



ANNUAL REPORT **2024**



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Annual Report online

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67th

Annual General Meeting

Meeting Platform

<https://meeting.boardroomlimited.my>

Date

Wednesday, 17 July 2024

Time

10.00 a.m.

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NOTICE OF SIXTY-SEVENTH (67TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Seventh ("67th") Annual General Meeting ("AGM") of the Company will be held on a **fully virtual basis** through the live streaming and online meeting platform using the remote participation and electronic voting ("RPV") facilities provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia

Meeting Platform : <https://meeting.boardroomlimited.my>

Venue : To be deemed held where the Chairman of the Meeting is in Malaysia

Day and Date : Wednesday, 17 July 2024

Time : 10:00 a.m.

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 January 2024 together with the Directors' and Auditors' reports thereon. | <i>[Please refer to Note A]</i> |
| 2. | To approve the payment of Directors' fees of RM549,863.38 for the financial year ended 31 January 2024 | Ordinary Resolution 1
<i>[Please refer to Note B]</i> |
| 3. | To approve the payment of additional Directors' benefits payable up to an amount of RM13,500.00 from 19 July 2023 until the date of the AGM of the Company held in year 2024. | Ordinary Resolution 2
<i>[Please refer to Note B]</i> |
| 4. | To approve the payment of Directors' benefits payable up to an amount of RM106,500.00 from 18 July 2024 until the date of the next AGM of the Company to be held in year 2025. | Ordinary Resolution 3
<i>[Please refer to Note B]</i> |
| 5. | To re-elect Tan Sri Dato' Seri Shahril bin Shamsuddin who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers himself for re-election. | Ordinary Resolution 4
<i>[Please refer to Note C]</i> |
| 6. | To re-elect Encik Ahmad Jauhari bin Yahya who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers himself for re-election. | Ordinary Resolution 5
<i>[Please refer to Note C]</i> |
| 7. | To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6
<i>[Please refer to Note D]</i> |

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution, with or without modifications:-

8. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights**

"THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the capital of the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("**General Mandate**");

AND THAT approval be and is hereby given for the pre-emptive rights of the shareholders of the Company under Section 85 of the Act read together with Clause 14 of the Constitution, over all the new shares to be issued pursuant to and/or arising from the General Mandate ranking equally to the existing issued shares, being in proportion as nearly as the circumstances admit, to the amount of the existing shares held by the shareholders of the Company as at the date of issuance and allotment of such new shares ("**Pre-emptive Rights**"), be irrevocably and unconditionally waived ("**Waiver of Pre-emptive Rights**");

AND THAT the Company be exempted from the obligation to offer such new shares to be issued and allotted pursuant to the General Mandate to the shareholders of the Company in accordance with the Pre-emptive Rights;

AND THAT the Directors and/or the Company Secretaries be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Waiver of Pre-emptive Rights for and on behalf of the Company;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

Ordinary Resolution 7
[Please refer to Note E]

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC NO. 201908002648)
YAU JYE YEE (MAICSA 7059233) (SSM PC NO. 202008000733)

Company Secretaries

Selangor Darul Ehsan
31 May 2024

NOTICE OF SIXTY-SEVENTH (67TH) ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON THE ORDINARY AND SPECIAL BUSINESS:

A. Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require formal approval of the shareholders for the Audited Financial Statement. Hence, this Agenda item is not put forward for voting.

B. Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 67th AGM of the Directors' fees for the financial year ended 31 January 2024 under Ordinary Resolution 1.

The proposed Directors' fees payable to the Directors of the Company for the financial year ended 31 January 2024 shall be up to a total of RM549,863.38 only, comprised of the following rates based on responsibilities assumed and the annual Directors' fee is prorated based on his/her appointment date (where applicable):-

Annual Directors' Fees	Chairman	Members
Board of Directors	RM118,000	RM59,000
Board Audit and Risk Committee ("BARC")	RM30,000	RM24,000
Board Nomination and Remuneration Committee ("BNRC")	RM18,000	RM12,000

Under Ordinary Resolution 2, the additional payment of Directors' benefits payable from 19 July 2023 until the 67th AGM of the Company is due to the formation of a new temporary set up Board Committee, namely, Permata Sapura Board and Management Committee ("PBMC") in 2023. The additional payment is solely for meeting allowance and will be paid exclusively to the Non-Executive Directors who served as members of the PBMC in recognition of their additional responsibilities, compensates for their time and expertise, encourages active participation, aligns with industry standards, and enhances overall governance and accountability.

Under Ordinary Resolution 3, the proposed Directors' benefits payable comprised of meeting allowance and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committee meetings from 18 July 2024, being the day after the 67th AGM until the next AGM and other benefits.

If the proposed Directors' benefits payable during the above period exceed the estimated amount sought at the 67th AGM, approval will be sought at the next AGM for additional Directors' benefits payable to meet the shortfall, before the payment is made.

C. Re-election of Directors

The performance, effectiveness and independence (as the case may be) of each Director who is recommended for re-election have been assessed through the Board's annual evaluation. The BNRC has also conducted an assessment on the fitness and properness of the retiring Directors including the review of their fit and proper assessment declarations in accordance with the Directors' Fit and Proper Policy of the Company. The BNRC and the Board are satisfied with the performance, effectiveness, fitness and independence (as the case may be) of Tan Sri Dato' Seri Shahril bin Shamsuddin and Encik Ahmad Jauhari bin Yahya who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 67th AGM.

The profiles of the Directors standing for re-election are set out in the Directors' Profiles section of the 2024 Annual Report.

D. Re-appointment of Auditors

The BARC had assessed the suitability and independence of the External Auditors and recommended the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 January 2025. The Board had in turn reviewed the recommendation of the BARC and recommended the same to be tabled to the shareholders for approval at the forthcoming 67th AGM of the Company under Ordinary Resolution 6.

E. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act and Waiver of Pre-Emptive Rights

This is the renewal of the mandate obtained from the members at the last AGM held on 18 July 2023 ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

The proposed resolution, if passed, will provide flexibility to the Directors to undertake fundraising activities, including but not limited to the placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85(1) of the Act be read together with Clause 14 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution 7, if passed, will require shareholders to waive their statutory pre-emptive right, allowing the Directors to issue new shares to any person under the General Mandate without offering these shares to all existing shareholders first.

NOTES:-

MODE OF MEETING AND VENUE

1. The 67th AGM of the Company will be conducted on a fully virtual basis through the live streaming and online meeting platform using the RPV facilities. To participate in the 67th AGM remotely, all members will have to register for RPV facilities via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.

Please follow the steps and procedures provided in the Administrative Notes for the 67th AGM of the Company, published on the Company's website at www.sapura-resources.com in order to register, participate and vote remotely via the RPV facilities.

The 67th AGM is deemed held where the Chairman of the meeting is in Malaysia in compliance with Section 327(2) of the Act and in accordance with Clause 77 of the Company's Constitution which allows a general meeting to be held at more than one (1) venue, using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting. Shareholders/proxy(ies) will not be allowed to participate in the 67th AGM in person on the day of the 67th AGM of the Company.

2. According to the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions ("FAQs") and its subsequent amendments on the Conduct of General Meetings for Listed Issuers, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia.

Shareholders WILL NOT BE ALLOWED to participate in the AGM in person on the day of the meeting. By utilising the RPV facilities, shareholders are to remotely participate, speak (by way of posing questions to the Board via real-time submission of typed texts) and cast their votes at the 67th AGM.

APPOINTMENT OF PROXY

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as at **10 July 2024** (General Meeting Record of Depositors) shall be entitled to participate, speak and vote at this Meeting.
2. A member of the Company who is entitled to participate and vote at the meeting, shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy in relation to a meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to participate, speak and vote at the meeting.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, the primary mode of communication by shareholders for the 67th AGM is via text messaging facilities provided under the RPV facilities. In the event of any technical glitch in the primary mode of communication, all other reasonable modes of communication are acceptable for the 67th AGM.

4. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

NOTICE OF SIXTY-SEVENTH (67TH) ANNUAL GENERAL MEETING

5. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e., not later than 15 July 2024 at 10:00 a.m. or adjournment thereof.
7. Alternatively, the form of proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.

The lodging of the Proxy Form does not preclude any shareholder from participating and voting remotely at the meeting should any shareholder subsequently wish to do so, provided that a Notice of Termination of Authority to act as Proxy is given to the Company and deposited at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time stipulated for holding the meeting or any adjournment thereof.

All resolutions set out in the Notice of the Meeting are to be voted by poll voting as per paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities via the RPV facilities.

8. Corporate Representatives

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the 67th AGM pursuant to Section 333 of the Act. For this purpose and pursuant to Section 333 (5) of the Act, the corporate member shall be provided a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

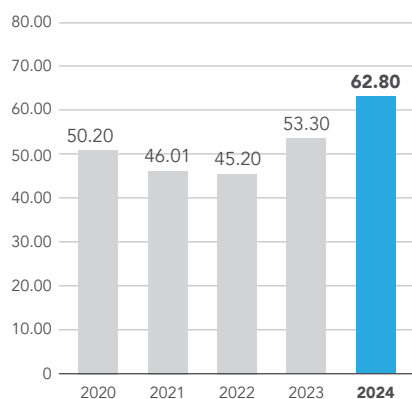
Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FINANCIAL HIGHLIGHTS

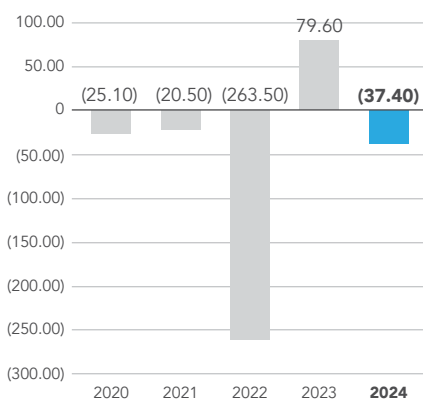
REVENUE

(RM' Million)



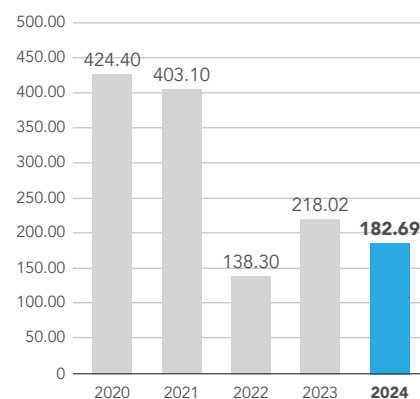
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(RM' Million)



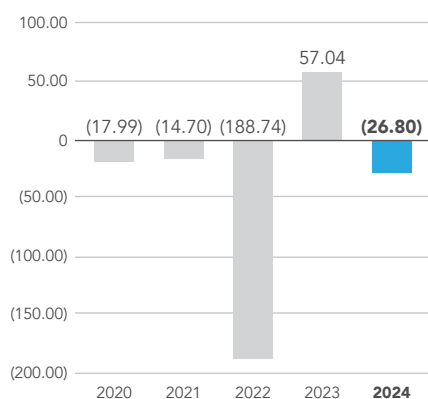
SHAREHOLDERS' FUNDS

(RM' Million)



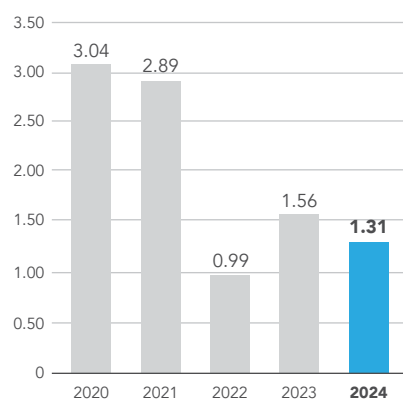
BASIC/DILUTED EARNINGS/(LOSS) PER SHARE

(Sen)



NET ASSETS PER SHARE

(Sen)



31 JANUARY

		2020	2021	2022	2023	2024
Revenue	(RM'million)	50.20	46.01	45.20	53.30	62.80
Profit/(loss) attribute to equity holders of the Company	(RM'million)	(25.10)	(20.50)	(263.50)	79.60	(37.40)
Shareholders' funds	(RM'million)	424.40	403.10	138.30	218.02	182.69
Basic/diluted earnings/(loss) per share	(Sen)	(17.99)	(14.70)	(188.74)	57.04	(26.80)
Net assets per share	(Sen)	3.04	2.89	0.99	1.56	1.31

CORPORATE INFORMATION

BOARD OF DIRECTORS

ENCIK AHMAD JAUHARI BIN YAHYA

Independent Non-Executive Chairman

DATO' SHAHRIMAN BIN SHAMSUDDIN

Managing Director

TAN SRI DATO' SERI SHAHRIL BIN SHAMSUDDIN

Non-Independent Non-Executive Director

DATUK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

(Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin)

MR. ANDREW HENG

Senior Independent Non-Executive Director
(Re-designated on 21 May 2024)

DR. YAP LANG LING

Independent Non-Executive Director

ENCIK REZA BIN ABDUL RAHIM

Non-Independent Non-Executive Director

BOARD AUDIT AND RISK COMMITTEE

Mr. Andrew Heng (Chairman)

Dr. Yap Lang Ling

Encik Reza bin Abdul Rahim

BOARD NOMINATION AND REMUNERATION COMMITTEE

Dr. Yap Lang Ling (Chairperson)

Mr. Andrew Heng

Encik Reza bin Abdul Rahim

WEBSITE

www.sapura-resources.com

INVESTOR RELATIONS

Mail to:-

Sapura@Mines

No. 7 Jalan Tasik

The Mines Resort City

43300 Seri Kembangan

Selangor Darul Ehsan

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)

SSM PC No.201908002648

Yau Jye Yee (MAICSA 7059233)

SSM PC No. 202008000733

PRINCIPAL SOLICITOR

Skrine & Co.

PRINCIPAL BANKER

CIMB Bank Berhad

Malayan Banking Berhad

REGISTERED OFFICE

Sapura@Mines

No. 7 Jalan Tasik

The Mines Resort City

43300 Seri Kembangan

Selangor Darul Ehsan

Tel : 603-8949 7000

Fax : 603-8949 7046

AUDITORS

Ernst & Young PLT

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Tel : 603-7495 8000

Fax : 603-2095 9076/78

INTERNAL AUDITORS

KPMG Management & Risk Consulting
Sdn. Bhd.

10th Floor, KPMG Tower

No. 8, First Avenue

Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Tel : 603-7721 3388

Fax : 603- 7721 3399

SHARE REGISTRAR

Boardroom Share Registrars

Sdn. Bhd.

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Email: BSR.Helpdesk boardroomlimited.com

STOCK EXCHANGE LISTING

Main Market

Bursa Malaysia Securities Berhad

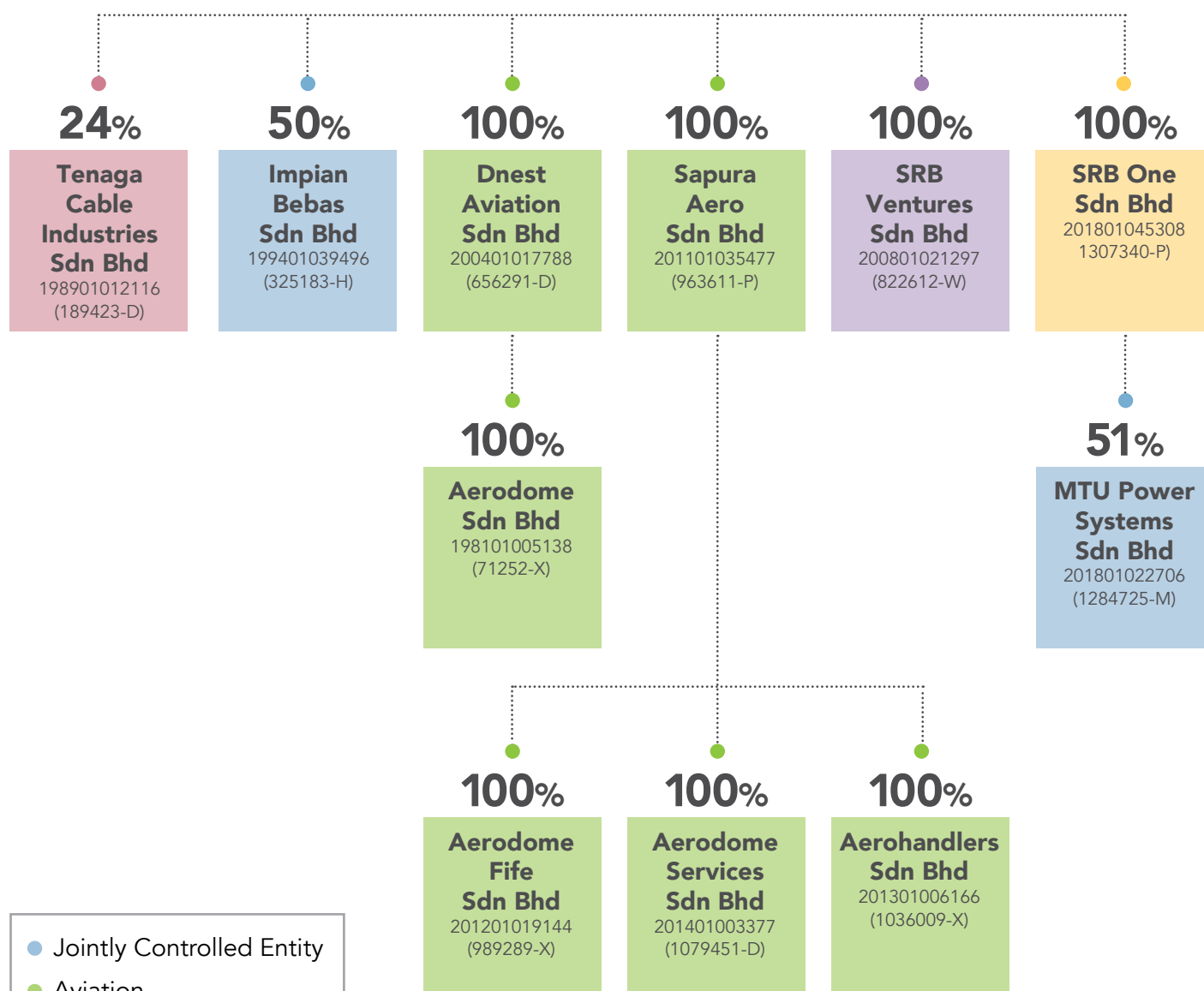
Stock Name: SAPRES

Stock Code : 4596

CORPORATE STRUCTURE



Sapura Resources Berhad
195701000235 (3136-D)



- Jointly Controlled Entity
- Aviation
- Associate
- Others
- F & B

MANAGEMENT DISCUSSION AND ANALYSIS

We present the Management Discussion and Analysis Report of Sapura Resources Berhad ("the Company," "SRB", "the Group", or "We") for the financial year ended on 31st January 2024 ("FYE 2024", "Current Financial Year").

Overall, FYE 2024 has been another challenging year for us. We registered a loss after tax of RM37.4 million in the current financial year, as opposed to a profit after tax of RM79.7 million in the preceding year. This is mainly due to a smaller reversal of impairment of non-current assets which amounted to RM46 million in the current financial year as opposed to RM123 million in the preceding year, and a reduction in other income from RM43 million to RM6.4 million in the current financial year.

MARKET REVIEW

For 2023, the Malaysian economic growth normalised to 3.7%, following a strong growth registered in the previous year (2022: 8.7%). Notwithstanding, our company's results do not always align with Malaysia's overall economic performance. This is because our property and private aviation services business in Klang Valley faces unique market conditions that do not always follow the broader, macroeconomic trend.



Property

Klang Valley's purpose-built office market in 2023 remains soft, dampened by over-supply in the market. For example, within the vicinity of Permata Sapura, which we co-own, we face direct and significant competition from new Class A commercial office buildings such as Tun Razak Exchange and Merdeka 118. This is on top of the competition from existing buildings within Greater Kuala Lumpur. Furthermore, we are aware of the growing trend, which is tenant-driven, with respect to requirements for energy efficiency and energy redundancy features in the building. This is due to an increased reliance on digital technology and the potential increase in energy costs, in the immediate future.

On the demand side, cautious market sentiments, rapid technologisation and the advent of the gig/hybrid economy continue to cast downward pressure on demand, further depressing yield for purposed-built office spaces. Therefore, maintaining the occupancy rate at a competitive rate will be an ongoing and significant concern for us.

Year	2019	2020	2021	2022	2023p	2024f
Real GDP at Constant 2015 Price (RM billion)	1,424	1,346	1,391	1,511	1,567	1,630
% GDP Growth	4.4	-5.5	3.3	8.7	3.7	4.0

p - preliminary; f - forecast
Source: Bank Negara Malaysia

Private Aviation

As for the private aviation market which the Group serves, it remains a highly competitive sector serving a niche market segment – i.e., high net worth individuals and businesses who operate private jets. The potential for growth in demand remains dampened, due to a lack of robust economic growth and high costs associated with owning and maintaining private jets.

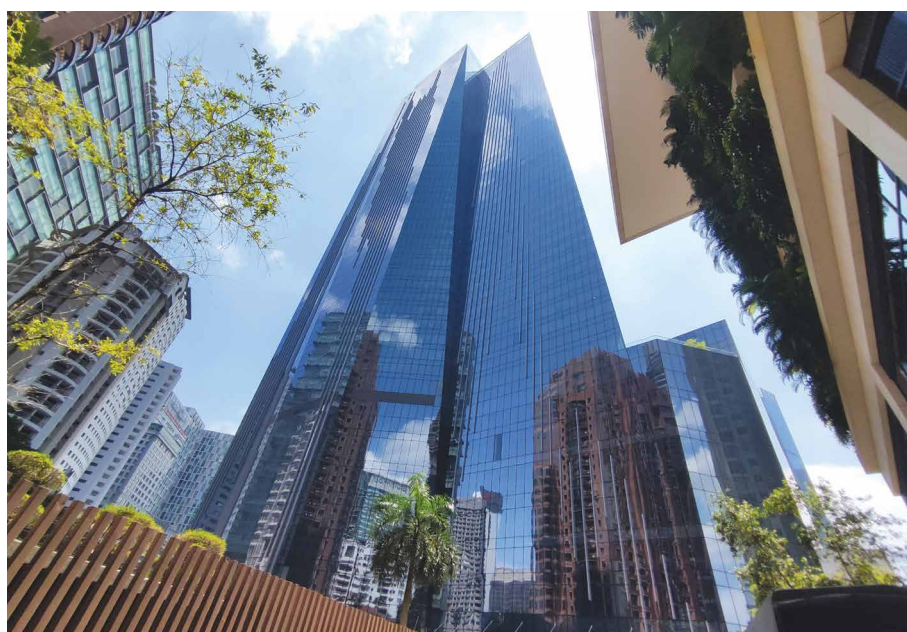
On the supply side, the Group is competing in an already crowded marketplace with numerous service providers operating out of Subang. Additionally, the group faces heightened competition risks, due to aggressive expansion in terms of new hangarage spaces and more competitive pricing, especially by a well-resourced MRO player in Subang.

OPERATIONAL HIGHLIGHTS

Property - Permata Sapura

Permata Sapura is a 52-storey tower with an office tower, convention centre, mechanical floors, retail podium and a four-storey basement car park, owned by Impian Bebas Sdn Bhd (“IBSB”). IBSB is the Group’s 50-50 joint venture entity with KLCC (Holdings) Sdn Bhd. Pursuant to the joint venture agreement, SRB has a 15-year Master Lease Agreement (“MLA”) in place, commencing from 1st October 2021, for approximately 449,000 sq. ft of Net Lettable Area (“NLA”) of the office tower in Permata Sapura.

During the current financial year, we managed to increase the sub-tenancy rate from 16% as at 31st January 2023 to approximately 91% as at 31st January 2024. The increase in the sub-tenancy rate is attributed to the onboarding of a single key tenant, which signed a long-term tenancy agreement, beginning November 2023 - with an option to extend every three years at higher tenancy rates. Currently, 82.6% of the existing occupants are renting below the rate stated in the MLA.



Total Revenue

RM62.8 million

2023: RM53.3 million

Total Assets

RM868.9 million

2023: RM854.1 million

During the current financial year, the total cost incurred for FYE2024 was RM68.9 million (which includes RM37.0 million for finance costs for lease liabilities and RM28.6 million for depreciation for right-of-use assets) whilst revenue earned was only RM11.8 million, leading to a shortfall of RM57.1 million for the current financial year. However, the shortfall is offset by the reversal of impairment amounting to RM46.2 million.

Whilst the cash shortfall in meeting our financial obligations is expected to improve in the coming financial year, it has not been fully resolved yet – due to average lease rates to sub-tenants remains below the MLA rate and outstanding 9% vacancy rate. This underscores the importance of securing high-quality tenants at a competitive rate (i.e. more than the MLA rate), in order to meet our MLA obligations. Therefore, securing high-quality tenants at a competitive rate, given the prevailing market condition, remains a significant risk for the Group. We will continue to increase our marketing activity and engagement with prospective tenants to mitigate this.

MANAGEMENT DISCUSSION AND ANALYSIS

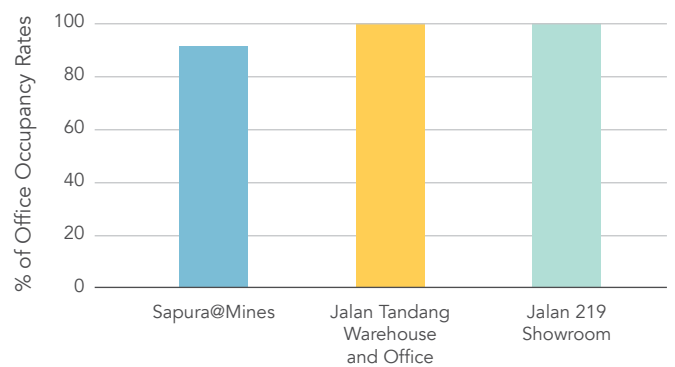
Property (Excluding Permata Sapura)

We currently own and manage three properties under our portfolio as detailed below:

- 10-storey office building at Sapura@Mines with an office Net Lettable Area ("NLA") of approximately 260,000 square feet ("Sapura@Mines");
- Warehouses and offices with an NLA of 166,000 square feet at Jalan Tandang, Petaling Jaya ("Jalan Tandang"); and
- Commercial showroom building with an NLA of 46,000 square feet at Jalan 219, Petaling Jaya ("Jalan 219").

Overall revenue improved slightly from RM20.5 million in the preceding financial year to RM21.2 million in the current financial year. This is due to contributions from auxiliary income such as café and events, which amounted to RM2.0 million. However, profit before tax declined from RM33.3 million to loss before tax of RM31.9 million, mainly due to the absence of one-off accounting gain which was accounted for in the preceding year.

A summary of office space occupancy rates as at 31st January 2024, is as follows:



Property	Occupancy Rate (%)
Sapura@Mines	89%
Jalan Tandang Warehouse and Office	100%
Jalan 219 Showroom	100%

As seen in previous years, Sapura@Mines continues to be a key revenue contributor for the Group. Sapura@Mines continues to rely on its anchor tenant, which accounts for 83% of revenue generated from Sapura@Mines, and 24% of the overall group's revenue; whilst occupying 72% of the NLA

of Sapura@Mines as of 31st January 2024. Our current lease with the anchor tenant is set to expire in March 2025. There is a risk of non-renewal by our anchor tenant. We will continue to engage current and prospective tenants, in order to secure new leases, at a competitive rate, beyond March 2025. Key initiatives thus far include the issuance of a letter of offer to a related party, who has expressed interest in taking over any vacancy arising.

With respect to the Jalan Tandang and Jalan 219 property, tenants are secured through long-term leases with single counterparties, which expire in August 2032 and November 2026, respectively. We do not foresee significant non-renewal risk arising from these leases, in the immediate future.

Private Aviation

During the current financial year, the private aviation services segment, which consists of hangarage services, ground handling and aircraft management services, recorded a revenue of RM33.5 million which is 53% of group revenue for the current financial year. This is a slight increase from RM25.6 million from the previous year. However, our losses increased significantly from RM1.1 million in the preceding financial year to RM3.4 million in the current financial year. This is mainly due to the one-off accounting gain in finance lease receivable which was recognised in the preceding year.

The risk of non-renewal of our agreements by our existing customers is significant, given the influx of new hangarage space at a more competitive rate. In consideration of this, we will continuously review our position as a private aviation service provider, to ensure the long-term sustainability of the Group.

Investment holding

The investment holding segment of the Group consists of:

- 50-50% Joint Venture with KLCC (Holdings) Sdn Bhd via Impian Bebas Sdn Bhd ("IBSB");
- 51% equity in MTU Powers System Sdn Bhd ("MPS"); and
- 24% equity in Tenaga Cable Industries Sdn Bhd ("TCI").

During the financial year, the share of losses from joint ventures and associate increased from RM7.3 million to RM12.3 million. This can be mainly attributed to the increase in the share of losses from a joint venture company, IBSB.

With respect to MPS, the company is in the growth phase and therefore, requires continuous shareholders' funding for expansion. We are actively engaging with our joint venture partner on MPS's business plans.



Our investment in our only associate company, TCI continues to contribute positively, with an increase in share of profit from RM0.4 million in the preceding financial year to RM4.5 million in the current financial year. However, we have yet to receive any dividend from TCI.

FINANCIAL REVIEW OF THE GROUP

Financial Performance

Overall revenue of the Group stood at RM62.8 million for FYE 2024 as compared to the preceding year's revenue of RM53.3 million. This increase is due to higher revenue recognition with respect to Permata Sapura.

With regards to profit, the Group posted a loss before taxation of RM37.4 million in FYE 2024, as compared to a profit before tax in the previous financial year of RM79.7 million. This is mainly due to lower reversal of impairment and other income when compared to the preceding year.

Financial Position

In line with our financial performance, the total equity of the Group declined. This is demonstrated by the significant reduction of retained profit from RM77.9 million in the preceding financial year to RM40.5 million in the current financial year, which corresponds to the RM37.4 million decline.

The Group's assets increased from RM854.1 million to RM868.9 million. This increase is mainly due to an increase in receivables and investments in joint ventures, associates, and investment properties.

Similarly, the total liabilities of the Group had increased from RM636.1 million to RM686.3 million, mainly due to an increase in payables by RM113 million, which is offset by the decrease in lease liabilities.

The Group's current ratio, a yardstick that measures the Group's financial liquidity, has further deteriorated from 0.4 times in the preceding year to 0.3 times, in the current financial year.

(Note: The current ratio is calculated based on the current asset over current liability as at year-end for each of the financial year)

Cash Flow

Our net cash generated from operating activity has deteriorated significantly from the preceding year, with cash generated amounting to RM19.6 million in the current financial year vis à vis RM23.7 million from the previous year. This is mainly due to an increase in cash outflow, arising from an increase in operating expenses.

Our cash outflow for investing activities for the current financial year is RM40.9 million, an increase from last year's RM36.3 million. Similar to last year, the cash outflow mainly resulted from cash paid for cash calls made by IBSB which amounted to RM37 million this year.

Our financing inflow consists only of loans from Jurudata Sdn Bhd ("JSB"). For the current financial year, JSB has provided a loan of RM128 million to the Group, for us to meet our financial obligations with respect to Permata Sapura – cash call by IBSB and payment for lease liabilities from our Permata Sapura MLA amounting to RM95.3 million. In the preceding year, we received a loan of RM40 million from JSB, for similar reasons – leading to a total of RM168 million of the amount owing to JSB in the current financial year.

With respect to the aforementioned RM168 million advances, we have proposed to settle the debt via a Settlement Agreement by way of issuance of 9-year zero coupons redeemable convertible secured loan stock in SRB ("RCSLS"), at an issue price RM0.45 per RCSLS, to JSB. In addition, and in order to improve our financial resilience, we have proposed fundraising of an additional RM33.5 million through renounceable rights issue of new ordinary shares in SRB.

Overall cash balances for the current financial year increased by RM5.9 million, leading to an overall cash and cash equivalent balance of RM38.5 million.

CONCLUSION

Our outlook for the coming financial year (FYE 2025) remains challenging as the Group continue to weather headwinds in the form of unfavourable market conditions across all its business segments, as in the current and preceding years. We remain cautiously optimistic in improving our performance for the next financial year, in view of existing and new measures undertaken by management.

