

The Chairman also reminded all shareholders that the quality of the connectivity to the virtual Meeting portal for live webcast, as well as for remote online voting, were highly dependent on the bandwidth and stability of the internet connection available at the location of the remote users.

ITEM 2.0

QUORUM

Before proceeding with the Meeting proper, the Chairman requested the Company Secretary to confirm if there was a quorum for the Meeting.

Upon confirmation by the Company Secretary on the participation of the requisite quorum pursuant to Article 61 of the Company's Constitution, the Chairman called the Meeting to order.

The Chairman introduced all members of the Board, Senior Management and the Company Secretary who participated via the video conference facilities remotely.

ITEM 3.0

NOTICE

Notice convening the Meeting dated 7 July 2022 in accordance with the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("**MMLR**") had been circulated within the prescribed period and was taken as read.

SHAREHOLDERS AND PROXIES REGISTERED

Upon request by the Chairman, the Company Secretary informed that that the total number of shareholders who had registered via Remote Participation E-Voting was 944 for a total of 125,388,154 ordinary shares representing 0.78% of the issued shares of the Company.

The total number of proxy forms received within the prescribed period from the shareholders were 152 for a total of 8,810,516,017 ordinary shares representing 55.13% of the issued shares of the Company.

Out of these, there were 32 shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 104,764,873 ordinary shares representing 0.66% of the issued share capital of the Company.

ITEM 4.0

POLLING AND ADMINISTRATIVE DETAILS

The Chairman declared that all resolutions in the Notice of the 11th AGM shall be voted by poll in accordance with Paragraph 8.29A of the MMLR. As the Chairman of the AGM, the Chairman exercised his rights to direct the vote on the resolutions set out in the Notice of the AGM to be conducted by way of poll pursuant to Article 65 of the Company's Constitution.

The Chairman reminded all shareholders that ONLY registered shareholders or proxies or corporate representatives appointed by shareholders may vote on each of the resolutions.

Boardroom was appointed and would act as the Poll Administrator to conduct the poll by way of electronic voting and SKY Corporate Services Sdn. Bhd. was appointed and would act as Independent Scrutineers to verify the poll results for the Meeting.

Upon invitation by the Chairman, Boardroom presented a short video presentation on the polling procedure.

Thereafter, the Chairman also invited the Company to present a video in which employees of the Company talk about their journey to rebuild the Company's future.

ITEM 5.0

PRESENTATION BY GROUP CHIEF EXECUTIVE OFFICER

The Meeting started with slide presentation by the Group Chief Executive Officer ("GCEO"), Datuk Mohd Anuar Taib, which included amongst others, the following:-

1. Company's challenge is not unique and felt across the segment;
2. Lookback at FY2022 – A very challenging year;
3. Path to recovery;
4. Restructuring requires holistic approach;
5. What drives our Reset Plan;
6. Progress in creating a stable platform;
7. New order intake secured to-date;
8. Q1 FY2023 Results – Green shoots of recovery;
9. Reset Plan – Foundation to PN 17 exit;
10. What future looks like – long-term sustainable business; and
11. Pursuing a rapidly recovering market.

ITEM 6.0

AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 31 January 2022 together with the Reports of the Directors and Auditors ("**Audited Financial Statements**") were tabled before the Meeting in accordance with Section 340(1) of the Companies Act 2016 for discussion. As formal approval by the shareholders was not required, the matter was not put forward for voting and the Chairman then proceeded to the next item on the Agenda.

ITEM 7.0

ORDINARY RESOLUTION 1
RE-ELECTION OF DATO' SHAHRIMAN SHAMSUDDIN AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 1 was to seek shareholders' approval in relation to the re-election of Dato' Shahrیمان Shamsuddin, a Director who retires by rotation pursuant to Article 80 of the Company's Constitution. Dato' Shahrیمان Shamsuddin, being eligible, had offered himself for re-election.

The poll of Ordinary Resolution 1 was conducted later.

ITEM 8.0

ORDINARY RESOLUTION 2
RE-ELECTION OF DATUK RAMLAN ABDUL RASHID AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 2 was to seek shareholders' approval in relation to the re-election of Datuk Ramlan Abdul Rashid, a Director who retires by rotation pursuant to Article 80 of the Company's Constitution. Datuk Ramlan Abdul Rashid, being eligible, had offered himself for re-election.

The poll of Ordinary Resolution 2 was conducted later.

ITEM 9.0

ORDINARY RESOLUTION 3
RE-ELECTION OF MR LIM FU YEN AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 3 was to see shareholders' approval in relation to the re-election of Mr Lim Fu Yen, a Director who retires pursuant to Article 85 of the Company's Constitution. Mr Lim Fu Yen, being eligible had offered himself for re-election.

The poll of Ordinary Resolution 3 was conducted later.

ITEM 10.0

ORDINARY RESOLUTION 4
RE-ELECTION OF ENCIK ROHAIZAD DARUS AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 4 was to seek shareholders' approval in relation to the re-election of Encik Rohaizad Darus, a Director who retires pursuant to Article 85 of the Company's Constitution. Encik Rohaizad Darus, being eligible, had offered himself for re-election.

The poll of Ordinary Resolution 4 was conducted later.

ITEM 11.0

ORDINARY RESOLUTION 5
PAYMENT OF DIRECTORS' FEES AND BENEFITS TO NON-EXECUTIVE DIRECTORS

The Chairman informed that Ordinary Resolution 5 was to seek shareholders' approval on the payment of Directors' fees and benefits to Non-Executive Directors up to an amount of RM2,700,000 from 29 July 2022 until the next AGM of the Company in 2023.

The poll of Ordinary Resolution 5 was conducted later.

