

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|  | Individual Quarter                                     |   | Cumulative Quarters                                 |   |
|--|--|---|---|---|
|  | Current year<br>quarter<br><b>31/10/2022</b><br>RM'000 | Preceding year<br>corresponding<br>quarter<br><b>31/10/2021</b><br>RM'000 | Nine<br>months<br>to<br><b>31/10/2022</b><br>RM'000 | Nine<br>months<br>to<br><b>31/10/2021</b><br>RM'000 |
| <b>Revenue</b>                                     | <b>1,275,109</b>                                       | <b>1,455,920</b>  | <b>3,334,068</b>                                    | <b>3,673,629</b>                                    |
| Other operating income                             | 64,435   | 4,356   | 82,494  | 16,261  |
| Operating expenses                                 | (1,232,344)  | (1,675,413)   | (2,997,437)   | (4,935,589)   |
| <b>Operating profit/(loss)</b>                     | <b>107,200</b>   | <b>(215,137)</b>  | <b>419,125</b>                                      | <b>(1,245,699)</b>                                  |
| Depreciation and amortisation                      | (131,561)  | (350,533)   | (360,014)   | (604,813)   |
| Inventories written down                           | (20,941)   | -   | (20,941)  | -   |
| Finance income                                     | 4,634  | 2,995   | 9,279   | 18,174  |
| Finance costs                                      | (160,880)  | (124,086)   | (436,875)   | (398,844)   |
| Gain on disposal of property, plant and equipment  | 8,550  | 129   | 8,670   | 6,102   |
| Net foreign exchange gain/(loss)                   | 151,317  | (28,898)  | 401,447   | (16,572)  |
| Share of profit from associates and joint ventures | 117,075  | 66,361  | 176,693   | 58,443  |
| <b>Profit/(loss) before taxation</b>               | <b>75,394</b>  | <b>(649,169)</b>  | <b>197,384</b>                                      | <b>(2,183,209)</b>                                  |
| Taxation   | (63,583)   | (18,935)  | (99,917)  | (99,065)  |
| <b>Profit/(loss) after taxation</b>                | <b>11,811</b>  | <b>(668,104)</b>  | <b>97,467</b>                                       | <b>(2,282,274)</b>                                  |
| Attributable to:                                   |  |   |   |   |
| Owners of the Parent                               | 10,183   | (669,342)   | 99,525  | (2,283,307)   |
| Non-controlling interests                          | 1,628  | 1,238   | (2,058)   | 1,033   |
|  | <b>11,811</b>  | <b>(668,104)</b>  | <b>97,467</b>                                       | <b>(2,282,274)</b>                                  |
| <b>Profit/(loss) per share (sen)</b>               |  |   |   |   |
| - Basic  | 0.06   | (4.19)  | 0.62  | (14.30)   |
| - Diluted  | 0.06   | (4.22)  | 0.64  | (14.40)   |

The condensed consolidated statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022

THE FIGURES HAVE NOT BEEN AUDITED

II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | Individual Quarter                                      |  | Cumulative Quarters                                  |  |
|---|---|--|--|--|
|   | Current year<br>quarter<br><br>31/10/2022<br><br>RM'000 | Preceding year<br>corresponding<br>quarter<br><br>31/10/2021<br><br>RM'000 | Nine<br>months<br>to<br><br>31/10/2022<br><br>RM'000 | Nine<br>months<br>to<br><br>31/10/2021<br><br>RM'000 |
| Profit/(loss) after taxation  | 11,811  | (668,104)  | 97,467   | (2,282,274)  |
| <b>Other comprehensive income:</b>  |   |  |  |  |
| <b><i>Items that may be reclassified to profit or loss<br/>in subsequent periods:</i></b> |   |  |  |  |
| Foreign currency translation differences  | (146,496)   | (64,136)   | (412,867)  | 60,055   |
| Net changes in cash flow hedge  | -   | -  | -  | (3,917)  |
| Share of other comprehensive income/(loss)<br>of associates and joint ventures:           |   |  |  |  |
| - Foreign currency translation differences  | 260,584   | (87,741)   | 530,955  | 94,577   |
| - Net changes in cash flow hedge  | 5,711   | 4,762  | 15,406   | 19,325   |
| <b><i>Items that has been reclassified to profit or loss<br/>in current year:</i></b>     |   |  |  |  |
| Cumulative changes in cash flow hedge   | -   | -  | -  | 18,952   |
| Total comprehensive income/(loss)   | <u>131,610</u>  | <u>(815,219)</u>   | <u>230,961</u>                                       | <u>(2,093,282)</u>                                   |
| Attributable to:  |   |  |  |  |
| Owners of the Parent  | 130,476   | (817,157)  | 234,365  | (2,096,727)  |
| Non-controlling interests   | <u>1,134</u>  | <u>1,938</u>   | <u>(3,404)</u>                                       | <u>3,445</u>   |
| Total comprehensive income/(loss)   | <u>131,610</u>  | <u>(815,219)</u>   | <u>230,961</u>                                       | <u>(2,093,282)</u>                                   |

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022

THE FIGURES HAVE NOT BEEN AUDITED

III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | <b>UNAUDITED</b><br>As at end of<br>current<br>financial period<br><b>31/10/2022</b><br>RM'000 | <b>AUDITED</b><br>As at end of<br>preceding<br>financial year<br><b>31/01/2022</b><br>RM'000 |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-current assets</b>                                   |  |  |
| Property, plant and equipment                               | 6,985,598  | 6,437,033  |
| Intangible assets   | 1,785,928  | 1,705,376  |
| Investment in associates                                    | 2,261,207  | 2,035,721  |
| Investment in joint ventures                                | 2,655,141  | 2,168,609  |
| Deferred tax assets   | 117,467  | 103,657  |
| Trade and other receivables                                 | 278,310  | 227,560  |
|   | <u>14,083,651</u>  | <u>12,677,956</u>  |
| <b>Current assets</b>                                       |  |  |
| Inventories   | 465,997  | 428,841  |
| Trade and other receivables                                 | 1,132,750  | 1,139,186  |
| Contract assets   | 805,771  | 727,044  |
| Tax recoverable   | 86,774   | 82,473   |
| Cash, deposits and bank balances                            | 763,495  | 717,751  |
|   | <u>3,254,787</u>   | <u>3,095,295</u>   |
| Non-current assets classified as held for sale              | -  | 295,499  |
|   | <u>3,254,787</u>   | <u>3,390,794</u>   |
| <b>TOTAL ASSETS</b>   | <b><u>17,338,438</u></b>   | <b><u>16,068,750</u></b>   |
| <b>EQUITY AND LIABILITIES</b>                               |  |  |
| <b>Equity attributable to equity holders of the Company</b> |  |  |
| Share capital   | 10,872,078   | 10,872,078   |
| Islamic redeemable convertible preference shares ("RCPS-i") | 982,713  | 982,713  |
| Shares held under trust                                     | -  | (11,587)   |
| Warrants reserve  | 109,110  | 109,110  |
| Other reserves  | 1,926,195  | 1,791,355  |
| Accumulated losses  | (13,570,476)   | (13,658,696)   |
|   | <u>319,620</u>   | <u>84,973</u>  |
| <b>Non-controlling interests</b>                            | <u>(10,391)</u>  | <u>(6,987)</u>   |
| <b>Total equity</b>   | <b><u>309,229</u></b>  | <b><u>77,986</u></b>   |

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022

THE FIGURES HAVE NOT BEEN AUDITED

III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D.)

