrication, a wholly-owned subsidiary of the Company entered into a contract with Petrofac (Malaysia) Limited, a company incorporated in Wales in the United Kingdom, to provide works for the engineering, procurement and construction of WHP for the Cendor Phase 2 Development Project located in Block PM 304 in the Malaysian sector of the South China Sea.

On 26 March 2018, Sapura Fabrication received a commencement request from Petrofac (Malaysia) Limited 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 (equivalent to approximately RM40.5 million) and RM16,785,227 vide its Re-amended Point of Claims. Petrofac (Malaysia) Limited has alleged breach of riser height requirements and preservation obligations by Sapura Fabrication. The claim by Petrofac (Malaysia) Limited was made separately in two currencies as the claim is based on the rates and currencies prescribed in the contract.

On 26 April 2018, Sapura Fabrication responded to Petrofac (Malaysia) Limited'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. Petrofac (Malaysia) Limited filed their Points of Claim on 21 September 2018 and Sapura Fabrication filed its Defence and Counterclaim on 3 December 2018. Subsequently, Petrofac (Malaysia) Limited submitted their Points of Reply and Defence to Counterclaim on 4 February 2019. Petrofac (Malaysia) Limited requested to amend their Points of Claim and the same was filed on 8 March 2019. Sapura Fabrication 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 Sapura Fabrication were produced on 12 September 2019. On the other hand, the documents ordered to be produced by Petrofac (Malaysia) Limited 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.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

The hearing proceeded on 26, 27 and 28 April 2021 as scheduled with 2 of Petrofac (Malaysia) Limited's witnesses giving evidence. The hearing continued on the following dates:-

- (i) 30 April 2021;
- (ii) 3, 4, 5, 6, 7 and 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 2 of Petrofac (Malaysia) Limited'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.

Petrofac (Malaysia) Limited indicated that they are awaiting to receive the applicable notice from Sapura Fabrication to allow them to proceed with the filing of Proof of Debt. Subject to the outcome of their Proof of Debt, Petrofac (Malaysia) Limited 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.

The case management conference on 11 August 2022 was vacated as the Tribunal instructed the parties to provide a joint status report on the Proof of Debt by 11 November 2022.

On 11 November 2022, the tribunal directed the parties to provide a brief update to the tribunal on status of Petrofac (Malaysia) Limited's Proof of Debt claims and a case management was scheduled on 18 January 2023.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

During the case management on 18 January 2023, Sapura Fabrication's solicitors informed the tribunal that a Notice of Admission of Proof of Debt was issued to Petrofac (Malaysia) Limited on 16 January 2023 in response to Petrofac (Malaysia) Limited's Proof of Debt Form. The tribunal was also made aware of the contents of the said Notice of Admission from Sapura Fabrication. Sapura Fabrication's solicitors further informed the tribunal that moving forward, Sapura Fabrication will provide an Explanatory Statement in relation to the then proposed Scheme to Petrofac (Malaysia) Limited which sets out the payment terms and the date of the Scheme Meeting.

In light of the then Restraining Order that would expire on 10 March 2023, the tribunal had requested parties to provide the tribunal with a status update on the Scheme and Restraining Order by 20 March 2023.

During the Case Management on 20 March 2023, Sapura Fabrication's solicitors updated the tribunal that Sapura Fabrication had obtained a new Restraining Order dated 8 March 2023 and Sapura Fabrication will provide further update to tribunal on the ongoing POD Exercise under the Scheme. On 6 June 2023, the Restraining Order was extended by the Court for a further period of 9 months until 10 March 2024.

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 Scheme.

Sapura Fabrication informed its solicitors that on 7 March 2024, the Company and its 22 subsidiaries including Sapura Fabrication was granted a fresh Convening Order and Restraining Order for a period of 3 months, effective from 11 March 2024.

On 23 April 2024, Sapura Fabrication'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 Scheme before making any decisions on how to proceed with the arbitration. The arbitration remains to be subject to the Restraining Order dated 7 March 2024 (and its corresponding order for extension dated 6 June 2024).

On 11 June 2024, Sapura Fabrication's solicitors informed the Tribunal of the extended Convening Order and Restraining Order dated 6 June 2024.

On 20 March 2025, the parties informed the tribunal that the Company and its 22 subsidiaries including Sapura Fabrication obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.

The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of the Court Order (Sanction) until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with leave of the court.

The parties will apprise the tribunal of the next steps in the arbitration proceedings by the end of June 2025.

On 30 April 2025, Sapura Fabrication and Petrofac (Malaysia) Limited had achieved a consensus for Sapura Fabrication to admit Petrofac (Malaysia) Limited's claims at the value of RM30,000,000 subject to the Schemes.

On 13 May 2025, Petrofac (Malaysia) Limited applied to the tribunal to have the proceedings stayed pending the occurrence of Restructuring Effective Date. On 13 May 2025 a Revised Notice of Admission of Proof of Debt to admit Petrofac (Malaysia) Limited's claims in the sum of RM30,000,000 was also issued by the chairman of Sapura Fabrication's Scheme proceedings.

On 14 May 2025, the tribunal agreed to stay the arbitration proceedings until 31 August 2025.

Based on a letter of confirmation dated 25 June 2025, the counsel is of the view that the maximum exposure to liabilities is RM30 million, payable in accordance to the terms of the Scheme. The counsel informed that the disputes are to be resolved amicably via Petrofac (Malaysia) Limited's acceptance of Sapura Fabrication's counter-offer for Sapura Fabrication to admit the sum of RM30 million as settlement of the disputes between the parties in the arbitration as an Unsecured Creditor under the Schemes.

4.3 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, commenced arbitration proceedings against Centrais Elétricas de Sergipe S.A., a company incorporated in Brazil. The arbitration is to resolve disputes arising out of an Engineering, Procurement, Construction and Installation Contract dated 20 November 2017.

Sapura Energy do Brasil Ltda. had completed the works under the contract in November 2019.

On 19 February 2021, Centrais Elétricas de Sergipe S.A. wrote to Malayan Banking Berhad to expressly withdraw its Letter of Demand dated 16 November 2019, including its request for payment of the Bank Guarantee, due to a Settlement Agreement entered into between Centrais Elétricas de Sergipe S.A. and Sapura Energy do Brasil Ltda. Consequently, Centrais Elétricas de Sergipe S.A. reaffirms its agreement with the cancellation of the Bank Guarantee.

Due to unresolved disputes such as non-payment of milestone payments and non-payment of variation orders, Sapura Energy do Brasil Ltda. commenced arbitration proceedings against Centrais Elétricas de Sergipe S.A. at the International Court of Arbitration in Sao Paulo, Brazil, under the International Chamber of Commerce Arbitration Rules. The Arbitration Tribunal comprises of 3 arbitrators. Chairman for the arbitration proceeding has been appointed.