BOARD OF DIRECTORS



left to right:

front

**ENCIK AHMAD JAUHARI
BIN YAHYA**

Chairman
Independent Non-Executive Director

**DATO' SHAHRIMAN
BIN SHAMSUDDIN**

Managing Director

Back

**TAN SRI DATO' SERI SHAHRIL
BIN SHAMSUDDIN**

Non-Independent
Non-Executive Director

MR. ANDREW HENG

Senior Independent
Non-Executive Director

DR. YAP LANG LING

Independent Non-Executive
Director

**ENCIK REZA
BIN ABDUL RAHIM**

Non-Independent
Non-Executive Director

**DATUK MEGAT ABDUL MUNIR
BIN MEGAT ABDULLAH RAFAIE**

(Alternate Director to Tan Sri
Dato' Seri Shahril bin Shamsuddin)

BOARD OF DIRECTORS' PROFILE

ENCIK AHMAD JAUHARI BIN YAHYA

Chairman/Independent Non-Executive Director

Nationality
Malaysian

Date of Appointment
19 January 2016

**Board Meeting
Attendance in FYE 2024**

Age
70

Length of service
(as at 30 April 2024)
8 years 3 months



Gender
Male

Board Committees Membership(s)

Nil

Directorships in other public companies and listed issuers

- Taliworks Corporation Berhad
 - Independent Non-Executive Director
- Cenergi SEA Berhad
 - Non-Executive Director
- Proton Holdings Berhad
 - Non-Executive Director

Encik Ahmad Jauhari was appointed to the Board of Sapura Resources Berhad as an Independent Non-Executive Director on 19 January 2016. On 17 September 2021, he was re-designated as the Chairman of the Board Nomination and Remuneration Committee of the Company. On 20 July 2022, he was re-designated as the Chairman of the Company. On 6 April 2023, he ceased as the Chairman of the Board Nomination and Remuneration Committee and the member of the Board Audit and Risk Committee.

He holds a Bachelor of Science (Hons) Degree in Electrical and Electronics Engineering from University of Nottingham, United Kingdom.

He started his career with ESSO Malaysia Berhad in 1977 before joining The New Straits Times Press (M) Berhad in 1979 where he rose to the rank of Senior Group General Manager, Production and Circulation. He then joined Time Engineering Berhad as the Deputy Managing Director in 1992 and subsequently became Managing Director within the same year. He then served as the Managing Director of Malaysian Resources Corporation Berhad in 1993 before taking the role of Managing Director of Malakoff Berhad from 1994 till 2010.

After 2010, he became a Director at Malaysia Airport Holdings Berhad and the Chairman of Destination Resorts and Hotel Sdn. Bhd. prior to his appointment at Malaysia Airlines Berhad.



Encik Ahmad Jauhari was appointed as the Group Chief Executive Officer of Malaysia Airlines Berhad on 19 September 2011. He was a member of the Board Tender Committee and sat on the Boards of several subsidiaries within the Malaysia Airlines Berhad Group of Companies. He stepped down from the role of Group Chief Executive Officer of Malaysia Airlines Berhad on 30 April 2015 but remained on the Board as a Non-Executive Director until December 2015.

Encik Ahmad Jauhari has vast experience in managing organisations on the international front as he had served as the Director and Chairman of Executive Committee of Central Electricity Generating Company Limited (Jordan), a Director of Shuaibah Expansion Project Company Limited (Saudi Arabia) and a Director of Souk Tieta Independent Water Project (IWP) in Algeria.

Encik Ahmad Jauhari also has vast and diverse working experience in various industries which includes oil and gas, media publications, engineering, power generation, gas utilities, telecommunications and IT. He is also the founder member and the former President of Penjanabebas (Association of Independent Power Producer of Malaysia).

Encik Ahmad Jauhari is an Executive Director of Cenergi SEA Berhad, an Independent Non-Executive Director of Taliworks Corporation Berhad and Non-Executive Director of Proton Holdings Berhad. He is also the Chairman of Minconsult Sdn. Bhd

Encik Ahmad Jauhari does not have any family relationship with the other Directors and/or major shareholders of the Company.

BOARD OF
DIRECTORS' PROFILE

DATO' SHAHRIMAN BIN
SHAMSUDDIN

Managing Director

Nationality Malaysian	Date of Appointment 28 July 2005	Board Meeting Attendance in FYE 2024
Age 55	Length of service (as at 30 April 2024) 18 years 9 months	
Gender Male		

Board Committees Membership(s)
Nil

Directorships in other public companies and listed issuers

- Sapura Energy Berhad
- Non-Independent Non-Executive Director

Dato' Shahrman was appointed to the Board of Sapura Resources Berhad as a Non-Independent Non-Executive Director on 28 July 2005. On 1 March 2007, he was re-designated as the Managing Director of Sapura Resources Berhad.

Dato' Shahrman holds a Master of Science in Engineering Business Management from Warwick University, United Kingdom and a Bachelor of Science in Industrial Technology from Purdue University, United States of America.



Dato' Shahrman began his career with Sapura Group in 1991 and has held a number of key senior positions within the Group. As the Managing Director of Sapura Resources Berhad, he manages a diversified portfolio which includes property investment, private aviation services and commercial aviation, aviation MRO and engineering services in marine sector.

Dato' Shahrman is a major shareholder of the Company and is also the brother of Tan Sri Dato' Seri Shahril bin Shamsuddin, the Non-Independent Non-Executive Director and major shareholder of the Company.

TAN SRI DATO' SERI SHAHRIL BIN SHAMSUDDIN

Non-Independent Non-Executive Director

Nationality
Malaysian

Date of Appointment
19 February 1990

**Board Meeting
Attendance in FYE 2024**

Age
63

Length of service
(as at 30 April 2024)
34 years 2 months



Gender
Male

Board Committees Membership(s)

Nil

Directorships in other public companies and listed issuers

- Sancy Berhad
- Non-Executive Chairman

Tan Sri Shahril was appointed as Managing Director of Sapura Resources Berhad on 19 February 1990, and was re-designated as a Non-Independent Non-Executive Director of the Company on 1 March 2007.

As President and Group Chief Executive Officer of Sapura Group, Tan Sri Shahril oversees a diverse business portfolios including secured communications technologies, automotive manufacturing, aviation and property development. Under his stewardship, Sapura Group through Sapura Secured Technologies now has more than two decades of experience in leading Mission Critical technology innovation and is a key service provider in Defence Electronics and Homeland Security Solutions. His recent venture is the founding of Velum Labs, a company providing non-intrusive cloud and cyber intelligence solutions.

In recognition of his contributions to the local industry, Tan Sri Shahril was conferred an Honorary Doctorate in Technology Management by the Universiti Teknologi Malaysia (UTM) in 2013. In 2020, Tan Sri Shahril was appointed Chairman of the Malaysian National Applied Research and Development Centre (MIMOS) to spearhead the agency's leading technological innovation and capabilities.

From 2003 to 2021, Tan Sri Shahril was President and Group Chief Executive Officer of Sapura Energy, where he spearheaded the Group's transformation from a domestic-focused oil & gas contractor to a global integrated oil & gas services and solutions provider. During his tenure, Sapura Energy has received numerous accolades, including the Fabulous 50 listing by Forbes Asia in 2013 and 2014,



Asia's Overall Best Managed Company in Natural Resources by Finance Asia in 2014, New Upstream Player of the Year award by The Oil & Gas Year Malaysia in 2015, Marginal Oil Fields Development Company of the Year award by Frost & Sullivan in 2015, Best Pipe Layer Operator award by Petrobras in 2018 and APAC Company of the Year (Energy Services, Offshore and Marine) by Energy Council in 2019.

He was honoured with the Order of Rio Branco by the government of Brazil in 2019 and was the recipient of the Legion d'Honneur by the Republic of France in 2007. Ernst & Young hailed Tan Sri Shahril as Malaysia's Entrepreneur of the Year in 2009 and he was presented the Man of the Year award by The Oil & Gas Year Malaysia in 2014.

Previously a member of the World Economic Forum's ASEAN Regional Strategy Group, Tan Sri Shahril now sits in the Asian Executive Board of the MIT Sloan School of Management, and the Board of Governors of the Asia School of Business, a collaboration between MIT Sloan and Bank Negara Malaysia. He is also a member of the International Advisory Council of the Singapore Management University. In 2023, Tan Sri Shahril was appointed as Adjunct Professor at the Institute of Microengineering & Nanoelectronics at Universiti Kebangsaan Malaysia (UKM).

Tan Sri Shahril obtained an M.Sc. in Management of Technology from MIT Sloan School of Management and graduated from the California Polytechnic State University with a B.Sc. in Industrial Technology. Tan Sri Shahril is also an Honorary Brigadier General in the Territorial Army Regiment of the Malaysian Army.

Tan Sri Shahril is a major shareholder of the Company and the brother of Dato' Shahrman bin Shamsuddin, the Managing Director and another major shareholder of the Company.

BOARD OF
DIRECTORS' PROFILE

MR. ANDREW HENG

Senior Independent Non-Executive Director
(Re-designated on 21 May 2024)

Nationality Malaysian	Date of Appointment 3 June 2019	Board Meeting Attendance in FYE 2024
Age 49	Length of service (as at 30 April 2024) 4 years 10 months	12/13
Gender Male		

Board Committees Membership(s)

- 1. Board Audit and Risk Committee
- Chairman
- 2. Board Nomination and Remuneration Committee
- Member

Directorships in other public companies and listed issuers
Nil

Andrew Heng was appointed to the Board of Sapura Resources Berhad as an Independent Non-Executive Director on 3 June 2019 and was re-designated to Senior Independent Non-Executive Director on 21 May 2024. On 17 September 2021, he was re-designated as the Chairman of the Board Audit and Risk Committee. On 20 July 2022, he was appointed as a Member of the Board Nomination and Remuneration Committee.

Andrew is a Chartered Accountant with the Malaysian Institute Accountants ("MIA"), a fellow member of CPA Australia, Chartered Accountant Australia New Zealand, a member of the Cambodian Institute of CPAs, a Chartered Valuer and Appraiser with the Institute of Valuers and Appraisers Singapore, a Certified Financial Planner with the Financial Planning Association of Malaysia and a Chartered Internal Auditor with The Institute of Internal Auditors Malaysia.



Andrew graduated from the University of Western Australia with a Bachelor of Commerce and Bachelor of Law in 1998 and Master of Business Administration from the University of Manchester. He was also called to the Malaysian Bar in 2000.

Andrew is a Group Managing Partner of Baker Tilly Malaysia and has more than 20 years of experience in corporate restructuring, transaction advisory and corporate recovery. He is the lead partner in Malaysia for Corporate Advisory and is experienced in Mergers and Acquisitions, Reverse Take Over and Initial Public Offerings of companies, including being Independent Valuer's/Expert Report's Role in valuation of companies and financial due diligence for application, for admission and listing on the Bursa Malaysia. He also sits on the Baker Tilly International Board and is the Baker Tilly International APAC Regional Chair.

Andrew does not have any family relationship with the other Directors and/or major shareholders of the Company.

DR. YAP LANG LING

Independent Non-Executive Director

Nationality
Malaysian

Date of Appointment
1 November 2022

**Board Meeting
Attendance in FYE 2024**

Age
52

Length of service
(as at 30 April 2024)
1 year 5 months



Gender
Female

Board Committees Membership(s)

1. Board Audit and Risk Committee
- Member
2. Board Nomination and Remuneration Committee
- Chairperson

Directorships in other public companies and listed issuers

- Well Chip Group Berhad
- Independent Non-Executive Director
- Supermax Corporation Berhad
- Independent Non-Executive Director
(Resigned on 8 May 2024)

Dr. Yap Lang Ling was appointed to the Board of Sapura Resources Berhad as an Independent Non-Executive Director on 1 November 2022. She is also a Member of Board Audit and Risk Committee and a Member of the Board Nomination and Remuneration Committee. On 6 April 2023, she was re-designated as the Chairperson of the Board Nomination and Remuneration Committee.

Dr Yap Lang Ling graduated from Universiti Sains Malaysia with a Doctorate in Service Supply Chain Management, a Masters in Human Resource Management and Bachelor of Economics (Hons) from Universiti Utara Malaysia, and a certificate in The Sustainable Development Goals and The Law from University of Cambridge.

Dr. Yap has various leadership experiences in MNCs across the High-Tech, Financial Services and Energy industries; including local conglomerate for the Real Estate and Healthcare industries.

She has two (2) years of strategic sourcing and procurement experience in managing outsourced business processes with global suppliers for group insurance benefits, occupational health, employee services, finance and administration in



Asia and Latin America and four (4) years of manufacturing operations and systems engineering related experience for global high-paced virtual factories as well as two (2) years of quality, risk management, and infection prevention and control for group healthcare in Malaysia and Singapore.

Dr. Yap also has nineteen (19) years of human resource (HR) experience in various leadership capacities with progressively responsible experience in Pay/Stock/Benefits design and administration for manufacturing, sales and marketing, greenfield, brownfield, start-up and mergers and acquisitions in Asia, Latin America, Europe, Middle East and Africa which required strong stakeholder management skill. As a Senior Director of HR, she was responsible for the full spectrum of HR and business top strategic priorities and provided outside-in HR consultation and guidance to the senior leadership team. Areas of focus included business transformation and cultural change.

Dr. Yap has served as Independent Director for main market listed issuer in Financial Services industry, chair of Group Board Risk Committee, member of Audit Committee, and member of Nomination and Remuneration Committee.

Dr. Yap is also an Independent Non-Executive Director of Well Chip Group Berhad and Supermax Corporation Berhad. However, Dr. Yap has resigned as Director from Supermax Corporation Berhad on 8 May 2024.

Dr. Yap Lang Ling does not have any family relationship with the other Directors and/or major shareholders of the Company.

BOARD OF
DIRECTORS' PROFILE

ENCIK REZA BIN ABDUL RAHIM

Non-Independent Non-Executive Director

Nationality Malaysian	Date of Appointment 6 April 2023	Board Meeting Attendance in FYE 2024
Age 48	Length of service (as at 30 April 2024) 1 year	
Gender Male		

Board Committees Membership(s)

1. Board Audit and Risk Committee
- Member
2. Board Nomination and Remuneration Committee
- Member

Directorships in other public companies and listed issuers
Nil

On 25 January 2006, Encik Reza bin Abdul Rahim was appointed to the Board of Sapura Resources Berhad as Non-Independent Non-Executive Director. He then resigned as Non-Independent Non-Executive Director on 30 January 2009.

Encik Reza was re-appointed to the Board of Sapura Resources Berhad as Non-Independent Non-Executive Director on 6 April 2023. He was also appointed as a Member of Board Audit and Risk Committee and a Member of the Board Nomination and Remuneration Committee on even date respectively.



Encik Reza is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants. He graduated from the University of Cambridge with a MPhil in Finance and from the London School of Economics and Political Science with a BSc in Accounting and Finance (First Class Honours).

Encik Reza has over 24 years of experience in audit, financial management, corporate finance and mergers and acquisitions as well as in strategy and operations and has held various senior leadership roles within public listed and private companies with regional and global coverage. His experience spans across several industries including technology, telecommunications and energy.

Encik Reza is currently the Honorary Treasurer of MERCY Malaysia.

Encik Reza does not have any family relationship with the other Directors and/or major shareholders of the Company.

DATUK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin

Nationality
Malaysian

Date of Appointment
29 September 2022

**Board Meeting
Attendance in FYE 2024**

Age
54

Length of service
(as at 30 April 2024)
1 year 7 months



Gender
Male

Board Committees Membership(s)

Nil

Directorships in other public companies and listed issuers

Nil

Datuk Megat Abdul Munir bin Megat Abdullah Rafaie was appointed to the Board of Sapura Resources Berhad as the Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin on 29 September 2022.

Datuk Megat holds a Bachelor of Laws from International Islamic University Malaysia, and he was called to the Malaysian Bar in 1994.

Datuk Megat is a founding partner of the legal firm Messrs. Zain Megat & Murad and leads the Kuala Lumpur branch as well as three of the firm's practice areas, namely Litigation, Corporate Commercial and the Foundation Laws. He is not only heavily involved in corporate and general litigation,



but also advises on foreign investments, mergers and acquisitions, listing and compliance requirements as well as matters related to Bursa Malaysia Securities Berhad and Securities Commission Malaysia.

Datuk Megat was a director of a Taiwanese global multi-national company based and listed in Malaysia namely Tong Herr Resources Berhad as well as previously an Independent Non-Executive Director of Cypark Resources Berhad.

Datuk Megat does not have any family relationship with the other Directors and/or major shareholders of the Company.

ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

1. Conflict of Interests

None of the Directors of the Company has any conflict of interest with the Company other than those disclosed in the financial statements of the Company.

2. Convictions for Offences

None of the Directors of the Company has any conviction for offences within the past five (5) years other than traffic offences (if any) or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 January 2024.

PROFILES OF SENIOR MANAGEMENT



MAI ELIZA BINTI MIOR MOHAMAD ZUBIR

Chief Corporate Officer (SM1)

Nationality
Malaysian

Date of Appointment
13 January 2014

Age
51

Length of service
(as at 30 April 2024)
10 years 3 months

Gender
Female

Mai Eliza Binti Mior Mohamad Zubir assumed the role of Chief Corporate Officer (“CCO”) of Sapura Resources Berhad on 16 November 2023. Prior to her appointment as CCO, Mai Eliza served as Chief Operating Officer (“COO”) of Sapura Resources Berhad since October 2022. As the CCO, she is responsible for the oversight and management of corporate governance and compliance matters. Additionally, she also provides crucial corporate services to support the Managing Director in executing strategic corporate decisions.

She boasts a remarkable career spanning more than two decades, with extensive expertise in legal and corporate governance matters. With over 23 years of experience, including ten (10) years with Sapura Resources Berhad, she has excelled as an in-house legal counsel, adeptly handling legal, governance and company secretarial affairs.

Prior to her tenure at Sapura Resources Berhad, she held a senior management role at National Aerospace & Defence Industries Sdn Bhd for thirteen (13) years, where she served as Group General Manager for Legal and Corporate Services. Her tenure in this position saw her spearheading legal services for the entire NADI Group of Companies, as well as overseeing the Human Resource and Administration department.

In January 2014, she joined Sapura Resources Berhad as Head of Legal and Secretarial, where she played a pivotal role in providing legal counsel and opinions on various matters for the SRB Group of Companies. She has also served as a strategic legal advisor to senior management and the Board, contributing significantly to corporate exercises and investment proposals. Notably, she was promoted to Head of Corporate Services in January 2020 and later redesignated as Head of Corporate Support in August 2020.

Mai Eliza holds a Bachelor of Laws (LLB)(Hons) from the University of Sheffield, United Kingdom (1996), and a Certificate of Legal Practice from the University Malaya (1997).

She has no directorships in other public companies and listed companies. She does not have any family relationship with any other director and/or major shareholder of the Company. She does not have any conflict of interest with the Company and have no convictions for any offences within the past five (5) years.



AZZADDIN BIN ABDULLAH

Chief Financial Officer (SM2)

Nationality
Malaysian

Date of Appointment
22 December 2023

Age
53

Length of service
(as at 30 April 2024)
4 months

Gender
Male

Azzaddin Bin Abdullah currently serves as the Chief Financial Officer at Sapura Resources Berhad. In this role, he oversees the financial management, accounts and reporting, treasury operations, taxation, corporate finance and M&A activities, and risk management for the group.

Azzaddin has over 21 years of finance experience with the Shell Group of Companies (1994-2016), where he had driven financial leadership and provided direct business support across all core entities of Shell, from the upstream oil exploration and production business to the downstream oil products retail marketing and refining business. His career with Shell also includes stints in corporate, shared services and procurement supply chain as well as various global and regional roles.

He then joined Cyberview Sdn. Bhd. (2018-2020), a company owned by the Ministry of Finance, to develop Cyberjaya as a global technology hub, which assets include commercial land and buildings. As the Head of Corporate Finance in a two (2)-year stint here, he had led numerous corporate exercises such as merger and acquisition, divestment, loan restructuring and initial public offering (IPO)/bond implementation plan.

He then joined ICON Offshore Berhad as the Chief Financial Officer (2021-2023). ICON Offshore is one of the largest public listed Malaysia-based Oil & Gas service provider in Malaysia and Southeast Asia in terms of number of OSV_s (offshore supply vessels). Here he has ensured compliance with regulatory requirements set by BURSA and accounting standards, while effectively managing stakeholder relationships with external shareholders, investors, and financial institutions.

Qualifications:

- Bachelor of Economics (Accounting & Finance) from the University of Manchester, England - 1994
- Master of Business Administration (MBA) from Edinburgh Business School, Heriot- Watt University, Scotland - 2018
- A member of the Chartered Institute of Management Accountants (CIMA), United Kingdom since 2021
- A registered Chartered Accountant with the Malaysian Institute of Accountants (MIA) since 2021

He has no directorships in other public or listed companies. He does not have any family relationship with any other director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and have no convictions for any offences within the past five (5) years.

SUSTAINABILITY STATEMENT

1. **Introduction**

This report reflects Sapura Resources Berhad and its subsidiaries ("SRB", the "Group", "we" and "us") efforts and performance in managing its material Economic, Environmental, and Social ("EES") risks and opportunities.

2. **Reporting Framework**

In preparing this statement, we have been guided by Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, with reference to the latest edition of the issued Sustainability Reporting Guide 3rd Edition.

3. **Reporting Scope**

This sustainability report covers the Group's property and aviation business segment for the financial year end 31st January 2024 ("FYE 2024"). Unless mentioned otherwise, this report excludes associates and joint ventures. They are excluded as we do not exercise any operational control over these entities.

Reference to property business is limited to our headquarters office in Sapura@Mines. We excluded other properties in which the group has an interest, which are Jalan 219 Showroom, Jalan Tandang Warehouse - which are all leased out to third parties and Permata Sapura – which is operated by our joint venture partner. With respect to the aviation business, it includes all of our business given that we manage our entire hangarage facility.

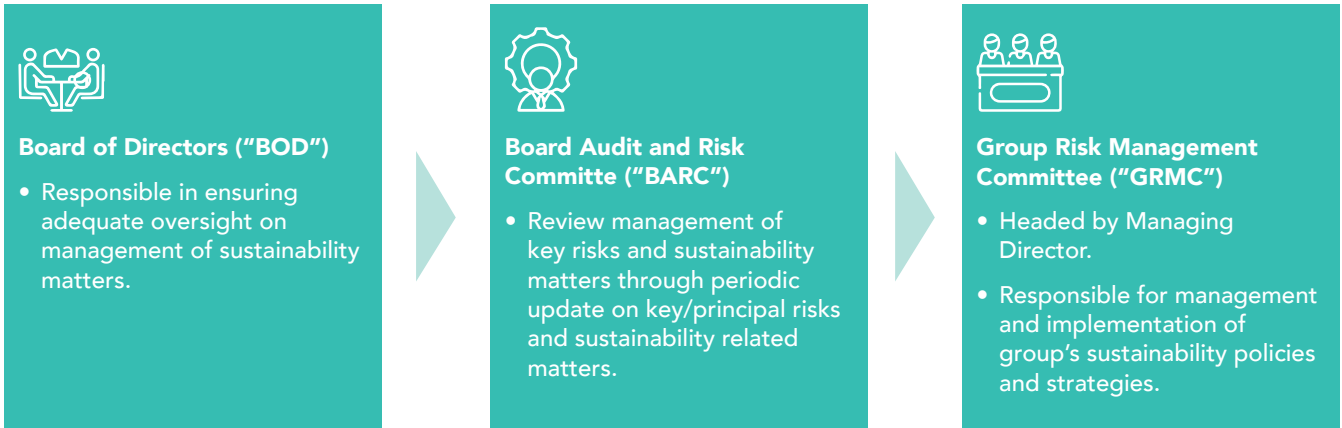
Where relevant, we included data from previous years to track year-on-year progress and to provide additional context. This report addresses our response to the material sustainability matters which impact our business and our ability to deliver value to our stakeholders.

4. **Sustainability Governance**

The Group's sustainability governance structure is integrated into our corporate governance and Enterprise Risk Management framework. The Board of Directors ("BOD") is ultimately responsible for the Group's direction and performance on sustainability matters. The BOD is supported by the Board Audit and Risk Committee ("BARC"), and Group Risk Management Committee ("GRMC").

GRMC is headed by the Managing Director and consists of the Chief Corporate Officer, Chief Financial Officer, and the Head of Business Units (Property and Aviation). GRMC is responsible for the day-to-day implementation and monitoring of its sustainability strategies and policies, within the ambit of its limit of authority.

Please refer to the corporate governance statement for more detailed disclosure on Sustainability Governance.



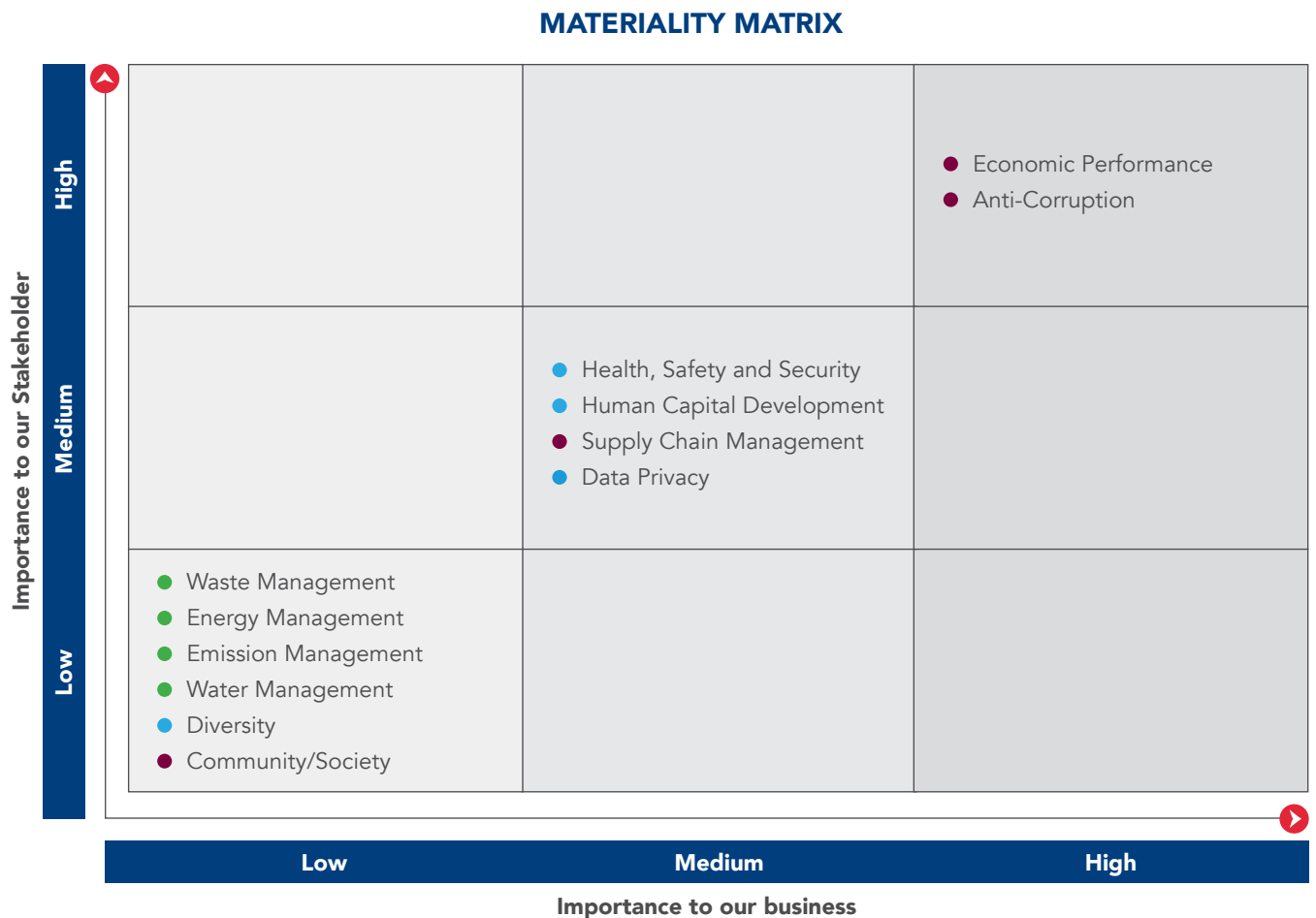
5. Assurance Statement

Information in this report has not been assured by our internal audit function or any other independent assurance provider.

6. Materiality Assessment

We continuously monitor the business's environment and engage with various stakeholders on an ongoing basis to ensure the proper recognition and management of our material sustainability matters. Our prioritisation of material sustainability matters is illustrated by way of materiality matrix, for the reporting year.

The following materiality matrix below illustrates material topics aligned along the horizontal axis to indicate the significance of our EES impact on our business and the vertical axis to reflect their influence on stakeholder assessment decisions concerning our business engagements.



SUSTAINABILITY STATEMENT

No.	Material Topic	GRI Ref	Indicators
1	Economic Performance	201-1	Direct economic value generated and distributed
2	Community/Society	201-1	Total amount invested in the community where the target beneficiaries are external Total number of beneficiaries of the investment in communities
3	Anti-Corruption	205-1	% of operations assessed for corruption-related risks
		205-2	% of employees that have received training on anti-corruption by employee category
		205-3	Confirmed incidents of corruption and action taken
4	Supply Chain Management	204-1	Proportion of spending on local suppliers
5	Health, Safety and Security	403-9	Number of work-related fatalities
		403-9	Lost time incident rate
		403-5 404-1	Number of employees trained on health and safety standards
6	Diversity	405-1	Percentage of employees by gender and age group for each employee category
		405-1	Percentage of directors by gender and age group
7	Human Capital Development	404	Total hours of training by employee category
		401	Percentage of employees that are contractors or temporary staff
		401-1	Total no. of employee turnover by employee category
		N/A	No. of substantiated complaints concerning human rights violations
8	Data Privacy	418-1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
9	Energy Management	302-1	Total energy consumption
10	Emission Management	305-1 305-2	(i) Scope 1 emissions in tonnes of CO ₂ e (ii) Scope 2 emissions in tonnes of CO ₂ e
11	Water Management	303-3 303-4 303-5	Total volume of water used
12	Waste Management	306-3 306-4 306-5	Total waste generated and a breakdown of: - (i) Total waste diverted from disposal (ii) Total waste directed to disposal

Economic Performance

Given the challenging financial position, the focal point of attention from our stakeholders - including employees, vendors, lenders, investors, and government - remains directed at the economic performance of the Group. This underscores the heightened importance of navigating economic challenges and ensuring sustainable financial outcomes.

In FYE 2024, the Group generated revenue of RM62.8 million which represents direct economic value generated. A total of RM35.9 million was distributed during our review period which consists of:

RM ('Million)	FYE 2024	FYE 2023
Economic Value Generated	62.8	53.3
Less: Economic Value Distributed, which consists of:	35.9	36.8
Payment to employees (e.g. wages, benefits)	21.4	21.2
Payment to providers of capital (e.g. interest to lenders, dividend to investors)	Nil	0.4
Payment to government (e.g. taxes and permits)	Nil	0.3
Payment to vendors ⁽¹⁾	14.5	14.9

⁽¹⁾ Payments to vendors exclude payments to consultants and joint ventures.

We recognise the significant room for improvement with respect to improving our economic performance. Key measures which we continue to focus on, include continuously reviewing our business practices, feasibility of our investments and improved engagements with business partners and stakeholders.

For a detailed discussion of our economic performance and challenges, please refer to the Management Discussion and Analysis ("MD&A") section in this Annual Report.

Community

We understand the importance of giving back to the society at large. We are cognisant of the fact the well-being of the community has direct consequences on the business environment in which we operate.

However, during the reporting year, we did not make any contributions to the community. We had to prioritise our resources in meeting our obligations to our employees, vendors, and government - given the challenging economic condition and environment we were operating in.

Total amount invested in the community where the target beneficiaries are external to the listed issuer and total number of beneficiaries of the investment in the communities for FYE 2024, 2023 and 2022

None

Anti-Corruption

During the year we have employed a third-party independent party to facilitate a formal review of our corruption risk assessment – across our property, aviation and investment holding business segment. Through this review, we reaffirm our understanding and continue to exercise vigilance in managing the multitude of corruption risks to which our businesses are exposed.

To that end, we are continuously improving our corruption risk assessment process and have established clear policies and procedures to mitigate our exposure. Compliance and adequacy of these policies and procedures are monitored, reviewed and revised by the Board through management and its Board Committees. Key policies include:


- Board Charter;
- Terms of Reference BARC and BNRC;
- Anti-Bribery and Corruption Policy;
- Conflict of Interest Policy;
- Related Party Transaction Policy;
- Procurement Policy; and
- Employee Handbook.

Percentage of operations assessed for corruption-related risks for FYE 2024

100%

SUSTAINABILITY STATEMENT

In order to encourage continuous compliance to our anti-bribery and anti-corruption policies, we conduct training and engagement programs for all employees to uphold the integrity of the control environment. All participants have signed anti bribery and anti-corruption declaration form, and the forms were kept in the employees’ personal file for records.

<div>Percentage of employees who have received training on anti-corruption training, by employee category</div>	FYE 2024 %	FYE 2023 %
Top Management (MD, CCO, CFO, Property, Aviation)	20	20
Managerial	76	37
Executive	78	11
Non-Executive	46	8

Formal training are done on a quarterly basis, and is mandatory for new employees. Besides formal training, we also conduct awareness on anti-corruption matters through management discussions, periodic updates on anti-corruption risk, and during review of internal controls. This ensures key staff are aware of and able to mitigate company’s exposure to a multitude of corruption risks.


Furthermore, recognising the potential corporate liability stemming from bribery of our vendors and agents, we have integrated anti-bribery and anti-corruption criteria into our pre-qualification process. As part of our communication procedure, we require our vendors to sign our anti bribery and anti-corruption declaration.

As a result of our continuous assessment, monitoring, and communication, we are pleased to report no confirmed incidents of corruption were noted for this reporting year.