|                                     | <b>UNAUDITED</b><br>As at end of<br>current<br>financial period<br><b>31/10/2022</b><br>RM'000 | <b>AUDITED</b><br>As at end of<br>preceding<br>financial year<br><b>31/01/2022</b><br>RM'000 |
|-------------------------------------|--|--|
| <b>Non-current liabilities</b>      |  |  |
| Derivative liabilities              | -  | 24,644   |
| Trade and other payables            | 15,157   | 19,082   |
| Contract liabilities                | -  | 10,584   |
| Lease liabilities                   | 47,318   | 8,745  |
| Deferred tax liabilities            | 115,653  | 86,089   |
|                                     | <u>178,128</u>   | <u>149,144</u>   |
| <b>Current liabilities</b>          |  |  |
| Borrowings                          | 10,975,629   | 10,658,021   |
| Trade and other payables            | 4,333,442  | 3,670,461  |
| Contract liabilities                | 841,581  | 817,139  |
| Lease liabilities                   | 15,847   | 7,976  |
| Provisions                          | 517,328  | 609,356  |
| Provision for tax                   | 167,254  | 78,667   |
|                                     | <u>16,851,081</u>  | <u>15,841,620</u>  |
| <b>TOTAL LIABILITIES</b>            | <u>17,029,209</u>  | <u>15,990,764</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <u>17,338,438</u>  | <u>16,068,750</u>  |
| <b>Net assets per share (RM)</b>    | <u>0.02</u>  | <u>0.01</u>  |

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022

THE FIGURES HAVE NOT BEEN AUDITED

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|   | Attributable to owners of the Parent |                |                         |                  |                  |                     | Non-controlling interests | Total equity    |                  |        |
|---|--------------------------------------|----------------|-------------------------|------------------|------------------|---------------------|---------------------------|-----------------|------------------|--------|
|   | <----- Non-distributable ----->      |                |                         |                  |                  | Distributable       |                           |                 | Total            | RM'000 |
|   | Share capital                        | RCPS-i         | Shares held under trust | Warrants reserve | Other reserves   | Accumulated losses  |                           |                 |                  |        |
| RM'000  | RM'000                               | RM'000         | RM'000                  | RM'000           | RM'000           | RM'000              | RM'000                    | RM'000          |                  |        |
| <b>Nine months to 31 October 2022 (Unaudited)</b> |                                      |                |                         |                  |                  |                     |                           |                 |                  |        |
| At 1 February 2022                                | 10,872,078                           | 982,713        | (11,587)                | 109,110          | 1,791,355        | (13,658,696)        | 84,973                    | (6,987)         | 77,986           |        |
| <b>Total comprehensive income/(loss)</b>          | -                                    | -              | -                       | -                | 134,840          | 99,525              | 234,365                   | (3,404)         | 230,961          |        |
| At 31 October 2022                                | <u>10,872,078</u>                    | <u>982,713</u> | <u>(11,587)</u>         | <u>109,110</u>   | <u>1,926,195</u> | <u>(13,559,171)</u> | <u>319,338</u>            | <u>(10,391)</u> | <u>308,947</u>   |        |
| <b>Transaction with owners:</b>                   |                                      |                |                         |                  |                  |                     |                           |                 |                  |        |
| Disposal of shares held under trust               | -                                    | -              | 11,587                  | -                | -                | (11,305)            | 282                       | -               | 282              |        |
| At 31 October 2022                                | <u>10,872,078</u>                    | <u>982,713</u> | <u>-</u>                | <u>109,110</u>   | <u>1,926,195</u> | <u>(13,570,476)</u> | <u>319,620</u>            | <u>(10,391)</u> | <u>309,229</u>   |        |
| <b>Nine months to 31 October 2021 (Unaudited)</b> |                                      |                |                         |                  |                  |                     |                           |                 |                  |        |
| At 1 February 2021                                | 10,872,078                           | 982,713        | (11,587)                | 109,110          | 1,618,671        | (4,625,415)         | 8,945,570                 | (8,820)         | 8,936,750        |        |
| <b>Total comprehensive income/(loss)</b>          | -                                    | -              | -                       | -                | 186,580          | (2,283,307)         | (2,096,727)               | 3,445           | (2,093,282)      |        |
| At 31 October 2021                                | <u>10,872,078</u>                    | <u>982,713</u> | <u>(11,587)</u>         | <u>109,110</u>   | <u>1,805,251</u> | <u>(6,908,722)</u>  | <u>6,848,843</u>          | <u>(5,375)</u>  | <u>6,843,468</u> |        |

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 OCTOBER 2022

THE FIGURES HAVE NOT BEEN AUDITED

V. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | UNAUDITED<br>Nine<br>months to<br><b>31/10/2022</b><br>RM'000 | UNAUDITED<br>Nine<br>months to<br><b>31/10/2021</b><br>RM'000 |
|--|---|---|
| <b>Cash flows from operating activities</b>                      |   |   |
| <b>Profit/(loss) before taxation</b>                             | <b>197,384</b>  | <b>(2,183,209)</b>  |
| Adjustments for non-cash items                                   | 191,670   | 1,146,056   |
| Cash generated/(used) before working capital changes             | 389,054   | (1,037,153)   |
| Changes in working capital                                       | (439,036)   | 1,296,842   |
| <b>Cash (used in)/generated from operations</b>                  | <b>(49,982)</b>   | <b>259,689</b>  |
| Net taxes paid   | (31,037)  | (62,451)  |
| <b>Net cash (used in)/generated from operating activities</b>    | <b>(81,019)</b>   | <b>197,238</b>  |
| <b>Cash flows from investing activities</b>                      |   |   |
| Purchase of property, plant and equipment                        | (201,219)   | (124,521)   |
| Proceeds from disposal of property, plant and equipment          | 349,225   | 16,177  |
| Repayment of advances from a joint venture                       | -   | 44,467  |
| Dividend received from a joint venture                           | 11,016  | 10,776  |
| Other items  | 3,747   | 4,875   |
| <b>Net cash generated from/(used in) investing activities</b>    | <b>162,769</b>  | <b>(48,226)</b>   |
| <b>Cash flows from financing activities</b>                      |   |   |
| Finance costs paid   | (12,728)  | (399,684)   |
| Withdrawal/(placement) of cash pledged (restricted)*             | 113,261   | (190,076)   |
| Net (repayment)/drawdown of revolving credit and trade financing | (74,879)  | 356,718   |
| Net repayment of lease liabilities                               | (7,970)   | (7,370)   |
| Proceeds from disposal of shares held under trust                | 258   | -   |
| <b>Net cash generated from/(used in) financing activities</b>    | <b>17,942</b>   | <b>(240,412)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>      | <b>99,692</b>   | <b>(91,400)</b>   |
| Effect of exchange rate translation                              | 59,313  | 1,985   |
| Cash and cash equivalents at beginning of year                   | 442,214   | 358,459   |
| <b>Cash and cash equivalents at end of period*</b>               | <b>601,219</b>  | <b>269,044</b>  |
| Add: Cash pledged with bank (restricted)                         | 162,276   | 320,583   |
| <b>Cash and cash equivalents*</b>                                | <b>763,495</b>  | <b>589,627</b>  |

\*The comparative cash and cash equivalents has been restated to conform with current period presentation.

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the period ended 31 October 2022 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). These condensed consolidated interim financial statements also comply with International Accounting Standards ("IAS") 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The unaudited condensed consolidated interim financial statements for the financial period ended 31 October 2022 should be read in conjunction with the audited financial statements for the financial year ended 31 January 2022.

