

**SAPURA ENERGY BERHAD**

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

**TWELFTH ANNUAL GENERAL MEETING (FULLY VIRTUAL)  
WEDNESDAY, 26 JULY 2023 AT 10.00 A.M.**

**QUESTIONS AND ANSWERS**

**Kou Chan Kai @ Kow Chee Foo, Chee Teng Ho, Tee Beng Choo, Lim Ba Tai @ Lim Eng Kim, Tee Beng Ngo, Tee Beng Hee** posted the following question:

**Q1: Does the Company distribute door gifts?**

Response/Answer

A1: The Chairman expressed gratitude to the shareholders for their attendance and active participation in the Annual General Meeting ("AGM"). He acknowledged and appreciated the shareholders' commitment to contributing to the success of the Company. However, it was regrettably announced that, due to the current classification of Sapura Energy as a PN17 company, the Company would not be offering any door gifts.

The Chairman highlighted the significance of prudently managing costs in the current financial context and requested the shareholders' understanding and support in optimizing spending for this year's AGM. He emphasized that this approach would enable the Company to direct resources to critical operational areas and enhance the Company's overall financial position.

**Choo Ha Chay @ Choo Mun Keong** posted the following question:

**Q2: Has the Company taken any measures to establish accountability for the substantial losses experienced in the past few years? Acknowledge the former CEO's resignation but would like to enquire if this action is deemed sufficient. Furthermore, are there any specific actions being pursued against the senior executives who were involved?**

Response/Answer

A2: Datuk Anuar, the Group Chief Executive Officer ("GCEO"), addressed the Company's poor performance and the root causes identified by the Board Reset Task Force. Unfavorable contracts, especially loss-making projects, emerged as a common material theme. He highlighted that this challenge was exacerbated by the Company's cash crunch, which was further compounded by the unprecedented impact of the Covid-19 pandemic. The GCEO emphasized that Sapura Energy was not alone in facing such difficulties, as many global and local competitors also underwent significant debt restructurings due to similar industry conditions.

The GCEO then delved into the challenges faced by the oil and gas services sector, pointing out nearly a decade of chronic underinvestment in the global upstream oil and gas industry. The prolonged "lower-for-longer" oil price environment led to reduced capital spending by exploration and production (E&P) companies, resulting in an ultra-competitive business environment. In response to the intense competition and to secure

contracts and sustainable revenue, Sapura Energy, like its counterparts, adopted aggressive competitive strategies and assumed disproportionate risks. However, these risks often accompanied lump sum contracts, such as Engineering, Procurement, Construction, Installation, and Commissioning (EPCIC), which had compressed margins and offered limited protection against adverse events.

To address these challenges, the Company embraced a mantra of "Bid Right and Execute with Discipline." Significant steps were taken to mitigate risks and safeguard profit margins, including adopting mindful bidding practices, diligent contract management, and disciplined project execution. Notably, this strategy has yielded favorable outcomes, as evidenced by the positive Earnings Before Interests, Taxes, Depreciation and Amortisation recorded in the last financial year and the profits reported in the first quarter of the current financial year.

The GCEO emphasized the Company's commitment to learning from past challenges, enhancing risk management practices, and implementing robust strategies to bolster overall performance and drive sustainable growth. The Company's focus remains on delivering long-term value to its shareholders while adhering to the highest standards of corporate governance and ethical conduct.

**Yong Shiuh Rong** posted the following question:

**Q3:** When does the Company expect to achieve a turnaround?

Response/Answer

A3: The GCEO emphasized that the timing of the turnaround is closely tied to the successful implementation of the comprehensive Reset Plan. As a responsible Management team, the GCEO refrained from speculating or providing unrealistic timelines, recognizing the importance of a cautious approach that considers all relevant factors.

The GCEO further explained that the debt restructuring process, playing a pivotal role in restoring the Company's financial health, adds complexities, leading to a conservative approach. The Company prioritizes the diligent execution of the Reset Plan to effectively address challenges through operational excellence, cost optimization, and prudent financial management. These efforts aim to strengthen the Company's position and create long-term value for stakeholders.

While a definite turnaround timeline cannot be provided, the GCEO expressed encouragement from the positive signs observed in the Q1 results of the current financial year, indicating progress towards recovery. However, it was emphasized that the turnaround is subject to various factors, including the successful completion of the debt restructuring process and the stability of the external business environment.