ITEM 12.0

ORDINARY RESOLUTION 6
RE-APPOINTMENT OF ERNST & YOUNG PLT (“EY”) AS AUDITORS

The Chairman informed that Ordinary Resolution 6 was to seek shareholders’ approval in relation to the re-appointment of EY who had indicated their willingness to continue in office as Auditors of the Company. If re-appointed, EY would hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors of the Company.

The poll of Ordinary Resolution 6 was conducted later.

ITEM 13.0

ORDINARY RESOLUTION 7
PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman informed that he was an interested party to the Ordinary Resolution 7. Therefore, the Chair was passed to the Senior Independent Non-Executive Director, Mr Lim Tiang Siew. Mr Lim Tiang Siew informed that Ordinary Resolution 7 was to seek shareholders’ mandate in relation to recurrent related party transactions of a revenue or trading nature.

The details of the proposed new shareholders’ mandate was set out in the circular to shareholders dated 7 July 2022 (“**the Circular**”).

Mr Lim Tiang Siew also informed that the recurrent related party transactions for items 27 to 31 on page 7 of the Circular were removed from the Proposed Shareholders’ Mandate as Johor Port Berhad was no longer a related party. The errata to the Circular was uploaded to the Company’s website.

The shareholders noted that Directors of the Company namely, Dato’ Mohammad Azlan, Dato’ Azmi Mohd Ali and Encik Rohaizad Darus were deemed interested in the Proposed New Shareholder Mandate. The interested Directors and persons connected to them abstained from the deliberations and voting on this resolution.

The interested Major Shareholder, AmanahRaya Trustess Berhad also abstained from voting in respect of its direct/indirect shareholdings in the Company on the resolution deliberating or approving the Proposed New Shareholders’ Mandate.

The poll of Ordinary Resolution 7 was conducted later.

Mr Lim Tiang Siew then passed the Chair back to the Chairman.

ITEM 14.0

REPLY TO MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) QUESTIONS

The Chairman informed that the Company had on 19 July 2022, received a letter from the MSWG with relevant questions. The responses to the questions by the Company were read by the Company Secretary and displayed on the screen for the benefits of all participants.

A copy of the MSWG's questions and the Company's responses were set out in **Appendix I** enclosed herewith.

ITEM 15.0

QUESTIONS AND ANSWERS SESSION

The Board together with the Senior Management addressed several written questions posted by shareholders, proxies and corporate representatives via the chat box of the virtual platform. The questions and answers were set out in **Appendix II** enclosed herewith.

The Chairman invited Boardroom to again present a short video presentation on the polling procedure.

The Chairman informed the Meeting that the Company had not received any notice for any other business to be transacted at the Meeting.

ITEM 16.0

POLLING AND RESULTS

The Chairman announced the commencement of voting session and Ordinary Resolutions 1 to 7 were put to vote. The Chairman informed that the Audited Financial Statements had been duly received by the shareholders and that he was appointed as proxy for a number of shareholders and voted in accordance with the instructions given. After 10 minutes, the voting session was closed, and the Scrutineers took 15 minutes to verify and confirm the poll results.

The Meeting resumed at 12.55 p.m. for the declaration of the results of the poll. Based on the results, the Chairman declared that all Ordinary Resolutions 1 to 7 tabled and voted at the 11th AGM of the Company were carried.

Details of the poll results were as follows:-

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
<u>Ordinary Resolution 1</u>			
To re-elect Dato' Shahrman Shamsuddin, who retires by rotation pursuant to Article 80 of the Constitution of the Company and who being eligible offers himself for re-election.	8,786,546,906 (99.1394 %)	76,269,098 (0.8606 %)	Carried

It was RESOLVED:-

“THAT Dato' Shahrman Shamsuddin who retired pursuant to Article 80 of the Constitution of the Company be and is hereby re-elected as Director of the Company.”

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
Ordinary Resolution 2			
To re-elect Datuk Ramlan Abdul Rashid, who retires by rotation pursuant to Article 80 of the Constitution of the Company and who being eligible offers himself for re-election.	8,849,577,443 (99.8622 %)	12,213,346 (0.1378 %)	Carried

It was RESOLVED:-

“THAT Datuk Ramlan Abdul Rashid who retired pursuant to Article 80 of the Constitution of the Company be and is hereby re-elected as Director of the Company.”

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
Ordinary Resolution 3			
To re-elect Mr Lim Fu Yen, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	8,857,249,191 (99.9488 %)	4,541,598 (0.0512 %)	Carried

It was RESOLVED:-

“THAT Mr Lim Fu Yen who retired pursuant to Article 85 of the Constitution of the Company be and is hereby re-elected as Director of the Company.”

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
Ordinary Resolution 4			
To re-elect Encik Rohaizad Darus, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	8,842,847,648 (99.7862 %)	18,943,141 (0.2138 %)	Carried

It was RESOLVED:-

“THAT Encik Rohaizad Darus who retired pursuant to Article 85 of the Constitution of the Company be and is hereby re-elected as Director of the Company.”

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
Ordinary Resolution 5			
To approve the payment of Directors' fees and benefits up to an amount of RM2,700,000 to the Non-Executive Directors of the Company with effect from 29 July 2022 until the next Annual General Meeting of the Company in 2023.	8,845,170,582 (99.8185 %)	16,081,822 (0.1815 %)	Carried

It was RESOLVED:-

“THAT the payment of Directors' fees to the Non-Executive Directors of the Company with effect from 29 July 2022 until the next Annual General Meeting of the Company in 2023 be and is hereby approved.”