#### Effective for annual periods beginning on or after 1 January 2022:

- Amendments to MFRS 3: Business Combinations
- Amendments to MFRS 116: Property, Plant and Equipment
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets
- Amendments to MFRS 101: Presentation of Financial Statements
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 112: Income Taxes

The adoption of the above standards and interpretations did not have a significant impact on the financial statements in the period of application.

### 2. Seasonality and cyclicity of operations

The Group's operations are not materially affected by any seasonal or cyclical factors except for severe weather conditions in the various regions that the Group operates.

### 3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion with material uncertainty relating to going concern in the Company's audited financial statements for the financial year ended 31 January 2022 in their report dated 31 May 2022. An extract of the opinion is as follows:

"We draw attention to Note 2.1 to the financial statements, which indicates that the Group and the Company reported a net loss of RM9,060.9 million and RM8,898.4 million respectively for the year ended 31 January 2022, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM12,450.8 million and RM1,331.3 million respectively, and that the Group is facing severe liquidity constraints. The Company and 22 of its subsidiaries ("the Applicants") have obtained Restraining Orders under Section 368 of the Companies Act 2016 in Malaysia ("the Act") as well as separate contractual standstill arrangements with the lenders ("Standstill Arrangements") which will expire on 10 June 2022 and 6 June 2022 respectively and is in the process of undertaking schemes of arrangement ("SOA") and compromise under Section 366 of the Act.

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

**3. Auditors' report on preceding annual financial statements (cont'd.)**

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

Our opinion is not qualified in respect of this matter."

**4. Unusual items due to their nature, size and incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current financial period, other than as disclosed in these condensed consolidated interim financial statements.

**5. Changes in estimates**

There were no changes in estimates that have a material effect in the current financial period, other than as disclosed in these condensed consolidated statement of profit or loss.

**6. Debt and equity securities**

In the current quarter, a trustee appointed by the Company disposed 7,276,100 units of its issued ordinary shares in the open market at an average price of RM0.04 per share.

There were no other issuance and repayment of debt securities, share buy-back or share cancellations during the quarter ended 31 October 2022.

**7. Subsequent events**

There is no material event subsequent to 31 October 2022 which has not been reflected in these condensed consolidated interim financial statements.

**8. Changes in the composition of the Group**

There was no significant change in the composition of the Group during the current financial period.

**9. Contingent liabilities**

- (a) The Group has provided corporate guarantees to financial institutions for credit facilities and granted performance bonds to joint ventures and associates amounting to RM597.1 million (31 January 2022: RM606.3 million).
- (b) On 31 January 2019, SapuraOMV Upstream Sdn. Bhd. ("SapuraOMV") (an associate company of the Group) entered into a facility agreement with OMV Exploration & Production GmbH ("OMV E&P") for the OMV financing amounting to USD350.0 million (RM1,431.2 million). As security for this, Sapura Upstream Assets Sdn. Bhd. (a subsidiary of the Group) has pledged shares of SapuraOMV with a value of USD175.0 million (RM715.6 million) in favour of OMV E&P.
- (c) On 17 November 2019, PETRONAS approved a 2-year extension for the Exploration Period for SB331 and SB332 Production Sharing Contracts to Sapura Energy Ventures Sdn. Bhd. ("SEV") subject to the fulfilment of certain minimum work commitments, failure of which there will be a sum payable to PETRONAS. On 29 December 2021, PETRONAS approved a further extension for 3 years allowing SEV to complete its commitments by 19 November 2024. SEV is currently reviewing the terms and conditions stipulated in the extension.
- (d) Other than as disclosed above and Note 15(b), Note 15(c), there are no other changes to contingent liabilities in the current quarter.

## 10. Capital commitments

Capital expenditure for property, plant and equipment approved and not provided for in these condensed consolidated interim financial statements as at 31 October 2022 is as follows:

|                                     |                   |
|-------------------------------------|-------------------|
| <b>Approved and contracted for:</b> | <b>31/10/2022</b> |
|                                     | RM'000            |
| Group                               | <u>41,991</u>     |

## 11. Taxation

Taxation comprises of the following:

|                    | Individual Quarter         |                            | Cumulative Quarters       |                           |
|--------------------|----------------------------|----------------------------|---------------------------|---------------------------|
|                    | Three months to 31/10/2022 | Three months to 31/10/2021 | Nine months to 31/10/2022 | Nine months to 31/10/2021 |
|                    | RM'000                     | RM'000                     | RM'000                    | RM'000                    |
| Current taxation:  |                            |                            |                           |                           |
| Malaysian taxation | 9,392                      | (7,572)                    | 22,546                    | 23,844                    |
| Foreign taxation   | 47,428                     | 20,231                     | 61,343                    | 47,895                    |
| Deferred taxation  | 6,763                      | 6,276                      | 16,028                    | 27,326                    |
|                    | <u>63,583</u>              | <u>18,935</u>              | <u>99,917</u>             | <u>99,065</u>             |

Domestic income tax is calculated at the Malaysian statutory corporate tax rate of 24% of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 12. Status of corporate proposals announced

There were no corporate proposals announced and not completed as at the date of this announcement.

## 13. Borrowings

(a) Included in the Group's borrowings are as follows:

|                              | Short- term borrowings  |                        | Total             |
|------------------------------|-------------------------|------------------------|-------------------|
|                              | USD denomination RM'000 | RM denomination RM'000 | RM RM'000         |
| <b>As at 31 October 2022</b> |                         |                        |                   |
| <b>Unsecured</b>             |                         |                        |                   |
| Revolving credits            | -                       | 375,814                | 375,814           |
| Term loans                   | 2,440,011               | 841,954                | 3,281,965         |
| Sukuk Programme              | 937,648                 | 6,380,202              | 7,317,850         |
|                              | <u>3,377,659</u>        | <u>7,597,970</u>       | <u>10,975,629</u> |

### 13. Borrowings (cont'd)

(a) Included in the Group's borrowings are as follows: (cont'd)

|                        | <b>Short- term borrowings</b> |                        | <b>Total</b>      |
|------------------------|-------------------------------|------------------------|-------------------|
|                        | USD                           | RM                     |                   |
|                        | denomination<br>RM'000        | denomination<br>RM'000 | RM<br>RM'000      |
| <b>As at</b>           |                               |                        |                   |
| <b>31 January 2022</b> |                               |                        |                   |
| <b>Unsecured</b>       |                               |                        |                   |
| Revolving credits      | -                             | 357,263                | 357,263           |
| Trade financing        | -                             | 89,436                 | 89,436            |
| Term loans             | 2,164,428                     | 832,607                | 2,997,035         |
| Sukuk Programme        | 834,084                       | 6,380,203              | 7,214,287         |
|                        | <b>2,998,512</b>              | <b>7,659,509</b>       | <b>10,658,021</b> |

(b) Other information relating to borrowings:

- (i) On 29 April 2022, Sapura TMC entered into a supplemental letter of offer for the utilisation of a revolving credit facility of RM300.0 million under the Maybank Islamic Facility (the "RCF"). The RCF was inter alia secured by a mortgage over a pipe-laying and crane vessel (the "S3000 Vessel") owned by Sapura 3000 Pte. Ltd.. The S3000 Vessel was disposed on 11 August 2022, and the proceeds of the sale amounting to RM312.8 million have been deposited with Maybank Islamic Berhad and as required under the terms of the RCF, have been used to partially repay the RCF.
- (ii) In the previous financial year, Sapura TMC had executed multi-currency financing facilities agreements (collectively, the "MCF 2021") consisting of:
- (a) the Conventional Facilities Agreement 2021; and
  - (b) the Sukuk Murabahah Issuance 2021 under the Multi-Currency Sukuk Programme (as described in the Company's announcement dated 8 September 2015).