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**Seng Ngit Siong** posted the following question:

**Q4: Does Sapura Energy have sufficient cash flow to sustain its operations? Additionally, is the Company considering another round of Rights Issue in the future?**

Response/Answer

A4: The GCEO provided an update on Sapura Energy's cash position as of the Q1 FY2024 results, which stood at RM840 million. The GCEO highlighted the Company's efforts to preserve liquidity through various measures:

- (i) Intensifying efforts to materialize outstanding claims and change orders to secure additional revenues and strengthen the liquidity position.
- (ii) Maintaining continuous rigor in operational tracking on billing and collections to ensure efficient and timely invoicing, thereby optimizing cash flow and liquidity.
- (iii) Streamlining the invoicing cycle for unbilled revenue to accelerate cash inflows.
- (iv) Commitment to cost management and reduction through rigorous cost control measures throughout the organisation, particularly in General and Administrative (G&A) expenses, aiming to reduce the overall cost base.

Regarding the possibility of a Rights Issue, the GCEO mentioned that Sapura Energy, with the assistance of advisors, has submitted a Proposed Restructuring Scheme ("PRs") to optimize debt and capital structure. As the PRs is currently being refined with lenders, any potential impact on equity or changes to the shareholding structure will be subject to further discussion.

The Company is committed to diligently communicating with shareholders and providing necessary information when the PRs is firmly established. Shareholders will have an opportunity to vote on proposed changes to ensure their interests are taken into account and their voices are heard.

**Seng Ngit Siong** posted the following question:

**Q5: How does Sapura Energy plan to exit the PN17 status?**

Response/Answer

A5: The GCEO provided insight into Sapura Energy's efforts to address the PN17 status. The Company is actively collaborating with its Principal Adviser, MIDF Amanah Investment Bank Berhad, to formulate a Regularisation Plan. Bursa Malaysia Securities Berhad has granted Sapura Energy a time extension until 30 November 2023 to submit the Regularisation Plan to the relevant regulatory authorities. The successful exit from the PN17 status will be contingent upon the effective implementation of this Regularisation Plan.

The strategic foundation of the Regularisation Plan lies in the Group's Reset Plan, which encompasses three (3) key priorities. Firstly, rebuilding the 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.

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Secondly, enhancing 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, emphasizing opportunities beyond the traditional market in Malaysia, improving productivity and project execution discipline to focus on cash generation and profitability, and implementing a more robust risk management framework. Thirdly, focusing future business direction and growth based on core capabilities as a solutions provider, with a particular emphasis on Energy Transition plans.

Seng Ngit Siong posted the following question:

**Q6: Is it true that Sapura Energy will merge with Malaysia Marine and Heavy Engineering Bhd ("MHB")?**

Response/Answer

A6: The Chairman clarified that there are currently no plans to merge with another company as part of the Company's Reset Plan. The Company's immediate focus is on the ongoing debt restructuring process and implementing operational improvements to restore financial stability and ensure long-term sustainability.

Despite the absence of merger plans, the Chairman emphasized that Sapura Energy remains open to potential collaborations in the future, particularly those that align with the Company's Energy Transition ambitions. The Company believes in exploring opportunities on a mutually beneficial basis, aiming to enhance business prospects and contribute to overall success of the Company.

Seng Ngit Siong posted the following question:

**Q7: Is Sapura's PN17 status affecting the Company's ability to participate in tender acquisitions?**

Response/Answer

A7: Sapura Energy's financial constraints have posed challenges to its business development efforts, leading to the suspension of working capital facilities since October 2021. As a result, the unavailability of working capital and bank guarantees has caused the Company to miss tender opportunities valued at approximately USD2.5 billion in FY2023. To address this issue, the Board and Management are actively engaged in discussions with lenders and other stakeholders, with the aim of restoring Sapura Energy's credit lines and regaining a competitive position, particularly in the Southeast Asian region and emerging markets.

In response to these constraints, the Company has adopted a selective approach to bidding activities, focusing on opportunities where the Company can leverage its unique capabilities and trusted partnerships while aligning with its risk appetite. This strategic shift has led Sapura Energy to venture into new markets in the Western Hemisphere and strengthen relationships with existing regional clients in the Asia Pacific. In FY2023, over half of the Company's revenue were from international contracts, with successful completion of nearly 60 projects for various clients. In the current year, more than 70

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percent of the Company's wins have been from outside of Malaysia, with less than 15 percent of current bidding activities targeting opportunities within Malaysia (figures as of Q1 FY2024).