- (i) Sapura Energy do Brasil Ltda. filed their Statement of Claim for the sum of USD84,606,035 (equivalent to approximately RM358.3 million) on 29 March 2021.
- (ii) Centrais Elétricas de Sergipe S.A. filed Respondent's Statement of Claim for the sum of USD89,799,186 (equivalent to approximately RM380.3 million) on 29 March 2021.
- (iii) Sapura Energy do Brasil Ltda. filed Claimant's and Additional Party's Statement of Defence against Respondent's Statement of Claim on 28 May 2021.
- (iv) Centrais Elétricas de Sergipe S.A. filed Respondent's Statement of Defence against Claimant's Statement of Claim on 28 May 2021.
- (v) Sapura Energy do Brasil Ltda. filed Claimant's Reply on 28 June 2021.
- (vi) Centrais Elétricas de Sergipe S.A. filed Respondent's Reply on 28 June 2021.
- (vii) Sapura Energy do Brasil Ltda. filed Claimant's and Additional Party's Rejoinder on 28 July 2021.
- (viii) Centrais Elétricas de Sergipe S.A. filed Respondent's Rejoinder on 28 July 2021.

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, Sapura Energy do Brasil Ltda. requested for leave to file expert rebuttal and this was granted on 10 November 2021. Sapura Energy do Brasil Ltda. filed a rebuttal against the Technomar report on 10 December 2021.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

The arbitration tribunal is now fully constituted following the International Chamber of Commerce's confirmation of Centrais Elétricas de Sergipe S.A'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 – Sapura Energy do Brasil Ltda. and the Company informed they did not object against the production of the documents requested by Centrais Elétricas de Sergipe S.A.;
- (iii) 12 April 2022 – Centrais Elétricas de Sergipe S.A. objected to the production of the documents requested by Sapura Energy do Brasil Ltda. and the Company in their Answer to the Redfern Schedule;
- (iv) 27 April 2022 – Sapura Energy do Brasil Ltda. and the Company submitted their answer to the objections presented by Centrais Elétricas de Sergipe S.A. to the production of the requested documents (Reply to the Redfern Schedule);
- (v) 27 April 2022 – Centrais Elétricas de Sergipe S.A. submitted a motion to the arbitration tribunal requesting that Sapura Energy do Brasil Ltda. and the Company produce the non-objected documents immediately;
- (vi) 28 April 2022 – Sapura Energy do Brasil Ltda. and the Company presented a submission to the arbitration tribunal in response to Centrais Elétricas de Sergipe S.A.'s submission dated 27 April 2022;
- (vii) 3 May 2022 – The arbitral tribunal determined that Sapura Energy do Brasil Ltda. and the Company provide the non-objected documents to Centrais Elétricas de Sergipe S.A. by 10 May 2022; and
- (viii) 10 May 2022 – Sapura Energy do Brasil Ltda. and the Company produced the non-objected documents to Centrais Elétricas de Sergipe S.A..

Centrais Elétricas de Sergipe S.A.'s counter claim against Sapura Energy do Brasil Ltda. for USD89,799,186 (equivalent to approximately RM380.3 million) 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 Centrais Elétricas de Sergipe S.A. had or will have to perform correction on given Sapura Energy do Brasil Ltda's inaction.

Parties are waiting for the arbitration tribunal to rule on the latest production of the documents requested by Sapura Energy do Brasil Ltda. 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 Sapura Energy do Brasil Ltda. and the Company and ordered Centrais Elétricas de Sergipe S.A. 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 Centrais Elétricas de Sergipe S.A. refused. As such, only Sapura Energy do Brasil Ltda. and the Company filed the said submission on 4 November 2022.

On 7 November 2022, Sapura Energy do Brasil Ltda. and the Company presented their proposal of a calendar for production of their additional documents. On the same date, Centrais Elétricas de Sergipe S.A. 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.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

Since the parties were not able to reach an agreement regarding the procedural calendar for Sapura Energy do Brasil Ltda. and the Company's production of additional documents, as well as on the calendar for the production of the expert determination, on 02 January 2023 the arbitration tribunal rendered the Procedural Order No. 19, deciding on those issues.

By means of Procedural Order No. 19, the arbitration tribunal:-

- (i) granted Sapura Energy do Brasil Ltda. and the Company the opportunity to produce additional evidence until 16 January 2023; and
- (ii) invited Centrais Elétricas de Sergipe S.A. 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, Sapura Energy do Brasil Ltda. and the Company complied with Procedural Order No. 19 and submitted the settlement agreements entered into with the subcontractors, in order to prove the losses and financial damages Sapura Energy do Brasil Ltda. faced as a result of Centrais Elétricas de Sergipe S.A.'s default of its payment obligations.

In turn, on 30 January 2023, Centrais Elétricas de Sergipe S.A. presented its comments on Sapura Energy do Brasil Ltda. 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 Procedural Order No. 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.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

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.

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; and
- (iii) 8 August 2024 - Submission of costs and expenses related to this arbitration.

On 7 June 2024, Sapura Energy do Brasil Ltda., the Company and Centrais Elétricas de Sergipe S.A. submitted their respective Post-Hearing Briefs. Each party has until 24 July 2024 to reply to the Counterparty's submission.

On 24 July 2024, Sapura Energy do Brasil Ltda. submitted the Claimant and Additional Party's Reply to Centrais Elétricas de Sergipe S.A.'s Post-Hearing Briefs dated 24 July 2024. Centrais Elétricas de Sergipe S.A. had also submitted the Respondent's Reply to Claimant and Additional Party's Post Hearing Briefs dated 24 July 2024.

On 25 July 2024, Centrais Elétricas de Sergipe S.A. submitted the following:

- (i) Respondent's Submission dated 25 July 2024; and
- (ii) Respondent's Submission on Additional Party Scheme (an additional submission to the arbitral tribunal).

The arbitral tribunal then invited Sapura Energy do Brasil Ltda. to comment on the said additional submission by 5 August 2024.

On 5 August 2024, Sapura Energy do Brasil Ltda. submitted the Claimant and Additional Party's Reply to Respondent's Submission dated 25 July 2024.

On 8 August 2024, Sapura Energy do Brasil Ltda. submitted the Claimant and Additional Party's Submission on Costs and Centrais Elétricas de Sergipe S.A. submitted Respondent's Submission on Costs both dated 8 August 2024.

On 28 August 2024, Centrais Elétricas de Sergipe S.A. made a submission informing it has merged with Eneva on 24 June 2024.

The matter is now pending the decision of the arbitral tribunal which has been directed by the International Court of Arbitration of the International Chamber of Commerce to be issued by the tribunal by 28 February 2025.

On 28 February 2025, counsel informed having received an email from the arbitral tribunal which said that they expect to submit a draft award on the merits for scrutiny by International Chamber of Commerce by 30 April 2025 (Brazil time).