In March 2022 and subsequently in June 2022, Sapura TMC and the Obligors requested the Financiers under the MCF 2021 to waive any event of default which may arise as a result of:

- (a) failure by Sapura TMC and the Obligors, to comply with certain financial covenants under the MCF 2021;
- (b) granting of Restraining Orders in relation to Sapura TMC and the Obligors, and the filing of any documents in connection with that Restraining Order; and
- (c) failure by Sapura TMC or any of the Obligor of the MCF 2021 to pay certain amounts due and payable under the MCF 2021 during the 90-day period commencing from 7 March 2022 and a further 6 months from 6 June 2022 to 10 December 2022.

In relation to (a) and (b) above, the requisite majority of the Financiers under the MCF 2021 have consented to these requests and agreed not to take any Enforcement Action (as defined in the MCF 2021) in relation to any default which may arise as a result of:

- (aa) the failure by Sapura TMC and the Obligors to comply with certain financial covenants under the MCF 2021; and
- (bb) the Restraining Orders in relation to Sapura TMC and the Obligors and the filing of any documents in connection with the Restraining Orders.

In relation to (c) above with regard to the request dated 6 June 2022, all the Financiers have consented and agreed not to take any Enforcement Action (as defined in the MCF 2021) in relation to any default that may arise as a result of the failure of Sapura TMC or any of the Obligors' to pay amounts due and payable under the MCF 2021 during the 90 days period commencing 7 March 2022 and a further 6 months from 6 June 2022 to 10 December 2022. The standstill agreement remains in force, and accordingly at present no Enforcement Action (including any acceleration of the amounts due under the MCF 2021) may be taken as a result of the occurrence of the foregoing events of default.

### 13. Borrowings (cont'd.)

(b) Other information relating to borrowings: (cont'd.)

- (iii) On 26 October 2022, the Company completed the disposal of Sapura T-19, Sapura T-20 and Sapura Setia for the net disposal proceeds of USD8.1 million. The net disposal proceeds have been deposited into the disposal proceeds account and will be utilised to prepay the multi-currency financing facilities, subject to the terms of the MCF 2021.
- (iv) On 1 September 2022, the Company received approval from the Corporate Debt Restructuring Committee (“CDRC”), approving the Company’s application for assistance to mediate in the debt restructuring negotiations with certain financial institutions who have provided multi-currency facilities to Sapura TMC, under:
  - (a) the senior multi-currency term facilities agreement dated 29 March 2021 between, inter alia, Sapura TMC as borrower, and the banks named therein as conventional facility lenders; and/or
  - (b) the Multi-Currency Sukuk Programme of up to RM10 billion in nominal value based on the Shariah principle of murabahah (via a tawarruq arrangement), established under a programme agreement originally dated 20 August 2015 between Sapura TMC Sdn. Bhd. as issuer, Maybank Investment Bank Berhad as lead arranger, and Maybank Investment Bank Berhad as facility agent, and as thereafter amended and supplemented (the “MCF Facilities”).

The CDRC is a committee established under the purview of Bank Negara Malaysia for the purpose of providing a platform for corporate borrowers and their creditors to work out feasible debt resolutions without having to resort to legal proceedings.

The Company and nine of its subsidiaries which are obligors under the MCF Facilities (“Admitted Group Companies”), were admitted to the CDRC regime with effect from 1 September 2022.

Following the CDRC’s acceptance of the Company’s application, CDRC has issued a letter addressed to the Company stating that:

- (a) The Company and its Lenders whereby the Lenders are expected to observe an informal standstill and withhold from any proceedings and SEB is expected to submit a proposal for a restructuring of its debts within 60 days from 1 September 2022; and
- (b) Where the Company and the Admitted Group Companies are required to adhere to and be bound by Bank Negara Malaysia CDRC Participant’s Code of Conduct (“Code”) and any variations thereof as determined at the discretion of the CDRC from time to time.

The Company submitted a draft Proposed Restructuring Scheme to the CDRC on 29 September 2022.

The operations of the Group shall continue as usual in the interim.

As required under MFRS 101: Presentation of Financial Statements, in the event of a breach of loan covenants on or before the end of reporting date, before the end of the reporting date which gives lender the rights to demand for immediate repayment, an entity is required to classify a liability as current as it no longer has the unconditional right to defer its settlement for at least twelve months after that date.

As at 31 October 2022, the Group breached certain financial covenants pursuant to the MCF 2021. As a result, the borrowings have been classified as current liabilities.

#### 14. Derivative financial instruments

In the previous financial years, the Group entered into Islamic Cross-Currency Swap ("ICRCS") contracts with various banks to hedge part of the Group's borrowings.

On 7 March 2022, the 5-year ICRCS matured and in accordance to the ICRCS contracts, the 5-year ICRCS was settled. The financial impact of this settlement has been recognised during the financial period.

Details of the derivative outstanding at the reporting date are as follows:

|                                    | As at 31 October 2022    |                                     | As at 31 January 2022    |                                |
|------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------------|
|                                    | Notional Value<br>RM'000 | Liabilities<br>Fair Value<br>RM'000 | Notional Value<br>RM'000 | Assets<br>Fair Value<br>RM'000 |
| 5-year Islamic Cross-Currency Swap | -                        | -                                   | 2,528,606                | (24,644)                       |

#### 15. Material litigation

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

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

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

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

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

The cross examination of ONGC's witness was held from 22 to 24 December 2014 and 5 to 6 January 2015.

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

ONGC's counsels submitted their arguments in defence on 6 February 2018 and on 2 to 4 May 2018. They concluded their arguments in the said sittings.

The proceedings continued on 21, 22 and 23 November 2018 with submissions from SESSB's counsel. The tribunal heard ONGC's counsels submissions on 12 and 13 February 2019. Final written submission has been submitted to arbitrators on 15 April 2019. ONGC presented its submissions on 31 July 2019. SESSB was awarded the sum of USD3,009,789 ("First Award") by the arbitral tribunal, comprising claims of work done valued at USD1,983,521 (subject to 4.368% withholding tax to be deducted by ONGC) and interests of USD1,026,267 (subject to income tax of 43.68%).

SESSB has instructed its solicitors to file an appeal against the said award dated 30 November 2019.

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

## 15. Material litigation (cont'd)

### (a) Sarku Engineering Services Sdn. Bhd. (cont'd)

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

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

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

Our solicitor had accordingly filed an appeal on 8 December 2020 to challenge or set aside that part of the First Award and the Final Award which rejects the claims of SESSB. The matter is now pending admission stage where it is to be listed for hearing upon filing of petition.

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

### (b) Sapura Fabrication Sdn. Bhd.

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

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

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

## 15. Material litigation (cont'd.)

### (b) Sapura Fabrication Sdn. Bhd. (cont'd)

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

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

- (i) 26, 27, 28 & 31 April 2021;
- (ii) 3, 4, 5, 6, 7 & 10 May 2021;
- (iii) 20 to 24 September 2021;
- (iv) 27 September 2021 to 1 October 2021; and
- (v) 4 to 6 October 2021.

During the case management on 6 April 2021, the tribunal vacated May 2021 dates as two of PML's witnesses are unable to attend the upcoming April and May 2021 tranche of hearing dates due to their work arrangement.