The implementation of this strategic approach has yielded positive results, as evidenced by the Company's Order Book currently standing at approximately RM5.8 billion in value, with over 70 percent of the combined contract value coming from projects outside of Malaysia, such as T&I for ENI Congo, decommissioning in Thailand and New Zealand. Additionally, the non-consolidated gross Order Book of Joint-Venture entities amounts to RM4.8 billion (figures as of Q1 FY2024).

**Lim San Kim** posted the following question:

**Q8: Could you please provide information on the identity of the White Knight?**

Response/Answer

A8: The Chairman informed the shareholders that the Company is currently unable to disclose the identity of the White Knight until specific milestones have been achieved. However, the Chairman shared positive news, stating that they have received a formal letter of support from the White Knight in February 2023. This letter of support is seen as a credible assurance for the successful execution of the Reset Plan.

**Lim San Kim** posted the following questions:

- Q9: (i) To incentivize support for virtual meetings, consider rewarding participants. Virtual meetings offer cost savings, time efficiency, reduced hassle, minimal food wastage, and lower printing costs. Additionally, it involves fewer manpower requirements, attract a broader audience, more proxy attendance instead of shareholders' attendance. This, in turn, facilitates faster meeting conclusions.**
- (ii) Opt for cost-effective virtual meeting platforms like VOTE2U or DIGERATI.**
- (iii) Instead of engaging expensive auditors and registrars, allocate budget for participant refreshments.**
- (iv) Auditors should consider allowing a budget for participant refreshments, unless they are willing to contribute to the refreshment costs themselves.**
- (v) As a shareholder supporting the Company for the past 30 years, I request the provision of refreshments through an e-wallet system as a token of appreciation.**

Response/Answer

A9: The Chairman thanked Mr. Lim San Kim for his suggestions. He assured Mr. Lim San Kim that the Company will take these suggestions into careful consideration when organizing the AGM next year.

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**Lim San Kim** posted the following question:

**Q10: What is the Company's profit for the current year and when is the expected timeline for dividend payment to shareholders?**

Response/Answer

A10: The GCEO provided an update on the Company's financial performance for FY2023. Sapura Energy reported a loss after tax and minority interests (LATAMI) of RM3.2 billion, along with an operating profit of RM751 million. In light of the absence of distributable profits, the Company is currently unable to pay dividends.

The GCEO reassured shareholders that the Company is actively working to turnaround its financial position and achieve sustainable profitability. This effort aims to create value for shareholders and reinstate dividends in the future.

**Lim San Kim** posted the following question:

**Q11: What is the total cost of conducting this virtual meeting?**

Response/Answer

A11: The Chairman provided information on the cost of the virtual AGM platform, stating that it amounts to approximately RM48,000. It is important to note that this figure does not encompass additional expenses such as scrutineers' fees, poll administrator fees, share registrar fees, and other costs related to conducting an AGM, irrespective of whether it is held virtually or otherwise.

**Yong Shiuh Rong** posted the following question (similar questions posted by **Tan Seong Kok** and **Thong Yean Jing**):

**Q12: Why is the Company paying such high remuneration to the Directors despite the Company's poor performance, especially when other companies are not compensating their directors at similar levels?**

**Timothy Gan Cheng Hui** posted the following question:

**Q13: Why is the Board of Directors requesting such high remuneration when their performance has been unsatisfactory?**

Response/Answer

A12: The Directors' fees and remuneration were duly approved by the Board Nomination and Remuneration Committee ("BNRC") based on the respective responsibilities and contributions of each Director, taking into account the current condition of the Group.  
A13: The BNRC's approval of the fees and remuneration also considered market rates for Directors' remuneration within the industry.

The Board acknowledges the financial position of the Company, and since 2020, the Board fees have been revised down twice, resulting in a total reduction of 57.5 percent.

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The Group's ongoing restructuring exercise is one of the largest and most complex in the corporate landscape of Malaysia. The Board has been actively involved in ensuring the development and structuring of the Reset Plan and the Restructuring Plan to address the concerns and interests of all stakeholders. Notably, the Board's focus includes preserving the Malaysian oil and gas eco-system, given that a significant number of creditors are service providers or vendors in the local oil and gas industry. Consequently, there have been increased engagements and meetings between the Board and the Management, with a total of 39 Board and Committee meetings conducted in FY2023.