Number of confirmed incidents of corruption and action taken for FYE 2024, 2023 and 2022	None
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Supply Chain Management

Our policy is to prioritise local suppliers, provided that the local suppliers meet our price, quality, performance, and ethical standards. The following is a summary of the proportion of spending on local suppliers.

<div>Proportion of spendings on local suppliers</div>	FYE 2024 %	FYE 2023 %	FYE 2022 %
Property	100	98	100
Aviation	77	51	22
Overall	86	67	30

To ensure the best value for money is achieved and the group’s interest is protected, we have in place a Cost, Contracts and Procurement Department (“CCP”), which ensures our Procurement Policies and Procedures are complied with.

Health, Safety and Security

We are committed to ensuring the health, safety, and security of our people and assets, especially as we navigate both property and aviation segments.

In our property operations, we concentrate on establishing a secure environment and ensuring the safety and security of both assets and tenants. To achieve this, our safety measures for buildings encompass surveillance systems and regular maintenance checks. In ensuring the safety of our tenants, we have emergency response plans in place, including emergency drills that prepare us for various scenarios. Collaborating with local authorities further enhances our overall security measures.



Within aviation, especially in our hangar operations, stringent safety measures are a priority. We have reinforced our risk management protocols and incident response mechanisms. The key controls implemented to enhance safety in our hangar operations include:

- ongoing training ensuring all personnel have a deep understanding of safety protocols.
- regular checks and maintenance of equipment, tools, and machinery used in hangar activities are conducted to prevent potential malfunctions.
- thorough pre-flight inspections guarantee aircraft readiness for safe operations.
- regular safety audits continuously assess and enhance protocols, reflecting our proactive stance in preventing incidents.
- renew and maintain licenses and certifications to uphold industry standards.


We are cognisant that our aviation business exposes us to greater workplace injury/fatality risk than our property business due to its inherent nature, therefore we have Safety Action Group ("SAG") with 11 members. During the year, they met 4 times to identify and raise safety issues to the Safety Review Board who in turn will review, analyse, and mitigate the safety concerns.

Workplace fatalities and Loss Time Incident Rate (LTIR)

During this reporting year, we did not register any work-related fatalities or report any dangerous occurrences and medical cases, as shown in the tables below:

 Number of work-related fatalities	FYE 2024	FYE 2023
Property	Nil	Nil
Aviation	Nil	Nil


For the Loss Time Incident Rate (LTIR), our LTIR is 2.43 for the aviation segment and zero for the property segment.

 Loss Time Incident Rate (LTIR)	FYE 2024	FYE 2023
Property	Nil	Nil
Aviation	2.43	1.2

We are aware that the nature of our work involves intricate processes, stringent safety standards, and the potential for unforeseen challenges. As we navigate this demanding environment, our focus remains on continuous improvement and proactive measures, including the vital role played by our Emergency Response Team. This team, comprised of 10 members, actively participates in planned exercises, and ensures a coordinated response during emergencies, further emphasizing our commitment to fostering a safe working environment within the aviation sector.

Health and Safety Training

We continue to adhere with relevant health and safety regulations and standards. As and when required, we conduct formal and dedicated health and safety training, which is reflected in the table below:

 Number of Employees Trained on Health and Safety Standards	FYE 2024	FYE 2023
Property	44	71
Aviation	236	137
Total	280	208

For the aviation segment, the training covers safety and health for personnel and day-to-day operations, including Occupational Safety & Health, Safety Management System, Human Factors, Ramp Safety, Dangerous Goods, Evacuation Drill, First Aid CPR, and Security Awareness. Note: One person may attend multiple sessions; the total attendance of 236 reflects cumulative participation having attended the list of training indicated above.

Diversity

We acknowledge the significance of diversity in enriching the Group's decision-making, risk awareness, and adaptability to change. While valuing equal opportunities, our focus is on hiring talents based on their skills and potential for growth. Therefore, our approach is merit-based, with no specific target for workplace diversity as we aim to recruit individuals based on their capabilities.

SUSTAINABILITY STATEMENT

The following tables provide an overview of age and gender diversity amongst our employees, by employee category.

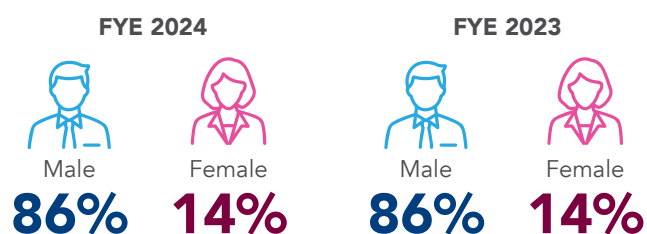
Percentage of employees by gender for each employee category	FYE 2024		FYE 2023*		FYE 2022	
	Male %	Female%	Male %	Female%	Male %	Female%
Senior Management	56	44	70	30	72	28
Managerial	63	37	59	41		
Executive	63	37	70	30		
Non-Executive	85	15	87	13		
Overall Composition	67	33	75	25		

Percentage of employees by age group for each employee category	Age in Years (%)			Age in Years (%)			Age in Years (%)		
	FYE 2024			FYE 2023*			FYE 2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	67	33	Nil	70	30	26	59	15
Managerial	5	86	9	13	79	8			
Executive	50	48	2	41	53	6			
Non-Executive	42	43	15	36	47	17			
Overall Composition	24	61	15	31	57	12			

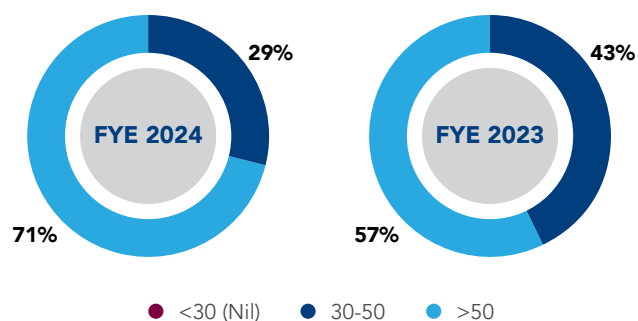
Board Diversity

We recognise the importance of gender diversity at decision-making level as part of our commitment to delivering value to our stakeholders. At the date of this report, the diversity in age and gender for the Board are as follows:

Percentage of Directors by Gender



Percentage of Directors by Age Group



Human Capital Development

We aim to provide a safe, fair, and inclusive workplace whereby our employees can continuously grow and contribute. We recognise the development of human capital as mission-critical in ensuring the sustainability of our business. To this end, we have in place policies to address employee grievances and allegations of harassment.

Training and Education


For FYE 2024, the Group has conducted a total of 2,954 training hours. In comparison, FYE 2023 and FYE 2022 recorded total hours of 3,287 and 2,467 respectively.

Total hours of training by employee category	FYE 2024 (Hours)		FYE 2023 (Hours)		FYE 2022 (Hours)	
	SRB HQ & Property	Aviation	SRB HQ & Property	Aviation	SRB HQ & Property	Aviation
Senior Management	23	165	129	2,436	709	1,758
Managerial	351	256	172			
Executive	612	252	206			
Non-Executive	290	1,005	344			
Subtotal	1,276	1,678	851			
Total	2,954		3,287		2,467	

Our employee training programs encompass a diverse range, incorporating both technical and non-technical aspects. This includes regulatory training sessions covering industry-specific regulations. In the aviation segment, the focus of regulatory and technical training extends to specialized areas such as ground support, marshalling, and refuelling/de-refuelling, among others.


Utilisation of temporary/contractor staff

As part of our human capital and cost optimisation strategy, we rely on a significant number of temporary staff and contractors in delivering our business. 57% of our employees during the year were contract staff as follows:

 Percentage of employees that are contractors or temporary staff	FYE 2024	FYE 2023	FYE 2022
	%	%	%
Percentage of contract staff	57	47	34

Internship Programmes

We consistently invest in developing young talent through our internship programme. During the reporting period, we provided 26 internship positions. We recognise the importance of the internship program as a source of our talent pipeline, especially in mitigating turnover of key staff.

 Number of Interns	FYE 2024	FYE 2023
HQ/Property	1	33
Aviation	25	

SUSTAINABILITY STATEMENT

Employee retention

SRB is committed to attracting, and developing performing talent, as well as providing them with assistance such as training and benefits to thrive both personally and professionally. We are cognisant of the interlinkage between meeting customer needs, compliance requirements, and our ability to retain mission-critical staff. We hope to increase our engagement, understand their expectations - and where feasible address them. However, given the challenging business environment which continues to weigh in on our financial performance and the heightened competition risk, we are cognisant that meeting every need and expectation may not be feasible.

Total number of employee turnover by employee categor	FYE 2024	FYE 2023	FYE 2022
Senior Management	4	4	5
Managerial	17	20	16
Executive	25	19	15
Non-Executive	10	12	7
Total	56	55	43

Employee labour rights

During the reporting year, we are pleased to announce that no substantiated complaints were noted, with respect to violation of human rights amongst our employees.

Number of substantiated complaints concerning human rights violations for FYE 2024, FYE 2023 and FYE 2022

None

Data Privacy and Security

We are committed to ensuring data confidentiality for our customers and meeting the requirements of local data protection laws and regulations. Our data privacy policy is governed by local laws such as the Personal Data Protection Act 2010. We are pleased to announce that no complaints were received from any regulatory or official bodies in relation to breaches of customer privacy and losses of customer data.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE 2024, FYE 2023 and FYE 2022

None

Energy Management

As a property player, we are aware that the cost of energy will continue to increase in the short term, due to government policy and global forces on prices of non-renewable energy sources which Malaysia continues to rely on, casting upward pressure on our operating costs.

On the revenue end, energy prices (i.e. electricity tariff and fuel price) will have a larger say on decisions by current and potential tenants with respect to decisions on property tenancy. This is because current and potential tenants would focus on the overall cost of occupancy – which is not limited to rental/lease rates but includes resulting electricity costs and travel costs associated. This increases the appeal of green buildings and properties built within proximity to our MRT/LRT corridor.

Another concern, which would weigh in on tenant decisions would be energy security. Current and potential tenants, especially those with high reliance on digital technology in delivering their business will be looking into buildings' energy security features, to minimise disruption arising from power failures.

We are able, at least in part, to leverage on these trends via our investment in Permata Sapura. The efficacy of energy efficiency features of Permata Sapura, are reflected in its GreenRE (Gold) Certification. GreenRE's standards and certification process are in line with UN's Sustainable Development Goals (SDGs) and World Green Building Council's.



**Classic award by CIDB
Malaysia 2021**

The best commercial building in KL for quality assessment system in Kuala Lumpur.



**Green R.E Certification
(GOLD)**

GreenRE's standards and certification process are in line with UN's Sustainable Development Goals (SDGs) and World Green Building Council's.



**Top 5 "Garden Township"
in the World**

Landscape design by Arquitectonica, an award-winning global architecture and landscape company.

Permata Sapura is a GreenRE (Gold) Certified, among others – leading credence to its energy efficiency features, in line with global trends for commercial property. For more information, please visit www.sapuraproperty.com.my.

Notwithstanding, these considerations would be one of the key themes affecting any future decision on property enhancements and investment in the long run - with respect to our property, Sapura@Mines. We are unable to fully capitalise on these trends in the near term given the challenging business environment which limits our financial ability to respond to these changes, at least in the immediate future.

Total energy consumed by the Group for the past 3 years is as follows:

FYE	Total Energy Consumption (Gigajoule, GJ) ⁽³⁾					
	Purchased Electricity			Fuel Consumption – Vehicles ^{(1) (2)} , LPG ⁽⁴⁾		
	Property	Aviation	Total	Property	Aviation	Total
2024	490	2,358	2,848	147	360	507
2023	484	2,076	2,560	8	499	507
2022	391	2,043	2,434	-	-	-

⁽¹⁾ Data for property is limited to energy consumption by our headquarters office in Sapura@Mines.

⁽²⁾ We only began to track energy from fuel source for our vehicles and machinery in FYE 2023.

⁽³⁾ Energy conversion factor used for vehicles is based on fuel litre consumption derived from UK Government GHG Conversion Factors for Company Reporting 2023, and 2022.

⁽⁴⁾ Energy conversion factor used for LPG cylinder is based on gaseous kg consumption derived from UK Government GHG Conversion Factors for Company Reporting 2023. Our calculation is based on the assumption that 1 cylinder of LPG equals 50 kg. We began recording LPG fuel consumption in FYE 2024, reflecting our newfound responsibility in managing kitchen operations.

Emission Management

We have yet to establish an emission management framework and program. Therefore, we do not have any targets and roadmaps in achieving this target. The following table provides a summary of Scope 1 and Scope 2 GHG emissions.

FYE	Emissions					
	Scope 1 Emissions - Tonne CO ₂ e ⁽¹⁾			Scope 2 Emissions- Tonne CO ₂ ⁽²⁾		
	Property	Aviation	Total	Property	Aviation	Total
2024	9.03	24.4	33.4	80	383	463
2023	0.50	34.3	34.8	79	337	416
2022	-	-	-	64	332	396


⁽¹⁾ Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the Group. Our data is limited to vehicles and LPG cylinders used in our kitchen operations, excluding generators owned or operated by the Group. Emission Conversion factor for Scope 1 is derived from UK Government GHG Conversion Factors for Company Reporting 2023 and 2022 respectively.

⁽²⁾ Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. Emission Conversion factor for Scope 2 used is from CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation.

SUSTAINABILITY STATEMENT

Water Management

The Group relies on treated water supplied by local authorities for our water consumption. Given the nature of our operations, water usage is minimal in our day-to-day activities. Most of our water consumption is concentrated at the Group's headquarters in Sapura Mines, primarily for washroom and pantry purposes. We continue to ensure our water facilities and piping are well maintained, in order to reduce water wastage.

 Total volume of water used - Megalitres (ML)			
	FYE 2024	FYE 2023	FYE 2022
Property	2.10	1.88	1.10
Aviation	0.41	0.85	0.88
Total	2.51	2.73	1.98

The Group is aware of the risk of water disruption because of climate change-induced events and other factors such as water pollution or upgrading of water infrastructure works by relevant water authorities. However, we unable to respond to this in the immediate term, given our challenging financial position.

¹ The Group's water consumption is equivalent to our water withdrawal, given that we have zero water discharge.

Waste Management

With respect to waste management, we are guided by local laws in ensuring appropriate waste management and disposal procedures are adhered to. During the year, we managed to reduce 0.2 tonnes of waste from being directed to disposal, through our recycling initiative.

The following is a summary of the total waste generated by our Group, which consists of waste diverted from disposal and directed to disposal.

Category (tonne)	FYE 2024		Total	FYE 2023		Total
	Property	Aviation		Property	Aviation	
Total Waste Generated, which consists of:	11.8	40.00	51.8	7.1	40.0	47.1
Waste to disposal	11.6	40.00	51.6	3.7	40.0	43.7
Waste diverted from disposal ⁽¹⁾	0.2	Nil	0.2	3.4	Nil	3.4

¹ SRB Property value obtained is based on ratio of SRB staff to total occupants.

² Waste diverted from disposal includes waste that is reused, recycled, or subject to other recovery positions.

Preparing for The Future

As we progress, we will continue to review our sustainability practices, as new regulatory requirements on sustainability are introduced by the authorities. Acknowledging sustainability as an ongoing journey, we are focused on enhancing stakeholder engagement to stay aligned with evolving needs and the broader sustainability landscape.

Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	20.00
Managerial	Percentage	76.00
Executive	Percentage	78.00
Non-Executive	Percentage	46.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	86.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.43
Bursa C5(c) Number of employees trained on health and safety standards	Number	280
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	67.00
Senior Management Above 50	Percentage	33.00
Managerial Under 30	Percentage	5.00
Managerial Between 30-50	Percentage	86.00
Managerial Above 50	Percentage	9.00
Executive Under 30	Percentage	50.00
Executive Between 30-50	Percentage	48.00
Executive Above 50	Percentage	2.00
Non-Executive Under 30	Percentage	42.00
Non-Executive Between 30-50	Percentage	43.00
Non-Executive Above 50	Percentage	15.00
Gender Group by Employee Category		
Senior Management Male	Percentage	56.00
Senior Management Female	Percentage	44.00
Managerial Male	Percentage	63.00
Managerial Female	Percentage	37.00
Executive Male	Percentage	63.00
Executive Female	Percentage	37.00
Non-Executive Male	Percentage	85.00
Non-Executive Female	Percentage	15.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Under 30	Percentage	0.00
Between 30-50	Percentage	29.00
Above 50	Percentage	71.00

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT

Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	188
Managerial	Hours	607
Executive	Hours	864
Non-Executive	Hours	1,295
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	57.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	4
Managerial	Number	17
Executive	Number	25
Non-Executive	Number	10
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	932.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	2.510000

Internal assurance External assurance No assurance

(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") of Sapura Resources Berhad ("**SRB**" or "**the Company**") is dedicated to upholding strong corporate governance practices across the Company and its subsidiaries ("**the Group**"). Our commitment is rooted in the principles of integrity, transparency, and professionalism, aimed at safeguarding and enhancing shareholders' value as well as the financial standing of the Group. In fulfilling its duties, the Board remains vigilant regarding the fiduciary responsibilities bestowed upon it.

The Board is pleased to present this Corporate Governance Overview Statement ("**CG Statement**") to shareholders and investors, offering a summary of the Company's corporate governance practices for the financial year ended 31 January 2024 ("**FYE2024**"). These practices are in alignment with the Malaysian Code on Corporate Governance ("**MCCG**"), emphasising the following three (3) key principles:

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationship with stakeholders
<ul style="list-style-type: none"> • Board responsibilities • Board composition • Remuneration 	<ul style="list-style-type: none"> • Audit committee • Risk management and internal control framework 	<ul style="list-style-type: none"> • Engagement with stakeholders • Conduct of general meetings

This CG Statement is made in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it is to be read in conjunction with the Corporate Governance Report for FYE2024, which is published on the Company's corporate website at www.sapura-resources.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board holds primary responsibility for the effective stewardship of the Group, steering it with clear strategic direction and robust control measures. It delineates distinct functions reserved for the Board and those delegated to Management.

Playing a pivotal role, the Board reviews and guides strategic initiatives, approving Management's proposals regarding the strategic plan. Furthermore, it establishes the values and standards for the Group, ensuring the protection and enhancement of shareholders' value.

Certain key matters are reserved for the Board's deliberation and decision-making, maintaining control over the Group's business direction. Meanwhile, a proficient and seasoned Management team, led by the Managing Director ("**MD**"), oversees day-to-day operations. The Board adheres to its Board Charter, outlining the Group's duties, roles, and responsibilities.

Recognising the principal risks across the Group's business spheres, the Board acknowledges the need for risk-informed decision-making. To strike a balance between risks and potential returns, it implements robust systems for monitoring and managing risks, safeguarding the Group's long-term viability.

To fulfill its oversight and governance mandates effectively, the Board has instituted two (2) Board Committees: the Board Audit and Risk Committee ("**BARC**") and the Board Nomination and Remuneration Committee ("**BNRC**"). These committees are tasked with assisting the Board in deliberating issues within their specific functions and terms of reference ("**TOR**"). Empowered by the Board, these committees analyse pertinent matters and provide recommendations to the Board. However, it's crucial to note that the ultimate responsibility for decision-making remains with the Board, notwithstanding the input and recommendations from these committees.

In addition to the aforementioned responsibilities, Management is delegated specific authority outlined in the Company's Limits of Authority. These delegations empower Management to effectively fulfil their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Chairman and the Managing Director

The roles of the Chairman of the Board and the MD of the Group are held by distinct individuals, each with clearly defined responsibilities. This division ensures a balance of power and authority, promoting accountability within the organization.

The Chairman is tasked with ensuring the effectiveness and conduct of the Board, leading its oversight of management. On the other hand, the MD of the Company holds overall responsibility for the Company and the Group's operating units, overseeing organizational effectiveness and implementing Board policies and decisions on a day-to-day basis.

The Board is chaired by Encik Ahmad Jauhari Bin Yahya ("**Encik Ahmad Jauhari**"), an Independent Non-Executive Director who plays a pivotal role in leading the Board, setting the tone at the top, and ensuring the Board's effectiveness by prioritising strategy, governance, and compliance.

The position of MD of the Company is held by Dato' Shahrman bin Shamsuddin ("**Dato' Shahrman**"), who bears responsibility for steering the Group's direction and overseeing the day-to-day management. Collaboratively, the Board and the MD develop corporate objectives encompassing performance targets and long-term business goals, which the MD is tasked with achieving. Reporting directly to the Board, the MD assumes primary responsibility for operational management, ensuring the implementation of policies and strategies endorsed by the Board.

For FYE2024, the Company departed from the recommendation of Practice 1.4 of the MCCG which states that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Encik Ahmad Jauhari, the Independent Non-Executive Chairman of the Company, previously served as a member of the BARC and the Chairman of BNRC of the Company. However, he ceased to be a member of the BARC and the Chairman of BNRC on 6 April 2023. He was replaced by Encik Reza bin Abdul Rahim ("**Encik Reza**") who was appointed as a member of the BARC, and Dr. Yap Lang Ling ("**Dr. Yap**"), who was redesignated as the Chairperson of the BNRC, both on the same date.

The Company has applied the recommendation of Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Board Committee.

Company Secretaries

In adherence to Practice 1.5 of the MCCG, all Board members have unrestricted access to two (2) Company Secretaries who are active members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). These Company Secretaries are duly qualified to serve as Company Secretaries under Section 235(2) of the Companies Act 2016.

The Company Secretaries provide guidance to the Board and its Committees on matters pertaining to compliance with relevant laws, regulations, procedures, and rules impacting the Group. Board members have continual access to the professional advice and support of the Company Secretaries. Additionally, the Company Secretaries ensure the proper conduct of all Board and Board Committees' Meetings, meticulously recording and maintaining accurate records of proceedings and resolutions in the Company's statutory register.

Access to information and advice

The Board enjoys unrestricted access to all Company information, whether collectively or individually, provided by Management promptly, enabling the Board to fulfil its duties efficiently. Ahead of Board meetings, comprehensive agendas, relevant reports, and information regarding the Company's operations, along with proposal papers, are disseminated to all Directors. Sufficient time is allocated for Directors to review this material, ask questions, and seek further information or clarification as needed. During meetings, Management provides detailed information and clarifications on matters raised by Board members.

Throughout FYE2024, Senior Management and professional advisors were invited to relevant Board and Committee meetings to offer additional insights, professional opinions, advice, and explanations on agenda items.

The Board also has the authority to seek independent professional advice at the Company's expense to aid in fulfilling its responsibilities. Consultants and experts may be invited to brief the Board on their specialized areas or reports when necessary.

Board Charter

In accordance with Practice 2.1 of the MCCG, the Company has established a comprehensive Board Charter that governs its operations. This Charter serves as a crucial source of reference and serves as primary literature for induction, offering insights to both existing and prospective Board members. It aids the Board in fulfilling their fiduciary duties as Directors of the Company.

The Board operates within the framework provided by its Board Charter, which delineates the Board's duties, roles, and responsibilities, along with guidelines for Board membership, structures, and procedures. It also addresses the Board's relationship with Management, Board remuneration, Board assessment, and communication channels with stakeholders such as shareholders, institutional investors, the press, and customers.

The Board is committed to adhering to the principles and practices outlined in the Board Charter. Regular reviews are conducted to ensure alignment with the Board's objectives, prevailing laws, and industry best practices. The Board recently revised and updated the Board Charter on 27 March 2024 to align with the latest amendments in the Listing Requirements of Bursa Securities, and the updated Charter is available on SRB's corporate website at www.sapura-resources.com.

Code of Conduct and Ethics

The Board has embraced a Code of Conduct and Ethics for Directors, establishing clear guidelines for ethical conduct that all Directors must adhere to. This Code is designed to uphold the principles of honesty and integrity, ensuring a high standard of ethical and professional behaviour in the execution of their duties and responsibilities.

Furthermore, the Board is dedicated to fostering a corporate culture characterised by trustworthiness, acceptable values, a spirit of social responsibility, and accountability. These principles are intended to be pervasive throughout the Group, reflecting the Board's commitment to ethical practices and governance.

Recently, the Code of Conduct and Ethics has been amended and updated to align with the latest amendments in the Listing Requirements. The revised Code was approved by the Board on 19 April 2024 and the updated Code is available on the SRB's corporate website at www.sapura-resources.com.

Whistleblowing Policy

The Board has implemented a Whistleblowing Policy aimed at encouraging all stakeholders of the Company, including employees, vendors, and customers, to report genuine concerns regarding potential improprieties within the Group. These concerns may relate to financial reporting, accounting controls, compliance issues, improper conduct, or other forms of wrongdoing and malpractice. Importantly, individuals are encouraged to report such concerns confidentially, without fear of intimidation or reprisal.

The Whistleblowing Policy is available on the Company's corporate website at www.sapura-resources.com.

Employees of the Company can submit a report to any of the designated individuals identified in the Whistleblowing Policy through the whistleblowing reporting channels using the Whistleblowing Reporting Form. External parties can file a report via email at the following address: SRBethicsline@sapura.com.my

Anti-Bribery and Corruption Policy ("ABC Policy")

A formal ABC Policy was established and adopted on 28 November 2019. The ABC Policy applies to the entire Group, encompassing all levels and business/support units within the Group.

The purpose of the ABC Policy is:-

- to set out the Company's responsibilities and responsibilities of all employees, officers and Directors of the Group to observe and uphold the Company's stance on zero-tolerance to bribery and corruption.
- to provide information and guidance on how the Company expects the employees and those working for them to conduct themselves.
- to provide guidance on how to recognise bribery and corruption and to set out the procedure on how to raise concerns on breaches of this policy.
- to ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption.
- to protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption.

An Integrity and Governance Unit ("IGU") was established with the primary responsibility of implementing and administering the ABC Policy. The TOR for IGU was approved by the BARC on 26 September 2022. The IGU is led by the Integrity & Governance Officer ("IG Officer"), who oversees the usage and effectiveness of the ABC Policy and addresses any queries regarding its interpretation. The IGU reports directly to the BARC. Any reports on the breach of the ABC Policy can be made to the designated email address at SRBethicsline@sapura.com.my.

The ABC Policy and the TOR for IGU are available on the Company's corporate website at www.sapura-resources.com.

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SRB Workplace Sexual Harassment Policy ("WSH Policy")

The WSH Policy of the Company was adopted by the Board on 30 November 2022. The Company strives to create and maintain a work environment where people are treated with dignity, decency and respect through the WSH Policy.

The intention of the WSH Policy is to fulfil the requirements set forth in:

- the Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace published by the Ministry of Human Resources of Malaysia in August 1999; and
- Part XVA (Sexual Harassment) of the Malaysian Employment Act 1955.

The WSH Policy is available on the Company's corporate website at www.sapura-resources.com.

II. Composition of the Board

During the FYE2024, Tan Sri Datuk Amar (Dr) Hamid bin Bugo, a Non-Independent Non-Executive Director expressed his decision not to seek re-election as a Director of the Company at the Sixty-Sixth ("66th") Annual General Meeting ("AGM") held on 18 July 2023. Consequently, he retained office until the close of the 66th AGM.

On 6 April 2023, Encik Reza was appointed as a Non-Independent Non-Executive Director of the Company.

As of the latest practicable date of 19 April 2024, the Board comprises six (6) members, consisting of three (3) Independent Non-Executive Directors; two (2) Non-Independent Non-Executive Directors and one (1) Executive Director. The composition of the Board and the respective length of service of each member are as follows:

Name	Designation	Length of service (as at 30 April 2024)
Encik Ahmad Jauhari bin Yahya	Independent Non-Executive Chairman	8 years 3 months
Tan Sri Dato' Seri Shahril bin Shamsuddin (Alternate Director: Datuk Megat Abdul Munir bin Megat Abdullah Rafeaie)	Non-Independent Non-Executive Director	34 years 2 months
Dato' Shahrman bin Shamsuddin	Managing Director	18 years 9 months
Andrew Heng	Independent Non-Executive Director	4 years 10 months
Dr. Yap Lang Ling	Independent Non-Executive Director	1 year 5 months
Encik Reza bin Abdul Rahim (Appointed on 6 April 2023)	Non-Independent Non-Executive Director	1 year

Tenure of Independent Director

Practice 5.3 of the MCCG stipulates that the tenure of an independent director should not exceed a cumulative term of nine (9) years. However, such an independent director may continue to serve on the Board if re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as independent after a cumulative term of nine (9) years, justifications from the Board and approval from shareholders via a two-tier voting process at a general meeting are required.

Our Board adheres to an open policy regarding the tenure of Independent Directors, avoiding arbitrary tenure restrictions. We believe that the duration of an Independent Director's tenure doesn't compromise their objectivity or independent business judgment, always acting in the Company's best interests.

In the event of proposing to retain an independent director for more than nine (9) years, the Board will provide justifications and seek shareholders' approval, following a prior review and recommendation from the BNRC.

As of the date of this CG Statement, none of our Independent Directors has served beyond nine (9) years on the Board. The Board, in conjunction with the BNRC, has conducted the annual assessment on the Board's effectiveness, Board Committees, and individual Directors for FYE2024.

The assessment outcomes, including self-assessment, peer evaluation, and overall Board effectiveness evaluation, indicate that our Independent Directors continue to demonstrate a high level of independence and are capable of acting in the Company's best interests

All Independent Directors maintain independence from management and any affiliations. The Board affirms that our Independent Directors provide unbiased, objective judgement, contributing to balanced leadership within the Group and ensuring effective checks and balances to protect the interests of minority shareholders and other stakeholders.

Board Nomination and Remuneration Committee ("BNRC")

The BNRC was established with a clearly defined TOR and comprised exclusively of three (3) non-executive directors, the majority of whom are independent.

The BNRC is currently chaired by Dr. Yap, an Independent Non-Executive Director.

The BNRC meets as and when required and at least once in every financial year. During the financial year under review, the BNRC met five (5) times for FYE2024 and the meeting attendances are as follows:

Members	Membership/Designation	No. of Meetings Attended	%
Dr. Yap Lang Ling (Re-designated on 6 April 2023)	Chairperson Independent Non-Executive Director	5/5	100
Mr. Andrew Heng	Member Independent Non-Executive Director	5/5	100
Encik Reza bin Abdul Rahim (Appointed on 6 April 2023)	Member Non-Independent Non-Executive Director	4/4	100
Encik Ahmad Jauhari bin Yahya (Ceased as Chairman on 6 April 2023)	Chairman Independent Non- Executive Director	1/1	100

For FYE2024, the BNRC had undertaken the following activities:

- (1) Reviewed and recommended to the Board the proposed Directors' fees in respect of the financial year ended 31 January 2023;
- (2) Reviewed the proposed Directors' benefits payable for the period from 19 July 2023 until the next AGM of the Company and to recommend the same to the Board for recommendation to the shareholders for approval at the 66th AGM;
- (3) Reviewed and assessed the effectiveness of the Board of Directors as a whole and the contribution of the BARC and BNRC; contribution and performance of each individual Director of the Company; and each member of the BARC;
- (4) Assessed the independence of the Independent Directors;
- (5) Reviewed and recommended to the Board the Employee Handbook of the Company;
- (6) Reviewed and recommended to the Board the proposed appointment of Encik Reza as Non-Independent Non-Executive Director;
- (7) Reviewed and recommended to the Board the re-election of Directors for the recommendation of the same to the shareholders for approval at the 66th AGM;
- (8) Reviewed the composition of the Board;

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- (9) Reviewed and recommended to the Board the proposed appointment of Alternate Director to Dato' Shahrizan;
- (10) Reviewed and noted the re-designation of Puan Mai Eliza binti Mior Mohamad Zubir as Chief Corporate Officer;
- (11) Reviewed the Succession Planning of SRB;
- (12) Reviewed the Performance Management Activity for SRB;
- (13) Reviewed the proposed re-designation of Encik Reza from Non-Independent Non-Executive Director to Executive Director, Finance;
- (14) Reviewed and recommended to the Board the proposed appointment of Encik Azzaddin bin Abdullah as the Chief Financial Officer;
- (15) Reviewed and approved the proposed appointment of Encik Solahuddin bin Mohd Saad as the Head, Human Resource Department.

The TOR of the BNRC has been revised and updated by the Board on 27 March 2024 and is available on the Company's corporate website at www.sapura-resources.com.

Directors' Fit and Proper Policy

The Company instituted the Directors' Fit and Proper Policy in April 2022 for the appointment and reappointment/re-election of Directors of the Company and its subsidiaries to comply with Paragraph 15.01A of the Listing Requirements. This policy serves as a guideline for the BNRC and the SRB Board in evaluating and assessing candidates for appointment, reappointment, or re-election to the Board of SRB and its subsidiaries. The primary objective is to ensure that each Director possesses the requisite character, experience, integrity, competence, and availability to effectively fulfil their role as a Director of SRB and its subsidiaries.

The Directors' Fit and Proper Policy is made available on the Company's corporate website at www.sapura-resources.com.

Re-election of Directors

Under the Company's Constitution, any Director appointed during the year is required to retire and may seek re-election by shareholders at the subsequent Annual General Meeting (AGM) following their appointment. Additionally, one-third of the Directors,

including the MD, are required to retire by rotation and seek re-election at each AGM. Each Director must also submit themselves for re-election at least once every three (3) years.