The hearing proceeded on the following dates as scheduled:

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

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

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

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

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

## 15. Material litigation (cont'd.)

### (b) Sapura Fabrication Sdn. Bhd. (cont'd)

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

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

SFSB is currently verifying the Proof of Debt submitted by PML.

The case management conference on 11 August 2022 was vacated as the Tribunal instructed the parties to provide a joint status report on the Proof of Debt by 11 November 2022.

In the case management 11 November 2022, the tribunal directed the parties to provide a brief update to the Tribunal on status of PML's Proof of Debt claims and a case management is scheduled on 18 January 2023.

### (c) Sapura Energy do Brasil Ltda.

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

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

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

- (a) SE Brasil filed their Statement of Claims for the sum of USD84,606,035 on 29 March 2021.
- (b) CELSE filed Respondent's Statement of Claims for the sum of USD89,799,186 on 29 March 2021.
- (c) SE Brasil filed Claimant's and Additional Party's Statement of Defense against Respondent's Statement of Claim on 28 May 2021.
- (d) CELSE filed Respondent's Statement of Defense against Claimant's Statement of Claim on 28 May 2021.
- (e) SE Brasil filed Claimant's Reply on 28 June 2021.
- (f) CELSE filed Respondent's Reply on 28 June 2021.
- (g) SE Brasil filed Claimant's and Additional Party's Rejoinder on 28 July 2021.
- (h) CELSE filed Respondent's Rejoinder on 28 July 2021.

Submissions on the issues to be determined by the Arbitral Tribunal, witness statements and request for additional evidence was submitted on 27 September 2021. After that, a hearing for the presentation of the case shall take place.

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

## 15. Material litigation (cont'd.)

### (c) Sapura Energy do Brasil Ltda. (cont'd.)

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

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

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

Parties are waiting for the Arbitral Tribunal to rule on the latest production of the documents requested by SE Brasil and Sapura Energy and to decide on the next steps of the evidence production.

The Arbitral Tribunal had also ruled on the latest production of the documents requested by SE Brasil and Sapura Energy and ordered CELSE to produce only a certain category of documents to Sapura that the Arbitral Tribunal find relevant to the proceedings.

The Arbitration Tribunal also requested parties to file a joint production on the technical issues that are still requiring expert determination on 5 November 2022. CELSE refused to discuss on the joint submission. As such, only SE Brasil and Sapura Energy filed the submission on the technical issues that requiring an expert determination on 5 November 2022.

## 15. Material litigation (cont'd.)

### (d) Winding up petitions

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

#### (i) Sun Hardware Enterprise Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-634-12/2021)

- a) Winding up petition date - 15 December 2021
- b) Case management and hearing dates - 17 January 2022 and 10 March 2022

Sapura Fabrication Sdn. Bhd. did not attend the case management on 17 January 2022 as the Winding Up Petition was only served to Sapura Fabrication Sdn. Bhd. on 15 February 2022.

The hearing for the Winding Up Petition on 10 March 2022 was vacated as the matter was already settled on 4 March 2022.

Notice of discontinuance was filed on 4 March 2022 and the Winding Up Petition has been withdrawn.

#### (ii) Hycotech Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-638-12/2021)

- a) Winding up petition date - 17 December 2021
- b) Case management and hearing dates - 17 February 2022 and 9 March 2022

On 17 February 2022 Sapura Offshore Sdn. Bhd.'s solicitors informed the court that Sapura Offshore Sdn. Bhd. has entered into a settlement agreement with Hycotech Sdn. Bhd., and that full payment has been made to Hycotech Sdn Bhd, subject to deductions on withholding tax.

Hycotech Sdn. Bhd. refused to withdraw the winding up petition as they claimed that they are entitled to receive the full outstanding sum including the withholding tax.

Following the dispute, on 1 March 2022 Sapura Offshore Sdn. Bhd. filed an application under Order 14A Rules of Court 2012 and to Strike Out the Petition.

On 9 March 2022, the Court fixed 22 April 2022 for the hearing of the Order 14A Rules of Court 2012 and Striking Out Application, and for the hearing of the Petition itself.

The hearing on 22 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

#### (iii) Perdana Nautika Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-920-12/2021)

- a) Winding up petition date - 20 December 2021
- b) Case management and hearing dates - 22 February 2022 and 26 April 2022

On 22 February 2022 Notices of Intention to Appear on Petition have been filed by two creditors, namely:

- i. Tumpuan Megah Development Sdn. Bhd.; and
- ii. Vallianz Offshore Marine Pte Ltd.

The hearing on 27 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**15. Material litigation (cont'd.)**

**(d) Winding up petitions (cont'd.)**

**(iv) Perdana Nautika Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-921-12/2021)**

- a) Winding up petition date - 20 December 2021
- b) Case management and hearing dates - 23 February 2022 and 26 April 2022

On 23 February 2022 the solicitors for Perdana Nautika informed the Court that they were just instructed to advertise and gazette the Petition. Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that Sapura Pinewell Sdn. Bhd. will file an affidavit to oppose the Petition if they are required to do so.

The hearing on 26 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 14 March 2023.

**(v) Hycotech Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Shah Alam High Court (BA-28NCC-639-12/2021)**

- a) Winding up petition date - 20 December 2021
- b) Case management and hearing dates - 28 February 2022 and 9 March 2022

On 28 February 2022 Petitioner informed the Court that the Petitioner wishes to withdraw the petition during the hearing on 9 March 2022.

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

- c) Next case management is fixed on 13 March 2023.

**(vi) Fast Global Link Services vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-27-01/2022)**

- a) Winding up petition date - 13 January 2022
- b) Case management and hearing dates - 14 February 2022 and 12 April 2022

On 14 February 2022 Sapura Subsea Sdn. Bhd. sought for a further case management date to be fixed on 15 March 2022 to determine whether Sapura Subsea Services Sdn. Bhd. will be contesting the winding-up petition or otherwise.

The case management date on 15 March 2022 and hearing date on 12 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(vii) Mectra Synergy (M) Sdn. Bhd. vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-31-01/2022)**

- a) Winding up petition date - 25 January 2022
- b) Case management and hearing dates - 17 February 2022 and 20 April 2022

On 17 February 2022 Sapura Subsea Sdn. Bhd.'s solicitors sought further case management date to be fixed by the Court and the Court has fixed the next case management on 15 March 2022.

The case management date on 15 March 2022 and hearing date on 20 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**15. Material litigation (cont'd.)**

**(d) Winding up petitions (cont'd.)**

**(viii) Equatorial Marine Fuel Management vs Sapura Offshore Sdn. Bhd - Shah Alam High Court (BA-28NCC-68-01/2022)**

- a) Winding up petition date - 25 January 2022
- b) Case management and hearing dates - 28 February 2022 and 25 April 2022

On 28 February 2022 Petitioner informed the Court that a further date is required for compliance with winding up procedures.

Sapura Offshore Sdn. Bhd.'s solicitors informed the Court that a further date is required to confirm whether the debt under the winding up petition may be disputed.

Hearing date on 25 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(ix) DTEC Engineering and Construction Sdn. Bhd. vs Sapura Project Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-72-01/2022)**

- a) Winding up petition date - 27 January 2022
- b) Case management and hearing dates - 28 February 2022 and 25 April 2022

On 28 February 2022 Sapura Project Services Sdn. Bhd.'s solicitors informed the Court that a further date is required to confirm whether the debt under the winding up petition may be disputed.

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

Hearing date on 25 April 2022 were adjourned as DTEC Engineering and Construction Sdn. Bhd. has informed the Court that they intend to file an affidavit in reply to our application, and also to file their own application for appointment of liquidator.