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
Ordinary Resolution 6			
To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to determine their remuneration.	8,853,001,268 (99.9008 %)	8,789,251 (0.0992 %)	Carried

It was RESOLVED:-

“THAT Ernst & Young PLT be and are hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
Ordinary Resolution 7			
Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	2,441,382,700 (99.8277 %)	4,213,497 (0.1723 %)	Carried

Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

It was RESOLVED:-

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

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

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

whichever is earlier;

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

ITEM 17.0

CONCLUSION OF THE ELEVENTH ANNUAL GENERAL MEETING

There being no other business to be transacted, the Chairman declared the Meeting closed at 1.00 p.m. and thanked the shareholders, proxies, corporate representatives and invitees for their participation.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Confirmed as Correct Record,

**Dato' Mohammad Azlan Abdullah
Chairman**

Dated:

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

(Incorporated in Malaysia)

ELEVENTH ANNUAL GENERAL MEETING (FULLY VIRTUAL)

THURSDAY, 28 JULY 2022 AT 10.00 A.M.

REPLY TO MINORITY SHAREHOLDERS WATCH GROUP

Q1: The Board is confident that the Reset Plan is on track to deliver improved results in Financial Year 2023 (“FY2023”), placing the Company on the right path towards financial and operational stability. (Page 9 of the Annual Return (“AR”))

(a) Please outline the Reset Plan that will turnaround the Group’s financial position.

(b) What is the timeline for the Board Reset Taskforce to turnaround the Group to profitability?

Response/Answer

A1: (a) Our Reset Plan will be the foundation to our regularisation plan, creating a stable platform to turnaround its financial position and exit PN17. There are three priorities of the Reset Plan:

- (i) Rebuild our balance sheet by improving the Group’s capital structure and financial framework, including reducing unsustainable debt and resolving aged payables through the Scheme of Arrangement process;
- (ii) Strengthen our operations through the formula of “Bid Right, Execute with Discipline”.
- (iii) Chart future business direction by reviewing the Group’s portfolio and organisation to keep what’s core and in line with energy transition plans.

Group Chief Executive Officer, Datuk Mohd Anuar Taib provided a comprehensive explanation of the Reset Plan and its progress, during his presentation at this Annual General Meeting.

(b) Due to the sheer breadth of the restructuring, we are unable to give an indicative timeline at this point of time. Our aim is to complete our Reset Plan as soon as possible, but it is also worth noting that typically a restructuring exercise will take between 12 – 36 months.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Q2: The Company intends to restructure Sapura Energy's business through a Reset Plan to divest non-core businesses and assets, improve bidding and project delivery capabilities and implement a robust financial framework to ensure financial discipline. (Page 18 of AR)

(a) What are the non-core businesses and assets that the Group has identified to dispose?

(b) What is the expected value to be realised from the disposal of the Group's non-core businesses and assets?

(c) Has the Group managed to dispose any non-core businesses and assets as of June 2022? If yes, what was the realised value of the business or assets.

Response/Answer

A2: (a) (b) We are unable to disclose further details at this point of time. However, the Group is actively reviewing and evaluating its portfolio and organisation with its advisors to keep what's core and in line with the global and domestic energy transition plans.

What is certain is that our goal post-restructuring is to emerge as a stronger, leaner, and more efficient organisation.

(c) The Group has successfully signed an MoU in May 2022 with Safeen Feeder Co – Sole Proprietorship LLC, a company in the Abu Dhabi Ports Group of Companies, for the disposal of its pipe-laying and crane vessel Sapura 3000, for a total cash consideration of USD71.5 million or approximately RM312.8 million.

Q3: Cash flow constraints have resulted in missed payments by the Group to vendors, with overdue payables amounting to more than RM1 billion by end FY2022/ (Page 10 of AR)

Please explain the measures taken by the Group to address the RM1 billion cash flow constraints faced by the Group.

Response/Answer

A3: The Group aims to resolve its outstanding payables to vendors through the Scheme of Arrangement (SOA) process, a platform to formulate a commercially viable and court-sanctioned restructuring scheme.

We are committed to work as quickly as possible with all our stakeholders for a fair and equitable solution.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

In the meantime, the Group is working hard to address its cashflow constraints to preserve liquidity by:

- Intensifying efforts to materialise outstanding claims and change orders
- Continuous rigor in operational tracking on billing and collections
- Reducing invoicing cycle for unbilled revenue
- Keeping a close watch on cost and reduce our cost base through savings in our General & Administrative costs

Q4. The Group's revenue from the constructing contracts in the Engineering and Construction business segment reduced to RM1.879 million in FY 2022 from RM3.107 million in FY 2021, a reduction of RM1.228 million or 39.5%. (Page 128 of AF)

(a) What was the reason for the lower revenue in FY 2022?

(b) How much contracts from which the Group wanted to recover the cost overrun due to COVID-19 of limit the projects losses.

(c) What is the value of the legacy contracts that are still outstanding in FY 2023 and beyond?

Response/Answer

A4: (a) Due to a few reasons: higher costs and provision for foreseeable losses that resulted for lower revenue recognition, recognition of Liquidated Damages, derecognition of some unapproved claims and descoping for certain contracts.

(b) Total revenue recognised from such contracts was RM1.3 billion.

Project	FY22 Revenue (RM million)
ENI Amoca	392
Khalij	263
Yunlin	181
Hess Phase 3	150
CPOC Andalas	108
98/2	92
Seligi	76
PRP7	43
Shell Bukom	40
PRPV	1
Total	1,346

(c) As at Q1 FY 2023, the composition of legacy contracts represents approximately 20% of the RM8.3 billion Sapura Energy Berhad group total order book.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Q5: The Group's revenue from construction division in the Operations and Maintenance business segment also dropped substantially from RM581.8 million in FY2021 to RM167.5 million in FY 2022, a reduction of RM414.3 million or 71.2%. (Page 128 of AR)

(a) Please explain the reasons for the lower revenue from the construction contracts in the Operations and Maintenance business segment in FY 2022.