On 1 May 2025, the counsel informed that:

- i. The counsel received an email in the afternoon of 30 April 2025 from the arbitral tribunal which said that they expect to submit a draft award on the merits for the scrutiny of the International Court of Arbitration of the International Chamber of Commerce by 30 June 2025; and

- ii. Shortly after receiving the email, the counsel received a copy of a letter from the International Court of Arbitration of the International Chamber of Commerce to the arbitral tribunal extending the time limit for rendering the final award until 29 August 2025, to allow sufficient time for the International Court of Arbitration of the International Chamber of Commerce to scrutinise the draft award and notify it to the parties.

Based on a letter of confirmation dated 23 June 2025, the counsel is of the view that after the post-hearing submissions and considering the entirety of the evidence submitted by the parties throughout the arbitration, the different head of claims under the contract has varying chances of success.

Pending the outcome of the Arbitrator's decision, the potential financial impact that could arise from the arbitration cannot be ascertained at this juncture, as the counsel is of the view that both parties have varying chances of success.

4.4 Brunei Shell Petroleum Company Sdn Bhd vs Sapura Fabrication and Sapura Offshore

Sapura Fabrication

On 30 August 2019, Sapura Fabrication, a wholly owned subsidiary of the Company entered into a contract with Brunei Shell Petroleum Company Sdn Bhd, a company incorporated in Brunei Darul Salam, for engineering, procurement, construction and installation on works related to the Salman project.

On 29 September 2023, Brunei Shell Petroleum Company Sdn Bhd commenced an arbitration proceeding at the Singapore International Arbitration Centre by filing a Notice of Arbitration against Sapura Fabrication in relation to disputes pursuant to the contract for the following reliefs:-

- (i) a declaration that the Brunei Shell Petroleum Company Sdn Bhd had validly terminated part of the contract for cause;
- (ii) a declaration that Sapura Fabrication 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 Brunei Shell Petroleum Company Sdn Bhd for all costs, expenses, and fees in the arbitration; and
- (v) pre-and post-award interest.

Sapura Offshore

On 29 February 2020, Sapura Offshore, a wholly owned subsidiary of the Company entered into a contract with Brunei Shell Petroleum Company Sdn Bhd to fabricate transport, install and pre-commission the pipelines relating to the PRP-7 Pipeline Replacement Project.

On 29 September 2023, Brunei Shell Petroleum Company Sdn Bhd commenced an arbitration proceeding at the Singapore International Arbitration Centre by filing a Notice of Arbitration against Sapura Offshore in relation to disputes pursuant to the contract for the following reliefs:-

- (i) a declaration that Sapura Offshore 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

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (iv) pre-and post-award interest.

Sapura Fabrication and Sapura Offshore – Arbitration Proceedings, Scheme Chairman's Decision, Singapore Court Proceedings, and Settlement Agreement

On 22 January 2025, the Company, Sapura Fabrication, Sapura Offshore and Brunei Shell Petroleum Company Sdn Bhd had entered into a settlement agreement to resolve and settle Brunei Shell Petroleum Company Sdn Bhd's claims independently and outside of the Schemes proceedings. The Company, Sapura Fabrication and Sapura Offshore are subject to confidentiality obligations under the settlement agreement.

Under the settlement agreement, the claims described below between Sapura Fabrication, Sapura Offshore and Brunei Shell Petroleum Company Sdn Bhd will be withdrawn, discontinued, or stayed (as the case may be):

- (i) Brunei Shell Petroleum Company Sdn Bhd's High Court Setting Aside Application before the Courts of Malaya

By way of a Notice of Application dated 23 July 2024 before the Court at Kuala Lumpur, Brunei Shell Petroleum Company Sdn Bhd had applied to intervene in the Originating Summons No. WA-24NCC-85-02/2024, and, amongst other reliefs sought, applied to set aside paragraph 3 of the Order for Extension dated 6 June 2024. The Court has not given its decision in regard to this application.

On 7 February 2025, Brunei Shell Petroleum Company Sdn Bhd withdrew its Setting Aside Application at the Kuala Lumpur High Court pursuant to the settlement agreement.

- (ii) Scheme Chairman's Decisions in regard to Brunei Shell Petroleum Company Sdn Bhd's Proofs of Debt

Brunei Shell Petroleum Company Sdn Bhd's proofs of debt dated 30 June 2022 filed against Sapura Fabrication and Sapura Offshore were determined by the Chairman of the then proposed Schemes proceedings on 13 September 2024. Sapura Fabrication and Sapura Offshore have each referred the decision of the Scheme Chairman to be reviewed by the Independent Adjudicator of the then proposed Scheme proceedings.

On 24 January 2025, Sapura Fabrication and Sapura Offshore had informed the Independent Adjudicator that they had agreed with Brunei Shell Petroleum Company Sdn Bhd to settle the abovementioned claims amicably withdrew the Adjudication proceedings before the Independent Adjudicator.

- (iii) Brunei Shell Petroleum Company Sdn Bhd's Application for Carve-Out before the Singapore Courts

On 18 September 2024, the Singapore Court granted Brunei Shell Petroleum Company Sdn Bhd permission to carve out the Arbitrations at the Singapore International Arbitration Centre between Brunei Shell Petroleum Company Sdn Bhd, Sapura Fabrication and Sapura Offshore from the moratorium granted under the recognition orders of 8 May 2024. Sapura Offshore and Sapura Fabrication had each appealed to the Court of Appeal of the Republic of Singapore in relation to the carve-out order. The Court of Appeal of the Republic of Singapore has not decided on this matter. Sapura Fabrication and Sapura Offshore have on 23 January 2025 withdrawn the appeals before the Court of Appeal of the Republic of Singapore.

On 3 February 2025, the Court of Appeal of the Republic of Singapore has granted the withdrawal of the appeals.

- (iv) Brunei Shell Petroleum Company Sdn Bhd's Singapore International Arbitration Centre Arbitration Claims

Under the settlement agreement, parties have agreed that the arbitrations before the Singapore International Arbitration Centre are to be stayed pending various milestones of settlement under the settlement agreement, which is anticipated to occur in or around June 2027.

On 31 January 2025, parties have applied for directions from the arbitral tribunal for the Singapore International Arbitration Centre arbitration proceedings to be stayed. The parties have since liaised with the Singapore International Arbitration Centre to give effect to the settlement agreement.

The counsel does not presently anticipate that Sapura Fabrication and Sapura Offshore will be subject to any further liability arising from these proceedings.

4.5 Yunneng Wind Power Co. Ltd. vs Sapura Offshore and the Company

On 15 March 2019, Sapura Offshore, a wholly-owned subsidiary of the Company entered into a contract with Yunneng Wind Power Co. Ltd, a company incorporated in Taiwan for the provision of 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 was subsequently terminated by Sapura Offshore on 3 February 2022.