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

The court fixed another case management date on 29 June 2022. During the date, Sapura Project Services Sdn. Bhd. ("SPSSB") informed that they will file further affidavit on this matter by 5 July 2022.

The court has fixed hearing date for the application for appointment of Liquidator on 14 September 2022.

In view that SPSSB had been wound up on 14 September 2022 by an Order made under the Winding Proceeding by Danamin (M) Sdn. Bhd., DTEC Engineering and Construction Sdn. Bhd. had thus withdrawn the Winding Up Petition during the hearing on 14 September 2022.

**15. Material litigation (cont'd.)**

**(d) Winding up petitions (cont'd.)**

**(x) Dura International Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-83-02/2022)**

- a) Winding up petition date - 7 February 2022
- b) Case management and hearing dates - 10 March 2022 and 18 May 2022

The case management on 10 March 2022 and hearing date on 18 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(xi) Astro Offshore Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-87-02/2022)**

- a) Winding up petition date - 7 February 2022
- b) Case management and hearing dates - 14 March 2022 and 19 May 2022

The case management on 14 March 2022 and hearing date on 19 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(xii) Public Crane Heavy Equipment Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-92-02/2022)**

- a) Winding up petition date - 9 February 2022
- b) Case management and hearing dates - 14 March 2022 and 19 May 2022

The case management on 14 March 2022 and hearing date on 19 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(xiii) MMA Offshore Malaysia Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-111-02/2022)**

- a) Winding up petition date - 14 February 2022
- b) Case management and hearing dates - 15 March 2022 and 8 June 2022

The case management on 15 March 2022 and hearing date on 8 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) During case management on 23 June 2022 Sapura Pinewell Sdn. Bhd. Updated that the Restraining Order is extended for 9 months.

- d) Next case management is fixed on 13 March 2023.

**15. Material litigation (cont'd.)**

**(d) Winding up petitions (cont'd.)**

**(xiv) Icon Offshore Group Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-119-02/2022)**

- a) Winding up petition date - 25 February 2022
- b) Case management and hearing dates - 17 March 2022 and 24 May 2022

The case management on 17 March 2022 and hearing date on 24 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(xv) Posh Subsea Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA28NCC-145-03/2022)**

- a) Winding up petition date - 3 March 2022
- b) Case management and hearing dates - 6 April 2022 and 7 June 2022

The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(xvi) Lincoln Energy Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-146-03/2022)**

- a) Winding up petition date - 4 March 2022
- b) Case management and hearing dates - 6 April 2022 and 7 June 2022

The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**(xvii) Semco Salvage (V) Pte. Ltd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA28NCC-144-03/2022)**

- a) Winding up petition date - 3 March 2022
- b) Case management and hearing dates - 6 April 2022 and 7 June 2022

The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 13 March 2023.

**15. Material litigation (cont'd.)**

**(d) Winding up petitions (cont'd.)**

**(xviii) Danamin (M) Sdn. Bhd. vs Sapura Project Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-139-02/2022)**

- a) Winding up petition date - 28 February 2022
- b) Case management and hearing dates - 31 March 2022 and 30 May 2022

On 31 March 2022 Sapura Project Services Sdn. Bhd.'s solicitors informed the Court that a further date is required to confirm whether the debt under the winding up petition may be disputed.

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

- (i) to appoint liquidator for the Sapura Project Services Sdn. Bhd.; and
- (ii) to appoint interim liquidator for the Sapura Project Services Sdn. Bhd. This is pending the hearing for appointment of the liquidator.

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

The court fixed another case management date on 5 July 2022.

The court has fixed hearing date for the application for appointment of a permanent liquidator and the interim liquidator on 1 September 2022.

On 1 September 2022, a liquidator has been appointed as the Interim Liquidator for Sapura Project Services Sdn. Bhd..

On 14 September 2022, the Court ordered that Sapura Project Services Sdn. Bhd. to be wound up and a liquidator be appointed as the Liquidator for Sapura Project Services Sdn. Bhd..

**(xix) VKI Marketing Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-159-03/2022)**

- a) Winding up petition date - 22 February 2022
- b) Case management and hearing dates - 11 April 2022 and 13 June 2022

The case management on 11 April 2022 and hearing on 13 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 29 June 2022.
- d) Due to the extension of the Restraining Order, the next Case Management is fixed on 13 March 2023.

**15. Material litigation (cont'd.)**

**(d) Winding up petitions (cont'd.)**

**(xx) Tumpuan Megah Development Sdn. Bhd. vs Sapura Geosciences Sdn. Bhd. - Shah Alam High Court (BA-28NCC-181-03/2022)**

- a) Winding up petition date - 17 March 2022
- b) Case management and hearing dates - 14 April 2022 and 20 June 2022

The case on 14 April 2022 and hearing on 20 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) Next case management is fixed on 29 June 2022.
- d) Due to the extension to the Restraining Order, the next Case Management is fixed on 13 March 2023.

**(xxi) Plomo Group Sdn. Bhd. v Sapura Pinewell Sdn. Bhd. - Shah Alam High Court (BA-28NCC-665-12/2021)**

- a) Winding up petition date - 29 December 2021
- b) Case management and hearing dates - 13 July 2022 and 17 May 2022

On 5 August 2022 Sapura Pinewell's Sdn. Bhd.'s solicitors informed the Court that the winding up proceeding cannot proceed and should be stayed as Sapura Pinewell Sdn. Bhd. has filed and obtained a Restraining Order (and the extension) up to 10 March 2023.

- c) The next Case Management is fixed on 13 March 2023.

**(xxii) Marine Creation Sdn. Bhd. v Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-289-05/2022)**

- a) Winding up petition date - 12 May 2022
- b) Case management and hearing dates - 9 August 2022 and 22 August 2022
- c) Notice of discontinuance has been filed on 19 July 2022 by the Petitioner and the winding up petition has been withdrawn.

**(xxiii) Lubricluem Sdn. Bhd. v Sapura 3000 Pte. Ltd. - High Court in Sabah and Sarawak at Federal Territory of Labuan (LBN-28NCC-9/7-2022(HC))**

- a) Winding up petition date – 20 July 2022
- b) Case hearing date – 9 September 2022
- c) Parties had reached settlement on the matter and the winding up petition was been struck out by the Court on 17 August 2022.

## 16. Review of Group Performance

### 16.1 Current quarter vs. corresponding quarter of the preceding year

|  | Individual Quarter |            | Changes |
|--|--------------------|------------|---------|
|  | Three months to    |            |         |
|  | 31/10/2022         | 31/10/2021 |         |
|  | RM'000             | RM'000     | %       |
| Revenue  | 1,275,109          | 1,455,920  | (12.4)  |
| Operating profit/(loss)                            | 107,200            | (215,137)  | >100.0  |
| Profit/(loss) before taxation                      | 75,394             | (649,169)  | >100.0  |
| Profit/(loss) after taxation                       | 11,811             | (668,104)  | >100.0  |
| Profit/(loss) attributable to owners of the Parent | 10,183             | (669,342)  | >100.0  |

The Group's revenue of RM1,275.1 million was 12.4% lower than RM1,455.9 million in the corresponding quarter of the preceding year ("Q3 FY2022"), due to a lower revenue recognised from the E&C business segment from a lower percentage of completion of projects executed.

The Group recorded a profit before taxation of RM75.4 million in the current quarter, compared to a loss before taxation of RM649.2 million in Q3 FY2022. The improvement is due to a lower recognition of provision for foreseeable losses, lower project costs recognised, lower depreciation, higher share of profit from associates and joint ventures and a favourable foreign exchange gain during the quarter.