During the year under review, two (2) new Directors joined the Board, contributing to its strength and diverse skillsets. Following the conclusion of this 12th AGM, the number of Board members will revert to ten (10) as one of the senior directors has expressed the intention not to seek re-election.

**Teo Kian Aik** posted the following question:

**Q14: May I inquire about the current status of the new funding from the White Knight? Has it been confirmed?**

Response/Answer

A14: The Chairman shared an update regarding the new funding from the White Knight, stating that the Company received a formal letter of support from the White Knight on 15 February 2023. The White Knight has expressed strong support for Sapura Energy's restructuring initiatives and recognizes the Company's importance in preserving the Malaysian oil and gas ecosystem.

In light of this, Sapura Energy is actively involved in the ongoing efforts to fulfil the conditions outlined by both the White Knight and the MCF Financiers.

**Teo Kian Aik** posted the following question:

**Q15: What is the current status of the divestment of SapuraOMV Upstream Sdn. Bhd.?**

Response/Answer

A15: The GCEO informed the shareholders that in order to facilitate the divestment process, the Company has engaged a sales advisor who is actively involved in the proceedings. Various potential buyers have been approached, and there has been a healthy level of interest expressed by these parties in acquiring the interest.

As the divestment progresses, the Company remains committed to keeping shareholders informed about any significant developments or milestones related to the divestment of its interest in SapuraOMV.

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Teo Kian Aik posted the following question:

**Q16: On a scale of 0 to 100%, how confident is the Board of Directors in its ability to successfully steer the Company out of the current debt crisis and exit the PN17 status?**

Response/Answer

A16: While the Board is not able to put a number on certainty, the Board of Directors is confident in resolving Sapura Energy's challenge of unsustainable debt and restoring the Company's financial strength to eventually exit the PN17 status. The task of overseeing one of the biggest and most complex debt restructuring exercises in the country is no small feat. However, the Management and the Board are fully committed and working tirelessly to achieve this objective.

The Board greatly appreciates the support and collaboration of all stakeholders involved, including lenders, major shareholders, our client base, the White Knight, and, importantly, the dedicated employees, as their collective efforts are integral to seeing through this objective.

Despite the PN17 status, with the Company's existing capabilities, the Group managed to secure RM1.4 billion of new contracts, improve the cash position to RM840 million, and deliver an operating profit of RM332 million in Q1 FY2024.

Teo Kian Aik posted the following question:

**Q17: In the event that the debt restructuring or PN17 regularization plan were to fail, as a major shareholder and main owner of Sapura, is PNB willing to consider providing a bailout to the Company?**

Response/Answer

A17: The Chairman acknowledged the significance of PNB's role as a major shareholder in Sapura Energy. However, it was clarified that the Board is not in a position to speculate on potential actions in hypothetical scenarios, such as the failure of the debt restructuring or PN17 regularisation plan. As an independent entity, PNB makes its decisions based on a comprehensive assessment of various factors, including investment considerations and broader financial objectives.

The primary focus of the Company remains on diligently implementing the Reset Plan, which entails successfully executing the debt restructuring exercise and enhancing operational efficiency. The guiding principle of "Bid Right, Execute with Discipline" is being strictly adhered to.



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**Kamarul Baharin Bin Albakri** posted the following question:

**Q18: Is the Company considering any potential diversification strategy to venture into the renewable energy sector? If so, what is the timeline for establishing the core 'renewable energy' team after exiting the PN17 status?**

Response/Answer

A18: The GCEO emphasized that Sapura Energy's approach to the renewable energy sector will revolve around embracing the Energy Transition as a solutions provider, rather than primarily focusing on energy production. The Company's strategy in the renewable energy sector entails offering core solutions services, including Engineering & Construction, Operations & Maintenance, or Drilling. The Company's experience gained from the Yunlin project provided valuable insights into delivering offshore wind farm projects, and Sapura Energy aims to capitalize on this knowledge to bid for more wind farm projects in the future. These core capabilities already exist within the organization, and the Company plans to enhance them further through operational excellence and improved risk management.

**Kamarul Baharin Bin Albakri** posted the following question:

**Q19: Regarding the business outlook and potential 5-year target Order Book, what funding scheme does Sapura Energy have in place to execute and deliver the Order Book effectively?**

Response/Answer

A19: The GCEO emphasized that Sapura Energy has plans to increase its Order Book in the future, but the Company is unable to provide specific forward-looking estimates or forecasts at this time.