On 22 January 2024, Sapura Offshore and the Company was served with a request for arbitration dated 29 December 2023 which was filed by Yunneng Wind Power Co. Ltd at the German Arbitration Institute (Deutsche Institution für Schiedsgerichtsbarkeit e.V.). This request for arbitration was only brought to the Company's 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 (equivalent to approximately RM241.6 million) 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 proof of debt with the Company and Sapura Offshore as at 31 December 2023 for purposes relating to the then proposed Schemes (as described and defined in the Company's announcement dated 8 March 2023) proposed to be undertaken by the Company and Sapura Offshore under Section 366 of the Act; 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 then proposed Schemes (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).

Sapura Offshore 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 and 13.3 DIS Arbitration Rules. Pending appointment of Presiding Arbitrator.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

Dr Alfried Heidbrink has been nominated by the co-arbitrators as the presiding arbitrator and appointed by the Secretary General pursuant to Articles 13.2 and 13.3 DIS Arbitration Rules on 20 August 2024. The arbitral tribunal is thus constituted on 20 August 2024 in accordance with Article 13.4 DIS Arbitration Rules.

On 18 September 2024, Sapura Offshore and the Company filed the Answer to the request for arbitration.

Pursuant to a consensus between the Company, Sapura Offshore and Yunneng Wind Power Co. Ltd, the arbitration proceeding has been stayed until 31 December 2025.

In relation to Yunneng Wind Power Co. Ltd's proofs of debt dated 29 December 2023, the Scheme Chairman on 8 August 2024 had determined Yunneng Wind Power Co. Ltd's proofs of debt. The Company, Sapura Offshore, and Yunneng Wind Power Co. Ltd each referred the Chairman of the then proposed Scheme's decision to be reviewed by the Independent Adjudicator.

On 30 December 2024, pursuant to a consensus between the Company, Sapura Offshore and Yunneng Wind Power Co. Ltd, the Adjudicator of the then proposed Schemes has confirmed the total adjudicated amount of Yunneng Wind Power Co. Ltd's claims to be EUR58,000,000 (equivalent to approximately RM273.5 million, based on the exchange rate of EUR1.00:RM4.7156, being the Scheme Exchange Rate) for the purposes of the then proposed Schemes.

The consensus between parties to accept Yunneng Wind Power Co. Ltd 's claims at the value of EUR58,000,000 (equivalent to approximately RM273.5 million, based on the exchange rate of EUR1.00:RM4.7156) above is conditional upon the settlement and effectiveness of a separate settlement arrangement, which is between Yunneng Wind Power Co. Ltd and Malayan Banking Berhad.

Yunneng Wind Power Co. Ltd had commenced arbitration in Germany under the German Arbitration Institute Rules against Malayan Banking Berhad on 10 October 2022 in respect of Yunneng Wind Power Co. Ltd's claims under a Bank Guarantee, and obtained an arbitral award against Malayan Banking Berhad on 22 March 2024, for the sum of EUR23,218,046.80 (equivalent to approximately RM112.2 million) plus interest and costs. On 5 July 2024, Malayan Banking Berhad filed an application in the German Courts to set aside such arbitral award, which application was contested by Yunneng Wind Power Co. Ltd.

Malayan Banking Berhad and Yunneng Wind Power Co. Ltd subsequently entered into a settlement agreement dated 7 November 2024, pursuant to which Malayan Banking Berhad paid the sum of EUR 27,000,000 (equivalent to approximately RM128.9 million, based on the exchange rate of EUR1.00:RM4.7745, being the foreign exchange rate of settlement on 3 December 2024) to Yunneng Wind Power Co. Ltd in full and final settlement of all of Yunneng Wind Power Co. Ltd's claims against Malayan Banking Berhad under the arbitral award and the Bank Guarantee.

The Bank Guarantee is backed by a counter-guarantee dated 21 May 2019 to Malayan Banking Berhad by CIMB Bank Bhd pursuant to multi-option line facilities granted to Sapura Offshore. CIMB Bank Bhd is an excluded creditor of Sapura Offshore in relation to the provision of such facilities.

On 7 December 2024, Malayan Banking Berhad paid the sum of EUR27,000,000 (equivalent to approximately RM128.9 million, based on the exchange rate of EUR1.00:RM4.7745, being the foreign exchange rate of settlement on 3 December 2024) to Yunneng Wind Power Co. Ltd in full and final settlement of all of Yunneng Wind Power Co. Ltd's claims against Malayan Banking Berhad under the arbitral award and the Bank Guarantee.

Yunneng Wind Power Co. Ltd's claims are subject to the debt restructuring under the Schemes as approved by the Court under the Court Order(Sanction). Yunneng Wind Power Co. Ltd cannot maintain the arbitration claims upon occurrence of Restructuring Effective Date and upon the settlement of its claims.

Based on a letter of confirmation dated 27 June 2025, the counsel informed that Yunneng Wind Power Co. Ltd, Sapura Offshore and the Company had mutually and amicably agreed to settle Yunneng Wind Power Co. Ltd's claims by way of admission of Yunneng Wing Power Co. Ltd's claims into the then proposed Scheme. As the counsel does not foresee that the settlement conditions will not be met, and the fact that Yunneng Wind Power Co. Ltd has paid all advances on costs, the counsel is of the view that there would not be any adverse financial impact on Sapura Offshore and the Company, aside from legal fees.

4.6 Sapura Fabrication vs Oil and Natural Gas Corporation Limited

On 26 May 2015, Sapura Fabrication was awarded a contract by Oil and Natural Gas Corporation Limited, a company incorporated in India, for the redevelopment of the Mumbai High South field project. During or after the execution of the contract works, there were several claims raised by Sapura Fabrication to Oil and Natural Gas Corporation Limited which were not amicably settled. Due to the disputes, Sapura Fabrication initiated arbitration through a notice dated 28 December 2021.

On 4 May 2024, the arbitration order was received in favour of Sapura Fabrication for USD24.6 million (equivalent to approximately RM104.2 million) (excluding GST and interest) plus INR18.7 million (equivalent to approximately RM0.9 million) (excluding interest).

On 28 May 2024, Sapura Fabrication filed Rectification Application under Section 33 of the Arbitration and Conciliation Act 1996 seeking correction of certain computational errors in the final award.

On 29 June 2024, the arbitral tribunal allowed Sapura Fabrication's Rectification Application under Section 33 of the Arbitration and Conciliation Act 1996. This order shall form part of the final award dated 4 May 2024.

Upon the order, the granted award became USD24.7 million (equivalent to approximately RM104.6 million) (excluding goods and services tax and interest) plus INR18.7 million (equivalent to approximately RM0.9 million) (excluding interest).

Oil and Natural Gas Corporation Limited filed its application to challenge the award dated 27 September 2024 and the Interim Application for the staying of the execution/enforcement of the Award on Sapura Fabrication dated 23 October 2024 at High Court of Judicature at Bombay.