(b) What were the losses generated from the construction contracts in the Operations and Maintenance business segment in FYs 2022 and 2021?

Response/Answer

A5: (a) The lower revenue from the construction contracts in the Operations and Maintenance business segment in FY2022 was mainly attributable to lower revenue from ongoing projects that are reaching completion, contract expiry and lower revenue recognised for newly awarded projects during the year.

(b) The operating (losses)/profit generated from construction contracts in O&M were RM(262 million) and RM91 million for FY 2022 and FY 2021 respectively. These were mainly attributable to the additional cost arising from prolongation projects period and additional cost from COVID -19 impact.

Q6: The Group's revenue from drilling related services in the Drilling business segment increase to RM197.9 million or 47.2% from RM419.3 million in FY 2021 to RM617.2 million in FY 2022. (Page 128 of AR)

(a) Please explain the reason for the higher revenue in FY 2022.

(b) What were the earnings before interest, taxes, depreciation and amortisations ("EBITDA") from the drilling related services in both FYs 2022 and 2021?

Response/Answer

A6: (a) The higher revenue in FY 2022 is mainly due to:

(i) Contract secured under Integrated Rig Drilling & Completion (iRDC) from Petronas, which is a new contracting concept combining rig, drilling services and completion services under a single contract. Sapura Drilling has been awarded with the first iRDC contract in Malaysia partnering with Halliburton.

(ii) Higher rigs utilization days by 11% as activity picks up in the post-Covid recovery.

(b) The Drilling division's EBITDA in FY2022 was RM349 million, while in FY2021 it was RM290 million.

Q7: The Group has provided RM1,120 million as a provision for foreseeable losses in FY 2022 as compared to RM193 million in FY 2021. (Page 131 of AR)

The provision is in respect of some construction contracts losses.

(a) Please name the construction contracts and the respective provisions in the RM1,120 million provisions.

(b) What are the steps taken by the Group to ensure that the foreseeable loss will not increase further?

Response/Answer

A7: (a) The formula to prevent a repeat of such performance is our “Bid Right; Execute with Discipline” mantra. This includes being selective in our bidding with a focus in the areas where we are competitive and incorporating appropriate risk appetite. We are also improving our execution capabilities with a stronger focus in cost and contract management.

(b) The formula to prevent a repeat of such performance is our “Bid Right; Execute with Discipline” mantra. This includes being selective in our bidding with a focus in the areas where we are competitive and incorporating appropriate risk appetite. We are also improving our execution capabilities with a stronger focus in cost and contract management.

Q8: In February 2022, the Group terminated the contract for the transportation and installation of monopiles at the Yunlin offshore wind farm in Taiwan. The decision was taken after exhausting avenues for an amicable solution. (Page 10 of AR)

(a) What was the cumulative loss from the Yunlin offshore windfarm?

(b) Why did the Group take a long time to terminate the Yunlin offshore wind farm as it has incurred losses from the start?

Response/Answer

A8: (a) This contract is still under dispute resolution process, hence we are unable to disclose the cumulative loss in order to protect the Company’s commercial interest.

(b) Firstly, incurring project losses is not necessarily a trigger to terminate any contract. The Company and its client should explore all available avenues operationally and contractually to resolve any disputes. Only after such avenues have been fully exhausted, initiation for contract termination could proceed. It is paramount for the Company to protect all its legal and commercial rights under the contract, hence extreme care must be taken before deciding on terminating the contract.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

(Incorporated in Malaysia)

ELEVENTH ANNUAL GENERAL MEETING (FULLY VIRTUAL)

THURSDAY, 28 JULY 2022 AT 10.00 A.M.

QUESTIONS AND ANSWERS

Azhar Bin Khamaruzaman posted the following question:

Q1: I humbly request the BOD to give e-wallet or e-voucher to attendees as token of appreciation. I believe the token sum is small, manageable and within annual budgeted expenses.

Response/Answer

A1: The Chairman thanked shareholders for attending the Annual General Meeting (“AGM”). However, given the Company current financial situation, the Company would not be able to give door gifts or E-Vouchers for the Eleventh AGM.

Lee Choon Meng posted the following question:

Q2: Are the Board members confident that the Company can resolve its financial woes without causing more losses on investments to the minority shareholders and improve Return on Investment for the minority shareholders?

Response/Answer

A2: The Chairman replied that a successful restructuring would require time and the collaborative effort from all parties involved. The Chairman expressed confidence that the Company would be able to emerge from the current situation given the Company’s financial results for the period ended 30 April 2022 together with the recent contract wins. These are indicators that the Company is moving in the right direction to improve the value of the Company, especially post-restructuring.

Several international oil and gas companies were in similar situations have recovered since. The Chairman believes that the trust that the Company has built thus far through the Company’s core values and capabilities will provide an impetus for the Company to turn around and create value for stakeholders.