### 16.2 Current period vs. corresponding period of the preceding year

|  | Cumulative Quarters |             | Changes |
|--|---------------------|-------------|---------|
|  | Nine months to      |             |         |
|  | 31/10/2022          | 31/10/2021  |         |
|  | RM'000              | RM'000      | %       |
| Revenue  | 3,334,068           | 3,673,629   | (9.2)   |
| Operating profit/(loss)                            | 419,125             | (1,245,699) | >100.0  |
| Profit/(loss) before taxation                      | 197,384             | (2,183,209) | >100.0  |
| Profit/(loss) after taxation                       | 97,467              | (2,282,274) | >100.0  |
| Profit/(loss) attributable to owners of the Parent | 99,525              | (2,283,307) | >100.0  |

The Group's revenue of RM3,334.1 million was 9.2% lower than the corresponding period of the preceding year ("corresponding period") of RM3,673.6 million, as a result of a lower revenue posted by the E&C business segment due to lower percentage of completion in the current period.

In the current period, the Group recorded a profit before taxation of RM197.4 million, higher by RM2,380.6 million compared to a loss before taxation of RM2,183.2 million in the corresponding period. The improvement is contributed by a lower recognition of provision for foreseeable losses, lower project costs recognised, lower depreciation, higher share of profits from associates and joint ventures and a favourable foreign exchange gain during the current period.

## 16. Review of Group Performance (cont'd.)

### 16.3 Current quarter vs. immediate preceding quarter

|  | Individual Quarter<br>Three months to |                      | Changes<br>% |
|--|---------------------------------------|----------------------|--------------|
|  | 31/10/2022<br>RM'000                  | 31/07/2022<br>RM'000 |              |
| Revenue  | 1,275,109                             | 1,172,878            | 8.7          |
| Operating profit                                   | 107,200                               | 238,158              | (55.0)       |
| Profit before taxation                             | 75,394                                | 25,188               | >100.0       |
| Profit/(loss) after taxation                       | 11,811                                | (1,736)              | >100.0       |
| Profit/(loss) attributable to owners of the Parent | 10,183                                | (2,592)              | >100.0       |

The Group's revenue of RM1,275.1 million was 8.7% higher than the immediate preceding quarter ("Q2 FY2023") of RM1,172.9 million due to the higher utilisation days from the Drilling segment.

The Group recorded a profit before taxation of RM75.4 million in the current quarter, RM50.2 million higher than profit before taxation in Q2 FY2023. This is owing to lower project costs recognised during the current quarter, higher share of profits from associates and joint ventures and a favourable foreign exchange gain in the current quarter.

## 17. Segment information

The Group organises its business activities into five major segments as follows:

- (i) Engineering and Construction ("E&C")
- (ii) Operations and Maintenance ("O&M")
- (iii) Drilling;
- (iv) Exploration and Production ("E&P"); and
- (v) Corporate

|   | <u>Three months to 31/10/2022</u> |                                       |
|---|-----------------------------------|---------------------------------------|
|   | Revenue<br>RM'000                 | (Loss)/profit<br>before tax<br>RM'000 |
| E&C   | 829,993                           | (27,090)                              |
| O&M   | 155,728                           | 33,862                                |
| Drilling                                    | 342,602                           | 314                                   |
| E&P   | -                                 | 24,360                                |
|   | 1,328,323                         | 31,446                                |
| Corporate expenses and eliminations         | (53,214)                          | 43,948                                |
| <b>Group revenue/profit before taxation</b> | <b>1,275,109</b>                  | <b>75,394</b>                         |

## 17. Segment information (cont'd.)

### 17.1 Current quarter vs. corresponding quarter of the preceding year

|  | Revenue                 |                         |               | Profit/(loss) before tax |                         |                  |
|--|-------------------------|-------------------------|---------------|--------------------------|-------------------------|------------------|
|  | Three months to         |                         |               | Three months to          |                         |                  |
|  | 31/10/2022              | 31/10/2021              | Changes       | 31/10/2022               | 31/10/2021              | Changes          |
|  | RM'000                  | RM'000                  | %             | RM'000                   | RM'000                  | %                |
| <b>Business segments:</b>                          |                         |                         |               |                          |                         |                  |
| E&C  | 829,993                 | 1,054,001               | (21.3)        | (27,090)                 | (526,788)               | 94.9             |
| O&M  | 155,728                 | 155,579                 | 0.1           | 33,862                   | (1,050)                 | >100.0           |
| Drilling   | 342,602                 | 294,345                 | 16.4          | 314                      | (18,944)                | >100.0           |
| E&P  | -                       | -                       | -             | 24,360                   | 14,807                  | 64.5             |
|  | <u>1,328,323</u>        | <u>1,503,925</u>        |               | <u>31,446</u>            | <u>(531,975)</u>        |                  |
| Corporate expenses and eliminations                | <u>(53,214)</u>         | <u>(48,005)</u>         | (10.9)        | <u>43,948</u>            | <u>(117,194)</u>        | >100.0           |
| <b>Group revenue/profit/(loss) before taxation</b> | <b><u>1,275,109</u></b> | <b><u>1,455,920</u></b> | <b>(12.4)</b> | <b><u>75,394</u></b>     | <b><u>(649,169)</u></b> | <b>&gt;100.0</b> |

#### Business segments:

##### Engineering and Construction

The segment recorded revenue of RM830.0 million, which is 21.3% lower than revenue of RM1,054.0 million in Q3 FY2022, due to the lower percentage of completion of projects executed in the current quarter.

The segment posted a loss before taxation of RM27.1 million, an improvement of RM499.7 million compared to loss before tax of RM526.8 million in Q3 FY2022 resulting from a lower recognition of provision for foreseeable losses and lower project costs recognised in the current quarter.

##### Operations and Maintenance

The segment recorded revenue of RM155.7 million, which was marginally higher than the revenue of RM155.6 million in Q3 FY2022, attributable by higher project activities.

The segment recorded a profit before taxation of RM33.9 million which was RM34.9 million higher than Q3 FY2022 from lower recognition of foreseeable losses and lower costs recognised in the current quarter.

##### Drilling

The segment's revenue for the current quarter of RM342.6 million was higher by 16.4% compared to the revenue of RM294.3 million in Q3 FY2022 due to an increase in rig activities and higher effective day rates achieved in the current quarter.

Higher effective day rates and improved margins from operating rigs during the current quarter also contributed to the improvement of the profit before tax by RM19.2 million from loss before tax of RM18.9 million to profit before tax of RM0.3 million.

##### Exploration and Production

The segment recorded a profit before taxation of RM24.4 million, which was higher by RM9.6 million compared to a profit before taxation of RM14.8 million in Q3 FY2022.