In line with the Directors' Fit and Proper Policy, the BNRC conducts an evaluation of retiring Directors before recommending their re-election to the Board. This evaluation includes a Fit and Proper assessment through diligence, screening, and declarations from the concerned individuals. Furthermore, the assessment considers the results of the Board Effectiveness Evaluation and performance appraisal records.

The Directors standing for re-election at the forthcoming Sixty-Seventh AGM ("**67th AGM**") are detailed in the Notice of the AGM as provided in this Annual Report.

Recruitment Process and Annual Board Evaluation

The Company's Directors' Fit and Proper Policy establishes the fundamental criteria for assessing the fitness and propriety of the Board of Directors of the Company and its subsidiaries. The BNRC conducts a thorough assessment of each candidate for a new Director appointment, adhering to the criteria outlined in the Policy before recommending it for Board approval.

During the appointment process, the assessment includes diligence or screening procedures such as third-party verification checks and declarations from the individuals concerned. Additionally, the BNRC considers a mix of skills, competencies, experience, integrity, time commitment, and other essential qualities required for effective discharge of directorial duties.

Through the annual Board Effectiveness Evaluation, Directors are assessed comprehensively, with the findings consolidated into a performance report. This report is analysed and presented to the BNRC for review and subsequent endorsement by the Board. The evaluation covers aspects like capability, character, integrity, and commitment towards the Company, identifying areas for improvement to enhance each Director's effectiveness.

Based on the evaluation outcomes for FYE2024, the BNRC expressed satisfaction with the performance of individual Board members.

Regarding the appointment of key management personnel, the BNRC evaluates candidates based on their skill sets, competencies, experience, integrity, and other essential qualities before recommending them for approval by the Board.

Board Diversity

The Company acknowledges the importance of women's representation on the Board and in senior management. When vacancies arise and suitable candidates are identified, consideration will be given to women's representation, while ensuring that the primary goal remains selecting the best candidate to support the achievement of the Company's strategic objectives. The Board Diversity Policy, which outlines these principles, is available on the Company's website at www.sapura-resources.com.

As of the date of this CG Statement, the current diversity in gender, ethnicity and age of the Board and the Key Senior Management of the Company are as follows:

		Directors	Key Senior Management (excluding the MD)
Race/Ethnicity	Malay	4	2
	Chinese	2	0
	Indian	0	0
Age Group	41 to 50	2	0
	51 to 60	2	2
	60 to 70	2	0
	Above 70	0	0
Gender	Male	5	1
	Female	1	1

The Board mandates its members to allocate adequate time to Board activities, effectively fulfilling their roles as Directors of the Company, and making every effort to attend meetings.

Throughout FYE2024, the Board convened a total of thirteen (13) Board of Directors' Meetings to deliberate on the Group's quarterly financial results and address critical matters requiring immediate attention and Board decision-making. These meetings involved a review of the Group's operations, performance, and strategic issues impacting the business. The Chief Corporate Officer and the Chief Financial Officer regularly attended these meetings to offer their insights and address Directors' queries.

The BNRC was responsible for reviewing Directors' attendance at Board and/or Board Committees' Meetings. Following the review, the BNRC confirmed that Board members dedicated sufficient time and effort to attend these meetings during FYE 2024.

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The attendance record of each Director at the Board Meetings held for the financial year under review is as follows:

Name of Directors	Designation	No. of Meetings Attended	%
Encik Ahmad Jauhari bin Yahya	Independent Non-Executive Chairman	11/13	85
Dato' Shahrman bin Shamsuddin	Managing Director	13/13	100
Tan Sri Dato' Seri Shahril bin Shamsuddin (Alternate Director: Datuk Megat Abdul Munir bin Megat Abdullah Rafaie)	Non-Independent Non-Executive Director	10/13	77
Mr. Andrew Heng	Independent Non-Executive Director	12/13	92
Dr. Yap Lang Ling	Independent Non-Executive Director	13/13	100
Encik Reza bin Abdul Rahim (Appointed on 6 April 2023)	Non-Independent Non-Executive Director	10/10	100
Tan Sri Datuk Amar (Dr.) Hamid bin Bugo (Retired on 18 July 2023)	Non-Independent Non-Executive Director	7/7	100

The Board also convened ad-hoc meetings to address urgent matters requiring swift direction or approval, resulting in nine (9) Special Board of Directors' Meetings during FYE2024 out of a total of thirteen (13) meetings held. Between formal meetings, urgent matters were addressed through circular resolutions, providing all necessary information and explanations for informed decision-making.

The Board is content with the dedication and commitment demonstrated by the Directors towards the Group. None of the Directors hold more than five (5) directorships in listed issuers listed on Bursa Securities.

Recognising the importance of remaining competitive, the Board emphasises continuous skills enhancement and knowledge expansion for Directors to tackle evolving challenges. The Board acknowledges that ongoing education is crucial for equipping members with the requisite skills and knowledge.

As of the date of this CG Statement, the Board has actively participated in various continuing education or training programs, as detailed in the Corporate Governance Report. Following a review, the Board determined that the Directors' training activities for FYE2024 were sufficient. Understanding the imperative of staying updated in the dynamic business and regulatory landscape, the Board encourages its members to attend at least one (1) continuing education program, if feasible.

III. Remuneration

The Company has implemented a Board Remuneration Policy to complement its long-term and strategic business strategy. This policy's framework is structured to achieve several objectives:

- 1. Attracting and Retaining Directors:** The remuneration structure is designed to attract competent Directors to the Board and retain them, ensuring continuity and stability in leadership.
- 2. Motivating Directors:** The policy aims to motivate Directors to actively contribute towards achieving the Group's business objectives, fostering a culture of performance and accountability.
- 3. Alignment with Shareholders' Interests:** The remuneration framework aligns the interests of the Group with the long-term interests of shareholders, promoting sustainable growth and value creation.

The detailed Board Remuneration Policy is accessible on the Company's corporate website at www.sapura-resources.com for reference and transparency.

The Board is committed to a remuneration policy that equitably supports Directors' responsibilities and fiduciary duties in steering the Group toward long-term goals and enhancing shareholders' value. The Board aims to provide a competitive remuneration package to attract, develop, and retain Directors effectively.

The BNRC is entrusted with reviewing and recommending the framework and remuneration packages for Non-Executive Directors to the Board for approval. The BNRC seeks external advice as needed to ensure the proposed remuneration levels are adequate for attracting and retaining Directors essential for the Group's successful operation. In its assessment, the BNRC considers factors such as Directors' fiduciary duties, time commitments, and the Company's performance.

For FYE2024, the total Directors' fees recommended for approval by shareholders at the upcoming AGM of the Company amount to RM549,863.38. The breakdown of the individual Director remuneration for FYE2024 within the Company/Group is disclosed in the Corporate Governance Report.

Remuneration Committee

The Board is content with the effective and efficient performance of the BNRC in carrying out its roles and responsibilities related to nomination and remuneration functions. Consequently, the Board does not see a need to separate these functions into distinct nomination and remuneration committees.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit and Risk Committee ("BARC")

The Board holds the responsibility of ensuring that the Company's quarterly and annual audited financial statements provide a balanced and transparent view of the Company's financial position, performance, and prospects, adhering to applicable financial reporting standards. The Board receives support from the BARC in reviewing the Group's financial reporting process, accuracy of financial results, and scrutinising information for disclosure to ensure reliability and compliance with accounting standards.

The BARC conducts reviews of the unaudited quarterly financial reports and the year-end audited financial statements before recommending them to the Board for approval and submission to Bursa Securities and/or shareholders (where applicable).

Mr. Andrew Heng, an Independent Non-Executive Director, chairs the BARC, which comprises three (3) members, with a majority being Independent Non-Executive Directors as of the date of this CG Statement.

During FYE 2024, Encik Ahmad Jauhari, the Independent Non-Executive Chairman of the Board, ceased to be a member of the BARC following the appointment of Encik Reza as a Non-Independent Non-Executive Director and member of the BARC on 6 April 2023.

During the FYE 2024, the composition of the BARC is as follows:

Name	Position	Designation
Mr. Andrew Heng	Chairman	Independent Non-Executive Director
Dr. Yap Lang Ling	Member	Independent Non-Executive Director
Encik Reza bin Abdul Rahim (Appointed on 6 April 2023)	Member	Non-Independent Non-Executive Director
Encik Ahmad Jauhari bin Yahya (Ceased on 6 April 2023)	Member	Independent Non-Executive Chairman

The TOR of the BARC has been revised and updated by the Board on 27 March 2024 and is available on the Company's corporate website at www.sapura-resources.com

Practice 9.2 of the MCCG stipulates that the Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

As none of the current Board members were former partners of the external audit firm of SRB, and in line with the commitment to maintain utmost independence, the Board affirms that there are no plans to appoint any former partner of the external audit firm of SRB as a member of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Conflict of Interest Policy and Procedures

In March 2024, the Company established the Conflict of Interest Policy and Procedures. This policy delineates the disclosure responsibilities of every Director, Key Senior Management, and Legal Representative of the Company regarding conflicts of interest. It also lays out the procedures to be followed when such conflicts arise or have the potential to arise, ensuring systematic identification, disclosure, and management of conflicts of interest in an efficient and timely manner.

The primary objective of this policy is to ensure that conflicts of interest are handled appropriately, thereby promoting transparency, fostering a culture of honesty and accountability, and upholding good governance within the Company.

The Conflict of Interest Policy and Procedures is made available on the Company's corporate website at www.sapura-resources.com.

Assessment of Suitability and Independence of External Auditors

For the FYE2024, the BARC has assessed the suitability and independence of the External Auditors vide an annual assessment of the suitability and independence of the External Auditors of the Company.

In its assessment, the BARC considered, inter alia, the following factors: -

For **"Suitability"** of the External Auditors: -

- The External Auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with the approved professional auditing standards and the applicable regulatory and legal requirements;
- To the knowledge of the BARC, the External Auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("**MIA**") which has not been reversed by the Disciplinary Board of MIA;
- The external audit firm has the geographical coverage required to audit the Group;
- The external audit firm advises the BARC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;
- The external audit firm consistently meets the deadlines set by the Company;
- The level of quality control procedures in the external audit firm, including the audit review procedures; and
- The external audit scope is adequate to cover the key financial and operational risks of the Group.

For **"Independence"** of the External Auditors:

- The engagement partner has not served for a continuous period of more than seven (7) years with the Company;
- The BARC receives written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- Tenure of the current Auditors.

Upon completion of the said assessment, the BARC was satisfied with Ernst & Young PLT's technical competency and audit independence during the FYE2024.

Risk Management and Internal Control Framework

The Board is dedicated to determining the Group's level of risk tolerance and actively engaging in the identification, assessment, and monitoring of key business risks to protect shareholders' investments and the Group's assets. The oversight of risk management and internal control functions is carried out by the BARC with support from External Auditors and outsourced Internal Auditors. These entities periodically report on the effectiveness and efficiency of internal control processes and procedures to the BARC, ensuring the system's viability and robustness.

To further enhance risk management practices, the Board has adopted a Group Enterprise Risk Management Policy ("**ERM**"). The ERM serves as a fundamental management competency, incorporating a structured and systematic process to identify business risks and mitigate their impact on the Group. This process includes:

- Identification of each business risk;
- Measurement of the identified business risk; Implementation of controls or risk management strategies aligned with the Group's policies and strategies; and
- Continuous monitoring and communication of risks associated with any activity, function, or process, enabling the Group to minimise losses and capitalise on opportunities.

The Company's internal audit function is outsourced to KPMG Management and Risk Consulting Sdn. Bhd. ("**KPMG**"). KPMG is responsible for evaluating and improving the effectiveness of risk management, internal control and governance processes of the Group.

The details regarding the Group's internal control system and its effectiveness are provided in the Statement on Risk Management and Internal Control included in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

The Board places significant importance on transparent and effective communication with its stakeholders. This commitment is upheld through various channels and practices to ensure timely and accurate dissemination of material information in compliance with regulatory requirements.

1. Discussions with Management

The Board ensures thorough discussions with the Management team prior to disseminating material information and corporate disclosures. This process guarantees compliance with the stringent guidelines outlined by Bursa Securities' Listing Requirements.

2. Compliance with Regulatory Guides

In making decisions regarding disclosures and announcements, the Board adheres to the Corporate Disclosure Guides provided by Bursa Securities, ensuring alignment with regulatory standards.

3. Communication Measures

(i) Announcements to Bursa Securities

Timely updates, material information, and periodic financial reports are communicated through official announcements to Bursa Securities. Shareholders and investors can access these announcements via the dedicated Bursa Securities website (www.bursamalaysia.com) or the Company's corporate website (www.sapura-resources.com).

(ii) Corporate Website

The Company maintains a comprehensive corporate website (www.sapura-resources.com) containing pertinent information about the Group's activities, financial performance, strategic developments, and other matters relevant to stakeholders' interests.

(iii) Annual Reports

The Company's Annual Reports serve as a central communication tool to shareholders, providing insights into the Company's operations, activities, performance for the financial year, and compliance status with regulatory requirements.

(iv) AGMs/General Meetings

AGMs and General Meetings serve as crucial forums for shareholders to engage in meaningful dialogue and raise pertinent issues concerning the Group.

(v) Investor Relations

Shareholders and interested parties are encouraged to engage with the Company through various communication channels, including written correspondence, telephone, or facsimile, using the following contact details:

Address : Sapura@Mines
No. 7, Jalan Tasik, The Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan Malaysia

Telephone No.: 603-8949 7000

Fax No. : 603-8949 7046

Conduct of General Meetings

The AGM serves as a vital platform for shareholders to address and clarify any concerns related to the Group, gaining deeper insights into its activities and performance. Both individual and institutional shareholders are encouraged to actively engage with the Board during the AGM, participating in discussions and voting on resolutions. Furthermore, the Board is accessible to members of the press post-AGM.

Adhering to the Board Charter, the Company ensures shareholders receive sufficient notice ahead of the AGM, allowing them ample time to schedule their attendance. As part of its commitment to good governance, the Notice of the 67th AGM will be issued at least 28 days before the scheduled date, promoting transparency and stakeholder participation.

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Embracing technological advancements, the Company facilitates remote participation of shareholders and electronic voting for poll resolutions. The 66th AGM was successfully conducted virtually, with live streaming enabling eligible shareholders to remotely participate and vote. This approach enhances accessibility and inclusivity in shareholder engagement.

In compliance with paragraph 8.29A of the Listing Requirements of Bursa Securities, poll voting is mandatory for resolutions outlined in the AGM notice. At the 66th AGM, shareholders were briefed on voting procedures, and poll results were verified by the independent scrutineer, Sky Corporate Services Sdn. Bhd. Electronic poll voting ensured transparency, with results promptly displayed and subsequently reported to Bursa Securities on the same day.

The Company remains committed to fostering transparent, inclusive, and technology-driven governance practices, ensuring robust shareholder participation and accountability.

KEY FOCUS AREAS AND FUTURE PRIORITIES

As of FYE 2025, the group is engaging in property management and aviation businesses would likely focus on key areas and future priorities that reflect industry trends, customer demands, and regulatory changes. Here are key focus areas and future priorities for the Group in FYE2025:

Property Management:

- **Market Analysis:** Conduct market research to identify trends, demand patterns, and occupancy rates in the commercial real estate sector, particularly focusing on office spaces.
- **Tenant Management:** Maintaining good relationships with tenants, providing property management services and prioritising tenant needs.
- **Safety & Compliance:** Keeping the safety and security features of the properties up-to-date with the latest regulations and to provide a healthy and comfortable environment for building occupants through continuous building maintenance and upgrades.

Aviation Business:

- **Safety and Compliance:** Prioritising safety and accountability by striving to ensure the highest safety standards, regulatory compliance, risk management, and security protocols in private aviation operations to ensure passenger safety, regulatory adherence, and operational integrity.
- **Technology and Safety:** Investing in aviation technology, digital platforms, safety protocols, and security measures to ensure safe, reliable, and seamless private aviation operations.
- **Customer Experience:** Focusing on personalised services, luxury experiences, VIP treatment, premier services and customer satisfaction to enhance the overall private aviation experience and build long-term client relationships.
- **Strategic Partnerships:** Establishing relationship with quality business partners and regulatory authorities. Collaborating with technology providers, aviation stakeholders and government agencies to explore growth opportunities, innovation initiatives, and market synergies.
- **Investment in Talent:** Attracting and retaining top talent, skilled professionals, and industry experts in Aviation Operations and Management, customer service, marketing, technology, and sustainability to drive innovation, excellence, and competitive advantage.

CONCLUSION

The Board is satisfied that for the FYE2024, the Company complies substantially with the principles and practices of the MCCG.

This CG Statement, together with the Corporate Governance Report were approved by the Board on 19 April 2024.

BOARD AUDIT AND RISK COMMITTEE REPORT

The Board Audit and Risk Committee ("**BARC**") was established by the Board of Directors ("**the Board**") with the primary objective of assisting the Board in fulfilling its fiduciary responsibilities related to corporate governance, the system of internal controls, risk management processes and management of financial reporting practices of the Group.

The BARC is pleased to present the BARC Report for the financial year ended 31 January 2024 ("**FYE2024**") in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code on Corporate Governance ("**MCCG**").

COMPOSITION OF THE BARC

During FYE 2024, the Board restructured the BARC's composition. Encik Ahmad Jauhari bin Yahya, the Independent Non-Executive Chairman, ceased to be a member of the BARC on 6 April 2023. Encik Reza bin Abdul Rahim was appointed as a member of the BARC on the same date as a replacement.

The latest composition of the BARC for FYE2024 consisted of three (3) members, including two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:

Name	Position	Designation
Mr. Andrew Heng	Chairman	Independent Non-Executive Director
Dr. Yap Lang Ling	Member	Independent Non-Executive Director
Encik Reza bin Abdul Rahim (Appointed on 6 April 2023)	Member	Non-Independent Non-Executive Director

NUMBER OF BARC MEETINGS AND DETAILS OF ATTENDANCE

For FYE2024, the BARC held a total of nine (9) meetings. The details of the attendance of each BARC member are as follows: -

BARC Members	Total no. of meetings attended	%
Mr. Andrew Heng	9/9	100
Dr. Yap Lang Ling	9/9	100
Encik Reza bin Abdul Rahim (Appointed on 6 April 2023)	8/8	100
Encik Ahmad Jauhari bin Yahya (Ceased on 6 April 2023)	1/1	100

SUMMARY OF WORK OF THE BARC

During the FYE2024, the BARC undertook various activities aligned with its responsibilities as outlined in its terms of reference ("**TOR**"). These activities included:-

(1) Financial Reporting

- (a) Reviewed the unaudited quarterly financial reports and the audited year-end financial statements of the Group for FYE2023 before their presentation to the Board for approval and subsequent release to Bursa Securities accordingly; and

BOARD AUDIT AND RISK COMMITTEE REPORT

- (b) In its review of the unaudited quarterly financial reports and the audited yearend financial statements, engaged in discussion with Management and external auditors regarding:-
- changes in or implementation of accounting policies and practices;
 - any financial reporting developments in the Malaysian Financial Reporting Standards;
 - significant adjustments resulting from the audit;
 - significant matters highlighted, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and their resolution;
 - going concern assumptions; and
 - compliance with accounting standards and other legal requirements.
- (c) The dates where the BARC met during the FYE2024 to deliberate on financial reporting matters are as appended below:-

Date of meetings	Financial Reporting Statements Reviewed
28 March 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the fourth quarter ended 31 January 2023.
12 May 2023	Audited Financial Statements for the financial year ended 31 January 2023 ("AFS").
22 June 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the first quarter ended 30 April 2023.
21 September 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the second quarter ended 31 July 2023.
22 November 2023	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the third quarter ended 31 October 2023.

(2) Audit Reports

- (a) Received and reviewed both internal and external audit reports, along with Management's responses. Ensured that Management promptly addressed major deficiencies in controls or procedures identified in the reports. Monitored the status of previous audit recommendations and the actions taken by Management.
- (b) Engaged in detailed discussions and inquiries regarding internal audit findings. Reviewed Management's responses and actions taken to address these findings, ensuring appropriate resolution and improvement in controls and procedures.
- (b) Examined the external auditors' audit report and the significant audit findings underlying their report.
- (c) Reviewed key audit matters raised by EY in their annual audit and management letter, along with Management's responses and actions taken to resolve these issues.
- (d) Reviewed the annual AFS of the Company and the Group before submission to the Board for approval.
- (e) Held a meeting with the external auditors without Management's presence on 12 May 2023 to provide them with an opportunity to express any concerns, including those related to their ability to perform their work without constraint or interference.

(3) Matters relating to External Audit

- (a) Reviewed the terms of engagement and the Audit Planning Memorandum by Ernst & Young PLT ("EY"), the external auditors. This included reviewing the nature, scope and timeline of the audit planned for the financial year under review.
- (f) Evaluated the external auditors' independence, objectivity, technical competencies, and resource sufficiency. Reviewed the reasonableness of proposed audit fees considering the size and complexity of the Group.

- (g) Reviewed the audit and non-audit fees payable to the external auditors for FYE2024, ensuring that the level of non-audit services rendered did not impair their objectivity and independence.
- (h) Assessed and reviewed the performance and effectiveness of the external auditors and recommended their re-appointment as the Company's external auditors for the ensuing year at the Annual General Meeting.

(4) Matters relating to Internal Audit

- (a) Assessed the adequacy of the scope, functions, and resources of the outsourced internal auditors, KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), ensuring they have the necessary authority to perform their work effectively.
- (b) Reviewed the Internal Audit Plan and subsequent updates, including any changes made to the plan and its timeline.
- (c) Examined the Internal Audit Report for each audit cycle, which included findings, observations, prioritised areas for improvement, and recommended corrective actions presented by KPMG.
- (d) Evaluated the adequacy and performance of KPMG for FYE2024, including their capabilities, competency, technical expertise, and manpower resources to effectively serve the Group.

(5) Risk Management and Internal Control

- (a) Formulated and implemented a Group Risk Management Policy and Framework to uphold a robust system of internal control.
- (b) Examined the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report for FYE2024.
- (c) Reviewed quarterly reports provided by BDO Governance Advisory Sdn. Bhd. ("BDO"), an Enterprise Risk Management ("ERM") consultant, regarding the Group's risk profile and the risk register for FYE 2024. Ensured effective management of identified risks.

(6) Related Party Transactions

- (a) Scrutinised related party transactions undertaken by the Company or the Group to ensure they were conducted at arm's length and on normal commercial terms, not favouring related parties more than what's available to the public.
- (b) Examined potential conflicts of interest within the Company or the Group, including transactions, procedures, or conduct that may question Management's integrity.
- (c) Monitored and reviewed the report on recurrent related party transactions of a revenue or trading nature entered into by the Group on a quarterly basis. Ensured compliance with the thresholds of recurrent related party transactions as per the Listing Requirements of Bursa Securities.

(7) Annual Reporting

Reviewed and recommended the BARC Report and Statement on Risk Management and Internal Control to ensure adherence to pertinent regulatory reporting standards. Subsequently recommended these documents to the Board for approval.

(8) Others

- (a) Conducted a self/peer evaluation and performance review of the BARC to assess its overall effectiveness in fulfilling its duties and responsibilities.
- (b) Examined the preliminary and full investigation report of an allegation.
- (c) Reviewed and recommended the proposed settlement exercises which is a Related Party Transaction, to the Board of Directors for approval.
- (d) Reviewed any potential conflict of interests, including reviewing and considering transactions in which there may be potential conflicts of interest between the Group and its interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transaction;
- (e) Addressed and reviewed the whistleblowing issue raised by a whistleblower about a potential conflict of interest matter by a Director of the Company ("Concerned Director").

BOARD AUDIT AND RISK COMMITTEE REPORT

The BARC subsequently reviewed any actual or potential conflict of interest that may involve the Concerned Director as disclosed by him to the Board. Upon disclosure of a potential conflict of interest by the Concerned Director, the BARC then considered whether an actual or potential conflict of interest does in fact exist subject to a legal opinion to be obtained. Upon such disclosure, such Concerned Director shall not participate in any proceedings of the Board of Directors, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until the BARC has determined that no such conflict of interest exists. A Conflict-of-Interest Policy and Procedures was requested by BARC to be developed and the said policy was approved for adoption by the Board on 27 March 2024.

The BARC had on 26 April 2024 received the legal opinion from the lawyer and noted that, based on the information available at that juncture, there was no actual conflict of interest by the Concerned Director. However, the lawyer noted that there was a potential conflict of interest by the Concerned Director which was addressed by the Concerned Director's disclosure to the BARC.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Internal Audit function, supported by KPMG as the outsourced professional internal auditors, plays a crucial role in assisting the BARC in fulfilling its responsibilities for FYE2024. Here are the key aspects related to this collaboration:

1. **Primary Responsibility:** The internal audit function's main role is to help the Board oversee the establishment of a robust risk management, internal control, and governance system by Management. It also provides an independent and objective assessment of the adequacy and effectiveness of these processes within the Group.
2. **Reporting Structure:** Internal Audit Reports, along with Management's responses, undergo a structured process where they are first circulated to the Managing Director and relevant Heads of Department before being presented at BARC meetings.

This arrangement ensures that internal audit findings are communicated effectively, allowing for informed discussions and decisions within the BARC regarding risk management, internal controls, and governance practices within the Group.

During the FYE2024, the representatives of KPMG attended the BARC meetings to report to the BARC on a quarterly basis, at a minimum, on their observations and findings of the effectiveness of the governance, risk management and internal control processes within the Group.

The internal audit work carried out by KPMG for the financial year under review included the following:

1. **Developing the Group Internal Audit Plan:** KPMG prepared the Internal Audit Plan for FYE2024, which outlined the scope of work, timeline, and associated fees. This plan was presented to the BARC for approval, ensuring alignment with the BARC's objectives and priorities.
2. **Presenting Internal Audit Reports:** KPMG regularly presented Internal Audit Reports to the BARC for each audit cycle. These reports included findings, observations, areas for improvement, and recommended corrective actions for Management. The BARC reviewed these reports during quarterly meetings, facilitating discussions on risk management, internal controls, and governance processes.
3. **Conducting Internal Audit Work:** KPMG conducted internal audit activities covering key areas such as tenancy management. These audits aimed to assess the effectiveness and adequacy of controls and processes in place within the Group related to these areas.
4. **Follow-Up Audit Report:** KPMG also presented a follow-up audit report that addressed recommendations raised in previous audit cycles. This report likely included updates on the status of implemented corrective actions and the effectiveness of these measures in addressing identified issues.

Overall, KPMG's involvement in internal audit activities played a crucial role in providing independent assessments, identifying areas for improvement, and assisting the BARC in overseeing risk management, internal controls, and governance practices within the Group.

The total cost incurred in maintaining the internal audit function for the financial year ended 31 January 2024 was RM105,152/- (2023: RM130,857/-).

BOARD'S CONCLUSION

The Board's satisfaction with the performance of the BARC and its members, as well as the absence of material misstatements, frauds, violations, and deficiencies in internal control systems not addressed by Management, reflects a positive outcome. This indicates that the BARC has effectively discharged its functions, duties, and responsibilities in accordance with its TOR and regulatory requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("**Board**") of Sapura Resources Berhad ("**SRB**" or the "**Company**") seeks to promote a risk-conscious culture and is highly committed to maintaining a sound internal control system and risk management framework in the Company and its subsidiaries (collectively referred to as the "**Group**"). To this end, the Board is pleased to present the following Statement on Risk Management and Internal Control (the "**Statement**"), which outlines the nature and scope of internal control and risk management of the Group for the financial year ended 31 January 2024.

This Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad which calls for the annual report to include a "statement about the state of risk management and internal control of the listed issuer as a group" and Practice 10.2 of the Malaysian Code on Corporate Governance ("**MCCG**") which stipulates that "the board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework".

During the financial year under review, the Group had implemented various strategies to uphold effective risk management for its business. These include amongst others, targeted marketing efforts, exploring diversification opportunities, exploring fresh revenue streams, and maintaining financial and operational discipline.

This Statement does not cover the Group's joint ventures and associate companies as the Board of SRB does not have full control and management over the respective companies. The Group's interests in the joint ventures and associate companies are served through representations on the boards of the respective companies and review of management accounts, and enquiries given that the Board is not vested with full governance control.

BOARD'S RESPONSIBILITY

The Board acknowledges the importance of maintaining a sound system of internal control and the proper identification and management of risks affecting the Group's operations in order to safeguard shareholders' investments and other stakeholders' interests. Accordingly, the Board affirms its overall responsibility for the Group's system of internal control and risk management, and for reviewing the adequacy, integrity, and operating effectiveness of the said system.

Such a system covers financial, operational and compliance risks and the relevant controls designed to manage said risks. In view of the inherent limitations in any system of risk management and internal control processes, the system can only provide reasonable, but not absolute assurance, against material misstatements, financial losses, defalcations, or fraud.

The Board Audit and Risk Committee ("**BARC**") has been entrusted with the responsibility of assisting the Board in the oversight of risk management and internal controls. This includes reviewing and regularly communicating to the Board on the key risks enveloping the Group, the impact and likelihood of such risks crystallizing and Management's readiness to manage and mitigate the risks that arise. The BARC is supported by the outsourced internal audit function, KPMG Management & Risk Consulting Sdn Bhd ("**KPMG MRC**"), which reports to the BARC on the design and operating effectiveness of the internal control, risk management and governance processes and procedures. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control system.

MANAGEMENT'S RESPONSIBILITY

The Management team is responsible for the implementation of SRB's risk management policies and procedures and to ensure appropriate controls are in place to address identified risks within specific business and service units. In order to achieve this, the roles of the management team include identifying and evaluating risks faced within the Group's business units; designing adequate internal controls for the Group's business units; defining the job descriptions within the Management team to incorporate the control and risk management action plans within their domain of responsibility; reporting to the BARC on any material control breaches or losses in an open and timely manner; and implementing suitable action plans towards ineffective controls identified by the internal audit function.

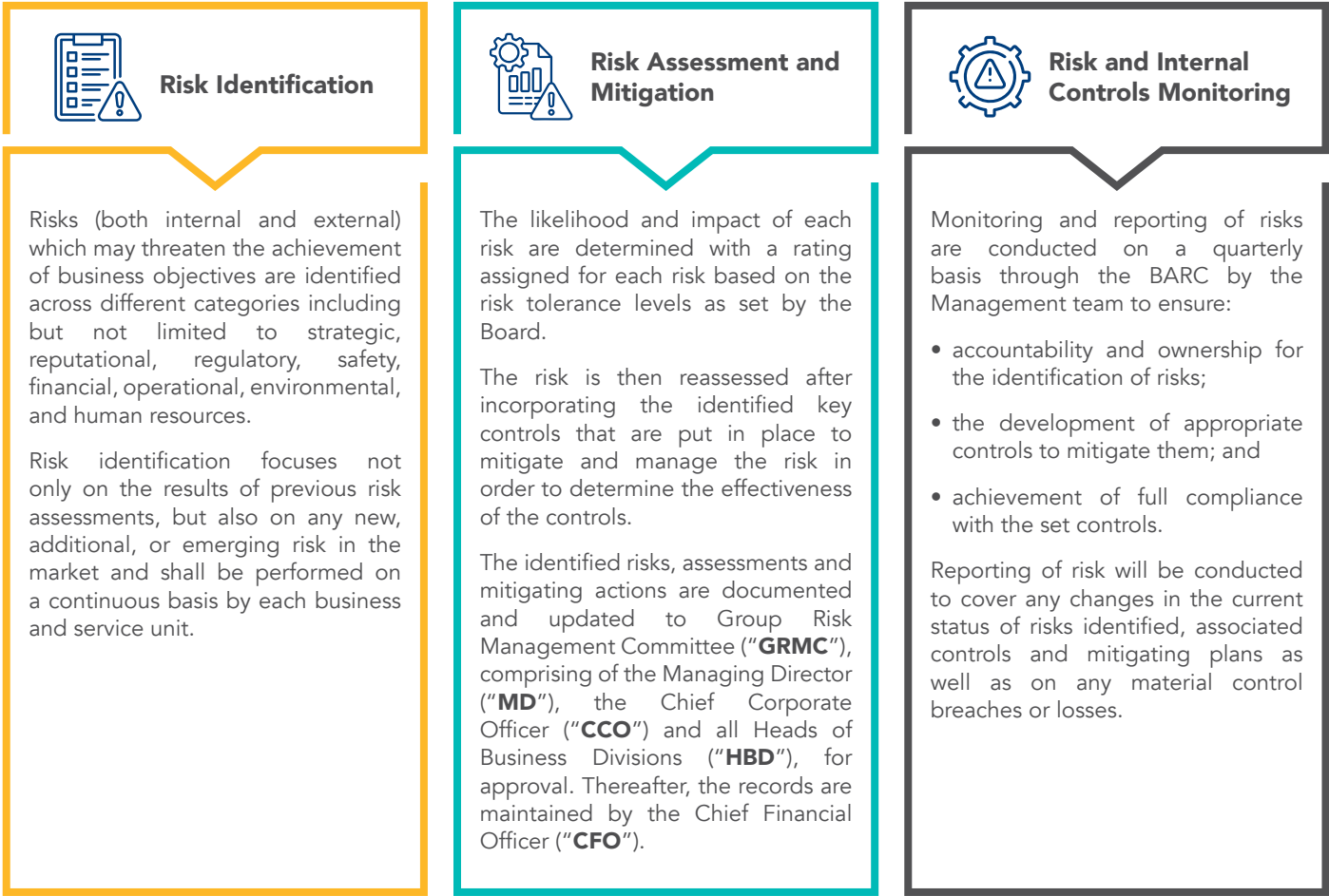
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Board firmly believes that risk management is critical to the Group’s continued business sustainability and overall value accretion. The priority of the Group remains towards upholding the sustenance of each of its business units and unlocking value through marketing efforts, potential diversification, and operational efficiencies.