With the hard work from the Board, management and staff as well as support from stakeholders, the right solution will be found. The current focus is on plans that have been set out within the framework and to achieve the outcome within the set timeline.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Kamarul Baharin Bin Albakri posted the following questions:

- Q3: (i) Considering the Company is under Practice Note 17 (“PN 17”), why does Sapura need a Board of this size?**
- (ii) Has the Board considered reducing the size of the Board to save cost?**
- (iii) Do the current Board members have the experience in turning around companies under a PN 17?**

Response/Answer

- A3: (i)** The Chairman replied that the Board is slightly smaller this year compared to year 2021 with only 10 Board members as opposed to 11. The composition of the Board is continuously being reviewed based on the skill set required to address the current financial situation. There are new Board members that have the required skills to assist in the Corporate Restructuring while also having the technical and operational skills to oversee the total business operations of the Group.
- (ii)** Under resolution 5 of the AGM, shareholders’ approval was sought to approve payment of Directors’ fee and benefits to Non-Executive Directors up to amount of RM2,700,000 from 29 July 2022 until the next AGM of the Company in 2023. This was an approximately 40% decrease from the approval that was sought in the year 2022. This shows a commitment from the Board to reduce costs.
- (iii)** The Chairman believed that there is a right balance of competency and experience to turn around the Company with the current Board members together with the the Management and third-party advisors. For example, Mr Lim Tiang Siew has more than 30 years of experience in banking and corporate finance. Mr Lim Fu Yen has more than 20 years of experience in Corporate Restructuring with focus on oil and gas companies in Malaysia. While Encik Rohaizad Darus has more than 30 years experience in oil and gas operations. Mr Cosimo Borrelli has more than 30 years experience in Corporate Restructuring at a global level. The Group Chief Executive Officer (“**GCEO**”) namely, Datuk Mohd Anuar Taib has international exposure from his position in Petronas. The Chairman viewed that there is currently a right mix of experience and skills to complete the Corporate Restructuring.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Lim Joo Siang posted the following questions:

Q4. Base on business progression, when is the next predicted declaration of dividends?

Response/Answer

A4: The Chairman replied that, at this juncture, the next declaration of dividends would be hard to predict as the Company's debt restructuring is one of the largest and most complex in the history of Malaysia. The payment of dividends must be made out of profit of the Company. The process of restructuring will realistically take some time. The Company is currently focused on liquidity i.e. cash conservation and turning around the financial position of the Company. The Board is not recommending the payment of dividends at this point in time. The Board is committed to completing the Corporate Restructuring as quickly as possible by coming to a consensual, fair and equitable solution and to return value to shareholders.

Q5: (i) Based on fact, what is the prediction for business outlook in the second half of 2022 and first half of 2023? Will it be good, moderate or bad? Will the Company's operating, management, global supply and demand be in good condition?

(ii) Will the long term (3 to 5 years) business outlook have a negative impact on the core business? Will the Company's operation, management, global supply and demand be in good condition?

(iii) Is the debt manageable? Is the Company optimistic?

Response/Answer

A5: (i) The GCEO stated there was a lack of investment in the past 8 years which has led to an increase in the investment profile amongst key players in the industry within the next 5 years. It is important for the Company to take advantage of the expected rise in activities in the oil and gas activities. There is currently a surge in oil and gas price and as such focus has shifted to energy security. Countries that are currently importing oil and gas are looking to invest in renewable energy to ensure energy security. The Company is in the process of turning around to face uncertainties such as recession and inflation as well as other additional activities in the energy business.

(ii) The GCEO also replied that the Company engaged in vigorous discussions with lenders to reduce the unsustainable debt level of the Company. All parties have agreed that it would be better for the stakeholders and Malaysia's ecosystem as a whole if the Company is sustainable.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Azhar Bin Khamaruzaman posted the following questions:

Q6: Has the Company committed to a net-zero pledge? If yes, what is the strategy to achieve this target?

Response/Answer

A6: The GCEO stated that the Company is currently focused on the Corporate Restructuring of the Company. However, the Company is collecting data on emission of Co2 and utilisation of fuel of all vessels and facilities globally. Once the Corporate Restructuring of the Company has been completed, actions would be taken to achieve a net zero position in the future. At the beginning of 2022, when the Company divested the mature oil fields from SapuraOMV Upstream Sdn. Bhd. ("**SapuraOMV**"), the Co2 emission of the electromagnetic pulse ("**EMP**") business decreased by 95%.

Q7: What is your ratio of standard entry-level wage by gender, compared to the local minimum wage?

Response/Answer

A7: The GCEO replied that the Company is an equal opportunity employer and people are employed globally. There is no discrimination to pay based on gender, race, ethnicity, religion and etc. The Company takes labour and human rights policy seriously. Entry level for both male and female staff around the world are paid the same. All employees of the Group are paid above minimum wage around the world. The Company believes that employees are loyal when they are rewarded well. The Company also hires more local workers than foreign workers even though it may increase costs as it will improve the local economy when salaries are spent in Malaysia as opposed to being expatriated overseas. Remuneration is benchmarked annually to remain competitive.

Q8: Is there high turnover at the Board level, especially among the independent directors? If so, it might indicate that all may not be well in the Company.

Response/Answer

A8: The Chairman replied that only 2 independent directors of the Company have left since the Tenth AGM. The Chairman thanked all former Board members in forming a foundation for the operational reset of the organisation. All Board members are working closely with the Management to ensure that the Company is a going concern, for the benefit of all stakeholders.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Teo Cher Ming posted the following questions:

Q9: Does the Board and Management have the full support of the major shareholder, Permodalan Nasional Bhd (“PNB”) for the turnaround activities of the Company?

Response/Answer

A9: The Chairman viewed that it would not be appropriate to speak on behalf of PNB. However, the Chairman believes that support and understanding from all stakeholders are required to serve as a stable platform for the Company to succeed.

Q10: How much more of the onerous contracts in terms of value need to be addressed by the Company or is the Taiwan/ONGC project the only one for now? Any further breakdown in terms of region/country that can be provided?

Response/Answer

A10: The GCEO replied that apart from the contracts in Taiwan and India, there are 4 other contracts being addressed in Brunei, Singapore and Saudi Arabia. The 4 contracts are valued at approximately RM1.1 billion. These 4 contracts are also at the advance stages of negotiations with the respective clients to mitigate risks and to address cash flow deficits as well as to agree on commercial settlements. Additionally, there are a few contracts in Malaysia that is undergoing peer review to obtain resolutions from clients.