On 27 November 2024, Sapura Fabrication filed its application to execute the award and Interim Application seeking, among others disclosure of the properties - movable and/or immovable owned by Oil and Natural Gas Corporation Limited at the High Court of Judicature at Bombay.

High Court of Judicature at Bombay has fixed 5 February 2025 for the hearing of Oil and Natural Gas Corporation Limited's challenge petition and stay application.

On the 5 February 2025 hearing, the court directed that Sapura Fabrication file its Reply to Oil and Natural Gas Corporation Limited's challenge petition and stay application. The matter was directed to be listed on 5 March 2025 for further consideration.

On the 5 March 2025 hearing, the matter was not called for hearing due to the court's paucity of judicial time, and a new date for the hearing has been scheduled on 19 March 2025.

The hearing fixed on 19 March 2025 was also not called out for hearing due to the court's paucity of judicial time, and a new date for the appeal hearing has been scheduled on 15 April 2025.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

The hearing fixed on 15 April 2025 was also not called out for hearing due to the court's paucity of judicial time, and the new date for the appeal hearing has been scheduled on 7 May 2025.

On 7 May 2025, the matter was not called for hearing due to the High Court of Judicature at Bombay's paucity of judicial time, and a new date for the hearing has yet to be fixed by the High Court of Judicature at Bombay.

On 10 June 2025, counsel informed that the High Court of Judicature at Bombay had fixed 9 July 2025 for Oil and Natural Gas Corporation Limited's Challenge Petition hearing.

Based on a letter of confirmation dated 2 July 2025, the counsel is of the view that Sapura Fabrication has a good case on merits. As there is no counterclaim, the counsel is of the view that there are no potential damages that could be suffered as a result of the proceedings.

Pending the outcome of the court's decision, the potential financial impact that could arise from the proceedings is unable to be ascertained at this juncture.

Winding-up petitions

The following are the list and status of the winding-up 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 Sapura Offshore, Sapura Fabrication, Sapura Pinewell, Sapura Subsea and Sapura Geosciences were vacated as the winding up proceedings have been stayed for 3 months. By the Court order dated 8 June 2022, the Restraining Orders were extended for a further period of 9 months until 10 March 2023. The Company and its 22 subsidiaries filed a fresh application under Sections 366 and 368 of the Act and were granted a Restraining Order for the period of 3 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 9 months until 10 March 2024.

On 7 March 2024, the Company and its 22 subsidiaries including Sapura Offshore, Sapura Fabrication, Sapura Pinewell, Sapura Subsea and Sapura Geosciences obtained a fresh Convening Order and Restraining Order for a period of 3 months, effective from 11 March 2024. On 6 June 2024, the High Court of Malaya granted the Scheme Companies an extension of the Convening Orders and Restraining Orders for a period of 9 months until 10 March 2025. This order stays all the current proceedings before the Court.

On 6 March 2025, the Scheme Companies obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their respective Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.

The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.

Based on legal advice from solicitors of the relevant entities within the Group, and save for the winding-up petitions disclosed in items (i) and (iv) below, the respective petitioners' claims below are subject to the Proposed Debt Restructuring under the Schemes as approved by the Court under the Court Order (Sanction). Pursuant to the Schemes, the respective petitioners' debts will be settled in accordance with the terms of the Schemes after the occurrence of Restructuring Effective Date, and the petitioners will not be entitled to continue with the proceedings under the winding-up petitions against the relevant entities within the Group.

**(i) Hycotech Sdn Bhd vs Sapura Offshore
- Shah Alam High Court (BA-28NCC-638-12/2021)**

- (a) Winding up petition date - 17 December 2021.
- (b) On 17 February 2022, Sapura Offshore's solicitors informed the court that Sapura Offshore 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 of RM538,506.50.

Following the dispute, on 1 March 2022, Sapura Offshore 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order on 8 March 2023 which took 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, Sapura Offshore's solicitors informed the Court that it has obtained a fresh Convening Order and Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
- (f) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- (g) During the Case Management on 14 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (k) Based on a letter of confirmation dated 25 June 2025, the counsel is of the view that Sapura Offshore has at best an even chance of success in its application to strike out the winding up petition.
- (ii) **Perdana Nautika Sdn Bhd vs Sapura Offshore
- Kuala Lumpur High Court (WA-28NCC-920-12/2021)**
 - (a) Winding up petition date - 20 December 2021.
 - (b) Case management and hearing dates - 22 February 2022 and 27 April 2022.

On 22 February 2022, Notices of Intention to Appear on Petition were filed by two creditors, namely Tumpuan Megah Development Sdn Bhd and 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore 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 12 June 2023.
 - (d) During the Case Management on 12 June 2023, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 12 March 2024.
 - (e) During the Case Management on 12 March 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Convening Order and Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 26 June 2024.
 - (f) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (g) During the Case Management on 26 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 11 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (h) During the Case Management on 11 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (j) The Court fixed 11 March 2026 for the next Case Management date.
- (iii) **Perdana Nautika Sdn Bhd vs Sapura Pinewell
- Kuala Lumpur High Court (WA-28NCC-921-12/2021)**
- (a) Winding up petition date - 20 December 2021.
 - (b) Case management and hearing dates - 23 February 2022 and 26 April 2022. 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's solicitors informed the Court that Sapura Pinewell 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's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell 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, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 13 March 2024.
 - (e) During the Case Management on 13 March 2024, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 26 June 2024.
 - (f) Sapura Pinewell informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Pinewell were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (g) During the Case Management on 26 June 2024, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 12 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (h) During the Case Management on 12 March 2025, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 11 March 2026 for the next Case Management date.

**(iv) Hycotech Sdn Bhd vs Sapura Pinewell
- Shah Alam High Court (BA-28NCC-639-12/2021)**

- (a) Winding up petition date - 20 December 2021.
- (b) Case management and hearing dates - 28 February 2022 and 9 March 2022. 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's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell 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, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
- (e) During the Case Management on 14 March 2024, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 26 June 2024.
- (f) Sapura Pinewell informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Pinewell were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- (g) During the Case Management on 26 June 2024, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (h) During the Case Management on 17 March 2025, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (k) Based on a letter of confirmation dated 25 June 2025, the counsel is of the view that as Hycotech Sdn Bhd wished to withdraw the petition, the petitioner's claims under the Petition are taken as settled.
- (v) **Fast Global Link Services vs Sapura Subsea
- Shah Alam High Court (BA-28NCC-27-01/2022)**
 - (a) Winding up petition date - 13 January 2022.
 - (b) Case management and hearing dates - 14 February 2022 and 12 April 2022.