The Group has instituted a Risk Management Policy and Framework (“the **Policy**”) which sets out the overarching approach and requirements for managing risk. The Policy is designed to systematically identify, analyse, monitor, and report key risks and the likelihood of risk occurrence as well as the magnitude of impact. The Policy has been reviewed by the BARC and approved by the Board to ensure it reflects the current objectives of the Group as well as the markets in which the Group operates in.

Management is accountable to the Board for the execution of risk management policies and in identifying the key risks including strategic, reputational, financial, operational, environmental, and regulatory risks affecting the Group. In this regard, Management evaluates the nature and extent of those risks by putting in place mitigating action plans for effective monitoring and reporting to the Board. Periodic results from the risk assessment taking into account any changes in the business processes and the market environment as well as the implementation status of corrective action plans on key risks are reported to the BARC, accordingly. Salient methodical steps of the risk management framework outlining the process to identify, assess, mitigate, and monitor the key business risks of SRB are shown below and in the ensuing page:



INTERNAL CONTROL FRAMEWORK

The Board regularly reviews the evaluation on the adequacy and operating effectiveness of the Group's internal control framework. Salient elements of the Group's internal control framework are described below:

Organisation structure

The Group has in place an organisation structure with clearly demarcated lines of responsibilities and segregated reporting lines up to the Board and its Committees to ensure operational effectiveness and efficiency as well as independent stewardship, permeating through every facet of the Group's operations. The Board and its Committees are supported by the Group Management Committee who meets as needed throughout the year to hold discussions on business performance review and operational matters.

Board Charter

A Board Charter ensures that the Board, acting on behalf of SRB is cognizant of its fiduciary duties and responsibilities as members of the Board and the legislations and regulations affecting their conduct. In addition, the Board Charter serves as a source of reference to the Board for matters relating to Board organisation and provides guidance to the Board members in performing their duties, roles, and responsibilities as Directors of SRB.

Board Diversity Policy

A Board Diversity Policy is established to consider aspects including but not limited to professional experience, skills and knowledge, gender, educational and cultural backgrounds, ethnicity, and age in configuring the Board's composition. The recognition of cognitive diversity is premised on the need to avert 'groupthink' or 'blind spots' by leveraging on multifaceted perspectives, experience and expertise required to achieve effective stewardship and ensure that SRB's competitive advantage is preserved.

Board Remuneration policy

A Board Remuneration Policy is established to support the Group's business strategy that is both long term and strategic in nature. The remuneration framework of Directors is designed based on the need to attract and retain Directors; motivate Directors to achieve SRB's business objectives; and align the interests of the Group with the long-term interests of shareholders.

Board Committees

• Board Audit and Risk Committee ("BARC")

The primary function of the BARC is to assist the Board in discharging its fiduciary duties in respect of the corporate accounting and reporting practices of SRB, reviewing quarterly financial statements, interim financial announcements as well as year-end annual financial statements, internal and external audit reports, risk management and internal control, related party transactions, corporate governance and compliance, integrity, anti-bribery and corruption and other functions as the BARC considers appropriate or as authorised by the Board. The Board had appointed internal auditors and integrity officers, to report directly to the BARC.

• Board Nomination and Remuneration Committee ("BNRC")

The BNRC, amongst others, reviews the composition of the Board and assists SRB in new appointments of Directors and Board Committees, evaluates the effectiveness of the Board, Board Committees and each individual Director, reviews the objectives and goals set for the Managing Director, determines the level and make-up of the Managing Director's remuneration, develops policies, practices and recommended proposals appropriate to facilitating the recruitment and retention of Directors and finally, ensures that members of the BNRC should have no conflicts of interest with the outcome of decisions made, having due regard to the interests of shareholders and the continuing financial and commercial health of the Group.

BNRC also reviews the appointment of key senior management.

Subsidiaries Governance Framework ("SG Framework")

The SG Framework, which is applicable across all subsidiaries of SRB as well as all levels and business/ support units in SRB, sets out the corporate governance standards and practices adopted by SRB to ensure compliance with Companies Act 2016, MMLR, MCGG and Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries as released by Securities Commission Malaysia in July 2020 (as revised in April 2021).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The SG Framework defines the reporting structure of all Management Committees i.e. the Group Risk Management Committee ("**GRMC**") and the Group Management Committee ("**GMC**"). The Group has restructured its sustainability oversight architecture by subsuming the Sustainability Steering Committee ("**SSC**") under the GMC to provide for greater centralisation and coordination of oversight on sustainability matters. SRB adopts a centralised approach in managing its subsidiaries with Board-reserved matters explicitly codified within the SG Framework.

Limits of Authority ("**LOA**")

Clearly defined limits of authority, responsibility and accountability have been established to govern the business and standard day-to-day operations, including matters requiring the Board, Board Committees, Managing Director, CFO, Heads of Business Divisions ("**HBD**") and Heads of Department ("**HoD**") approval. The LOA determines the approving authorities and authority limits for various transactions such as assets, procurement and contract, financial, human resource, legal and other matters. Major capital expenditure, acquisition and disposal of investment interests are approved by the Board before execution. The LOA aims to safeguard the SRB and its shareholders' interests, in line with the Group's internal control practices.

Management reporting system

A Management reporting system is established and this calls for operations and management accounts to be prepared and reviewed periodically. The system also requires Management to conduct Business Performance Review meetings so as to monitor the Group's financial performance and results. In addition, meetings are held at each individual business unit level to provide updates on any operational matters.

Code of Conduct and Ethics for Directors ("**the Code**")

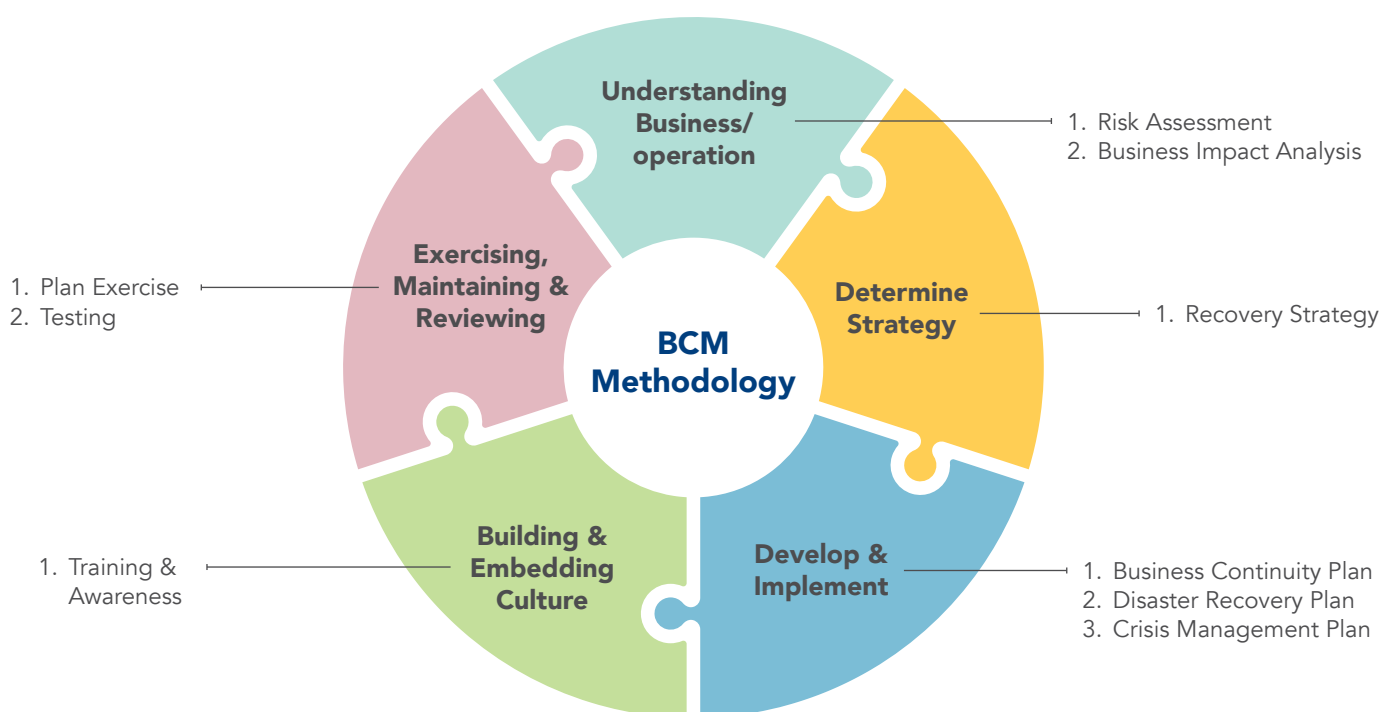
The Code is established to outline the fundamental guiding principles that are anchored on professional conduct. The Directors acknowledge that they must exercise judgment in applying the principles embodied in this Code to any particular situation. The Code provides guidance to the Directors to assist them in carrying out their duties and responsibilities in accordance with the standards of professional conduct expected by SRB. The Code incorporates adaptations from the "Code of Ethics for Company Directors" issued by Companies Commission of Malaysia and is available on SRB's corporate website at **Code of Conduct and Ethics for Directors**.

Code of Conduct and Ethics for Employees

The Code of Conduct for employees lays out the duties and responsibilities of employees in the course of their employment with the Group. All employees must support the policies, procedures, and practices of the Group; conduct themselves with propriety and decorum at all times to reflect the good standing of the Group; and honour confidentiality of all the information that they have acquired during and after employment with the Group. The Code of Conduct for employees forms as a guide which covers a wide range of areas including workforce values, business integrity and data privacy. The Code of Conduct for employees is part of SRB's Employee Handbook.

Business Continuity Management Policy ("BCM Policy")

The BCM Policy seeks to guide the Group on BCM by providing a framework around which the BCM capability is designed and built. The objective of BCM is to make the Group more resilient to potential threats and allow the operations of the Group to resume or continue under adverse or abnormal conditions within a reasonable and predetermined timeframe upon the occurrence of a disruption. Specifically, the BCM Policy seeks to enable the Group to continue, recover and resume critical business functions or operations within the agreed Recovery Time Objectives (RTO). The BCM methodology includes the following:



Anti-Bribery and Corruption Policy ("ABC Policy")

Given the implementation of section 17A of the Malaysian Anti-Corruption Commission Act 2009 as effected vide the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board undertook to exercise oversight on the establishment of adequate procedures to prevent the commission of corrupt acts by persons associated to the Group through the institution of the ABC Policy.

The ABC Policy covers areas pertaining to corruption and bribery; gifts, hospitality, and entertainment; facilitation payments, kickbacks, sponsorships, and charitable donations; political contributions; etc. The ABC Policy is premised on a supply-chain wide perspective covering dealings with third parties such as agents, suppliers and vendors, contractors, sub-contractors, and distributors. Any breaches of the ABC Policy shall be treated as serious misconduct, leading to disciplinary actions taken against the offender.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The ABC Policy has been augmented with guideline covering gifts, hospitality, and entertainment expenses. This Guideline was introduced to provide clarity to employees on seeking reimbursements pertaining to these expenses and provides for additional controls to prevent corruption and bribery.

In order to raise awareness on integrity matter across the Group, training sessions are carried out on a regular basis. Induction programmes for new joiners covers the contents of the ABC Policy and the same is carried out for newly inducted vendors and contractors. Employees and third parties enlisted by the Group are required to sign the Anti-Bribery and Corruption Policy Declaration Form as a means to express conformance to the ABC Policy. The ABC Policy is made available on SRB's corporate website at Anti-Bribery and Corruption Policy (ABC Policy).

In addition, as required by paragraph 15.29(1)(c) of the MMLR of Bursa Malaysia Securities Berhad, corruption risk factors are also assessed on an annual basis as part of the Group's management of risks on an enterprise level.

Whistleblowing Policy

The Board has put in place a Whistleblowing Policy that enables the stakeholders of the Group including but not limited to the employees, vendors, and customers to raise bona fide concerns regarding unethical, unlawful, or undesirable conduct via a reporting channel within the Group in an objective manner without fear of intimidation or reprisal. Stakeholders of the Group may report any integrity/ethical misconducts through the reporting channels available including via email to SRBethicsline@sapura.com.my which will be directed to the Integrity and Governance Unit ("IGU").

The Whistleblowing Policy is available on SRB's corporate website at **Whistleblowing Policy**.

Document Retention Policy

A Document Retention Policy was established to ensure complete and accurate records are maintained to support general operations and to meet contractual, legal, or regulatory promulgations including the Personal Data Protection Act 2010. The Policy shall be reviewed by the BARC on a periodical basis to ensure it reflects the current objectives of SRB and shall be approved by the Board, when necessary.

Employee Grievance Policy

A Standard Operating Procedures for Employee Grievance was established to provide a platform in resolving internal disputes or complaints. Based on this policy, detailed procedures are set up to allow employees to discuss their grievances or concerns in confidence with their immediate superior or Head of Department prior to submitting a compliant procedure form for review by the Human Resources Department and third-level Manager. The policy enables the grievances and concerns to be addressed at the "get-go" stage.

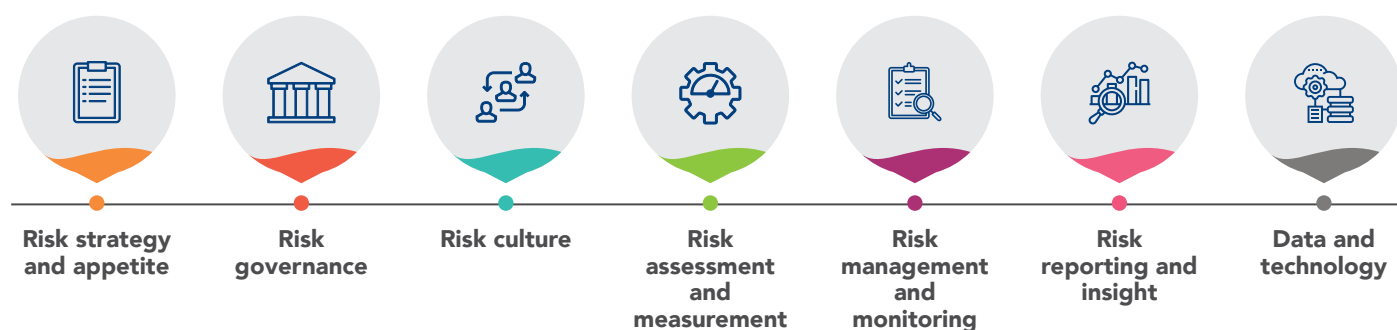
Information Security Management System Policy ("ISMS Policy")

The Group is guided by the requirements of ISO 27001:2013, established the ISMS Policy as a commitment to upholding the principles of confidentiality and integrity as well as ensuring the availability of all physical and electronic information assets throughout the Group. The ISMS is intended to be an enabling mechanism for information sharing, electronic operations and reducing information-related risks to acceptable levels.

The ISMS Policy covers a multitude of information security aspects including policies on hardware, passwords, emails, instant messaging, internet security and antivirus.

Enterprise Risk Management Policy

The Enterprise Risk Management ("ERM") Policy was formed to promote creation and value protection within the Group. The policy lays out the Group's main ERM practices, key elements and key attributes that supports the Group in appropriately identifying and managing risks. The Group's ERM framework consists of the following seven (7) key elements which mirrors globally accepted risk management standards:



Insurance and security safeguards

The Group has in place insurance and security safeguards over their employees and major assets whereby adequate cover has been sought against any untoward event which is beyond the Group's control and that could result in material losses. The insurance coverage is reviewed at specific intervals to ensure its adequacy.

INTERNAL AUDIT FUNCTION

The Board regularly reviews the evaluation on the adequacy and operating effectiveness of the Group's internal control framework. SRB outsourced its internal audit function to KPMG MRC to assess the adequacy and integrity of the Group's internal control systems. The internal audit function reports directly and provides assurance to the BARC through the execution of internal audit work based on a risk-based internal audit plan approved by the BARC before commencement of work. In carrying out its activities, the internal audit function has unrestricted access to the relevant records, personnel, and physical properties of the Group. The internal audit work is carried out based on KPMG MRC's Internal Audit Methodology ("KIAM"), which is closely aligned with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors ("IIA"), of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable, and relevant information that signifies a satisfactory conclusion of the internal audit work.

For the financial year ended 31 January 2024, the internal audit function assessed the adequacy and operating effectiveness of internal controls deployed by Management for the Group's key operations and processes, and to make appropriate recommendations thereof. The following in-scope companies and key processes were covered by the internal audit function:

In-scope companies	Key processes
Sapura Resources Berhad and its relevant subsidiaries	Tenancy Management
	Human Resource Management

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Following the completion of its work, the internal audit function reported directly to the BARC on improvement measures pertaining to internal controls, including a follow-up on the status of Management's implementation of recommendations raised in previous reports. The internal audit reports were submitted to the BARC, who reviewed the observations with Management, including Management's action plans to address the concerns raised by the internal audit function.

For more information on the Summary of work of the Internal Audit function, kindly refer to the BARC Report, as documented in his Annual Report.

Review by the external auditor

In accordance with paragraph 15.23 of the MMLR of Bursa Malaysia Securities Berhad, the external auditor, Ernst & Young PLT has reviewed this Statement for inclusion in this Annual Report of the Group for the financial year ended 31 January 2024.

The review of this Statement by the external auditor was performed in accordance with the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("**AAPG 3**"), issued by the Malaysian Institute of Accountants in February 2018.

The external auditor reported that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Group was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate.

AAPG 3 does not require the external auditor to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The external auditor is also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remediate the problems.

Commentary on the adequacy and effectiveness of the Group's internal control and risk management system

For the financial year under review and up to the date of this Statement, the Board is of the view that the Group's risk management and internal control system is adequate and effective to safeguard the interests of stakeholders and the Group's assets, despite a challenging business and operating environment. There were no material weaknesses or deficiencies in the system of internal control and risk management that have directly resulted in any material loss to the Group.

The Managing Director and Chief Financial Officer have also provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, are operating adequately and effectively based on the risk management and internal control framework of the Group.

This statement is to be read together with disclosure of key risks faced by the group in our Management Analysis and Disclosure and Sustainability Statement. This Statement is made in accordance with the resolution of the Board dated 19 April 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2024, and of the results of their operations and cash flows for the financial year then ended.

In preparing the audited financial statements, the Directors ensure that the Management has:

- a) Applied the appropriate and relevant accounting policies on a consistent basis;
- b) Made judgements and estimates that are reasonable and prudent;
- c) Ensured the adoption of applicable approved accounting standards; and
- d) Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the relevant regulatory requirements.

The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Utilisation of Proceeds

There were no proceeds raised from any corporate proposals for the financial year ended 31 January 2024.

2. Audit and Non-Audit Fees

The details of the audit and non-audit fees paid/payable to the external auditors or a firm or corporation affiliated to the external auditors' firm for the financial year ended 31 January 2024 are as follows:-

	Company (RM)	Group (RM)
Fees paid/payable to Ernst & Young PLT		
• Audit	132,000	356,000
• Non-audit		
- Tax fees	30,000	98,000
- Assurance related services	209,000	209,000
Fees paid/payable to other auditors		
• Audit	30,000	30,000
Grand Total	401,000	693,000

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving the interests of Directors, chief executive and/or major shareholders, either still subsisting at the end of the financial year ended 31 January 2024 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The Company did not enter into nor seek mandate from its shareholder on any RRPT during the financial year ended 31 January 2024.

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2024.

Principal activities

The principal activities of the Company are investment holding and property investment.

The principal activities of the subsidiaries and other information relating to the subsidiaries are described in Note 14 to the financial statements.

Holding company

The holding company is Sapura Holdings Sdn. Bhd., which is incorporated in Malaysia.

Results

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(37,412)	(41,978)

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

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

Dividends

The directors do not recommend the payment of any dividend in respect of the current financial year.

Directors

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

Tan Sri Dato' Seri Shahril bin Shamsuddin

Dato' Shahrman bin Shamsuddin *

Ahmad Jauhari bin Yahya

Andrew Heng

Dr. Yap Lang Ling

Reza bin Abdul Rahim

Datuk Megat Abdul Munir bin Megat Abdullah Rafaie

(Alternate to Tan Sri Dato' Seri Shahril bin Shamsuddin)

Tan Sri Datuk Amar (Dr.) Hamid bin Bugo

(Resigned on 18 July 2023)

* Directors of the Company and subsidiaries

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report are disclosed in Note 14 to the financial statements.

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than directors' remuneration as disclosed below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

Group and Company RM'000

Directors of the Group and Company

Executive:

Fees	59
Salaries and other emoluments	2,178
Benefits-in-kind	38
	2,275

Non-Executive:

Fees	491
Salaries and other emoluments	60
Benefits-in-kind	42
	593

Total	2,868
--------------	--------------

The Company maintains a liability insurance for the directors and officers of the Group. The total amount of sum insured for the directors and officers of the Group for the financial year amounted to RM20,455,000.

The total amount of insurance premium effected for any director and officer of the Group during the financial year is RM54,362.

DIRECTORS' REPORT

Directors' interests

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

	At 1.2.2023	Number of shares		At 31.1.2024
		Acquired	Transfer	
Sapura Resources Berhad - the Company				
Ordinary Shares				
Direct Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	83,250	-	-	83,250
Dato' Shahrman bin Shamsuddin	83,250	-	-	83,250
Indirect Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	72,373,772	-	-	72,373,772
Dato' Shahrman bin Shamsuddin	72,373,772	-	-	72,373,772
Sapura Holdings Sdn. Bhd. - holding company				
Ordinary Shares				
Direct Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	30,147,187	-	-	30,147,187
Dato' Shahrman bin Shamsuddin	30,147,187	-	-	30,147,187
Indirect Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	11,165,626	-	-	11,165,626
Dato' Shahrman bin Shamsuddin	11,165,626	-	-	11,165,626
Preference Shares (Class "A")				
Direct Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	10,000	-	-	10,000
Preference Shares (Class "B")				
Direct Interest				
Dato' Shahrman bin Shamsuddin	10,000	-	-	10,000

Tan Sri Dato' Seri Shahril bin Shamsuddin and Dato' Shahrman bin Shamsuddin by virtue of their interests in shares in the holding company are also deemed interested in shares of all the holding company's subsidiaries to the extent the holding company has an interest.

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

Other statutory information

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

DIRECTORS' REPORT

Subsequent event

Details of the subsequent event are disclosed in Note 39 to the financial statements.

Auditors

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

The auditors' remuneration for the financial year ended 31 January 2024 is as follows:

	Group	Company
<i>In RM'000</i>		
Audit fees		
Ernst & Young PLT	356	132
Others auditors	30	30
	386	162
Non audit service fees		
Ernst & Young PLT	209	209

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

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

Ahmad Jauhari bin Yahya

Dato' Shahrizan bin Shamsuddin

STATEMENT BY DIRECTORS

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

We, Ahmad Jauhari bin Yahya and Dato' Shahrman bin Shamsuddin, being two of the directors of Sapura Resources Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 76 to 153 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2024 and of their financial performance and cash flows for the year then ended.

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

Ahmad Jauhari bin Yahya

Dato' Shahrman bin Shamsuddin

STATUTORY DECLARATION

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

I, Azzaddin bin Abdullah, being the officer primarily responsible for the financial management of Sapura Resources Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 76 to 153 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Azzaddin bin Abdullah
at Kuala Lumpur in the Federal Territory
on 30 May 2024

Azzaddin bin Abdullah
(MIA membership no.: 48707)

Before me,

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sapura Resources Berhad, which comprise the statements of financial position as at 31 January 2024 of the Group and of the Company, statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 76 to 153.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

i. Impairment assessment of non-financial assets

MFRS 136 Impairment of Assets ("MFRS 136") requires an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

The Group's market capitalisation is at RM53.0 million as at 31 January 2024 which is lower than its net assets of RM182.7 million, indicating that the carrying amounts of the non-financial assets may be impaired.

The assessment of the recoverable amount of non-financial assets require judgement in assessing whether there is an indication that the asset should be impaired or there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased and in measuring any such impairment or reversal.

*Key audit matters (cont'd.)**i Impairment assessment of non-financial assets (cont'd.)*

Recoverable amount is higher of fair value less cost of disposal ("FVLCD") or value in use ("VIU"). Recoverable amounts based on FVLCD were obtained from independent valuers appointed by management. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the CGU and discounting them at an appropriate rate. Such estimations are highly subjective and accordingly, we consider this as an area of audit focus.

a) Impairment assessment of investment properties

As at 31 January 2024, the carrying amount of investment properties of the Group and the Company stood at RM507.3 million as disclosed in Note 12 to the financial statements.

b) Impairment assessment of property, plant and equipment and right-of-use assets within Aviation segments

As at 31 January 2024, the carrying amount of property, plant and equipment and right-of-use assets of the Group stood at RM28.8 million and RM4.8 million respectively as disclosed in Notes 11 and 13 to the financial statements. The continued losses of aviation segments is viewed as the indicators that the property, plant and equipment and right-of-use assets may be impaired.

In determining the recoverable amount based on VIU, our procedures included amongst others, the following:

- We obtained an understanding of the relevant processes and internal controls over the estimation of recoverable amounts of the CGU;
- We assessed the robustness of management's budgeting process by comparing the actual results achieved against previously forecasted budgets;
- We evaluated the key assumptions used in determination of the VIU (such as growth rate, inflation rate, occupancy rates, rental rates, ground handling rates, transient and ancillary rates as well as the related expenses) by making comparisons to historical trends, contracts and available market information;
- We performed sensitivity analysis on the key assumptions to understand the impact that alternative assumptions would have had on the overall carrying amount;
- We assessed whether the discount rates used to determine the present value of the cash flows reflect the current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset; and
- We also assessed and reviewed the disclosures in the financial statements.

In determining the recoverable amount based on FVLCD, our procedures included amongst others, the following:

- We considered the independence, competence, capabilities and objectivity of the independent valuer;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the properties and assessed whether such methodology is consistent with those used in the industry;
- As part of our evaluations of the fair values of the properties, we discussed the valuation with the independent valuer to obtain an understanding of the properties and related data used as input to the valuation model;
- We tested the accuracy of data used as input to the valuation model by comparing them with available industry data; and
- We also assessed and reviewed the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

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

Key audit matters (cont'd.)

ii. *Impairment assessment of investment in a subsidiary, investment in a joint venture and amounts due from subsidiaries*

a) Impairment assessment of investment in a subsidiary

As at 31 January 2024, the Company's investment in DNest Aviation Sdn. Bhd. amounted RM4.0 million, after taking into account an impairment amounting to RM4.2 million, as disclosed in Note 14 to the financial statements. The continued losses and the depleting shareholders' funds reported by this subsidiary is viewed as indicators that the investment may be impaired.

In addressing the area of focus on impairment of investment in a subsidiary based on VIU, our procedures included amongst others, the following:

- We obtained an understanding of the relevant processes and internal controls over the estimation of recoverable amounts of the CGU;
- We assessed the robustness of management's budgeting process by comparing the actual results achieved against previously forecasted budgets;
- We evaluated the key assumptions used in determination of the VIU (such as growth rate, inflation rate, occupancy rates, rental rates, as well as the related expenses by making comparisons to historical trends, contracts and available market information;
- We performed sensitivity analysis on the key assumptions to understand the impact that alternative assumptions would have had on the overall carrying amount;
- We assessed whether the discount rates used to determine the present value of the cash flows reflect the current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset; and
- We also assessed the adequacy of the disclosures made in the financial statement.

b) Impairment assessment of investment in a joint venture

As at 31 January 2024, the Group and the Company's investment in Impian Bebas Sdn. Bhd. amounted to approximately RM203.6 million and RM235.2 million respectively, as disclosed in Note 16 to the financial statements. The continued losses and the depleting shareholders' funds reported by this joint venture is viewed as indicators that the investment may be impaired.

In addressing the area of focus on impairment of investment in the joint venture based on fair value, we performed amongst others, the following procedures:

- We obtained impairment assessment from the management where the recoverable amount was determined using share of net assets at fair value;
- We considered the methodology used by management to estimate the recoverable value of the investment;
- We compared the carrying value of the investment with the share of net assets at fair value of the joint venture;
- As part of our evaluation of the fair value of the net assets, we discussed the valuation with the management and independent valuer to obtain an understanding of the net assets and related data used as input to the valuation model; and
- We assessed the adequacy of the disclosures made in the financial statements.

*Key audit matters (cont'd.)**ii. Impairment assessment of investment in a subsidiary, investment in a joint venture and amounts due from subsidiaries (cont'd.)***c) Impairment assessment of amounts due from subsidiaries**

As at 31 January 2024, the Company has recorded net amounts due from subsidiaries of approximately RM8.5 million, as disclosed in Note 18 to the financial statements. MFRS 9 Financial Instruments requires an entity to recognise a loss allowance for expected credit losses on financial assets that are measured at amortised cost, including amounts due from subsidiaries.

In addressing the area of focus on impairment of amounts due from subsidiaries, we performed amongst others, the following procedures:

- We obtained an understanding of the relevant processes and internal controls over the estimation of the estimated future cash flows; and
- We evaluated the key assumptions applied in the determination of the amount and timing of receipts from the subsidiaries in light of the estimation of profits and the resulting cash flows to be derived from the operations.