Presently, efforts are being made to ensure projects are self-funded through prudent cash flow management. However, it is crucial to address the need to restore access to working capital in order to capitalize on opportunities in a rapidly recovering market. In the previous financial year, the Company encountered challenges due to the absence of Bank Guarantees, resulting in missed opportunities amounting to approximately RM2.5 billion.

**Kamarul Baharin Bin Albakri** posted the following question:

**Q20: Could you please provide the projected net impact to Sapura Energy's Net Tangible Asset ("NTA") annually for the next 5 years? (This information will help gauge the net contribution of the proposed potential Order Book in increasing shareholders' value.)**

Response/Answer

A20: The GCEO stated that due to the active negotiations with the lenders concerning the PRS, the Company is currently unable to finalize specific indicators, such as NTA. As a result, the Company is not in a position to provide shareholders with any valuation estimates, forecasts, or projections at this time.

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**Wan Mohd Sulhazmi Bin Wan Sulaiman** posted the following question:

**Q21: Could you please share Sapura Energy's business strategy for the remaining quarters of FY2024? Additionally, I would like to inquire about the Company's plans to improve and enhance the share price going forward.**

Response/Answer

A21: During the balance of FY2024, Sapura Energy will continue to execute its business strategy, which centres on deploying key assets in international markets where the Company has a competitive advantage. Despite financial constraints, this approach has yielded positive results, with significant new international contracts secured through strong partnerships with new and existing clients.

The focus in the Engineering & Construction (“**E&C**”) segment will be on bidding for transportation and installation projects, with recent contract wins amounting to RM979 million, where 58 percent were attributed to projects in the Western Hemisphere.

In the Drilling segment, the Company aims to have all 11 rigs operational by the end of the Q2 FY2024, contributing to increased revenue.

Within the Operations & Maintenance (“**O&M**”) business segment, Sapura Energy intends to establish itself as a regional player in South-East Asian and Middle Eastern markets, offering underwater inspection, repair, and maintenance services. The Group will also maintain its leading position in the Malaysian market, as evidenced by recent contract extensions with existing clients.

Additionally, the Company will focus on nurturing collaborations and incorporating responsible decommissioning capabilities into its services.

Throughout this period, Sapura Energy remains dedicated to implementing its Reset plan, which addresses unsustainable debt and overdue trade payables. The Company is finalizing its PRS to resolve these financial challenges and exit the status of a PN17 company.

While Sapura Energy aims to bolster its financial position and demonstrate its fundamental strength, it acknowledges that it cannot directly influence share prices. However, it hopes that investors will recognize the positive developments and efforts being made to drive the Company's growth and value in the market.

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**Teo Cher Ming** posted the following question:

**Q22: Is the Company expecting to incur further provisions for foreseeable losses related to legacy contracts?**

Response/Answer

A22: The Management of Sapura Energy conducts rigorous and regular reviews of all contracts to assess the need for additional Forecast At Completion (“**FAC**”) provisions, particularly in cases of foreseeable losses. However, it is important to note that the Company does not provide specific forecasts. The primary objective is to meticulously analyze each contract, identifying potential risks, and establishing suitable FAC provisions to protect the Company's interests and ensure financial stability.

**Teo Cher Ming** posted the following question:

**Q23: Can the Company provide a more detailed breakdown of the current total bids and the anticipated timeline for the results to be known? Furthermore, could the breakdown specify whether these bids belong to the E&C, O&M or Drilling segments?**

Response/Answer

A23: During Q1 FY2024, Sapura Energy's bid book recorded a value of approximately RM30 billion. These bids are categorized as follows:

- (i) E&C projects amounting to nearly RM21 billion
- (ii) O&M contracts standing at RM8.3 billion; and
- (iii) Drilling jobs accounting for RM600 million.

It is important to note that the outcome of these tenders and the timing of award announcements are solely dependent on the discretion of the issuer companies.

**Teo Cher Ming** posted the following question:

**Q24: Regarding the White Knight, could the Company disclose whether they are private investors, Sovereign Wealth Fund (SWF), institutional investors, or players in the oil and gas sector? In what ways can this White Knight assist in Sapura Energy's recovery efforts at present?**

Response/Answer

A24: The Company acknowledges that it is currently not in a position to reveal the identity of the White Knight until specific milestones are attained. However, we are pleased to convey that we have obtained a formal letter of support from the White Knight in February 2023, which serves as a valuable endorsement for our Reset Plan.