Q11: Since oil price has climbed even higher compared to the last AGM, has the Company seen rate normalisations on rental rates of vessels/rigs and accelerated capital expenditure spending by oil and gas firms. Is asset utilisation rate improving compared to last year for the vessels and rigs?

Response/Answer

A11: GCEO replied that the majority of the Company’s business is in oil and gas rather than EMP. On the EMP side, a related company, SapuraOMV would have benefited from the increase in oil and gas price. However, SapuraOMV is currently in the development phase of a major platform, Jerun and is spending a lot on capital expenditure. There is no money going in or out of the Company in relation to this project.

On the service side of the business, an uptick in clients’ capital investment plans as well as high utilisation rates can be seen. Increase in charter rates are usually slower than utilisation rates. The Company has secured an additional 4-5 year rig contracts. Therefore, by the end of 2022 or early 2023, the Company would potentially have secured 11 rig contracts.

In respect of the Engineering and Construction (“E&C”) segment, there was a lower utilisation rate. Some projects have been deferred due to rise in oil price.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

In relation thereto, Sapura's fleet has been split into 2. Sapura 900 and Sapura 3500 are in the Atlantic while 6 pipe laying support vessels (PLSV) in Brazil had a utilisation rate of about 95% this year. The Company needs to be ready for the potential growth in client spent and the uptick in activities and potentially higher rates.

Q12: The question in the minds of all the investors is that with all the restructuring activities taking place, will Sapura require another round of rights issue? What are the plans for the Redeemable Cumulative Preference Shares ("RCPS") that is due to expire in the year 2024? Will the Company be extending the RCPS? Sapura has not paid any dividends in respect of the RCPS. Will RCPS holders be affected by the Scheme of Arrangement ("SoA")?

Response/Answer

A12: Mr Andy Chew, the Group Financial Officer ("GCFO") replied that the Corporate Restructuring would impact all equity holders. All options are being considered to achieve a sustainable balance sheet and to have a healthy balance between debts and equity. A decision has not been made in regards to the composition of RCPS, rights issue or etc. The Management is working with all stakeholders and advisors to complete the SoA and any impact would be announced.

Adenan Bin Md Yusof posted the following questions:

- Q13: (i) Is the current arrangement of paying a substantial amount to Tan Sri Shahril Shamsuddin ("Tan Sri Shahril") for the right to use the name "Sapura" still in place? If so, what is the amount charged?**
- (ii) How about the commitment to relocate Sapura Tower in KLCC? Did Sapura Energy Berhad sign a tenancy agreement with Tan Sri Shahril? If so, what is the rental amount?**

My suggestion is to rescind any agreements that are so one sided and do not benefit the company per se. As it is Sapura Energy is struggling in putting its financial position in order.

Response/Answer

- A13: (i) The Chairman clarified that the Intellectual Property ("IP") fee is between Sapura Energy Berhad and Sapura Holdings Sdn. Bhd. ("SHSB"). SHSB held the key licenses. The Company paid SHSB RM10 million as IP fee in the year 2021 but payment has yet to be made in the year 2022. The Company is currently in negotiations with SHSB to come to a mutual agreement on the IP fees to be paid for the year 2022 onwards based on the value, support and service being provided by SHSB. Any support or service being provided by SHSB currently is minimal and ongoing contracts using the SHSB's IP is for non-core business and is small compared to the overall business plan of the Group.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

- (ii) The Chairman informed the shareholders that the Lease Agreement at the KLCC area with Sapura Resources Berhad has been terminated by mutual agreement. The Company will continue to be a tenant at the office located at The Mines as the rent has been reduced by 30%. The Chairman then thanked Sapura Resources Berhad for their understanding and for mutually agreeing to the termination of the Lease Agreement.

Lee Mun Hoe posted the following question:

Q14: What steps are currently being taken by the Management to improve financial performance?

Response/Answer

A14: The GCFO replied that the Company is currently renegotiating legacy and pre-Covid contracts that have unfavourable terms. Covid claims and addition costs incurred in relation thereto would be negotiated with the clients to recover at least a portion of losses. It is also important for the Company to win new contracts with the Company's philosophy of "Bid Right, Execute with Discipline". Focus would be placed on contract management and cost management to ensure that profit margins are not eroded. These are the few steps being taken to improve financial performance of the Company.

Q15: What is the progress of the turnaround plan to-date?

Response/Answer

A15: The GCEO stated that significant progress has been made on the Reset Plan. The situation at the end of last year was dire with no monthly significant cash burn, vessel arrest and winding up petitions against the Company which made it hard for the Company to continue operations to gain income. There were many projects that were loss making and burning cash. There were no working capital or credit facilities and cash was needed to continue to operate. Since then, the Company has managed to secure a Restraining Order which provides the Company about 12 months to complete the SoA to achieve a resolution that is consensual and fair to all parties. Renegotiations with clients have resulted in cash burning projects turning cash neutral. RM300 million of working capital was also raised together with the divestment of Sapura 3000. Mr Cosimo Borrelli is a Director on the Board that serves as a representative of the lenders and is working together to ensure that all parties reach an agreement in bringing the Company to a long-term sustainable business position.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Q16: What is the Company's major achievement in the past 1 year?Response/Answer

A16: The GCEO stated that green shoots of recovery can be seen from the Company and the situation is still fragile. All operating divisions are showing positive segmental Earnings Before Interest, Tax, Depreciation and Amortisations ("**EBITDA**"). Turbulence may be expected in the future but the Management is committed in ensuring that sustainable and consistent results are achieved for all projects. Good progress has been made in the Reset Plan to create a stable platform for the Company. Good headway has also been made in renegotiations with clients in relation to unfavourable contracts. Even given the current situation of the Company, new contracts are being won without Bank Guarantees. As of this year, the Company has been awarded RM2.7 billion worth of contracts with more balanced terms both locally and regionally. This proved that clients still had trust and confidence in the Company. The Company's orderbook stands at approximately RM8.3 billion which is the highest orderbook within the last 10 quarters. A RM300 million working capital facilities was raised from a bank. In addition to that, the Sapura 3000 vessel was disposed of to raise funds internally.