Information other than the financial statements and auditors' report thereon

The directors of the Group and of the Company are responsible for the other information. The other information comprises the annual report but does not include in the financial statements of the Group and the Company and our auditors' report thereon, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039

Chartered Accountants

Kuala Lumpur, Malaysia

30 May 2024

Abdul Hadi Bin Gonawan

No. 03676/07/2024J

Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 January 2024

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Revenue	4	62,782	53,287	31,342	27,995
Operating expenses		(99,112)	(93,491)	(81,697)	(66,415)
Reversal for impairment of non-current assets		46,210	122,986	46,210	122,986
Other income		6,443	43,085	3,016	36,196
Profit/(loss) from operations		16,323	125,867	(1,129)	120,762
Finance costs	5	(41,390)	(38,850)	(40,849)	(38,208)
Share of result of an associate		4,520	376	-	-
Share of result of joint ventures		(16,850)	(7,653)	-	-
(Loss)/profit before tax from operations	6	(37,397)	79,740	(41,978)	82,554
Taxation	9	(15)	(28)	-	-
(Loss)/profit after tax, representing total comprehensive (loss)/income for the year		(37,412)	79,712	(41,978)	82,554
(Loss)/profit, representing total comprehensive (loss)/income for the attributable to:					
Owners of the parent		(37,412)	79,622	(41,978)	82,554
Non-controlling interest		-	90	-	-
		(37,412)	79,712	(41,978)	82,554
(Loss)/profit per share attributable to the owners of the parent (sen):					
Basic/diluted	10	(26.80)	57.04		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	28,783	33,509	8,916	11,236
Investment properties	12	507,266	492,725	507,266	492,725
Right-of-use assets	13	4,770	5,456	-	-
Investment in subsidiaries	14	-	-	3,985	8,210
Investment in an associate	15	22,742	18,222	12,000	12,000
Investment in joint ventures	16	203,595	209,445	235,165	226,464
Finance lease receivables	17	31,733	37,527	27,894	29,984
Trade and other receivables	18	4,587	4,235	11,098	21,290
		803,476	801,119	806,324	801,909
Current assets					
Finance lease receivables	17	5,402	4,314	2,090	1,935
Trade and other receivables	18	19,310	12,149	15,167	9,176
Prepayments		1,403	1,499	945	181
Inventories	19	90	87	-	-
Tax recoverable		705	2,233	621	1,212
Other current financial assets	20	20	16	20	16
Cash and bank balances	21	38,545	32,696	32,894	24,923
		65,475	52,994	51,737	37,443
Total assets		868,951	854,113	858,061	839,352

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Equity and liabilities					
Current liabilities					
Trade and other payables	22	167,117	53,989	160,465	41,479
Provisions	23	9,774	9,406	-	-
Lease liabilities	24	47,268	61,818	44,061	58,400
		224,159	125,213	204,526	99,879
Net current liabilities		(158,684)	(72,219)	(152,789)	(62,436)
Non-current liabilities					
Deferred tax liabilities	25	41	26	-	-
Trade and other payables	22	40,000	40,000	40,000	40,000
Lease liabilities	24	422,062	470,855	412,112	456,072
		462,103	510,881	452,112	496,072
Total liabilities		686,262	636,094	656,638	595,951
Net assets		182,689	218,019	201,423	243,401
Equity					
Share capital	26	139,600	139,600	139,600	139,600
Other reserves	27	2,581	2,581	1,100	1,100
Retained profits		40,508	77,920	60,723	102,701
Equity attributable to owners of the parent		182,689	220,101	201,423	243,401
Non-controlling interest		-	(2,082)	-	-
Total Equity		182,689	218,019	201,423	243,401
Total equity and liabilities		868,951	854,113	858,061	839,352

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 January 2024

	<----- Attributable to owners of the parent ----->		<----- Distributable ----->							
	Share capital (Note 26)	Non-Distributable Capital reserve (Note 27)	General reserve (Note 27)	Retained profits/ losses (accumulated)	Total	Non-controlling interest	Total			Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2023	139,600	1,481	1,100	77,920	220,101	(2,082)	218,019			
Total comprehensive loss for the year	-	-	-	(37,412)	(37,412)	2,082	(35,330)			
At 31 January 2024	139,600	1,481	1,100	40,508	182,689	-	182,689			
At 1 February 2022	139,600	1,481	1,100	(1,702)	140,479	(2,172)	138,307			
Total comprehensive income for the year	-	-	-	79,622	79,622	90	79,712			
At 31 January 2023	139,600	1,481	1,100	77,920	220,101	(2,082)	218,019			

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 January 2024

	<--Attributable to owners of the parent-->			
	<-----Distributable----->			
	Share capital (Note 26) RM'000	General reserve (Note 27) RM'000	Retained profits RM'000	Total equity RM'000
Company				
At 1 February 2023	139,600	1,100	102,701	243,401
Total comprehensive loss for the year	-	-	(41,978)	(42,393)
At 31 January 2024	139,600	1,100	60,723	201,008
At 1 February 2022	139,600	1,100	20,147	160,847
Total comprehensive income for the year	-	-	82,554	82,554
At 31 January 2023	139,600	1,100	102,701	243,401

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 January 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities				
(Loss)/profit before tax from operations	(37,397)	79,740	(41,978)	82,554
Adjustments for				
Interest income from subsidiary	-	-	-	(13)
Profits distribution from short term investment	-	(161)	-	(161)
Interest income from short term deposits	(416)	(93)	(358)	(93)
Finance costs on amount due to a related company	3,893	-	3,893	-
Finance costs on borrowings	-	439	-	430
Finance cost on lease liabilities	37,497	38,411	36,956	37,778
Net unrealised foreign exchange gain	(411)	(14)	-	-
Unrealised fair value (gain)/loss on held for trading investment securities	(4)	4	(4)	4
Unrealised foreign exchange loss on provision	1,064	131	-	-
Gain on disposal of property, plant and equipment	-	(2,505)	-	-
Gain on liquidation of subsidiary	(3,561)	-	-	-
Gain on lease modification	-	(592)	-	-
Gain on initial recognition of lease receivable	(882)	(34,609)	-	(31,882)
Depreciation of investment properties	31,695	32,832	31,695	32,832
Depreciation of property, plant and equipment	7,433	7,429	4,594	4,725
Depreciation of right-of-use assets	686	689	-	-
Reversal of provision	(696)	(3,000)	-	(3,000)
Net loss/(gain) for expected credit losses on:				
- trade receivables	691	276	1,675	346
- other receivables	(1,450)	(33)	8,713	(508)
- Amount due from joint venture	(599)	-	-	-
Net (reversal)/provision for impairment losses on:				
- investment in joint ventures	-	-	2,299	1,538
- investment properties	(46,210)	(122,986)	(46,210)	(122,986)
- investment in subsidiaries	-	-	4,225	-
Share of result of an associate	(4,520)	(376)	-	-
Share of result of joint ventures	16,850	7,653	-	-
Operating profit before working capital changes	3,663	3,235	5,500	1,564
Increase in inventories	(3)	(87)	-	-
Decrease/(increase) in trade and other receivables and prepayment	7,155	(11,206)	(5,016)	(14,020)
Increase in trade and other payables	7,235	31,598	13,093	34,444
Cash generated from operating activities	18,050	23,540	13,577	21,988

STATEMENTS OF CASH FLOWS

For the year ended 31 January 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (cont'd.)				
Net taxes refunded	1,528	190	591	-
Net cash generated from operating activities	19,578	23,730	14,168	21,988
Cash flows from investing activities				
Purchase of property, plant and equipment and investment properties	(2,733)	(12,184)	(2,300)	(11,148)
Net withdrawal from short term investment	-	13,104	-	13,104
Cash call paid to a joint venture	(37,000)	(40,000)	(37,000)	(40,000)
Proceeds from disposal of property, plant and equipment	-	2,525	-	-
Interest income received from short term deposit	416	93	358	93
Profits distribution from money market instruments	-	161	-	161
Net cash outflow from liquidation of a subsidiary	(1,572)	-	-	-
Net cash used in investing activities	(40,889)	(36,301)	(38,942)	(37,790)
Cash flows from financing activities				
Net repayment of hire-purchase	-	(171)	-	-
Net repayment of short term borrowings	-	(5,000)	-	(5,000)
Net repayment of bank overdrafts	-	(7,070)	-	(7,070)
Financial assistance from related company	128,000	40,000	128,000	40,000
Repayment of lease liabilities	(100,840)	(3,566)	(95,255)	-
Interest paid	-	(439)	-	(430)
Net cash generated from financing activities	27,160	23,754	32,745	27,500
Net increase in cash and cash equivalents	5,849	11,183	7,971	11,698
Cash and cash equivalents at beginning of the year	32,696	21,513	24,923	13,225
Cash and cash equivalents at end of year	38,545	32,696	32,894	24,923

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

1. Corporate information

Sapura Resources Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office of the Company is located at Sapura @ Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300, Seri Kembangan, Selangor Darul Ehsan.

The holding company is Sapura Holdings Sdn. Bhd., a company incorporated in Malaysia.

The principal activities of the Company are investment holding and property investment. The principal activities of the subsidiaries are disclosed in Note 14.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 May 2024.

2. Material accounting policies information

2.1 Basis of preparation of the financial statements

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The Group and the Company incurred a net loss of RM37.4 million and RM42.0 million respectively during the year ended 31 January 2024 and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM158.7 million and RM152.8 million respectively.

The financial statements have been prepared on a going concern basis. In arriving at that conclusion, the Board of Directors have considered the following:

- (i) The Group is faced with a liquidity constraint mainly due to its financial losses, and an unsustainable level of debts, the combined effect of which is concerning the Group and the Company as a going concern.
- (ii) The Company's strategic shareholder has agreed to provide support by not demanding immediate repayment of the amount due to the shareholder's subsidiary, Jurudata Sdn. Bhd. before 31 July 2025.
- (iii) Proposed renounceable rights issue of new ordinary shares in the Company to raise gross proceeds of up to approximately RM33.5 million which is subject to shareholder's approval.
- (iv) Proposed settlement of the amount due to Jurudata Sdn. Bhd. via issuance of 373,333,333 Redeemable Convertible Secured Loan Stocks ("RCSLS") at the issue price of RM0.45 each.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except as follows:

On 1 February 2023, the Group and the Company adopted the following new and amended MFRSs:

Description	Effective for annual period beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements (Disclosure of Accounting Policies)	1 January 2023
Amendments to MFRS 112: Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023

Adoption of the above amended standards did not have material effect on the financial performance or position of the Group and of the Company.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual period beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows and MFRS 7 Disclosure of Financial Instruments - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Investments in Associates and Joint Venture (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred

The adoption of the above standards and interpretations are not expected to have material impact on the financial statements in the period of application.

2. Material accounting policies information (cont'd.)

2.4 Subsidiary and Basis of Consolidation

(i) Subsidiary

Subsidiaries are entities controlled by the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 January of each year.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Subsidiary is the entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

2.5 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.5 Foreign currency (cont'd.)

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. Material accounting policies information (cont'd.)

2.6 Property, plant and equipment (cont'd.)

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Buildings	1.4% - 4.0%
Hangars	3% - 20%
Office equipment, furniture and fittings	12% - 33%
Motor vehicles	20%
Renovation	10% - 20%
Work-in-progress	Not depreciated until available for use

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each yearend, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Investment properties

Investment properties are properties that are held either to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs.

Depreciation of leasehold land classified as investment properties is provided for on a straight-line basis to write off the cost of the asset to its residual value over the respective remaining lease periods of the leasehold land.

Depreciation of leasehold building and right-of-use assets classified as investment properties is provided for on a straight-line basis to write off the cost of the asset to its residual value over the shorter of its lease term period or 50 years.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.8 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. Material accounting policies information (cont'd.)

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.10 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.10 Investments in associates and joint ventures (cont'd.)

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payment on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 9 *Financial Instruments* ("MFRS 9") to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

(a) Recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

2. Material accounting policies information (cont'd.)

2.11 Financial assets (cont'd.)

(a) Recognition and initial measurement (cont'd.)

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15 *Revenue from Contract with Customers* ("MFRS 15"), are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Company commit to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through OCI (debt instruments)
- (iii) Financial assets at fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.11 Financial assets (cont'd.)

(b) Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments and short term investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - The Group and the Company have transferred substantially all the risks and rewards of the asset, or
 - The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company would be required to repay.

2. Material accounting policies information (cont'd.)

2.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-month (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks, cash on hand and short-term highly liquid deposits with maturity of three months or less. For the purpose of cash flow statements, cash and cash equivalents include cash at banks, cash on hand and short term deposits with banks with an original maturity of three months or less, less restricted cash held in designated accounts on behalf of clients.

2.14 Provisions

Provisions are recognised when the Group and the Company have present obligations (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.15 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, provisions and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Material accounting policies information (cont'd.)

2.16 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.17 Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company.

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.18 Leases

(a) Definition of a lease

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

(b) Recognition and initial measurement

As lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective entities' incremental borrowing rate is used. Generally, the Group entities use their incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.18 Leases (cont'd.)

(b) Recognition and initial measurement (cont'd.)

As lessee (cont'd.)

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities are presented separately in the statement of financial position.

As a lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group and the Company are an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company applies MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

(c) Subsequent measurement

As lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2. Material accounting policies information (cont'd.)

2.18 Leases (cont'd.)

(c) Subsequent measurement (cont'd.)

As lessee (cont'd.)

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The useful lives of right-of-use assets are as follows:

Hangar spaces	1 - 10 years
Office and warehouse spaces	2 - 3 years
Equipment	2 years

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group and the Company will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.

When the lease liability is remeasured as described in the above paragraph, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When there is lease modification due to increase in the scope of lease by adding the right-to-use one or more underlying assets, the Group and the Company assess whether the lease modification shall be accounted for as a separate lease or similar to reassessment of lease liability. The Group and the Company account for lease modification as a separate lease when the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments.

When there is lease modification due to decrease in scope, the Group and the Company decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease. The corresponding gain or loss shall be recognised in profit or loss. Lease liabilities are remeasured for all other lease modifications with corresponding adjustments to the right-of-use asset.

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9 (Note 2.12).

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.19 Revenue from contracts with customers

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group and the Company recognise revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The sales are mainly on credit terms of 30 days.

(a) Revenue from investment properties, other than rental income

Revenue from investment properties, other than rental income includes parking, utilities and maintenance services. The performance obligation is satisfied over time upon services being rendered to the customers.

(b) Grounds operations

The performance obligation is satisfied at a point of time when the services are rendered.

(c) Aircraft management

The performance obligation is satisfied at a point of time when the services are rendered.

(d) Management fees

The performance obligation is satisfied over time upon services being rendered to the customers.

(e) Sale of food and beverages

The performance obligation is satisfied at a point of time when the services are rendered.

2.20 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

2. Material accounting policies information (cont'd.)

2.20 Income taxes (cont'd.)

(b) Deferred tax

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

2. Material accounting policies information (cont'd.)

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Fair value measurements

The Group and the Company measure non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Material accounting policies information (cont'd.)

2.23 Fair value measurements (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group and the Company determine the policies and procedures for investment properties. External valuers are involved for valuation of significant assets, such as properties and available-for-sale financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.24 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilute potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

(a) Significant judgements and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Management consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Management first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment, investment properties and right-of-use assets

The Group and the Company review the carrying amounts of the non-financial assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of fair value less costs of disposal ("FVLCD") or value in use ("VIU").

Where assessment of the recoverable amount of CGU or groups of CGU is determined on the basis of FVLCD, the Group and the Company had amongst others, based the FVLCD on valuations by independent professional valuers. The valuation methods used in determining the valuations are the investment method, residual method and comparison method.

In estimating the recoverable amount using VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainty (cont'd.)

(a) Impairment of property, plant and equipment, investment properties and right-of-use assets (cont'd.)

The estimation of the recoverable amounts involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

The accumulated impairment of property, plant and equipment, investment properties and right-of-use assets as at the reporting date is disclosed in Note 11, 12 and 13 respectively.

(b) Impairment of investment in subsidiaries and investment in joint ventures

The management determines whether the carrying amount of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

The carrying amounts of investment in subsidiaries and investment in joint ventures as at the reporting date are disclosed in Note 14 and 16 respectively.

(c) Impairment of trade and other receivables including amount due from subsidiaries

The Group and the Company use simplified approach to calculate ECL for trade and other receivables including amount due from subsidiaries. The provision rates are based on various historical observed default rates.

The Group and the Company will consider and assess the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of receivables' actual default in the future. The information about the ECLs on the Group's and the Company's trade and other receivables are disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

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4. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Type of goods or services				
Revenue from investment properties, other than rental income	1,892	1,976	1,892	1,976
Grounds operations	13,555	10,932	-	-
Aircraft management	10,765	8,382	-	-
Sale of food and beverages	1,928	835	-	-
Management fees	-	-	-	652
Total revenue from contracts with customers	28,140	22,125	1,892	2,628
Rental income from investment properties	26,676	24,320	27,042	24,320
Rental of hangar and offices	5,215	5,327	-	-
Finance income on lease receivables	2,751	1,515	2,408	1,047
Total revenue from other sources	34,642	31,162	29,450	25,367
	62,782	53,287	31,342	27,995
Geographical markets				
Malaysia	27,196	18,062	1,892	2,628
Outside Malaysia	944	4,063	-	-
Total revenue from contracts with customers	28,140	22,125	1,892	2,628
Total revenue from other sources	34,642	31,162	29,450	25,367
	62,782	53,287	31,342	27,995
Timing of revenue recognition				
At a point of time	26,248	20,149	-	-
Over time	1,892	1,976	1,892	2,628
Total revenue from contracts with customers	28,140	22,125	1,892	2,628
Total revenue from other sources	34,642	31,162	29,450	25,367
	62,782	53,287	31,342	27,995

Information on the performance obligations are disclosed in Note 2.19.

There are no unfulfilled performance obligations as at year end.

5. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
Overdrafts	-	320	-	320
Revolving credits	-	110	-	110
Amount due to related company	3,893	-	3,893	-
Hire-purchase	-	9	-	-
Lease liabilities (Note 24)	37,497	38,411	36,956	37,778
	41,390	38,850	40,849	38,208

6. (Loss)/profit before tax from operations

The following items have been included in arriving at (loss)/profit before tax from operations:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Employee benefits expense (Note 7)	21,206	21,180	13,986	14,084
Non-executive directors' remuneration				
- excluding benefits-in-kind (Note 8)	593	488	593	488
Direct operating expense arising from investment properties	5,005	5,005	5,005	5,005
Fees for statutory audits:				
- Ernst & Young PLT	356	291	132	176
- Other auditors	30	30	30	30
Fees for non-audit services				
- Ernst & Young PLT	209	9	209	9
- Ernst & Young Tax Consultants Sdn Bhd	98	98	30	30
Depreciation of:				
- property, plant and equipment (Note 11)	7,433	7,429	4,594	4,725
- investment properties (Note 12)	31,695	32,832	31,695	32,832
- right-of-use assets (Note 13)	686	689	-	-
Net loss/(reversal) for expected credit losses on:				
- trade receivables (Note 18(a))	691	276	1,675	346
- other receivables (Note 18(b))	(1,450)	(33)	8,713	(508)
- amount due from joint venture	(599)	-	-	-
Net (reversal)/provision for impairment losses on:				
- investment properties (Note 12)	(46,210)	(122,986)	(46,210)	(122,986)
- investment in subsidiaries (Note 14)	-	-	4,225	-
- investment in joint venture (Note 16)	-	-	2,299	1,538

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

6. (Loss)/profit before tax from operations (cont'd.)

The following items have been included in arriving at (loss)/profit before tax from operations: (cont'd.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Reversal of provision	(696)	(3,000)	-	(3,000)
Net unrealised foreign exchange gain	(411)	(14)	-	-
Net realised foreign exchange gain	(2)	(2)	-	-
Rental expenses of low value and short term leases (Note 24) *				
- Parking	168	-	168	-
- Equipment	44	100	21	62
Corporate service fee payable to holding company	-	214	-	214
Unrealised fair value loss on held for trading investment securities	(4)	4	(4)	4
Unrealised foreign exchange loss on provision (Note 23)	1,064	131	-	-
Interest income from subsidiary	-	-	-	(13)
Profits distribution from short term investment	-	(161)	-	(161)
Interests income from short term deposits	(416)	(93)	(358)	(93)
Gain on liquidation of a subsidiary (Note 33)	(3,561)	-	-	-
Gain on disposal of property, plant and equipment	-	(2,505)	-	-
Gain on lease modification	-	(592)	-	-
Gain on initial recognition of lease receivable	(882)	(34,609)	-	(31,882)

* As allowed under MFRS 16, the Group and the Company had elected not to recognise right-of-use assets and lease liabilities in relation to short term lease.

7. Employee benefits expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	15,821	16,542	10,520	11,067
Social security contributions	168	138	79	69
Contributions to defined contribution plan	1,733	1,834	1,165	1,262
Other benefits	3,484	2,666	2,222	1,686
	21,206	21,180	13,986	14,084

Included in employee benefits expense of the Group and of the Company are executive director remuneration, excluding benefits-in-kind amounting to RM2,237,000 (2023: RM2,237,000) as disclosed in Note 8.

8. Directors' remuneration

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive:				
Fees	59	59	59	59
Salaries and other emoluments	2,178	2,178	2,178	2,178
Benefits-in-kind	38	29	38	29
	2,275	2,266	2,275	2,266
Non-Executive:				
Fees	491	447	491	447
Other emoluments	60	41	60	41
Benefits-in-kind	42	-	42	-
	593	488	593	488
Total	2,868	2,754	2,868	2,754
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	2,237	2,237	2,237	2,237
Total non-executive directors' remuneration	551	488	551	488
Total directors' remuneration	2,788	2,725	2,788	2,725

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2024	2023
Executive:		
RM2,200,001 - RM2,250,000	1	1
Non-executive:		
Below RM100,000	4	4
RM100,001 - RM150,000	3	2

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9. Taxation

Major components of income tax expense

The major components of income tax expense for the years ended 31 January 2024 and 2023 are:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statement of comprehensive income:				
Current income tax:				
Malaysian income tax	-	2	-	-
	-	2	-	-
Deferred tax (Note 25):				
Origination and reversal of temporary differences	-	(158)	-	-
Under provision in prior years	15	184	-	-
	15	26	-	-
Income tax expense	15	28	-	-

Domestic income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to (loss)/profit after taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

Group	2024 RM'000	2023 RM'000
(Loss)/profit before tax	(37,397)	79,740
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	(8,975)	19,138
Non-deductible expenses	2,405	882
Share of result of associates and joint ventures	2,959	1,746
Utilisation of previously unrecognised tax losses	-	(1,240)
Utilisation of previously unrecognised deferred tax assets	-	(20,766)
Deferred tax assets not recognised during the year	3,611	84
Underprovision of deferred tax in prior years	15	184
Income tax expense	15	28

9. Taxation (cont'd.)

A reconciliation of income tax expense applicable to (loss)/profit after taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows: (cont'd.)

Company	2024 RM'000	2023 RM'000
(Loss)/profit before tax	(41,978)	82,554
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	(10,075)	19,813
Utilisation of previously unrecognised deferred tax assets	-	(20,766)
Utilisation of previously unrecognised tax losses	-	(1,203)
Non-deductible expenses	7,037	2,156
Deferred tax assets not recognised	3,038	-
Income tax expense/(credit)	-	-

10. (Loss)/profit per share

(a) Basic:

Basic (loss)/profit per share amounts are calculated by dividing (loss)/profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the financial year.

	2024	2023
(Loss)/profit attributable to owners of the parent (RM'000)	(37,412)	79,622
Weighted average number of ordinary shares in issue ('000)	139,600	139,600
Basic, (loss)/profit per share (sen)	(26.80)	57.04

(b) Diluted:

The Group does not have any potential dilutive ordinary shares. Accordingly, the diluted (loss)/profit per share equals the basic (loss)/profit per share.

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11. Property, plant and equipment

Group	Hangars RM'000	Office equipment, renovation, furniture and fittings RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
At 31 January 2024					
Cost					
At 1 February 2023	50,698	72,600	2,564	2,395	128,257
Additions	-	2,386	-	321	2,707
Transfer	170	26	-	(196)	-
Disposals	-	(374)	-	-	(374)
At 31 January 2024	50,868	74,638	2,564	2,520	130,590
Accumulated depreciation and impairment					
At 1 February 2023	28,898	61,258	2,349	2,243	94,748
Depreciation charge for the year (Note 6)	2,476	4,935	22	-	7,433
Disposals	-	(374)	-	-	(374)
At 31 January 2024	31,374	65,819	2,371	2,243	101,807
Net carrying amount	19,494	8,819	193	277	28,783
At 31 January 2023					
Cost					
At 1 February 2022	50,698	62,098	2,562	3,817	119,175
Additions	-	12,034	2	148	12,184
Transfer	-	45	-	(45)	-
Disposals	-	(1,577)	-	(1,525)	(3,102)
At 31 January 2023	50,698	72,600	2,564	2,395	128,257
Accumulated depreciation and impairment					
At 1 February 2022	27,574	56,854	2,215	3,758	90,401
Depreciation charge for the year (Note 6)	1,324	5,971	134	-	7,429
Disposals	-	(1,567)	-	(1,515)	(3,082)
At 31 January 2023	28,898	61,258	2,349	2,243	94,748
Net carrying amount	21,800	11,342	215	152	33,509

11. Property, plant and equipment (cont'd.)

Company	Office equipment, renovation, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
At 31 January 2024			
Cost			
At 1 February 2023	45,401	66	45,467
Additions	2,274	-	2,274
At 31 January 2024	47,675	66	47,741
Accumulated depreciation			
At 1 February 2023	34,167	64	34,231
Depreciation charge for the year (Note 6)	4,594	-	4,594
At 31 January 2024	38,761	64	38,825
Net carrying amount	8,914	2	8,916
At 31 January 2023			
Cost			
At 1 February 2022	34,255	64	34,319
Additions	11,146	2	11,148
At 31 January 2023	45,401	66	45,467
Accumulated depreciation			
At 1 February 2022	29,442	64	29,506
Depreciation charge for the year (Note 6)	4,725	-	4,725
At 31 January 2023	34,167	64	34,231
Net carrying amount	11,234	2	11,236

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11. Property, plant and equipment (cont'd.)

- (a) Included in property, plant and equipment of the Group and the Company are the following cost of fully depreciated assets which are still in use:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Office equipment, renovation, furniture and fittings	66,242	55,714	57,640	47,083
Motor vehicles	1,507	1,562	64	64
	67,749	57,276	57,704	47,147

- (b) Included in the Group's accumulated depreciation and impairment of property, plant and equipment are impairment losses carried forward of RM21.2 million (2023: RM21.2 million) as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Hangars	7,495	7,495	-	-
Work-in-progress	2,243	2,243	-	-
Motor vehicles	201	201	-	-
Office equipment, renovation, furniture and fittings	11,231	11,231	-	-
	21,170	21,170	-	-

12. Investment properties

	Leasehold land RM'000	Buildings and renovation RM'000	Total RM'000
Group/Company			
At 31 January 2024			
Cost			
At 1 February 2023	44,280	642,858	687,138
Addition	-	26	26
At 31 January 2024	44,280	642,884	687,164
Accumulated depreciation and impairment			
At 1 February 2023	11,912	182,501	194,413
Depreciation charge for the year (Note 6)	-	31,695	31,695
Reversal of impairment (Note 6)	-	(46,210)	(46,210)
At 31 January 2024	11,912	167,986	179,898
Net carrying amount	32,368	474,898	507,266
Group/Company			
At 31 January 2023			
Cost			
At 1 February 2022	55,541	655,067	710,608
Transfer to finance lease	(11,261)	(12,209)	(23,470)
At 31 January 2023	44,280	642,858	687,138
Accumulated depreciation and impairment			
At 1 February 2022	22,393	273,187	295,580
Depreciation charge for the year (Note 6)	532	43,632	44,164
Transfer to finance lease	(11,013)	(11,332)	(22,345)
Reversal of impairment (Note 6)	-	(122,986)	(122,986)
At 31 January 2023	11,912	182,501	194,413
Net carrying amount	32,368	460,357	492,725

The investment properties were valued on 31 January 2024 by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent professional valuer. The total market value of the investment properties is RM599,780,000 (2023: RM530,400,900) using the comparison and investment methods.

Fair value disclosed in the financial statements are categorised within the Level 3 fair value hierarchy which is described as inputs for the assets or liabilities that are based on unobservable market data.

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12. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
			The estimated fair value would increase/(decrease) if:
Sapura @ Mines, No 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan. - land & building	Comparison method	(a) A stratified 12-storey office building at Petaling Jaya was transacted on 5 September 2023 for RM52,000,000.	- Transacted price were higher/(lower)
		(b) A 22-storey office building with 3-levels of basement car park located at Petaling Jaya was transacted on 14 April 2022 for RM62,000,000.	
		(c) A stratified 16-storey office building with a lower ground floor located at Kota Damansara was transacted on 19 November 2021 for RM49,000,000.	
Sapura @ Mines, No 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan. - building	Investment method	(a) Rental of similar office buildings located within Klang Valley ranges from RM2.65 to RM9.50 per square feet.	- rental per square feet were higher/(lower)
		(b) Net yield from comparable buildings ranges from 5.00% to 6.40%.	- net yield were lower/ (higher)
		(c) 10% allowance for void to account for vacancy period in between tenancies, rent- free period and risk of uncertainty.	- void rate were lower/ (higher)
Lot 5, Jalan 219, Lebuhraya Persekutuan, 46100 Petaling Jaya, Selangor Darul Ehsan. - land & building	Comparison method	(a) A double-storey office cum showroom with single storey car service centre at Lot No PT 9, Town of Petaling Jaya, with a land area of approximately 75,361 square feet was transacted on 15 June 2022 for RM29,999,999.	- Transacted price were higher/(lower)
		(b) A detached factory with 2/3-storey office at Lot No. 21, Town of Petaling Jaya, with a land area of approximately 43,560 square feet was transacted on 1 April 2022 for RM19,000,000.	

12. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
			The estimated fair value would increase/(decrease) if:
Lot 5, Jalan 219, Lebuhraya Persekutuan, 46100 Petaling Jaya, Selangor Darul Ehsan. - land & building (cont'd.)	Comparison method	(c) An industrial premise at Section 51A, Town of Petaling Jaya, with a land area of approximately 43,637 square feet was transacted on 14 April 2023 for RM16,800,000.	- Transacted price were higher/(lower)
		(d) An industrial premise at Jalan 51A/241, Town of Petaling Jaya, with a land area of approximately 42,904 square feet was transacted on 11 August 2022 for RM12,500,000.	
Lot No 10, Jalan Tandang Seksyen 28, 46050 Petaling Jaya, Selangor Darul Ehsan. - land & building	Comparison method	(a) A detached factory at Lot No. 4, Town of Petaling Jaya, with a land area of approximately 42,904 square feet was transacted on 11 August 2022 for RM12,500,000.	- Transacted price were higher/(lower)
		(b) An industrial premise at Lot No.12, Section 51, Town of Petaling Jaya, with a land area of approximately 330,553 square feet was transacted on 27 September 2023 for RM66,000,000.	
		(c) An industrial premise at Lot No 6, Section 51, Town of Petaling Jaya, with a land area of approximately 87,125 square feet was transacted on 8 April 2022 for RM19,995,000.	
		(d) An industrial premise at Lot No. 7, Section 51A, Town of Petaling Jaya, with a land area of approximately 43,637 square feet was transacted on 14 April 2023 for RM16,800,000.	

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12. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
			The estimated fair value would increase/(decrease) if:
Permata Sapura Kuala Lumpur City Centre, Jalan Kia Peng, 50450 Kuala Lumpur. - 70% of office building through Master Lease Agreement	Investment method	(a) Rental of similar office buildings located within Kuala Lumpur City Centre ranges from RM8.50 to RM18.00 per square feet. (b) Void rate of similar office buildings located within Kuala Lumpur City Centre ranges from 2.5% - 15.0% to account for vacancy period in between tenancies, rent-free period and risk of uncertainty.	- rental per square feet were higher/(lower) - void rate were lower/(higher)

The Group has performed a review of the recoverable amount on the investment properties using FVLCD. Consequently, the Group has recognised a reversal of impairment loss on the investment properties amounting to RM46,209,634 (2023: RM122,986,000) following the increase in occupancy rates of investment properties and positive outlook of office properties.

Included in the Group's accumulated depreciation and impairment of investment properties are impairment losses carried forward of Nil (2023: RM49,857,752).

In prior year, the Group has reclassified an investment property by entering into finance lease as the risk and rewards incidental to ownership of the investment property will substantially transfer to the lessee.

Comparison method

Entails analysing recent transactions of similar properties in the vicinity or within similar localities for comparison purposes to derive the market value with adjustments made for differences in location, physical characteristics and time element to arrive at the market value.

Investment method

Entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The annual income is capitalised using a rate of interest to arrive at the capital value of the property.

The fair value of the investment property is at its highest and current best use.

Certain investment properties with carrying amount of RM98 million have been pledged as securities for financial assistance provided by Sapura Holdings' related companies.

13. Right-of-use assets

The Group has lease contracts for various items of hangar, office, warehouse spaces and other equipment used in its operations. Leases of hangar, office and warehouse spaces generally have lease terms between 2 and 20 years, while other equipment generally have lease terms between 2 and 3 years.

The Group also has certain leases of office equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Hangar spaces RM'000	Equipment RM'000	Total RM'000
Group			
At 31 January 2024			
Cost			
At 1 February 2023/31 January 2024	18,230	1,205	19,435
Accumulated depreciation and impairment			
At 1 February 2023	13,247	732	13,979
Depreciation charge (Note 6)	581	105	686
At 31 January 2024	13,828	837	14,665
Net carrying amount	4,402	368	4,770
At 31 January 2023			
Cost			
At 1 February 2022	42,479	679	43,158
Additions	5,447	526	5,973
Modification	(78)	-	(78)
Transfer to finance lease	(29,618)	-	(29,618)
At 31 January 2023	18,230	1,205	19,435
Accumulated depreciation and impairment			
At 1 February 2022	31,332	624	31,956
Depreciation charge (Note 6)	581	108	689
Transfer to finance lease	(18,666)	-	(18,666)
At 31 January 2023	13,247	732	13,979
Net carrying amount	4,983	473	5,456

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13. Right-of-use assets (cont'd.)

The Group has lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties and hangars. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 3 years. Most leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Future minimum lease receivables:				
Not later than 1 year	48,962	8,363	44,212	4,162
Later than 1 year and not later than 5 years	42,976	2,758	41,340	1,175
	91,938	11,121	85,552	5,337

14. Investment in subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares in Malaysia, at cost	88,891	88,891
Less: Accumulated impairment losses	(84,906)	(80,681)
	3,985	8,210

Movement in accumulated impairment losses are as follows:

	Company	
	2024 RM'000	2023 RM'000
At the beginning of year	80,681	80,681
Charge for the year (Note 6)	4,225	-
At the end of year	84,906	80,681

As at 31 January 2024, DNest Aviation Sdn. Bhd. has reported continued losses and depleting shareholders' funds. These are indicators that the investment may be impaired. The Company has performed an impairment assessment and this resulted in impairment loss of RM4,225,372 (2023: Nil) based on fair value of the net assets.