On 14 February 2022, Sapura Subsea sought for a further case management date to be fixed on 15 March 2022 to determine whether Sapura Subsea 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's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea 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, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
 - (f) Sapura Subsea informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Subsea were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (g) During the Case Management on 14 June 2024, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (vi) **Mectra Synergy (M) Sdn Bhd vs Sapura Subsea
- Shah Alam High Court (BA-28NCC-31-01/2022)**
 - (a) Winding up petition date - 25 January 2022.
 - (b) Case management and hearing dates - 17 February 2022 and 20 April 2022.

On 17 February 2022, Sapura Subsea'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's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea 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, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
 - (f) Sapura Subsea informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Subsea were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (g) During the Case Management on 14 June 2024, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Subsea's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (vii) **Equatorial Marine Fuel Management vs Sapura Offshore
- Shah Alam High Court (BA-28NCC-68-01/2022)**
 - (a) Winding up petition date - 25 January 2022.
 - (b) Case management and hearing dates - 28 February 2022 and 25 April 2022.

On 28 February 2022 Petitioner informed the Court that a further date is required for compliance with winding up procedures.

Sapura Offshore'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 was vacated as the Restraining Order was obtained on 10 March 2022.
 - (c) During the Case Management on 13 March 2023, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (f) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
 - (g) During the Case Management on 14 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed the next Case Management on 17 March 2025.
 - (h) During the Case Management on 17 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (j) The Court fixed 23 September 2025 for the next Case Management date.
- (viii) Dura International Sdn Bhd vs Sapura Fabrication
- Shah Alam High Court (BA-28NCC-83-02/2022)**
- (a) Winding up petition date - 7 February 2022.
 - (b) Case management and hearing dates - 10 March 2022 and 18 May 2022.

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, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication 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, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (f) Sapura Fabrication informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Fabrication were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- (g) During the Case Management on 14 June 2024, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication's obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (ix) **Astro Offshore Pte Ltd vs Sapura Fabrication
- Shah Alam High Court (BA-28NCC-87-02/2022)**
 - (a) Winding up petition date - 7 February 2022.
 - (b) Case management and hearing dates - 14 March 2022 and 19 May 2022.

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's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication 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, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication 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 Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (f) Sapura Fabrication's informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Fabrication's were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- (g) During the Case Management on 14 June 2024, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (x) **Public Crane Heavy Equipment Sdn Bhd vs Sapura Fabrication
- Shah Alam High Court (BA-28NCC-92-02/2022)**
 - (a) Winding up petition date - 9 February 2022.
 - (b) Case management and hearing dates - 14 March 2022 and 19 May 2022.

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's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication 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, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication 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 Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (f) Sapura Fabrication informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Fabrication were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- (g) During the Case Management on 14 June 2024, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (xi) **MMA Offshore Malaysia Sdn Bhd vs Sapura Pinewell
- Kuala Lumpur High Court (WA-28NCC-111-02/2022)**
 - (a) Winding up petition date - 14 February 2022.
 - (b) Case management and hearing dates - 15 March 2022 and 8 June 2022.

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 the Case Management on 23 June 2022, Sapura Pinewell updated that the Restraining Order is extended for 9 months.
 - (d) During the Case Management on 14 March 2023, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell 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.
 - (e) During the Case Management on 13 June 2023, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 13 March 2024.
 - (f) During the Case Management on 13 March 2024, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 26 June 2024.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (g) Sapura Pinewell informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Pinewell were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (h) During the Case Management on 26 June 2024, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 12 March 2025 for the next Case Management date.
 - (i) During the Case Management on 12 March 2025, Sapura Pinewell's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Pinewell had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (j) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (k) The Court fixed 11 March 2026 for the next Case Management date.
- (xii) Icon Offshore Group Sdn Bhd vs Sapura Offshore
- Shah Alam High Court (BA-28NCC-119-02/2022)**
- (a) Winding up petition date - 25 February 2022.
 - (b) Case management and hearing dates - 17 March 2022 and 24 May 2022.

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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
 - (f) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (g) During the Case Management on 14 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed the next Case Management on 17 March 2025.
 - (h) During the Case Management on 17 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (j) The Court fixed 23 September 2025 for the next Case Management date.
- (xiii) **Posh Subsea Pte Ltd vs Sapura Fabrication
- Shah Alam High Court (BA28NCC-145-03/2022)**
- (a) Winding up petition date - 3 March 2022.
 - (b) Case management and hearing dates - 6 April 2022 and 7 June 2022.

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, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained a fresh Restraining Order on 8 March 2023 which will took 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, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
 - (f) Sapura Fabrication informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Fabrication were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (g) During the Case Management on 14 June 2024, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.
- (h) During the Case Management on 17 March 2025, Sapura Fabrication's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Fabrication had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (j) The Court fixed 23 September 2025 for the next Case Management date.
- (xiv) **Lincoln Energy Sdn Bhd vs Sapura Offshore
- Shah Alam High Court (BA-28NCC-146-03/2022)**
 - (a) Winding up petition date - 4 March 2022.
 - (b) Case management and hearing dates - 6 April 2022 and 7 June 2022.

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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
 - (f) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (g) During the Case Management on 14 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (h) During the Case Management on 17 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (j) The Court fixed 23 September 2025 for the next Case Management date.
- (xv) **Semco Salvage (V) Pte Ltd vs Sapura Offshore
- Shah Alam High Court (BA28NCC-144-03/2022)**
- (a) Winding up petition date - 3 March 2022.
 - (b) Case management and hearing dates - 6 April 2022 and 7 June 2022.

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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (e) During the Case Management on 14 March 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
 - (f) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (g) During the Case Management on 14 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (h) During the Case Management on 17 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (i) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (j) The Court fixed 23 September 2025 for the next Case Management date.
- (xvi) VKI Marketing Sdn Bhd vs Sapura Offshore
- 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, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order on 8 March 2023 which took 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 Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (g) During the Case Management on 14 March 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed the next Case Management on 14 June 2024.
 - (h) Sapura Offshore informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Offshore were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (i) During the Case Management on 14 June 2024, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (j) During the Case Management on 17 March 2025, Sapura Offshore's solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Offshore had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
 - (k) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
 - (l) The Court fixed 23 September 2025 for the next Case Management date.
- (xvii) Tumpuan Megah Development Sdn Bhd vs Sapura Geosciences - 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' solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Geosciences 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' solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Geosciences obtained an extension to the Restraining Order until 10 March 2024. The Court fixed the next Case Management on 14 March 2024.
 - (g) During the Case Management on 14 March 2024, Sapura Geosciences' solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Geosciences obtained a fresh Restraining Order for a period of 3 months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
 - (h) Sapura Geosciences informed its solicitors that on 6 June 2024, the Company and its 22 subsidiaries including Sapura Geosciences were granted an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
 - (i) During the Case Management on 14 June 2024, Sapura Geosciences' solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Geosciences obtained an extended Convening Order and Restraining Order for a period of 9 months, effective from 11 June 2024. The Court fixed 17 March 2025 for the next Case Management date.