Teo Cher Ming posted the following question:

Q17: In terms of Covid 19/inclement weather-related cost amounting to RM570 million mentioned in the Annual Report, how much has been recovered partially/fully to date from customers? Could the Company please provide and updated as this could be a valuable source of cash flow.

Response/Answer

A17 The GCFO agreed that this would be a valuable source of cash. A total for approximately RM452 million worth of Covid 19 related claims have been submitted to clients across the globe. To-date, approximately RM151 million worth of claims have been approved by clients and a majority has been paid by clients. There are claims that are still being negotiated as the contracts were signed pre-Covid and there was no clause in the contracts to provide for situations such as Covid. Therefore, the progress of negotiation will take time. Rest assured everything is being done to maximise recovery.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Koh Li Shi posted the following questions:

Q18: How long do you estimate for the Company to be release from PN 17?

Response/Answer

A18: The GCFO replied that the SoA and Restraining Order was granted to the Company until 10 March 2023. There should be enough time to conclude the SoA with the trade creditors and lenders. However, the Company would still have to comply with the requirements of the Bursa Securities Main Market Listing Requirements (“MMLR”) in order to emerge from PN 17. For example, after the completion of the Restructuring Plan, the Company would have to demonstrate successive quarters of positive results. Given the size and complexity of the Company’s restructuring, it will take approximately 12 to 24 months for the Restructuring to be completed. The Company would not be able to provide a specific timeline for the Company to be released from PN 17.

Q19: How will the Company overcome the PN 17 status?

Response/Answer

A19: The Chairman replied that the Balance Sheet of the Company would need to be rebuilt by improving the capital structure and financial framework of the Company. Level of debts would have to be balanced and payable through the SoA. Internally, operational excellence would have to be strengthened and fine-tuned. Job execution would need to follow the mantra of “Bid Right, Execute with Discipline”. There is also a more robust risk assessment of risk management framework. Liquidity is being managed, cash generation and profitability is being monitored. With the capabilities that the Company have, the Company would be able to execute based on the risk appetite of the Company. Last but not least, the Company would focus on the future business direction of the Company. Core activities that are in line with future energy transition plans would be retained and improved.

Hong Kai Sze posted the following question:

Q20: When can the debt be settled and the debtors be converted to become shareholders?

Response/Answer

A20: The GCEO replied that the Company is still currently undergoing Restructuring. The management is working with the lenders as well as third party advisors such as Sage 3 Sdn. Bhd., PricewaterhouseCoopers Advisory Services Sdn. Bhd., Rahmat Lim & Partners, Kirkland & Ellis and Mr. Cosimo Borrelli to explore all options in ensuring that the right composition in terms of debt and capital be achieved. An answer to the question cannot be given yet but all options are being considered and will form part of the Regularisation Plan that will be submitted for approval.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Lee Kian Hong posted the following questions:

Q21: What is the business outlook for current oil and gas industry?

Response/Answer

A21: The GCEO replied that the oil and gas industry is gaining traction and prices had increased. Events around the world has limited the supply of oil and gas and demand is growing. It would be important for the Company to achieve a successful reset outcome in order to provide the Company with a strong platform to leverage on the strong rebound in the global energy sector capital expenditure.

Q22: (i) What is the strategy to bring back Sapura and free from PN17?

(ii) What is the strategy to sustain the Company if oil price collapse again?

Response/Answer

A22: (i) This question has been addressed earlier.

(ii) The GCEO replied that while oil price will fluctuate, the Company has to remain robust throughout the cycle. One of the things that needs to be done is to change the risk profiles of the contracts. The Company would have to push back on the risks that have previously been transferred to the Company by the clients. The Company would also have to be selective with the regions and business. The Company is currently involved in many lump sum projects. Moving forward, the Company would like to transition into day rate projects or lump sum projects where a significant portion would be reimbursable to protect the Company from volatility. These are the considerations to ensure that the Company can be sustained throughout the cycle.

Kow Lih Shi posted the following question:

Q23: If the government is not lending money or if PNB sells their stake in the Company, what does the Company plan to do to over the loss of cash flow?

Response/Answer

A23: The GCFO replied that the current restructuring being carried out is more than just a restructuring of the balance sheet but involves operational restructuring. Management is committed to ensuring that the Company has a business plan that would generate enough free cash flow to be a going concern. As the debt and equity of the Company is currently not balanced, some form of recapitalisation may be carried out but at this juncture, all options are still being considered.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Tham Kwan Leng posted the following question:

Q24: Please send me a printed copy of the Company's Annual Report. Thank you.

Response/Answer

A24: The Chairman replied that the Company would be forwarding a hardcopy of the Annual Report 2022 to the shareholders who have requested it as soon as possible.

Foong Siew Chui posted the following question:

Q25: Kindly invite the external auditor ("EA") to brief us on related matters raised by the EA and whether appropriate actions have been taken to mitigate these matters and whether preventive measures have been implemented.