14. Investment in subsidiaries (cont'd.)

Details of the subsidiaries, all of which are incorporated in Malaysia and audited by Ernst & Young PLT Malaysia are as follows:

Name of subsidiaries	Name of Directors	Principal activities	Country of incorporation	Proportion of interest	
				2024 %	2023 %
Held by the Company					
SRB Ventures Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Azzaddin bin Abdullah (Appointed wef 22 December 2023) Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023)	Sale of food and beverages.	Malaysia	100	100
DNest Aviation Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Azzaddin bin Abdullah (Appointed wef 22 December 2023) Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023)	Investment holding.	Malaysia	100	100
Sapura Aero Sdn. Bhd.	Azzaddin bin Abdullah (Appointed wef 22 December 2023) Mai Eliza binti Mior Mohamad Zubir (Appointed wef 6 March 2024) Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023) Dato’ Wan Shahrudin bin Wan Mahmood (Resigned wef 16 March 2024)	Investment holding.	Malaysia	100	100
Mercu Sapura Sdn. Bhd.	Amilia Binti Sabtu Azzaddin bin Abdullah (Appointed wef 22 December 2023) Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023)	Carry out property development transactions and investment holding.	Malaysia	100	100
Sapura Auto Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Azzaddin bin Abdullah (Appointed wef 22 December 2023) Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023)	Sale of vehicles, provision of aftersales services & repair, sale of spare parts & accessories & provision of motor-related services. The Company has ceased its operations with effect from 28 August 2010.	Malaysia	100	100
SRB One Sdn. Bhd.	Dato’ Shahrudin bin Shamsudin Dato’ Wan Shahrudin bin Wan Mahmood	Investment holding.	Malaysia	100	100
Held by DNest Aviation Sdn. Bhd.					
AeroDome Sdn. Bhd.	Dato’ Shahrudin bin Shamsudin Mai Eliza binti Mior Mohamad Zubir (Appointed wef 6 March 2024) Dato’ Wan Shahrudin bin Wan Mahmood (Resigned wef 16 March 2024)	Hangarage and other aviation related services.	Malaysia	100	100

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14. Investment in subsidiaries (cont'd.)

Details of the subsidiaries, all of which are incorporated in Malaysia and audited by Ernst & Young PLT Malaysia are as follows (cont'd.):

Name of subsidiaries	Name of Directors	Principal activities	Country of incorporation	Proportion of interest	
				2024 %	2023 %
Held by Sapura Aero Sdn. Bhd.					
Aerohandlers Sdn. Bhd.	Dato’ Shahrman bin Shamsuddin Azzaddin bin Abdullah (Appointed wef 22 December 2023 Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023 Dato’ Wan Shahrudin bin Wan Mahmood (Resigned wef 16 March 2024)	Carry out transactions of aviation related business activities.	Malaysia	100	100
Aerodome Services Sdn. Bhd.	Dato’ Shahrman bin Shamsuddin Mai Eliza binti Mior Mohamad Zubir (Appointed wef 6 March 2024) Dato’ Wan Shahrudin bin Wan Mahmood (Resigned wef 16 March 2024)	Hangarage, ground handling and other aviation related business activities.	Malaysia	100	100
Aeromanager Sdn. Bhd.	Azzaddin bin Abdullah (Appointed wef 22 December 2023 Mai Eliza binti Mior Mohamad Zubir (Appointed wef 6 March 2024) Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023 Dato’ Wan Shahrudin bin Wan Mahmood (Resigned wef 16 March 2024)	Provide chartering services and act as brokerage for aircraft. The Company has ceased its operations with effect from 1 June 2019.	Malaysia	100	100
Aerodome Fife Sdn. Bhd.	Dato’ Shahrman bin Shamsuddin Azzaddin bin Abdullah (Appointed wef 22 December 2023 Shahrul Ekram bin Sofian@Mokhtar (Resigned wef 22 December 2023)	To design, fabricate and construct aircraft hangars, workshops and offices either inside hangar or as a lean including the installation of aerial or aeronautical facilities and to do all such the civil works, maintenance, servicing and repairs in relation there to and leasing out of hangar.	Malaysia	100	100
Sapura Technics Sdn. Bhd.	Dato’ Shahrman bin Shamsuddin Syed Haroon bin Omar Al-Shatrie	Carry out the provision of maintenance, repair and overhaul (MRO) services for aircraft and the related services. The company announced its liquidation on 28 February 2023.	Malaysia	100	95

15. Investment in an associate

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unquoted shares at cost	12,000	12,000	12,000	12,000
Share of post-acquisition reserves	10,742	6,222	-	-
	22,742	18,222	12,000	12,000

Details of the associate is as follows:

Name of associates	Country of incorporation	Principal activities	2024 %	2023 %
Held by the Company				
Tenaga Cable Industries Sdn. Bhd. *	Malaysia	Manufacture and distribution of power and general cables, aluminium rods, other electronic and electric wires, cables and related activities.	24	24

The Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of the associate by way of representation on their respective boards of directors.

* Company is audited by firms of auditors other than Ernst & Young PLT.

The following table illustrates the summarised financial information of the Group's investment in associate:

	2024 RM'000	2023 RM'000
Current assets	151,886	153,168
Non-current assets	50,507	48,474
Total assets	202,393	201,642
Current liabilities	105,980	124,202
Non-current liabilities	1,654	1,515
Total liabilities	107,634	125,717
Total net assets	94,759	75,925

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15. Investment in an associate (cont'd.)

	2024 RM'000	2023 RM'000
Results:		
Revenue	401,119	376,289
Profit for the year representing total comprehensive income for the year	18,833	1,567
Group's share of profit for the year	4,520	376
Reconciliation of net carrying amount		
Group's share of net assets	22,742	18,222

16. Investment in joint ventures

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares at cost:				
In Malaysia	282,011	245,011	257,011	220,011
Unpaid cash call	-	26,000	-	26,000
Share of post-acquisition reserves	(78,416)	(61,566)	-	-
Less: Accumulated impairment losses	-	-	(21,846)	(19,547)
	203,595	209,445	235,165	226,464

The movement of the provision for impairment losses are as follows:

	Company	
	2024 RM'000	2023 RM'000
At 1 February 2023/2022	(19,547)	(18,009)
Charged during the year (Note 6)	(2,299)	(1,538)
At 31 January	(21,846)	(19,547)

Unpaid cash call in prior year relates to amount owing to joint venture which eventually will be converted into share capital of the joint venture once payment is made. This is arising from the obligation under the Joint Venture Agreement ("JVA").

As at 31 January 2024, Impian Bebas Sdn. Bhd. has reported continuing operating losses and depleting shareholders' funds. These are indicator that the investment may be impaired. The Company has performed an impairment assessment and this resulted in impairment loss of RM2,299,122 (2023: RM1,538,179) based on share of fair value less costs to sell of the underlying net assets. The fair value measurement is categorised as Level 3 fair value as defined in Note 2.23.

16. Investment in joint ventures (cont'd.)

The joint arrangements are structured via separate entities and provided the Group with the rights to the net assets of the entities under the arrangements. Therefore, these entities are classified as joint ventures of the Group. Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	2024 %	2023 %
Held by Sapura Resources Berhad				
Impian Bebas Sdn. Bhd.	Malaysia	Property investment.	50	50
Held by Sapura Aero Sdn. Bhd.				
Invation Aero Sdn. Bhd.	Malaysia	Sale of rotary wing and fixed wing aircraft; supply and provision of maintenance, repair and overhaul services in relation to aircraft and helicopters; and provision of programs such as leasing of aircraft and helicopters.	50	50
Held by SRB One Sdn. Bhd.				
MTU Power Systems Sdn. Bhd	Malaysia	Provision of engineering services, repair and maintenance of industrial machinery and equipment, wholesales of industrial machinery and equipment and supplies.	51	51

(a) Impian Bebas Sdn. Bhd.

Impian Bebas Sdn. Bhd. ("IBSB") is a joint venture company between the Company and KLCC (Holdings) Sdn. Bhd. ("KLCC") to construct an office tower together with a convention centre and a retail podium. The Company has the following commitments towards the joint venture company:

(i) **Shareholder's advances**

The Company is required to contribute as shareholders' advances in proportion of its equity stake in the joint venture company as and when required. Nil unpaid cash call being included in the carrying amount of investment in IBSB (2023: RM26,000,000).

(ii) **Master Lease Agreement ("MLA")**

Pursuant to the Company's joint venture agreement with KLCC, the Company has guaranteed and underwritten the lease of 70% of the net lettable area of the office tower for 15 years based on predetermined rates (the "MLA"). In addition, the Company has issued a Letter of Undertaking to IBSB's financiers to guarantee and underwrite the MLA and not to vary or amend any terms of the joint venture agreement which may in any way adversely affect the interests of the financiers.

The Company had initiated a negotiation together with its joint venture partner, KLCC, through IBSB, with all the financial institutions ("IBSB's lenders") to amend the terms of the MLA and to restructure the terms of the borrowings obtained by IBSB. On 30 June 2021, IBSB's Lenders have agreed, amongst others, to revise the predetermined rate of the MLA and deferred the 1st repayment of the principal amount to 29 January 2024.

Consequently, the Company has executed the revised MLA on 30 August 2021 with IBSB in accordance with the commitments of the joint venture agreement with KLCC.

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16. Investment in joint ventures (cont'd.)

(b) MTU Power Systems Sdn. Bhd.

MTU Power Systems Sdn. Bhd. ("MPS") is a joint venture company between the subsidiary of the Company, SRB One Sdn. Bhd. and MTU Asia Pte. Ltd. to undertake the sale and service of "original equipment packaging solutions" in marine, rail, construction and industrial, mining, agriculture oil and gas, and power generation market sectors in Malaysia and such other businesses as may be mutually agreed from time to time.

Pursuant to the Subscription and Joint Venture Agreement, the Group has the commitment to subscribe a total of 25,000,000 Class B shares at the total subscription of RM25,000,000. As at 31 January 2024, the Group had subscribed 10,208,164 Class B shares for a cash consideration of RM10,208,164 (2023: RM10,208,164).

The Company has extended a bank guarantee to MPS for projects secured amounting to RM2.7 million (2023: RM2.7 million).

The Group regards Impian Bebas Sdn Bhd ("IBSB") as material joint venture and MTU Power Systems Sdn Bhd ("MPS") as individual immaterial joint venture. The summarised financial information of the joint ventures, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	IBSB		MPS	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current assets	120,992	89,048	17,817	64,512
Non-current assets	1,332,078	1,350,299	4,691	6,964
Total assets	1,453,070	1,439,347	22,508	71,476
Current liabilities	80,235	75,112	54,423	72,939
Non-current liabilities	1,079,294	997,345	-	-
Total liabilities	1,159,529	1,072,457	54,423	72,939
Total net assets	293,541	366,890	(31,915)	(1,463)
Results:				
Revenue	110,882	97,035	49,210	18,356
Depreciation and amortisation	(27,874)	(27,625)	11,087	(3,065)
Loss for the year representing total comprehensive loss for the year	(33,700)	(10,283)	(19,427)	(6,387)
Group's share of loss for the year	(16,850)	(5,142)	-	(3,257)

16. Investment in joint ventures (cont'd.)

The Group regards Impian Bebas Sdn Bhd ("IBSB") as material joint venture and MTU Power Systems Sdn Bhd ("MPS") as individual immaterial joint venture. The summarised financial information of the joint ventures, not adjusted for the proportion of the ownership interest held by the Group, is as follows: (cont'd.)

	IBSB		MPS	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group's share of net assets:				
Cost of investment	257,011	220,011	10,208	10,208
Bargain purchase gain	14,292	14,292	-	-
Share of results	(67,708)	(50,858)	(10,208)	(10,208)
	203,595	183,445	-	-
Unpaid cash call	-	26,000	-	-
	203,595	209,445	-	-

The Group has discountinue the recognition of its share of losses of MPS because the share of losses of the joint venture has exceed the Group's interest in the joint venture. As at the reporting date, the Group's cumulative unrecognised share of losses in the joint venture amounted to RM10,654,000 (2023: RM746,000), which exceeded the Group's interest in the joint venture.

17. Finance lease receivables

Finance lease receivables represent lease rental and interest receivable due from customers in relation to the lease of investment property and hangar by the Group and the Company.

Finance lease receivables are presented in the statement of financial position as follow:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	5,402	4,314	2,090	1,935
Non-current	31,733	37,527	27,894	29,984
	37,135	41,841	29,984	31,919

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17. Finance lease receivables (cont'd.)

Movement of finance lease receivables are as follow:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At the beginning of year	41,841	-	31,919	-
Initial recognition	-	46,363	-	32,682
Finance income on lease receivables (Note 4)	2,751	1,515	2,408	1,047
Payment received	(7,457)	(6,037)	(4,343)	(1,810)
At the end of year	37,135	41,841	29,984	31,919

The maturity analysis of lease receivables, including undiscounted lease payment to be received after the reporting date.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within one year	8,047	7,063	4,343	4,343
After one year but not more than five years	22,829	26,276	18,990	18,446
More than five years	18,262	23,152	18,263	23,152
Total undiscounted lease payments	49,138	56,491	41,596	45,941
Unearned interest income	(12,003)	(14,650)	(11,612)	(14,022)
Net investment in lease	37,135	41,841	29,984	31,919

The maturity analysis of lease receivables, including discounted lease payment to be received after the reporting date.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within one year	5,402	4,314	2,090	1,935
After one year but not more than five years	15,854	18,144	12,015	10,601
More than five years	15,879	19,383	15,879	19,383
	37,135	41,841	29,984	31,919
Analysed as:				
Due within 12 months	5,402	4,314	2,090	1,935
Due after 12 months	31,733	37,527	27,894	29,984
	37,135	41,841	29,984	31,919

The effective interest rate of the Group's and the Company's finance lease receivables are between 3.6% to 7.8% (2023: 3.6% to 7.8%).

18. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Other receivables				
Redeemable cumulative preference shares from a subsidiary	-	-	-	29,600
Amounts due from subsidiaries	-	-	16,774	17,055
Deposits	4,587	4,235	4,587	4,235
	4,587	4,235	21,361	50,890
Less: Allowance for expected credit losses				
Redeemable cumulative preference shares from a subsidiary	-	-	-	(29,600)
Amounts due from subsidiaries	-	-	(10,263)	-
Other receivables, net	4,587	4,235	11,098	21,290
Current assets				
Trade receivables				
Third parties	8,293	5,763	4,589	377
Amount due from related companies	2,920	2,219	2,919	2,186
Amount due from directors' related companies	-	181	-	-
Total billed receivables	11,213	8,163	7,508	2,563
Accrued rental income	3,764	1,314	3,764	1,314
Total trade receivables	14,977	9,477	11,272	3,877
Less: Allowance for expected credit losses				
Third parties	(282)	(1,342)	(51)	(51)
Amount due from related companies	(2,101)	(350)	(2,025)	(350)
	(2,383)	(1,692)	(2,076)	(401)
Trade receivables, net	12,594	7,785	9,196	3,476

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18. Trade and other receivables (cont'd.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables				
Amounts due from:				
Subsidiaries	-	-	57,181	59,058
Joint venture companies	4,575	3,233	3,325	1,983
	4,575	3,233	60,506	61,041
Deposits	3,232	3,731	643	1,381
Sundry receivables	160	101	30	36
	7,967	7,065	61,179	62,458
Less: Allowance for expected credit losses				
Amount due from subsidiaries	-	-	(55,207)	(56,757)
Amount due from a joint venture company	(1,251)	(1,850)	(1)	(1)
Deposits	-	(851)	-	-
	(1,251)	(2,701)	(55,208)	(56,758)
Other receivables, net	6,716	4,364	5,971	5,700
Total current trade and other receivables	19,310	12,149	15,167	9,176
Total trade and other receivables	23,897	16,384	26,265	30,466
Financial asset				
Total trade and other receivables	23,897	16,384	26,265	30,466
Add: Cash and bank balances (Note 21)	38,545	32,696	32,894	24,923
Add: Finance lease receivable (Note 17)	37,135	41,841	29,984	31,919
Total financial assets at amortised cost	99,577	90,921	89,143	87,308

18. Trade and other receivables (cont'd.)**(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables for the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	6,075	2,810	4,308	-
1 to 30 days past due not impaired	1,071	694	629	301
31 to 60 days past due not impaired	1,000	581	301	-
61 to 90 days past due not impaired	62	678	43	153
More than 90 days past due not impaired	622	1,708	151	1,708
	2,755	3,661	1,124	2,162
Impaired	2,383	1,692	2,076	401
	11,213	8,163	7,508	2,563

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Individually impaired:				
Trade receivables - nominal amounts	2,383	1,692	2,076	401
Less: Allowance for expected credit losses	(2,383)	(1,692)	(2,076)	(401)
	-	-	-	-

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18. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are impaired (cont'd.)

Movement in allowance for expected credit losses:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At the beginning of year	1,692	1,712	401	55
Charge during the year (Note 6)	691	276	1,675	346
Bad debts written off	-	(296)	-	-
At the end of year	2,383	1,692	2,076	401

(b) Other receivables

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance for expected credit losses used to record the impairment are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Individually impaired:				
Amount due from subsidiaries	-	-	65,470	56,757
Amount due from a joint venture company	1,251	1,850	1	1
Deposits	-	851	-	-
Redeemable cumulative preference shares	-	-	-	29,600
Less: Allowance for expected credit losses	(1,251)	(2,701)	(65,471)	(86,358)
	-	-	-	-
Movement in allowance for expected credit losses:				
At the beginning of year	2,701	2,734	86,358	86,866
(Reversal)/charge during the year (Note 6)	(1,450)	(33)	8,713	(508)
Liquidation of a subsidiary	-	-	(29,600)	-
At the end of year	1,251	2,701	65,471	86,358

(c) Related companies

Related companies refer to companies in the Sapura Holdings Sdn. Bhd. group of companies.

The amounts due from related companies are unsecured, non-interest bearing and are repayable upon demand.

(d) Directors' related companies

Directors' related companies refer to companies where directors has direct or indirect interest.

The amounts due from directors' related companies are unsecured, non-interest bearing, are repayable upon demand and arose under normal course of business.

18. Trade and other receivables (cont'd.)**(e) Amount due from subsidiaries**

Amounts due from subsidiaries arose under normal course of business.

The amounts are unsecured, non-interest bearing and are repayable upon demand.

(f) Amount due from joint venture companies

Amounts due from joint venture companies arose under normal course of business.

The amounts are unsecured, non-interest bearing and are repayable upon demand.

(g) Redeemable cumulative preference shares from a subsidiary

Redeemable cumulative preference shares ("RCPS") is subscribed by the Company to a subsidiary. The terms of the RCPS are as follows:

- (i) The holders of the RCPS are entitled to a fixed cumulative coupon at the rate of 9% per annum;
- (ii) The RCPS does not carry any right to vote at any general meeting of the Company;
- (iii) The RCPS are not convertible to ordinary shares of the Company; and
- (iv) The RCPS is liable to be redeemed at the fixed redemption dates

19. Inventories

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At cost				
Consumables	90	87	-	-

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM997,255 (2023: RM292,000).

20. Other current financial assets

	Group/Company	
	2024	2023
	RM'000	RM'000
Held for trading investments		
Quoted equity shares	20	16
Total financial assets at fair value through profit or loss	20	16

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21. Cash and bank balances

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash in hand and banks	22,273	32,696	19,224	24,923
Short-term deposits	16,272	-	13,670	-
Total cash and bank balances	38,545	32,696	32,894	24,923
Cash and cash equivalents	38,545	32,696	32,894	24,923

Cash at banks earn interest at floating rates based on daily bank deposit rates. The weighted average effective interest rates applicable to the short-term deposits with licensed banks of the Group and the Company is 2.65% (2023: 1.85%) per annum with a maturity of 90 days (2023: 90 days).

22. Trade and other payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current liabilities				
Other payables				
Related company	40,000	40,000	40,000	40,000
Current liabilities				
Trade payables				
Third parties	2,834	5,200	397	601
Other payables				
Amounts due to:				
Holding company	10	9	10	9
Related companies	133,641	1,794	133,641	1,782
	133,651	1,803	133,651	1,791
Deposits	18,434	9,744	16,620	8,099
Accruals	4,664	5,081	3,509	3,489
Other payables	7,534	6,161	6,288	1,499
Cash call obligation to a joint venture company	-	26,000	-	26,000
Total current trade and other payables	167,117	53,989	160,465	41,479
Total trade and other payables	207,117	93,989	200,465	81,479
Total trade and other payables	207,117	93,989	200,465	81,479
Add: Lease liabilities (Note 24)	469,330	532,673	456,173	514,472
Total financial liabilities at amortised cost	676,447	626,662	656,638	595,951

22. Trade and other payables (cont'd.)**(a) Trade payables**

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 (2023: 30 to 60) days terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 (2023: 90) days.

(c) Related companies

Related companies refer to companies in the Sapura Holdings Sdn. Bhd. group of companies.

The amount due to related companies included the financial assistance provided to the Group and the Company amounting to RM168 million (2023: RM40 million). Included in the amount due to related companies is RM 40 million are interest-bearing and repayable in 5 years. The financial assistance is secured via certain investment properties of the Group and the Company.

(d) Amount due to holding company

The amounts due to holding companies are unsecured, non-interest bearing and are repayable upon demand.

(e) Cash call obligation to a joint venture company

Cash calls due to a joint venture company represents an amount outstanding for cash call obligations to IBSB in accordance with the requirement of the Joint Venture Agreement between SRB and KLCCCH as disclosed at Note 16.

23. Provisions

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Provisions				
At the beginning of year	9,406	12,275	-	3,000
Reversal of provision (Note 6)	(696)	(3,000)	-	(3,000)
Exchange difference (Note 6)	1,064	131	-	-
At the end of year	9,774	9,406	-	-

The Group has made provision in relation to a claim from a previous customer, among others, claiming for compensation for the loss of market value of an aircraft and loss of use of aircraft amounting to RM9.5 million and RM1 million respectively. Upon the acceptance of the settlement offer for loss of use of aircraft amounting to RM264,000, the Group has reversed RM696,000 during the year. Further information as disclosed in Note 39.

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24. Lease liabilities

Group as a lessee

The Group has lease contracts for various items of hangar, office, warehouse spaces and other equipment used in its operations. Leases of hangar, office and warehouse spaces generally have lease terms between 2 and 15 years, while other equipment generally have lease terms between 2 and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Details of the carrying amounts of investment properties and right-of-use assets recognised and the movements during the year are disclosed in Note 12 and Note 13 respectively to the financial statements.

The carrying amounts of lease liabilities recognised and the reconciliation of net movement of lease liabilities is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 February	532,673	492,525	514,472	476,694
Additions	-	5,973	-	-
Finance cost (Note 5)	37,497	38,411	36,956	37,778
Payments	(100,840)	(3,566)	(95,255)	-
Modification	-	(670)	-	-
At 31 January	469,330	532,673	456,173	514,472
Current	47,268	61,818	44,061	58,400
Non-current	422,062	470,855	412,112	456,072
	469,330	532,673	456,173	514,472

The remaining maturities of the lease liabilities are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
On demand or within 1 year	47,268	61,818	44,061	58,400
More than 1 year and less than 2 years	40,925	14,311	35,998	10,722
More than 2 years and less than 5 years	82,018	51,664	78,389	49,097
More than 5 years	299,119	404,880	297,725	396,253
	469,330	532,673	456,173	514,472

24. Lease liabilities (cont'd.)**Group as a lessee (cont'd.)**

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation on right-of-use assets (Note 13)	686	689	-	-
Finance cost on lease liabilities (Note 5)	37,497	38,411	36,956	37,778
Expense relating to short-term leases (Note 6)	168	-	168	-
Expense relating to leases of low-value assets (Note 6)	44	100	21	62
Gain on lease modification (Note 6)	-	(592)	-	-
Gain on termination of lease (Note 6)	-	-	-	-
Total amount recognised in profit or loss	38,395	38,608	37,145	37,840

Total cash outflows for leases comprising of payment of lease liabilities and interest paid in relation to lease liabilities, short term leases and low value leases for Group and Company amounting to RM101,052,000 (2023: RM3,666,000) and RM95,444,000 (2023: RM62,000) respectively.

25. Deferred tax liabilities

	Liabilities		Assets		Net	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Accelerated capital allowances	7,012	5,525	-	-	7,012	5,525
Tax losses and unabsorbed capital allowances	-	-	(2,108)	(2,108)	(2,108)	(2,108)
Provisions and lease liabilities	-	-	(111,253)	(3,334)	(111,253)	(3,334)
Trade receivables and lease assets	106,390	-	-	(57)	106,390	(57)
Tax liabilities/(assets)	113,402	5,525	(113,361)	(5,499)	41	26
Set-off of tax	(113,361)	(5,499)	113,361	5,499	-	-
Net tax liabilities	41	26	-	-	41	26
Company						
Accelerated capital allowances	603	4,686	-	-	603	4,686
Tax losses and unabsorbed capital allowances	-	-	-	(1,336)	-	(1,336)
Provisions and lease liabilities	-	-	(105,648)	(3,335)	(105,648)	(3,335)
Trade receivables and lease assets	105,045	-	-	(15)	105,045	(15)
Tax liabilities/(assets)	105,648	4,686	(105,648)	(4,686)	-	-
Set-off of tax	(105,648)	(4,686)	105,648	4,686	-	-
Net tax liabilities	-	-	-	-	-	-

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25. Deferred tax liabilities (cont'd.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At the beginning of year	26	-	-	-
Recognised in profit or loss (Note 9)	15	26	-	-
Deferred tax liabilities	41	26	-	-

The components and movements of deferred tax year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM'000	Provisions and lease liabilities RM'000	Trade receivables and lease assets RM'000	Total RM'000
At 31 January 2022	(1,737)	(1,909)	(61)	(3,707)
Recognised in profit or loss	(371)	(1,425)	4	(1,792)
At 31 January 2023	(2,108)	(3,334)	(57)	(5,499)
Recognised in profit or loss	-	(107,919)	57	(107,862)
At 31 January 2024	(2,108)	(111,253)	-	(113,361)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Trade receivables and lease assets RM'000	Total RM'000
At 31 January 2022	3,707	-	3,707
Recognised in profit or loss	1,818	-	1,818
At 31 January 2023	5,525	-	5,525
Recognised in profit or loss	1,487	106,390	107,877
At 31 January 2024	7,012	106,390	113,402

25. Deferred tax liabilities (cont'd.)**Deferred tax assets of the Company:**

	Tax losses and unabsorbed capital allowances RM'000	Provisions and lease liabilities RM'000	Trade receivables and lease assets RM'000	Total RM'000
At 31 January 2022	(1,049)	(1,808)	(15)	(2,857)
Recognised in profit or loss	(287)	(1,527)	-	(1,814)
At 31 January 2023	(1,336)	(3,335)	(15)	(4,671)
Recognised in profit or loss	1,336	(102,313)	15	(100,977)
At 31 January 2024	-	(105,648)	-	(105,648)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000	Trade receivables and lease assets RM'000	Total RM'000
At 31 January 2022	2,872	-	2,872
Recognised in profit or loss	1,814	-	1,814
At 31 January 2023	4,686	-	4,686
Recognised in profit or loss	(4,083)	105,045	100,962
At 31 January 2024	603	105,045	105,648

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unused tax losses	92,530	4,725	83,711	1,104
Unabsorbed capital allowances	5,036	6,571	4,815	2,059
Others	23,099	94,322	18,529	90,677
	120,665	105,618	107,055	93,840

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25. Deferred tax liabilities (cont'd.)

Tax losses for which the tax effects have not been recognised in the financial statements:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unused tax losses:				
- Expiring in 2028	-	-	-	-
- Expiring in 2029	237	237	-	-
- Expiring in 2030	108	108	-	-
- Expiring in 2031	1,300	1,300	-	-
- Expiring in 2032	1,916	1,916	-	-
- Expiring in 2033	1,164	1,164	-	1,104
- Expiring in 2034	87,805	-	83,711	-
	92,530	4,725	83,711	1,104

In accordance with the Ministry of Finance via Finance Bill 2021, the unused tax losses are available for utilisation in the next ten years, with effect from year assessment 2019, for which, any excess at the end of the tenth year will be disregarded. Deferred tax assets have not been recognised in respect of the above items due to history of losses of the Group and the Company and it is not probable that future taxable profits will be available against which they may be utilised.

26. Share capital

	No. of Shares		Group/Company Amount	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Issued and fully paid				
At beginning and end of the year	139,600	139,600	139,600	139,600

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

27. Other reserves

	2024 RM'000	2023 RM'000
Group		
Capital reserve	1,481	1,481
General reserve	1,100	1,100
	2,581	2,581
Company		
General reserve	1,100	1,100

27. Other reserves (cont'd.)

The nature and purpose of each category of reserve are as follows:

(a) Capital reserve

This reserve represents the Group's share of the share premium of the associate.

(b) General reserve

This reserve represents the Company's appropriation of profits in prior years.

28. Dividends

The directors do not recommend the payment of any dividend in respect of the current financial year.

29. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(Income)/Expense				
Holding company				
Corporate service fee	210	214	210	214
Rental income	(15)	(15)	(15)	(15)
Subsidiaries				
Management fee	-	-	25	(652)
Recoverability of electricity	-	-	-	17
Interest income	-	-	-	(13)
Rental of office	-	-	5	-
Joint venture				
Impian Bebas Sdn. Bhd.				
Lease payment including service charge	95,446	-	95,446	-
Late payment penalties	1,646	1,696	1,646	1,696
Related companies				
Sapura Energy Berhad				
Rental income	(12,907)	(12,907)	(12,907)	(12,907)
Revenue from investment properties, other than rental income	(1,766)	(1,521)	(1,766)	(1,521)
Jurudata Sdn. Bhd.				
Financial assistance from related company	128,000	40,000	128,000	40,000
Interest expense on amount due to related company	3,893	-	3,893	-
Facilitating fees	220	-	220	-
Sapura Technology Sdn. Bhd. and its subsidiaries				
Rental income	(178)	(248)	(178)	(248)
Revenue from investment properties, other than rental income	(22)	(25)	(22)	(25)

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29. Related party disclosures (cont'd.)

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year: (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Sapura Secured Technologies Sdn. Bhd. and its subsidiaries				
Rental income	(5,591)	(5,653)	(5,591)	(5,653)
Information technology outsourcing services	526	627	386	473
Directors' related companies				
Rental of hangar and office	(342)	(3,906)	(39)	(39)
Ground handling and other aviation related services	(1,510)	(1,372)	-	-

30. Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director of the entity.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefit	4,161	4,460	4,161	4,026

31. Capital commitments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment	2,354	378	2,226	353
Approved but not contracted for:				
Property, plant and equipment	5,501	10,242	5,368	9,317
Share of capital commitment in joint venture	14,610	25,326	14,610	25,326
	22,465	35,946	22,204	34,996

32. Financial guarantee

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unsecured guarantees given to third parties in respect of utility facilities granted to the Company	-	540	-	540

33. Liquidation of subsidiary

On 28 February 2023, the Group announced that Sapura Technics Sdn Bhd ("STSB"), a joint venture company between Mercu Sapura Sdn Bhd ("MSSB") (95%) and Dilog Training & Services Sdn Bhd ("DTSSB") (5%), whereby MSSB is a wholly-owned subsidiary of the Group received a sealed Order namely Companies (Winding-up) Petition No: BA-28NCC- 640-11/2022 dated 20th February 2023 from the High Court of Malaya at Shah Alam, Selangor ("the Court"). As at 31 January 2024, the Group has loss control over STSB.

The results of STSB for the year are presented below:

	Group 2024 RM'000
Asset	
Property, plant and equipment	145
Trade and other receivables	38
Cash and bank balances	1,572
	1,755
Liabilities	
Trade and other payables	7,398
Equity	
Equity attributable to owners of the parent	
Non-controlling interest	2,082
Gain on liquidation	3,561

34. Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current portion of lease liabilities are reasonable approximate of their fair values due to the relatively short term nature of these financial instruments.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The equity shares of the Group and the Company amounting to RM19,565 (2023: RM16,000) are measured as Level 1 hierarchy based on unadjusted quoted prices in active market for identical financial instrument.

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35 Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including short term investment and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. As at the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from 3 (2023: 1) debtor representing 59% (2023: 27%) of the total net receivables.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 18. Investment in unit trust and investment securities that are neither past due nor impaired are entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between cashflows for operation and future investment.

35 Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

The Group and the Company have received letters from strategic shareholder whom has expressed its willingness to take the appropriate measures including where necessary, providing financial assistance to the Group and the Company to meet their liabilities as and when they fall due.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2024			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	207,117	-	-	207,117
Lease liabilities	53,676	282,351	430,802	766,829
Total undiscounted financial liabilities	260,793	282,351	430,802	973,946
Company				
Financial liabilities:				
Trade and other payables	200,465	-	-	200,465
Lease liabilities	47,678	263,996	485,378	797,052
Total undiscounted financial liabilities	248,143	263,996	485,378	997,517
	2023			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	93,989	-	-	93,989
Lease liabilities	61,818	65,975	404,880	532,673
Total undiscounted financial liabilities	155,807	65,975	404,880	626,662
Company				
Financial liabilities:				
Trade and other payables	81,479	-	-	81,479
Lease liabilities	58,400	59,819	396,253	514,472
Total undiscounted financial liabilities	139,879	59,819	396,253	595,951

NOTES TO THE FINANCIAL STATEMENTS

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35 Financial risk management objectives and policies (cont'd.)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments in Malaysia which are listed on the Bursa Malaysia and short term investment. Short term investment is investment in fund with a financial institution of which the fund is invested into a portfolio the financial institution's assets which have lower risk as compared to equity and commodity investment. These instruments are classified as held for trading financial assets. The Group does not have direct exposure to commodity price risk.

At the reporting date, the exposure to listed equity securities was RM20,000 (2023: RM16,000). An increase or decrease of 10% on the market index of listed equity securities could have an impact of approximately RM2,000 (2023: RM1,600) on the profit or loss of the Group.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has a minimal exposure to the risk of changes in market interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on carrying amount as at reporting date is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial Assets	37,135	41,841	29,984	31,919
Financial liabilities	(509,330)	(572,673)	(496,173)	(554,472)
	(472,195)	(530,832)	(466,189)	(522,553)
Floating rate instruments				
Financial Assets	38,545	32,696	32,894	24,923

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2024 and 2023.