APPENDIX VI – FURTHER INFORMATION (CONT'D)

- (j) During the Case Management on 17 March 2025, Sapura Geosciences' solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Geosciences had obtained the Court Order (Sanction) approving each of the Schemes and compromise between the Scheme Companies and their Scheme Creditors at the Scheme Meetings held between 21 February 2025 to 27 February 2025. The Schemes took effect and became binding on the Scheme Companies and their Scheme Creditors with effect from 11 March 2025.
- (k) The Court Order (Sanction) also stipulated that no action or proceedings may be commenced or continued against any of the Scheme Companies by any party within the jurisdiction of the High Court, whether the act takes place in Malaysia or elsewhere, from the date of such order until the Restructuring Effective Date or the Longstop Date, whichever is earlier, unless with the leave of court.
- (l) The Court fixed 23 September 2025 for the next Case Management date.

The Group have made provisions for the above material litigation for approximately RM486.4 million and the claims in the winding up petitions for approximately RM93.6 million respectively. The Board is of the view that the litigation proceedings are not expected to have material effect on any potential business or operational impact on the Company.

Premised on the above, based on the information available as at the LPD, the aforementioned litigations are not expected to result in the Company re-triggering any PN17 Prescribed Criteria.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1 MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no other material commitments incurred or known to be incurred by the Group which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

Approved and contracted for:		RM'000
Group's capital commitment for property, plant and equipment:		
(i)	Capital expenditure for rigs under Drilling services and solutions	47,528
(ii)	Capital expenditure for vessel under E&C services and solutions	11,115
(iii)	Capital expenditure for vessel under O&M services and solutions	22,522
(iv)	Capital expenditure for plant and machineries under O&M services and solutions	4,119
		85,284

The RM85.3 million primarily relates to drilling rig capital expenditure, including the replacement and enhancement of engine components, anchor wires, drill pipes, and choke manifolds totaling RM47.5 million. The remaining RM37.8 million relates to machinery upgrades and dry dock-related capex for vessels.

The Company will meet this commitment by using its internally generated funds from Drilling, E&C and O&M segments respectively.

5.2 CONTINGENT LIABILITIES

Save as disclosed below and where expressly stated as such in this Circular, as at 31 May 2025, there are no contingent liabilities incurred or known to be incurred by the Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

- (a) The Group has provided corporate guarantees to financial institutions for credit facilities and granted performance bonds to joint ventures and associates amounting to RM365.2 million.
- (b) Other than as disclosed above and **Sections 4.3**, Appendix VI of this Circular, there are no other changes in contingent liabilities as at the LPD.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office at Level 4, Menara PNB, 201-A, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia from **8:00 a.m. to 5:30 p.m. on Monday to Friday** (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of the Company for FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FYE 2025 and unaudited quarterly report of the SEB for FPE 30 April 2025;
- (iii) Report on the Compilation of Pro Forma Consolidated Financial Position of the Group as at 31 January 2025 together with the Reporting Accountants' Letter as set out in **Appendix III** of this Circular;
- (iv) Internal Control and Risk Management Systems Report as well as the executive summary as set out in **Appendix IV** of this Circular;
- (v) IMR Report as set out in **Appendix V** of this Circular;
- (vi) the Conditional Funding Agreement dated 4 March 2025 between the Company and MDH. If you wish to inspect the Conditional Funding Agreement, you will have to, on your own, obtain the prior written consent from MDH and thereafter, produce to the Company such written consent prior to inspecting the Conditional Funding Agreement at the Company's registered office;
- (vii) the letters of consent and declaration of conflict of interest referred to in **Section 2, Appendix VI** of this Circular;
- (viii) the material contract referred to in **Section 3, Appendix VI** of this Circular; and
- (ix) the relevant cause papers for the material litigations referred to in **Section 4, Appendix VI** of this Circular. The disclosure is subject to any confidentiality obligations applicable in or related to each material litigation.



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Sapura Energy Berhad ("**SEB**" or "**Company**") ("**EGM**") will be held at Ballroom 1 & 2, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia ("**Meeting Venue**") on Wednesday, 30 July 2025 at 2.00 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF UP TO RM12,773,520,814 OF THE ISSUED SHARE CAPITAL OF SEB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SHARE CAPITAL REDUCTION")

"THAT, subject to the approvals and/or consents obtained from all relevant authorities and/or parties (where applicable) pursuant to Section 116 of the Act, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to reduce the issued share capital of the Company via the cancellation of issued share capital of up to RM12,773,520,814 and that the credit arising from such share capital reduction of up to RM12,773,520,814 is to be used to offset the accumulated losses of the Company;

THAT, the balance after the elimination of the Company's accumulated losses pursuant to the Proposed Share Capital Reduction, if any, shall be credited to the retained earnings account of the Company, which may be used in such manner as the Board deems fit, as permitted by the relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the Constitution of the Company;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Share Capital Reduction with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds, things and matters for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction."

ORDINARY RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 20 EXISTING ORDINARY SHARES IN SEB ("SEB SHARES") INTO 1 SEB SHARE ("CONSOLIDATED SEB SHARE") ("PROPOSED SHARE CONSOLIDATION")

"THAT, subject to the approvals and/or consents obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board to give effect to the consolidation of every 20 existing SEB Shares into 1 Consolidated SEB Share held by the shareholders of the Company whose names appear in the Record of Depositors as at the close of business on the date to be determined and announced by the Board;

THAT the Consolidated SEB Shares shall, upon issuance and allotment, rank *pari passu* in all respects with each other, and the adjusted warrants in SEB following the completion of the Proposed Share Consolidation ("**Consolidated Warrants**") shall rank *pari passu* in all respects with each other;

THAT the fractional entitlements of the Consolidated SEB Shares and the Consolidated Warrants arising from the Proposed Share Consolidation, if any, shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit and in the best interests of the Company;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Share Consolidation with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds, things and matters for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Share Consolidation.”