The potential investment from the White Knight is expected to play a significant role in facilitating the debt restructuring process, which in turn will aid in preserving the oil and gas ecosystem.

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Teo Cher Ming posted the following question:

**Q25: Can the Company confirm whether there are plans to consider extending the maturity of Sapura Energy RCPS-i before its conversion into SEB shares, given that it will expire next year? Additionally, in the absence of any distributions payout since day one, will RCPS-i holders be required to forfeit the RCPS-i distributions that have been accrued thus far?**

Response/Answer

A25: Regarding the extension of RCPS-i, the treatment of these instruments forms part of the restructuring scheme; however, at present, there are no plans for an extension of the maturity date.

Regarding the forfeiture of dividends, it is important to note that since the inception of the RCPS-i, no preferential dividends have been declared due to the unavailability of distributable profits in the past. The RCPS-i carries the right to receive preferential dividends, subject to the availability of profits and approval by the Board of the Company. These dividends are expected to be paid out of distributable profits of the company, not later than six months from the first day of the calendar month following the RCPS-i issue date, at an expected preferential dividend rate of 5%.

Nur Khairina Binti Jamaludin posted the following question:

**Q26: I would like to take this opportunity to extend my compliments to the team responsible for the production of SEB's Annual Report this year. I commend them for delivering a report that exhibits very few information errors or misspellings and is exceptionally well-written in most sections. The quality of the report is highly appreciated, and I want to express my sincere appreciation to everyone involved. It was truly a pleasant read. Well done, and kudos to all the individuals who contributed.**

Response/Answer

A26: We extend our heartfelt gratitude for the appreciative comment. The success and quality of our work were made possible through the collective effort and perseverance of everyone in the team.

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**Nur Khairina Binti Jamaludin** posted the following questions:

- Q27: (i) Can the Company confirm whether it engages in hedging its borrowing?**
- (ii) If the Company does not engage in hedging, what are the mitigations implemented to minimize the foreign exchange impact?**
- (iii) Considering the migration from London Interbank Offered Rate (“LIBOR”), does the Company expect significant forex movement, and what measures are in place to address any potential impacts?**

Response/Answer

A27: Ms. Sumithra Krishnan, the Group Controller informed that Sapura Energy is unable to hedge its borrowing at the moment, primarily due to the freezing of all Interest Rate Swap (IRS) facilities by the lenders in response to its PN17 status. The current restructuring situation has impacted the availability of hedging facilities for the Group. As the new debt restructuring terms are still uncertain, there is a higher risk associated with potential premature cancellation of any existing hedging contracts.

**Teh Peng Tin** posted the following questions:

- Q28: (i) I would like to formally request a printed hard copy of the Company's Annual Report.**
- (ii) May I inquire whether the Company has plans to resume physical AGMs in the future? Kindly advise on this matter.**

Response/Answer

A28: Shareholders who wish to obtain a printed hard copy of the Annual Report can do so by reaching out to the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. or Company Secretary, Boardroom Corporate Services Sdn. Bhd., using the contact information provided in the Notice of AGM.

Regarding the format of future AGMs, the Company is considering the possibility of a hybrid AGM, incorporating both physical and virtual elements. However, this decision will be contingent on the financial position of the Company, and we will revert to a hybrid AGM when it is financially feasible and appropriate to do so.

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**Ajit Singh A/L Sarjit Singh** posted the following question:

**Q29: Is it true that Sapura Energy is planning to undergo a consolidation of its shares as part of its Restructuring plan?**

Response/Answer

A29: Sapura Energy has engaged advisors and has submitted a PRS that aims to optimize the Company's debt and capital structure. However, as the PRS is currently under negotiation with stakeholders, it would be premature to provide information regarding its potential impact on equity or any specific changes to the shareholding structure. Further details will be communicated once the PRS is firmly established, allowing the Company to address specific aspects related to the Restructuring plan.

**Lee Mun Hoe** posted the following question:

**Q30: Is the Board genuinely appreciative of the efficiency and transparency of the virtual general meeting? If so, could the Board provide concrete evidence as a justification.**

Response/Answer

A30: Sapura Energy has been conducting virtual AGM and Extraordinary General Meetings ("EGM") since 2020 in line with the Guidance Note issued by the Securities Commission Malaysia ("SC") to guide all companies listed on Bursa Malaysia Securities Berhad on the conduct of general meetings, including AGM and EGM during a period when the Movement Control Order ("MCO") is in place or outside of an MCO period.