36. Capital management (cont'd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an acceptable level. The Group includes within net debt, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent, less non-distributable reserves.

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Lease liabilities	24	469,330	532,673	456,173	514,472
Trade and other payables	22	207,117	93,989	200,465	81,479
Less: Cash and bank balances	21	(38,545)	(32,696)	(32,894)	(24,923)
Net debt		637,902	593,966	623,744	571,028
Equity attributable to the owners of the parent		182,689	220,101	201,423	243,401
Less: Non-distributable reserves	27	(1,481)	(1,481)	-	-
Total capital		181,208	218,620	201,423	243,401
Capital and net debt		819,110	812,586	825,167	814,429
Gearing ratio		78%	73%	76%	70%

37. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Investment holding - Equity investment, including group-level corporate services and business development functions.
- (ii) Property investment - Rental of investment properties.
- (iii) Business Aviation - Provision of hangarage services, ground handling, aircraft management, engineering services and other aviation related services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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37. Segment information (cont'd.)

At 31 January 2024	Investment holdings RM'000	Property investment RM'000	Aviation RM'000	MRO RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
Revenue:							
External customers	-	31,342	31,831	-	-		63,173
Results:							
Interest income from subsidiary	-	-	-	-	-		-
Interests income from short term deposits	416	-	-	-	-		416
Depreciation of investment properties	-	(31,695)	-	-	-		(31,695)
Depreciation of property, plant and equipment	-	(4,584)	(2,849)	-	-		(7,433)
Depreciation of right-of-use assets	-	-	(686)	-	-		(686)
Share of results of an associate	4,520	-	-	-	-		4,520
Share of results of joint venture	(16,850)	-	-	-	-		(16,850)
Other non-cash (expenses)/income	-	46,210	(1,344)	-	-	C	44,866
Segment loss before tax	(28,941)	(2,993)	(3,506)	-	(1,957)		(37,397)
Assets:							
Investment in associates	22,742	-	-	-	-		22,742
Investment in joint venture	203,595	-	-	-	-		203,595
Additions to non-current assets	-	2,726	-	-	-	D	2,726
Segment assets	255,446	601,953	45,380	-	(34,269)	E	868,510
Segment liabilities	172,113	484,492	31,276	-	(2,060)	F	685,821

37. Segment information (cont'd.)

At 31 January 2023	Investment holdings RM'000	Property investment RM'000	Aviation RM'000	MRO RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
Revenue:							
External customers	-	27,343	25,859	85	-		53,287
Inter-segment	652	-	-	-	(652)	A	-
Total revenue	652	27,343	25,859	85	(652)	B	53,287
Results:							
Interest income from subsidiary	13	-	-	-	-		13
Profits distribution for short term investment	161	-	-	-	-		161
Interests income from short term deposits	93	-	-	-	-		93
Depreciation of investment properties	-	(32,832)	-	-	-		(32,832)
Depreciation of property, plant and equipment	-	(4,725)	(2,629)	(75)	-		(7,429)
Depreciation of right-of-use-assets	-	-	(697)	-	-		(697)
Share of results of an associate	376	-	-	-	-		376
Share of results of joint venture	(7,653)	-	-	-	-		(7,653)
Other non-cash income	-	122,986	199	2,505	-	C	125,690
Segment (loss)/profit before tax	(35,277)	121,392	(1,149)	1,834	(7,060)		79,740
Assets:							
Investment in associates	18,222	-	-	-	-		18,222
Investment in joint venture	209,445	-	-	-	-		209,445
Additions to non-current assets	-	11,148	1,036	-	-	D	12,184
Segment assets	274,096	524,373	73,686	1,926	(19,968)	E	854,113
Segment liabilities	51,326	595,951	35,027	43,897	(90,107)	F	636,094

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37. Segment information (cont'd.)

Notes	Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements
A	Inter-segment revenues are eliminated on consolidation.
B	Included in the property investment segment is one major customer contributing to RM14.4 million (2023: RM14.4 million) representing 23% (2023: 28%) of the total Group's revenue. Detailed information can be referred to Note 29.
C	Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM'000	2023 RM'000
Unrealised foreign exchange loss on provision	6	1,064	131
Net allowance for expected credit losses on trade receivables	6	691	276
Net (reversal)/provision on impairment of investment properties	6	(46,210)	(122,986)
Net unrealised foreign exchange gain	6	(411)	(14)
Gain on disposal of property, plant and equipment	6	-	(2,505)
Gain on termination and modification of leases	6	-	(592)
		(44,866)	(125,690)

D	Additions to non-current assets consist of:
---	---

	2024 RM'000	2023 RM'000
Investment properties	-	-
Property, plant and equipment	2,707	12,184
	2,707	12,184

E	The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:
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	2024 RM'000	2023 RM'000
Inter-segment assets	(34,269)	(19,968)

F	The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:
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	2024 RM'000	2023 RM'000
Inter-segment liabilities	(2,060)	(90,107)

38. Material litigation

(i) Aerodome Sdn. Bhd.

Aerodome Sdn. Bhd. ("Aerodome"), a 100%-owned subsidiary of DNest Aviation Sdn. Bhd. ("DNest"), which in turn is a wholly-owned subsidiary of Sapura Resources Berhad ("the Company") had on 9 January 2020 received a Writ of Summons dated 5 January 2020 together with a Statement of Claim dated 3 January 2020 filed by (1) TVPX ARS INC. (2) Best Perfection Holdings Limited and (3) Pan Asia Property Management Sdn. Bhd. ("Plaintiffs") through its solicitor Messrs. Song & Partners, acting on behalf of the Plaintiffs while the Defendants are (1) Aerodome Sdn. Bhd. and (2) Execujet MRO Services Sdn. Bhd. (formerly known as Execujet Malaysia Sdn. Bhd.).

The 2nd Plaintiff is claiming from Aerodome for the following :-

- (a) Compensation or damages or indemnity in the sum of USD2,010,000.00 for the loss of market value of the Aircraft due to the Aircraft Damage and resulting damage
- (b) Interest at the rate of 5% per annum on the aforesaid sum from 2 November 2015 till the date of judgment;
- (c) Costs;
- (d) Interest at the rate of 5% per annum on the aforesaid sums from the date of judgment till full satisfaction; and
- (e) Such further, ancillary or other relief as the Court may deem fit.

Details of the default or circumstances leading to the filing of the Writ and Statement of Claim against the Defendants

Aerodome has signed an Aircraft Management and Maintenance Agreement dated 6 July 2012 ("AMMA") with Pan Asia Property Management Sdn. Bhd. ("Pan-Asia"). Whilst the Aircraft was being defueled at the Aerodome Hangar by Execujet or its agent or contractor, the tail of the Aircraft tipped downwards and struck the raised concrete of the apron at Aerodome Hangar ("Incident"). Due to the incident, the Aircraft sustained damage to the aft lower fuselage in its access door area, including to, inter alia, its lower frame and skin at fuselage FS731, aft equipment bay door, LH EQPT bay door frame and RH EQPT bay door frame ("Aircraft Damage").

The Plaintiffs claimed that AeroDome is in breach of the express and implied terms of the AMMA made between Pan-Asia and AeroDome, of which Aerodome failed to:

- (a) exercise due care and diligence in the performance of the services required by Aerodome;
- (b) take any or any reasonable care of the Aircraft;
- (c) obtain in advance the written approval of Pan-Asia for such party or parties to perform the checking or work including the defueling process ("the Work");
- (d) impose or implement any adequate method of work to ensure that the defueling process would be carried out without incident or damage to the Aircraft;
- (e) ensure that Execujet or any sub-contractor involved in the Work delivers their work and services in conformity with accepted standards and practices;
- (f) ensure that a proper, reasonable or appropriate guarantee, bond, insurance, warranty, indemnity or other form of protection be given in favour of Pan-Asia by Execujet or any subcontractor involved in the Work; and
- (g) supervise and direct Execujet and/or Execujet's contractor (if any) during the Work.

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38. Material litigation (cont'd.)

(i) Aerodome Sdn. Bhd. (cont'd.)

Details of the default or circumstances leading to the filing of the Writ and Statement of Claim against the Defendants (cont'd.)

The Plaintiffs are claiming that as a result of the Aircraft Damage and the resulting damage history, the Aircraft had depreciated in its fair market value by approximately USD2,010,000.00 as at or about 28 April 2016 notwithstanding the repair works that had been carried out.

Both suits were being transferred to another Shah Alam High Court which will be presided by another judge. Therefore, all the trial dates and case management dates that were fixed previously were now vacated. On 22 April 2022, AeroDome had been informed by the Court that the hearing has been reschedule to 25 May 2022. On 25 May 2022, the Court had heard the oral submission of the parties, and reserved judgement to be delivered on 12 July 2022. On 12 July 2022, the Judge dismissed Execujet's application with no order as to cost as the Judge is of the view that the issue raised in the striking out applications ought to be ventilated by way of a full trial in January 2024.

Then, the Court fixed the following pre-trial directions:

- (a) AeroDome to file the third-party Statement of Claim against Execujet within 14 days from 12 July 2022 (the same has been filed by Aerodome's solicitor on 26 July 2022);
- (b) parties to file any additional documents and/or expert report on or before 8 June 2023;
- (c) parties may file rebuttal expert report on or before 8 September 2023. In the event there is any need for a further rebuttal report, the filing date would be determined in a case management (to be fixed tentatively around end of October 2023);
- (d) parties to file issues to be tried on or before 8 September 2023;
- (e) parties to file and exchange witness statements on or before 8 December 2023; and
- (f) the following trial dates are maintained:
 - 8 to 12 January 2024;
 - 22 to 24 January 2024; and
 - 29 to 31 January 2024.

In relation to Aerodome's Third-Party Proceedings, Execujet has filed its defence against Aerodome's Third-Party Statement of Claim on 10 August 2022 while Aerodome has filed its reply to the defence ("Reply") on 25 August 2022.

Upon filing of the Reply, pleadings in the third party action are closed. In the usual course of proceedings, a third party action will be heard and be disposed after the Aerodome's liability in the main action has been determined.

On 9 June 2023, the Court has postponed the case management to 15 June 2023 due to an emergency. During the case management on 15 June 2023, the parties are supposed to update the status of fillings of expert's report in both suits, and Aerodome informed the Court that Aerodome is relying on Execujet's expert report to this end. Execujet's counsel informed the Court that they required extension of time to file their expert report and their expert was travelling. The Court granted the said extension of time to file until 10 July 2023. Thereafter, the Court has fixed the next case management date on 16 August 2023 for parties to update the Court on the filling of the expert report.

38. Material litigation (cont'd.)**(i) Aerodome Sdn. Bhd. (cont'd.)****Details of the default or circumstances leading to the filing of the Writ and Statement of Claim against the Defendants (cont'd.)**

During the case management on 16 August 2023, the parties have updated the Court in relation to preparation of the case, including the fact that parties have begun mediation efforts. The Court set the next case management date on 12 October 2023 for parties to update the Court.

During the case management on 12 October 2023, the parties agreed to have a court- assisted mediation on 21 November 2023. On 21 November 2023, the Court then fixed the next Case Management for mediation sessions to be held on 5 December 2023 and 13 December 2023. In the meantime, Execujet has obtained a Judgement in Default ("JID") against Hasrat Asia Sdn. Bhd. ("the 3rd party"), and there are applications made to extend time for filing memorandum of appearance and setting aside JID by the 3rd party. The Court is set to hear the applications on 4th December 2023.

On 4 December 2023, the Court gave directions to Hasrat Asia to file further evidence in support of their application. In the meantime, the judge has directed parties not to file witness statements by 8th December 2023 as directed previously, and he has indicated that he may vacate the trial dates fixed on January 2024 pending the outcome of these applications. The Court has fixed 18 December 2023 as the next case management date to give further directions to parties.

Mediation

The mediation session initially fixed on 5 December 2023 was vacated due to unforeseen circumstances by the mediating Judge, and the mediation was fixed on 13 December 2023 instead, and outcome of the mediation to be updated on 14 December 2023.

On 13 December 2023, the parties have agreed to a settlement in relation to the Loss of Use Suit, and is currently pending finalisation of a consent order. Status of mediation in relation to the Loss of Value Suit to be updated in next case management on 14 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2024

38. Material litigation (cont'd.)

(i) Aerodome Sdn. Bhd. (cont'd.)

Details of the default or circumstances leading to the filing of the Writ and Statement of Claim against the Defendants (cont'd.)

Loss of Value Suit

During the case management on 14 December 2023, parties requested for an additional period of one month for settlement discussions, and the judge showed no objection to this extension. Additionally, the Judge approved parties' application to vacate the scheduled trial in January 2024 due to the 3rd party's application and the 4th party's (Ronald Christopher La Faber's) involvement.

During the Case Management on 12 March 2024, the Court has fixed the Hearing for the 3rd and the 4th parties' applications to set aside the JID, extension to file memorandums of appearance and defences on 3 May 2024. This application has nothing to do with AeroDome as the matters are in relation to the application by Execujet against Hasrat Asia and Hasrat Asia's claim for indemnity against its Director.

For the Loss of Value Suit, the negotiation on the settlement sum is still on going.

In addition to the above, the Court fixed the next trial dates for the Loss of Value Suit, as follows:

- 15 -18 July 2024;
- 24 – 25 July 2024; and
- 29 -31 July 2024

Loss of use suit

Parties have informed Judge that a settlement in principles has been reached. The settlement sum agreed by all Parties for the Loss of Use Suit amounting to USD160,000 to be paid in an agreed proportion of 65% by Execujet (USD104,000) and 35% by Aerodome (USD56,000). The Court has fixed the next case management dated 18 January 2024 for parties to update Court on status of settlement.

On 18 January 2024, the 3rd Party (Hasrat Asia) has filed an application to compel the Civil Aviation Authority of Malaysia (CAAM) to produce certifications in relation to 3rd Party's capabilities.

On 12 March 2024, the Parties have informed Court that further time is required to finalize and execute the Settlement Agreement and Consent Judgment, respectively. The Court has fixed the next Case Management on 27.3.2024 for parties to update the Court on the settlement status.

On 27 March 2024, the Parties have recorded the terms of the consent judgment for the Loss of Use Suit to the Court. The execution of the settlement agreement is still pending between the parties.

39. Subsequent event

Corporate proposals

On 29 April 2024, Bursa Securities resolved to approve the following:

- (i) Listing and quotation of up to 428,315,271 new SRB shares to be issued pursuant to the conversion of the RCSLS; and
- (ii) Listing and quotation of up to 139,600,000 Rights Shares to be issued pursuant to the Proposed Rights Issue.

The approval granted by Bursa Securities is subject to the following conditions:

- (i) SRB and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;
- (ii) SRB must comply with the public security holding spread requirements pursuant to paragraph 8.02(1) of the Listing Requirements upon listing and quotation of the new shares;
- (iii) SRB and Kenanga IB are required to inform Bursa Securities upon completion of the Proposals;
- (iv) SRB and Kenanga IB are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
- (v) Kenanga IB is required to furnish Bursa Securities with a certified true copy of the resolutions passed by its shareholders at a general meeting approving the Proposals;
- (vi) SRB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of RCSLS at the end of each quarter together with a detailed computation of listing fees payable.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2024 were authorised for issue in accordance with a resolution of the directors on 30 May 2024.

PARTICULARS OF PROPERTIES

As at 31 January 2024

Address	Description/ Existing Use	Land Area (in square meter)	Lease Expiry Date	Approximate Age of Building (years)	Net Book Value (RM'000)/Date of Acquisition/ (Revaluation)
Lot No. 10 Jalan Tandang Seksyen 28 46050 Petaling Jaya Selangor Darul Ehsan	Warehouse, office and store	49,927	20.06.2033	33 - 63	174/ 06.05.1988
P.T. No. 10A Jalan Tandang Seksyen 28 46050 Petaling Jaya Selangor Darul Ehsan	Warehouse, office and store	5,681	03.01.2057	47	2,314/ 06.05.1988
Lot 5, Jalan 219 Lebuhraya Persekutuan 46100 Petaling Jaya Selangor Darul Ehsan	Commercial Building	4,047	16.03.2068	42	1,692/ 13.09.1988
No. 7, Jalan Tasik The Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan	Office Building	22,379	20.03.2091	25	94,914/ 16.12.1999
Permata Sapura Lot 91, Jalan Kia Peng 50450 Kuala Lumpur	Office Building	41,708	30.09.2036	3	408,095/ 01.10.2021

ANALYSIS OF SHAREHOLDINGS

As at 30 April 2024

Total Number of Issued Shares : 139,600,000 ordinary shares

Class of Shares : Ordinary Shares

Voting rights : One vote per ordinary share

No. of shareholders : 5,153

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
Less than 100	529	10.27	5,241	0.00
100 - 1,000	2,072	40.21	1,729,795	1.24
1,001 - 10,000	1,923	37.32	7,689,242	5.51
10,001 - 100,000	519	10.07	16,612,150	11.90
100,001 to less than 5%	109	2.11	43,709,300	31.31
5% and above of issued shares	1	0.02	69,854,272	50.04
Total	5,153	100.00	139,600,000	100.00

DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2024

Name of Directors	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Shahril bin Shamsuddin	83,250	0.06	72,373,772*	51.84
Dato' Shahrman bin Shamsuddin	83,250	0.06	72,373,772*	51.84
Ahmad Jauhari bin Yahya	-	-	-	-
Andrew Heng	-	-	-	-
Dr. Yap Lang Ling	-	-	-	-
Reza Bin Abdul Rahim	-	-	-	-
Datuk Megat Abdul Munir Bin Megat Abdullah Rafeaie (Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin)	-	-	-	-

* Deemed interested by virtue of his direct and indirect interests in Sapura Holdings Sdn. Bhd. and its wholly-owned subsidiaries, namely Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd. (as the case may be) pursuant to Section 8 of the Companies Act 2016 ("the Act").

SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2024

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Sapura Holdings Sdn. Bhd.	71,244,272	51.03	1,129,500 ⁽¹⁾	0.81
Tan Sri Dato' Seri Shahril bin Shamsuddin	83,250	0.06	72,373,772 ⁽²⁾	51.84
Dato' Shahrman bin Shamsuddin	83,250	0.06	72,373,772 ⁽²⁾	51.84
Brothers Capital Sdn. Bhd.	-	-	72,373,772 ⁽³⁾	51.84

⁽¹⁾ Deemed interested by virtue of its direct interests in its wholly-owned subsidiaries, being Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd. pursuant to Section 8 of the Act.

⁽²⁾ Deemed interested by virtue of his direct and indirect interests in Sapura Holdings Sdn. Bhd. and its wholly-owned subsidiaries, namely Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd. (as the case may be) pursuant to Section 8 of the Act.

⁽³⁾ Deemed interested by virtue of its direct interest in Sapura Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS

As at 30 April 2024

THIRTY (30) LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS AS AT 30 APRIL 2024

No.	Name of Shareholders	No. of Shares	%
1.	Sapura Holdings Sdn. Bhd.	69,854,272	50.04
2.	Native Ventures Sdn. Bhd.	3,405,400	2.44
3.	Lim Boon Liat	2,294,000	1.64
4.	Choot Ewe Hin	2,034,500	1.46
5.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt AN for DBS Bank Ltd (SFS)	1,532,700	1.10
6.	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Sapura Holdings Sdn. Bhd. (1119019194)	1,390,000	1.00
7.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tam Seng @ Tam Seng Sen (E-PTS)	1,275,000	0.91
8.	Ng Hoon Ho	1,273,500	0.91
9.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Sapura Capital Sdn. Bhd. (PB)	1,098,500	0.79
10.	Tan Boon Leong	1,001,600	0.72
11.	Tan Yee Kong	1,000,000	0.72
12.	Leong Hon Wah	900,000	0.65
13.	Ong Seow En	840,000	0.60
14.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chow Soon Fong (E-MLB/JPP)	810,000	0.58
15.	Tan Yee Seng	800,000	0.57
16.	Yow Wang Yip	750,000	0.54
17.	Tan Seow Cheng	741,000	0.53
18.	Lam Pun Ying	727,100	0.52
19.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chow Soon Meng (E-MLB/JPP)	700,000	0.50
20.	Lee Kim Seng	655,000	0.47
21.	Huang Phang Lye	652,000	0.47
22.	Low Ah Soi @ Low Cheong Meng	627,900	0.45
23.	Mary Anne Woon Lai Kheng	625,400	0.45
24.	Yong Siew Yoon	480,000	0.34
25.	Peh Sew Chong	430,000	0.31
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Too Boon Siong	429,400	0.31
27.	Life Enterprise Sdn. Bhd.	412,100	0.30
28.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	400,400	0.29
29.	Yong Yee Mooi	400,000	0.29
30.	Chua Kok Yong	390,000	0.28

ADMINISTRATIVE DETAILS

For Shareholders/Proxies Attending The Sixty-Seventh Annual General Meeting ("67th AGM")

DATE, TIME AND VENUE OF AGM

DATE : Wednesday, 17 July 2024

TIME : 10:00 a.m.

Meeting Platform : <https://meeting.boardroomlimited.my>

Mode of Communication:

- Shareholders may pose questions during live streaming using the messaging window facility to submit questions during the meeting. The messaging window facility will be opened one (1) hour before the AGM which is from 9:00 a.m. on Wednesday, 17 July 2024.
- Shareholders may submit questions in advance regarding the AGM resolutions and Annual Report 2024 commencing from 31 May 2024 and in any event no later than 10:00 a.m. on 15 July 2024 via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> using the same user ID and password provided in Step 2 of Note G below, and select "SUBMIT QUESTION" to pose questions ("Pre-AGM Meeting Questions").

A. Fully Virtual 67th AGM

The Company would like to leverage on technology advancement by conducting **the 67th AGM on a fully virtual basis through electronic live streaming and online remote voting**.

The 67th AGM is to be deemed held where the Chairman of the Meeting is in Malaysia for the compliance with Section 327(2) of the Companies Act 2016 ("CA2016"). As the Company is allowed under Section 327(1) of CA 2016, to convene general meeting at more than one venue using any technology or method that enables the shareholders of the Company to participate and exercise their rights to speak and vote at the general meeting, no shareholder and proxies from the public should be physically present nor admitted at the broadcast venue on the day of the AGM of the Company.

You can view and download the digital version of the following documents from our Company's corporate website at <http://www.sapura-resources.com> or at Bursa Malaysia Berhad's official website at <https://www.bursamalaysia.com>

- Annual Report 2024 ("AR2024")
- Corporate Governance Report 2024

However, should you require a printed copy of the AR2024, you may submit your request by completing the Requisition Form and returning it to our Share Registrar, Boardroom Share Registrars Sdn. Bhd. ("Share Registrar" or "Boardroom"), by mail or fax. Alternatively, you may also make your request through telephone/email to our Share Registrar at the number/email address given below.

Should you require any assistance on the above, kindly contact our Share Registrar at +603-7890 4700 or bsr.helpdesk@boardroomlimited.com.

B. Entitlement to Participate the AGM

In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 July 2024 (General Meeting Record of Depositors) shall be eligible to participate the meeting or appoint proxy(ies) to participate on his/her behalf.

C. Remote Participation and Electronic Voting

Shareholders are encouraged to go online, participate, and vote at the Virtual AGM via remote participation. Please follow the steps listed in Note G below on how to request for login ID and password.

ADMINISTRATIVE DETAILS

For Shareholders/Proxies Attending The Sixty-Seventh Annual General Meeting ("67th AGM")

D. Form(s) of Proxy

If you are unable to attend the Virtual AGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Please ensure that the Form or Proxy is deposited at our Share Registrar's office not less than forty eight (48) hours before the time appointed for holding the meeting. Details of our Share Registrar's office can be found in the enquiry section of this document.

Alternatively, you may deposit your Form(s) of Proxy by electronic means through the smart investor portal at <https://investor.boardroomlimited.com/> by logging in and selecting "**E-PROXY LODGEMENT**".

E. Revocation of Proxy

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the meeting yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy twenty-four (24) hours before the meeting.

F. Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the result of the poll respectively.

G. STEPS FOR REGISTRATION FOR REMOTE PARTICIPATION AND ELECTRONIC VOTING

Procedure		Action
Before the day of the AGM		
1	Register Online with Boardroom Smart Investor Portal	<p>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]</p> <ol style="list-style-type: none"> Access website https://investor.boardroomlimited.com/ Click <<Login>> and click <<Register>> to sign up as a user. Complete registration and upload softcopy of MyKAD (front and back) or Passport. Please enter a valid email address. Your registration will be verified and approved within one business day and an email notification will be provided.
2	Submit request for remote participation	<p>Registration for remote access will be opened on 31 May 2024 (Date of Notice of AGM). Please note that the closing time to submit your request is at 10:00 a.m. on 15 July 2024 (48 hours before the commencement of the AGM).</p> <p>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</p> <p>Via BSIP</p> <ol style="list-style-type: none"> Log in to https://investor.boardroomlimited.com/ using your user ID and password from Step 1 above. Read and accept the General Terms and Conditions by clicking "Next". Enter your CDS Account number of securities held and attach a copy of the authorisation letter (for corporate representative). Enter the corporate representative's details or select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies). Indicate your voting instruction – "FOR" or "AGAINST" otherwise your proxy will decide your vote. Review and confirm your proxy appointment and click "Apply". Download or print the eProxy form as acknowledgement.

G. STEPS FOR REGISTRATION FOR REMOTE PARTICIPATION AND ELECTRONIC VOTING (cont'd.)

Procedure		Action
Before the day of the AGM (cont'd.)		
2	Submit request for remote participation (cont'd.)	<p>Individual Members</p> <ol style="list-style-type: none"> Log in to https://investor.boardroomlimited.com/ Select "Hybrid/Virtual Meeting" from main menu and select the correct Corporate Event "SAPURA RESOURCES BERHAD SIXTY-SEVENTH (67TH) VIRTUAL ANNUAL GENERAL MEETING". Read and agree to the terms and conditions and thereafter submit your request. Enter your CDS Account. <p>Corporate Shareholders</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request. Please provide a copy of Corporate Representative's MyKad (Front and Back) or Passport as well as his/her email address. <p>Authorised Nominee and Exempt Authorised Nominee</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request. Please provide a copy of Corporate Representative's MyKad (Front and Back) or Passport as well as his/her email address.
3	Email notification	<ol style="list-style-type: none"> You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified. Upon system verification against the General Meeting Record of Depositories as at 10 July 2024, you will receive an email from Boardroom either approving or rejecting your registration for remote participation together with your remote access user ID and password.
On the day of the AGM		
4	Login to Meeting Platform	<p>Please note that the quality of the connectivity to the Meeting Platform for live webcast as well as for online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.</p> <ol style="list-style-type: none"> The Meeting Platform will be open for login one (1) hour before the commencement of the AGM at 9:00 a.m. on 17 July 2024. The Meeting Platform can be accessed via one of the following: - Scan the QR Code provided in the email notification; Navigate to the website at https://meeting.boardroomlimited.my Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.
5	Participate	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and identity of the participant raising the question.]</i></p> <ol style="list-style-type: none"> If you would like to view the live webcast, select the broadcast icon. If you would like to ask a question during the AGM, select the messaging icon. Type your message within the chat box, once completed click the send button.

ADMINISTRATIVE DETAILS

For Shareholders/Proxies Attending The Sixty-Seventh Annual General Meeting ("67th AGM")

G. STEPS FOR REGISTRATION FOR REMOTE PARTICIPATION AND ELECTRONIC VOTING (cont'd.)

Procedure		Action
On the day of the AGM (cont'd.)		
6	Voting	a. Once voting has been opened, the polling icon will appear with the resolutions and your voting choices. b. To vote simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received. c. To change your vote, simply select another voting direction. d. If you wish to cancel your vote, please press "Cancel".
7	End of Participation	Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end and the Messaging window will be disabled.

H. No Distribution Door Gifts

For the upcoming AGM, there will be no distribution of door gifts for Members/Proxies who participate in the AGM.

I. No Recording or Photography

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

J. Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (8:30 a.m. to 5:30 p.m.):

Boardroom Share Registrars Sdn. Bhd.
 11th Floor, Menara Symphony
 No. 5 Jalan Prof. Khoo Khay Kim
 Seksyen 13, 46200 Petaling Jaya
 Selangor Darul Ehsan

Email : BSR.Helpdesk@boardroomlimited.com

K. Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

FORM OF PROXY



SAPURA RESOURCES BERHAD

[195701000235 (3136-D)]

(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No	
Telephone No.	

I/We _____ (NRIC/Passport No.) _____
(Full name as per NRIC/Certificate of incorporation in CAPITAL letters)

of _____
(Full Address & Tel Number)

being a member of **SAPURA RESOURCES BERHAD**, hereby appoint _____

_____ (NRIC/Passport No.) _____
(Full name as per NRIC in CAPITAL letters)

of _____ (Tel No.) _____ (Email) _____

and or failing *him/her _____ (NRIC/Passport No.) _____
(Full name as per NRIC in CAPITAL letters)

of _____ (Tel No.) _____ (Email) _____

or failing *him/her, the *Chairman of the Meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Sixty-Seventh ("67th") Annual General Meeting ("AGM") of Sapura Resources Berhad to be held at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Wednesday, 17 July 2024 at 10:00 a.m., and any adjournment thereof and to vote as indicated below:

Resolution No.	Resolutions	For	Against
Ordinary Business:			
Ordinary Resolution 1	To approve the payment of Directors' fees of RM549,863.38.		
Ordinary Resolution 2	To approve the payment of additional Directors' benefits payable up to an amount of RM13,500.00 from 19 July 2023 until the date of the AGM of the Company held in year 2024.		
Ordinary Resolution 3	To approve the payment of Directors' benefits payable up to an amount of RM106,500.00 from 18 July 2024 until the date of the next AGM of the Company to be held in year 2025.		
Ordinary Resolution 4	To re-elect Tan Sri Dato' Seri Shahril bin Shamsuddin who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers himself for re-election.		
Ordinary Resolution 5	To re-elect Encik Ahmad Jauhari bin Yahya who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers himself for re-election.		
Ordinary Resolution 6	To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
Special Business:			
Ordinary Resolution 7	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights.		

Please indicate with an "X" in the space above how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2024

Signature / Common Seal of Shareholder

* Strike out whichever not applicable

Notes:

MODE OF MEETING

1. The 67th AGM of the Company will be conducted on a fully virtual basis through the live streaming and online meeting platform using the Remote Participation and Voting ("RPV") facilities. To participate in the 67th AGM remotely, all members will have to register for RPV facilities via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.

Please follow the steps and procedures provided in the Administrative Notes for the 67th AGM of the Company, published on the Company's website at www.sapura-resources.com in order to register, participate and vote remotely via the RPV facilities.

The 67th AGM is deemed held where the Chairman of the meeting is in Malaysia in compliance with Section 327(2) of the Companies Act 2016 ("the Act") and in accordance with Clause 77 of the Company's Constitution which allows a general meeting to be held at more than one (1) venue, using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting. Shareholders/proxy(ies) will not be allowed to participate in the 67th AGM in person on the day of the 67th AGM of the Company.

2. According to the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions ("FAQs") and its subsequent amendments on the Conduct of General Meetings for Listed Issuers, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia.

Shareholders WILL NOT BE ALLOWED to participate in the AGM in person on the day of the meeting. By utilising the RPV facilities, shareholders are to remotely participate, speak (by way of posing questions to the Board via real-time submission of typed texts) and cast their votes at the 67th AGM.

APPOINTMENT OF PROXY

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as at **10 July 2024** (General Meeting Record of Depositors) shall be entitled to participate, speak and vote at this meeting.

2. A member of the Company who is entitled to participate and vote at the meeting, shall be entitled to appoint more than one (1) proxy to

participate, speak and vote in his stead. Where a member appoints more than one (1) proxy in relation to a meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to participate, speak and vote at the meeting.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, the primary mode of communication by shareholders for the 67th AGM is via text messaging facilities provided under the RPV facilities. In the event of any technical glitch in the primary mode of communication, all other reasonable modes of communication are acceptable for the 67th AGM.

For appointment of two proxies, the percentage of shareholdings to be represented by the proxies:

	No of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

4. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e., not later than 15 July 2024 at 10:00 a.m. or adjournment thereof.
7. Alternatively, the form of proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> to

login and deposit your proxy form electronically not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.

The lodging of the Proxy Form does not preclude any shareholder from participating and voting remotely at the meeting should any shareholder subsequently wish to do so, provided that a Notice of Termination of Authority to act as Proxy is given to the Company and deposited at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time stipulated for holding the meeting or any adjournment thereof.

All resolutions set out in the Notice of the Meeting are to be voted by poll voting as per paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities via the RPV facilities.

8. Corporate representatives

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the 67th AGM pursuant to Section 333 of the Act. For this purpose and pursuant to Section 333 (5) of the Act, the corporate member shall be provided a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PLACE
STAMP HERE

The Share Registrar

BOARDROOM SHARE REGISTRARS SDN. BHD.

(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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