ORDINARY RESOLUTION 2

PROPOSED ISSUANCE AND ALLOTMENT OF NEW CONSOLIDATED SEB SHARES IN CONJUNCTION WITH THE CONVERSION OF REDEEMABLE CONVERTIBLE UNSECURED ISLAMIC DEBT SECURITIES IN SEB (“RCUIDS”) INTO NEW CONSOLIDATED SEB SHARES, THE ISSUANCE OF NEW CONSOLIDATED SEB SHARES (“SETTLEMENT SHARES”) AND THE CONVERSION OF REDEEMABLE CONVERTIBLE LOAN STOCK (“RCLS”) INTO NEW CONSOLIDATED SEB SHARES

“**THAT** in conjunction with the proposed issuance of RCUIDS, Settlement Shares and RCLS, and subject to the passing of Ordinary Resolutions 1 and 3 and Special Resolution 1 and the approvals and/or consents obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board to:

- (a) allot and issue new Consolidated SEB Shares to the unsecured creditors (other than the preferred unsecured creditors and intercompany creditors) of SEB and the 22 other companies within the SEB group of companies that have entered into individual schemes of arrangement with their scheme creditors under Section 366 of the Act (“**Scheme Companies**”) whose claims have been admitted for the purposes of the schemes, and any other designated unsecured contingent creditor of the Scheme Companies (collectively, the “**Unsecured Creditors**”) arising from the conversion of the RCUIDS as set out in Section 3.2.4 of the Circular to the shareholders of the Company dated 8 July 2025 (“**Circular**”), including further RCUIDS arising from any adjustments under the provisions of the trust deed to be entered into *inter alios* by SEB in relation to the RCUIDS;
- (b) allot and issue Settlement Shares at an issue price of RM0.80 per Settlement Share to the Unsecured Creditors as set out in Section 3.2.5, Part A of the Circular; and
- (c) allot and issue new Consolidated SEB Shares to Malaysia Development Holding Sdn Bhd (“**MDH**”) arising from the conversion of the RCLS as set out in Section 3.3 of the Circular, including further RCLS arising from any adjustments under the provisions of the trust deed to be entered into *inter alios* by SEB in relation to the RCLS;

THAT the new Consolidated SEB Shares arising from the conversion of the RCUIDS, issuance of the Settlement Shares and conversion of the RCLS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Consolidated SEB Shares, save and except that such new Consolidated SEB Shares shall not be entitled to any dividends, voting rights, allotments and/or other forms of distributions which may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Consolidated SEB Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required for the allotment and issuance of new Consolidated SEB Shares arising from the conversion of the RCUIDS, issuance of Settlement Shares and the conversion of the RCLS with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds, things and matters for and on behalf of the Company in any manner as they may deem fit or necessary or expedient for the allotment and issuance of new Consolidated SEB Shares arising from the conversion of the RCUIDS, issuance of Settlement Shares and the conversion of the RCLS.”

ORDINARY RESOLUTION 3

PROPOSED EXEMPTION UNDER SUBPARAGRAPH 4.08(1)(C) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS (“RULES”) FOR MDH AND ITS PERSONS ACTING IN CONCERT (“PACS”) FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER TO ACQUIRE THE REMAINING CONSOLIDATED SEB SHARES AND OUTSTANDING CONSOLIDATED WARRANTS NOT ALREADY OWNED BY MDH AND ITS PACS UPON CONVERSION OF RCLS INTO NEW CONSOLIDATED SEB SHARES (“PROPOSED EXEMPTION”)

“THAT, subject to the passing of Ordinary Resolutions 1 and 2 and Special Resolution 1, and subject to the approval from the Securities Commission Malaysia (“**SC**”) being obtained and/or any other relevant authorities and/or parties (where required), approval be and is hereby given to exempt MDH and its PACs from the obligation under subparagraph 4.08(1)(c) of the Rules to undertake a mandatory take-over offer to acquire the remaining Consolidated SEB Shares and outstanding Consolidated Warrants not already owned by MDH and its PACs upon conversion of RCLS into new Consolidated SEB Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Exemption with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds, things and matters for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Exemption.”

BY ORDER OF THE BOARD

Azmanira Binti Ariff (MAICSA 7070361) (SSM Practicing Certificate No. 202308000848)

Choong Siew Mun (MAICSA 7068632)(SSM Practicing Certificate No. 202008001881)

Company Secretaries

Wilayah Persekutuan Kuala Lumpur

Malaysia

8 July 2025

Notes:

1. Mode of Meeting

The EGM of the Company will be conducted in a physical mode, whereby member(s), proxy(ies), corporate representative(s), or attorney(s) are required to attend the meeting in person at the Meeting Venue.

2. 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 EGM is entitled to appoint up to two (2) proxies to attend and vote on a poll in his/her stead. A proxy may, but not need 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/she 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 2025 at 2.00 p.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 or via email to bsr.helpdesk@boardroomlimited.com not less than forty-eight (48) hours before the time appointed for the holding of the meeting, i.e., no later than 28 July 2025 at 2.00 p.m. or any adjournment thereof.

3. Corporate Representatives

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the EGM pursuant to Section 333 of the Act. For this purpose and pursuant to Section 333(5) of the Act, the corporate member shall provide a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

4. Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend the EGM 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 2025. Only a depositor whose name appears on the Record of Depositors as at 22 July 2025 shall be entitled to attend the EGM or appoint proxies to attend and/or vote on his/her behalf.

5. Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the EGM will be put to a vote on a poll.

By submitting the duly executed form of proxy, 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 EGM and any adjournment thereof.

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 No./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 No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Tel No.:	Email address:		

and/or (delete as appropriate)

Full Name (in block letters)	NRIC No./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 Extraordinary General Meeting ("EGM") of Sapura Energy Berhad ("the Company" or "SEB") that will be held at Ballroom 1 & 2, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Wednesday, 30 July 2025, at 2.00 p.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
SPECIAL RESOLUTION 1	Proposed Reduction of Up to RM12,773,520,814 of the Issued Share Capital of SEB Pursuant to Section 116 of the Companies Act 2016		
ORDINARY RESOLUTION 1	Proposed Consolidation of Every 20 Existing Ordinary Shares in SEB ("SEB Shares") into 1 SEB Share		
ORDINARY RESOLUTION 2	Proposed Issuance and Allotment of New Consolidated SEB Shares in Conjunction with the Conversion of Redeemable Convertible Unsecured Islamic Debt Securities in SEB into New Consolidated SEB Shares, the Issuance of New Consolidated SEB Shares and the Conversion of Redeemable Convertible Loan Stock ("RCLS") into New Consolidated SEB Shares		
ORDINARY RESOLUTION 3	Proposed Exemption Under Subparagraph 4.08(1)(c) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Rules") for Malaysia Development Holding Sdn Bhd ("MDH") and Its Persons Acting in Concert ("PACs") From the Obligation to Undertake a Mandatory Take-Over Offer to Acquire the Remaining Consolidated SEB Shares and Outstanding Consolidated Warrants Not Already Owned by MDH and Its PACs Upon Conversion of RCLS Into New Consolidated SEB Shares		

Signature/Common Seal of Shareholder

Dated this ____ day of _____ 2025



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 EGM is entitled to appoint up to two (2) proxies to attend and vote on a poll in his/ her 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/she specifies the proportion of his/her 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/her 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 2025 at 2.00 p.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 or via email to bsr.helpdesk@boardroomlimited.com not less than forty-eight (48) hours before the time appointed for the holding of the meeting, i.e., no later than 28 July 2025 at 2.00 p.m. or any adjournment thereof.

- (6) 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 EGM will be put to vote on a poll.
- (7) 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 Extraordinary General Meeting and any adjournment thereof.

1st Fold Here

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

2nd Fold Here

Fold This Flap For Sealing