Response/Answer

A25: Encik Ahmad Zahirudin Abdul Rahim ("**Encik Zahirudin**"), the Engagement Partner of Messrs Ernst & Young PLT replied that the Unqualified Auditors Report is set out in pages 87 to 91 in the Annual Report 2022 of the Company. Encik Zahirudin stated that there is a paragraph relating to material uncertainty related to the going concern of the Company due to the issues faced by the Company in respect of liquidation and losses. He emphasised that the ability of the Group to remain a going concern is highly dependent on the implementation of the SoA to be approved by the lenders.

Aliza Binti Ashari posted the following question:

Q26: What is the basis of impairment in the Financial Year Ended 31 January 2022?

Response/Answer

A26: The CGFO replied that for E&C, the future cash flow generated by the BGUs will not be able to sustain the carrying amount of the E&C assets and as such an impairment was carried out. Similarly, a review was carried out on rigs and it was believed that some of the rigs within the fleet would not be able to generate future revenue and have been scrapped.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Azhar bin Ahmad or Nur Khairin Adleena Binti Khairuddin posted the following questions:

- Q27:**
- (i) The Company was in the black in the last quarter and it was hugely contributed by foreign exchange gain. How much of this was translated into cash?**
 - (ii) What is the current Accounts Payable (“AP”) and how much of it is overdue? How does the Company plan to address this through the SoA?**
 - (iii) What is the basis of the sale of Sapura 3000 not requiring shareholders’ approval?**
 - (iv) Is Rothchild still advising the Company? If not, what is the outcome of the services rendered to the Company? How much did the Company end up paying?**
 - (v) There was quite a number of change in directors in the past few months – these are notable directors who have left abruptly within a short period of time. Why did they leave? Did they not have confidence that the Company would be able to turn around?**
 - (vi) Note 9 – How many employees does the Company currently have? We believe that the number of employees has reduced significantly. However, the cost has increased from previous year. Why is there a discrepancy?**
 - (vii) What are the legacy contracts that the Company is currently renegotiating? How is the progress of these negotiations? What are the financial impacts of these contracts to-date?**

Response/Answer

- A27:**
- (i) The GCFO replied that most of the foreign exchange gain are unrealised. One of the Company’s subsidiary has a loan in a United States Dollar (“USD”) denominated entity and the strengthening of the USD has resulted in a translation gain. These unrealised gains appeared when the Group accounts were consolidated. Hence, the unrealised gains will not translate to cash.**
 - (ii) The GCFO replied that as at the end of June 2022, the AP stands at RM1.8 billion of which RM1.3 billion remain outstanding. As part of the SoA, the Company is going through a “proof of debt” exercise. Submissions from creditors are being validated to ensure that records are in order. The “proof of debt” exercise would likely be completed by the end of August 2022. Thereafter, the SoA would have to be approved by the creditors and sanctioned by the Court. The entire process is expected for completion by the end of 2023.**

- (iii) The GCFO informed the shareholders that the Company is guided by Chapter 10 of the MMLR. The Memorandum of Understanding was executed before the Audited Financial Statements for the financial year ended 31 January 2022 were finalised. As such, the computations required under Chapter 10 of the MMLR were done based on the Audited Financial Statements for the financial year ended 31 January 2021. As a result, no shareholders' approval was required for the disposal of Sapura 3000.
- (iv) The GCEO replied that Rothchild & Co was engaged by the Company as the Company was undergoing the largest corporate debt restructuring being experienced in Malaysia in recent years. It was believed that since the Company operates globally, it would be appropriate to engage an international advisor. However, as the restructuring progressed, the Management realised that most of the solution to the restructuring would have to be Malaysian centric. It was decided that Kirkland & Ellis would be able to assist the Company in place of Rothchild & Co. Recently due to specialist requirements in dealing with banks amongst others, the Company has engaged Sage 3 Sdn. Bhd. to serve as the principal advisor. Sage 3 has a good track record in debt restructuring in Malaysia and Singapore specialising in the oil and gas industry.
- (v) The Chairman replied that this question was addressed earlier in the Meeting and that it would not be appropriate to comment on the departure of the 4 Directors as the said Directors either retired or resigned due to personal reasons. Newly appointed Directors have ensure that the Board have the relevant skills and experience to turnaround the Company in the current situation.
- (vi) The GCEO replied that the number of employees has declined since the year 2019. However, the slight increase in manpower cost is due to Covid related compensation. For example, many jurisdictions require the crew to be quarantined for 14 days prior to mobilisation and another 14 days prior to demobilisation. Additional compensations were made to employees during the quarantine period. The GCEO also highlighted that an overprovision of RM14 million was made for bonus to be paid in the year 2021 but was eventually not paid. The Company is still in control of manpower costs and the Senior Management are still taking a paycut. A number of international offices were already shut down while certain employees have been put on reduced work week.
- (vii) The GCEO replied that apart from Taiwan and India, 4 other contracts from Brunei, Singapore and Saudi Arabis is currently being addressed. These contracts values at approximately RM1.1 billion and are in the advanced stage of negotiation with the respective clients to mitigate risk and address cashflow deficit as well as come to an agreement on commercial settlements.

SAPURA ENERGY BERHAD

Registration No.: 201101022755 (950894-T)

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

Rahmat Azam Bin Abdul Rashid posted the following question:

Q28: Previously, the Company announced the issuance of termination of the Yunlin Offshore Windfarm contract. What is the current status of the claims that are being pursued?

Response/Answer

A28: The GCEO replied that it was not an easy decision to terminate the contract for the Yunlin Offshore Windfarm. Negotiations were held with the client and the client's funders but was not able to come to an agreement. Therefore, the contract was terminated in February 2022. Arbitration has yet to commence from either party. However, the Company is currently working to ensure that the Company has watertight claims and defence on counterclaims as the Company would likely head towards arbitration. The client is most likely doing the same.