## 17. Segment information (cont'd.)

### 17.2 Current period vs. corresponding period of the preceding year

|   | Revenue                 |                         |              | Profit/(loss) before tax |                           |                  |
|---|-------------------------|-------------------------|--------------|--------------------------|---------------------------|------------------|
|   | Nine months to          |                         | Changes      | Nine months to           |                           | Changes          |
|   | 31/10/2022              | 31/10/2021              |              | 31/10/2022               | 31/10/2021                |                  |
|   | RM'000                  | RM'000                  | %            | RM'000                   | RM'000                    | %                |
| <b>Business segments:</b>                           |                         |                         |              |                          |                           |                  |
| E&C   | 2,127,026               | 2,702,550               | (21.3)       | 79,384                   | (1,595,963)               | >100.0           |
| O&M   | 406,033                 | 307,861                 | 31.9         | 105,344                  | (184,986)                 | >100.0           |
| Drilling  | 937,709                 | 769,704                 | 21.8         | (5,961)                  | (5,833)                   | (2.2)            |
| E&P   | -                       | -                       | -            | (25,763)                 | (19,105)                  | (34.8)           |
|   | <u>3,470,768</u>        | <u>3,780,115</u>        |              | <u>153,004</u>           | <u>(1,805,887)</u>        |                  |
| Corporate expenses and eliminations                 | <u>(136,700)</u>        | <u>(106,486)</u>        | (28.4)       | <u>44,380</u>            | <u>(377,322)</u>          | >100.0           |
| <b>Group revenue/ profit/(loss) before taxation</b> | <b><u>3,334,068</u></b> | <b><u>3,673,629</u></b> | <b>(9.2)</b> | <b><u>197,384</u></b>    | <b><u>(2,183,209)</u></b> | <b>&gt;100.0</b> |

#### Business segments:

##### Engineering and Construction

The segment recorded revenue of RM2,127.0 million, 21.3% lower than the revenue of RM2,702.6 million in the corresponding period, due to lower activities and projects executed.

The segment registered a profit before taxation of RM79.4 million, which was higher by RM1,675.3 million compared to loss before taxation of RM1,595.9 million in the corresponding period from lower recognition of provision for foreseeable losses and lower operating cost for certain projects in the current period.

##### Operations and Maintenance

The segment recorded a revenue of RM406.0 million, which was 31.9% higher in the corresponding period, attributable to higher project activities in the current period.

The segment recorded a profit before taxation of RM105.3 million which was higher by RM290.3 million compared to a loss before taxation of RM185.0 million in corresponding period mainly due to lower recognition of provision for foreseeable losses and lower cost recognised for certain projects in the current period.

##### Drilling

The segment's revenue for the current period of RM937.7 million was higher by 21.8% compared to the revenue of RM769.7 million in corresponding period mainly due to increase in rig activities and higher effective day rates achieved in the current period.

The segment recorded a loss before taxation of RM6.0 million, 2.2% lower than loss before taxation of RM5.8 million in corresponding period mainly due to ramping up activities for new upcoming drilling projects.

##### Exploration and Production

The segment recorded a loss before taxation of RM25.8 million, by RM6.7 million higher than the corresponding period as a result of a write-off of exploration well.

## 18. Additional disclosure information

### 18.1 Foreign exchange exposure and hedging policy

Foreign currency (a currency which is other than the functional currency of the Group entities) risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising mainly from revenue or costs and advances that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily RM and US Dollar ("USD"). The foreign currencies in which these transactions are denominated are mainly USD and RM.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the assets or investments is located or by borrowing in the currencies that match the future revenue stream to be generated from its investments. Where possible, the strategy is to match the payments for foreign currency payables against receivables denominated in the same foreign currency.

### 18.2 Trade and other receivables and contract assets

|   | As at<br>31/10/2022 | As at<br>31/01/2022 |
|---|---------------------|---------------------|
|   | RM'000              | RM'000              |
| <b>Non-current</b>                                    |                     |                     |
| Trade receivables                                     | 32,523              | 45,618              |
| Less: Provision for expected credit loss              | <u>(10,360)</u>     | <u>(10,360)</u>     |
|   | <u>22,163</u>       | <u>35,258</u>       |
| Other receivables                                     | <u>256,147</u>      | <u>192,302</u>      |
| Total non-current trade and other receivables         | <u>278,310</u>      | <u>227,560</u>      |
| <b>Current</b>  |                     |                     |
| Trade receivables                                     | 675,867             | 623,975             |
| Less: Provision for expected credit loss              | <u>(181,499)</u>    | <u>(78,478)</u>     |
|   | <u>494,368</u>      | <u>545,497</u>      |
| Other receivables                                     | 678,389             | 633,696             |
| Less: Provision for expected credit loss              | <u>(40,007)</u>     | <u>(40,007)</u>     |
|   | <u>638,382</u>      | <u>593,689</u>      |
| Total current trade and other receivables             | <u>1,132,750</u>    | <u>1,139,186</u>    |
| Contract assets                                       | <u>805,771</u>      | <u>727,044</u>      |
| Total trade and other receivables and contract assets | <u>2,216,831</u>    | <u>2,093,790</u>    |

Trade receivables are non-interest bearing. The Group's normal trade credit term ranges from 30 to 90 days (as at 31 January 2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Overdue balances are reviewed regularly by the management. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

**19. (a) Commentary on prospects**

Sapura Energy Berhad and its group of companies ("the Group") will continue to implement its Reset Plan and focus on improving cashflows and EBITDA, risk management, reducing unsustainable debt and strengthening its operations. The review of underperforming contracts and negotiation of commercial settlements with customers is still on-going in efforts to improve overall cashflows.

Rebuilding the order book remains a challenge with limited access to bank guarantees and working capital facilities during the restructuring phase. This has impacted mainly the E&C and O&M segments. The Drilling segment leads the way with 10 out of the 11 rigs fully operating at the end of Q3 FY23. The Group's order book currently stands at approximately RM6.8 billion. Separately, the non-consolidated gross order book of the Group's joint-venture entities is approximately RM5.7 billion.

The next few months will be critical to the Group's efforts in addressing its unsustainable debt and PN17 status. The Group's Proof of Debt ("POD") exercise with its trade creditors is nearing completion. Further, the Group has submitted a Proposed Restructuring Scheme ("PRS") to the Corporate Debt Restructuring Committee ("CDRC") and the financial institutions on 29 September 2022. It has since been participating in CDRC-mediated meetings with the financial institutions to seek feedback on and to refine the terms of the PRS. This draft restructuring proposal will form part of the Group's overall restructuring and regularisation plan, which upon finalisation will be submitted to Bursa Malaysia.

**(b) Revenue or profit estimate, forecast, projection or internal targets**

The Company has not provided any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public document.

**20. Dividend**

The Board of Directors does not recommend any payment of dividend for the current quarter under review.

## 21. Profit/(loss) per share

| Basic/Diluted  | Individual Quarter            |            | Cumulative Quarters          |             |
|--|-------------------------------|------------|------------------------------|-------------|
|  | Three months to<br>31/10/2022 | 31/10/2021 | Nine months to<br>31/10/2022 | 31/10/2021  |
| Profit/(loss) attributable to owners<br>of the Parent (RM'000)                                   | 10,183                        | (669,342)  | 99,525                       | (2,283,307) |
| Weighted average number of ordinary shares in<br>issue excluding shares held under trust ('000): |                               |            |                              |             |
| - Basic  | 15,979,080                    | 15,971,804 | 15,979,080                   | 15,971,804  |
| - Diluted *  | 15,667,868                    | 15,851,556 | 15,667,868                   | 15,851,556  |
| Profit/(loss) per shares (sen)   |                               |            |                              |             |
| - Basic  | 0.06                          | (4.19)     | 0.62                         | (14.30)     |
| - Diluted  | 0.06                          | (4.22)     | 0.64                         | (14.40)     |

\* Rights issue of RCPS-i and warrants of 2,396,862,035 units and 998,692,020 units respectively, as well as 691,938,153 and 586,388,264 options under the ESOS granted have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

### By Order of the Board

Tai Yit Chan  
(SSM Practising Certificate No. 202008001023)  
(MAICSA 7009143)

Tan Seiw Ling  
(SSM Practising Certificate No. 202008000791)  
(MAICSA 7002302)

Seri Kembangan, Selangor Darul Ehsan  
8 December 2022