The Board recognizes that the SC encourages companies to continue leveraging on technology even beyond the MCO period, to conduct meetings in a manner that will encourage and enable full shareholder participation, even from remote locations.

The Board acknowledges that virtual general meetings offer a range of benefits over traditional in-person meetings, including increased attendance, cost savings, convenience, enhanced accessibility, improved communication, and increased transparency.

In conducting the virtual general meetings, the Sapura Energy Board has always ensured that the Company complies with the requirements under section 327 of Companies Act 2016, including ensuring there is reliable infrastructure to enable the conduct of a fully virtual general meeting including enabling members to exercise their rights to speak and vote at the meeting and providing guidance to shareholders on the requirements and method of participating in the general meeting using the selected platform.

Sapura Energy has also provided shareholders with a dedicated contact number and/or email to submit queries or request for technical assistance to participate in the fully virtual general meeting.

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Additionally, a reliable Share Registrar is engaged to collate and verify proxy forms and resolving any issues arising over the validity of proxy instructions. Poll Administrators are engaged to conduct the polling process and Independent Scrutineers are appointed to verify the results of the poll.

**Ajit Singh A/L Sarjit Singh** posted the following question:

**Q31: Is Sapura Energy planning to monetize any other assets to increase its cash flow? If so, which specific assets are being considered for monetization?**

Response/Answer

A31: It was clarified that as part of the PRS presented to creditors, the Company intends to divest its interests solely in SapuraOMV. There are no other assets currently identified for divestment. However, the Company will continuously evaluate the efficiency and potential returns from its asset base for future considerations.

**Seng Ngit Siong** posted the following question:

**Q32: How does Sapura Energy plan to capitalize on the booming trend in the oil and gas market?**

Response/Answer

A32: Sapura Energy is actively focused on capitalizing on the improving oil and gas market by aiming to significantly boost its Order Book. The Company has been diligent in managing its cash flow to ensure self-sufficiency in its projects. However, to fully leverage the opportunities presented by the improving market, there is a critical need to revive access to working capital. The Board and Management are actively engaging with lenders and other stakeholders to restore Sapura Energy's credit lines. This strategic effort aims to enhance the Company's competitive position, particularly in the Southeast Asian region and emerging markets.

**Lee Tuck Feong** posted the following question:

**Q33: There have been long-standing issues within the Company that need to be addressed. Incompetent staff should be terminated. In parallel, the Company should be implementing a comprehensive training program will help nurture the talents of competent employees.**

**The Company needs to place a strong emphasis on fostering competency, integrity, and honesty.**

**To demonstrate appreciation and ensure shareholders do not feel marginalized, the Company should consider providing a Door Gift as a token of gratitude to shareholders attending the virtual meeting.**

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

Eleventh Annual General Meeting held on 28 July 2022 (cont'd)

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Response/Answer

A33: During the recovery stage, the Company has demonstrated positive progress, evident from the Q1 FY2024 results. As part of the Company's austerity measures in 2020, the manpower was reduced from 10,402 to 7,552, with full-time employees decreasing from 4,300 in FY2021 to approximately 2,400 in FY2023. Despite the reduction, the Company significantly increased its focus on training, with training hours rising by 85%. The Company is committed to employee development and provides various training opportunities, ranging from O&G specialist training/certification to enhancing professional skills, project management, and soft skills training. Additionally, the Company conducts internal training led by subject matter experts within the organization.

Recognizing the importance of talent retention and growth, the Company has conducted capability assessments and competency interviews, resulting in the internal promotion of 658 employees. The Company offers career advancement opportunities for managerial and specialist roles, as well as global mobility options for its staff. The performance management system has been refined, incorporating specific Key Performance Indicators and Behavioural criteria, which has contributed to the capabilities and talent required to secure and execute projects effectively, as reflected in the recent results.

**Ajit Singh A/L Sarjit Singh** posted the following question:

**Q34: We, as significant shareholders of Sapura Energy, are accumulating more shares of the Company due to our confidence in its potential for a successful turnaround. We extend our appreciation to the GCEO and the entire team for a job well done thus far. Continue to maintain this positive momentum moving forward.**

Response/Answer

A34: The Chairman expressed his sincere gratitude for the show of support. The confidence in the Company's potential for a successful turnaround is deeply appreciated. He viewed that the Board and the Management understand the gravity of shareholders' trust and are fully committed to steering the Company towards creating value for shareholders.