

Minutes of the Sixty-Seventh Annual General Meeting (“67th AGM” or “the Meeting”)

Minutes of the 67th AGM of Sapura Resources Berhad (“SRB” or “the Company”) deemed held where the Chairman of the Meeting was in Malaysia and on a fully virtual basis hosted on the website at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Wednesday, 17 July 2024 at 10:00 a.m.

DIRECTORS	: Encik Ahmad Jauhari bin Yahya (<i>Chairman</i>)	- Independent Non-Executive Director
	YH. Dato’ Shahrman bin Shamsuddin	- Managing Director
	YBhg. Datuk Megat Abdul Munir bin Megat Abdullah Rafaie, the Alternate Director to 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
		- Director
MEMBERS	: As per the Attendance List	
PROXY HOLDERS / CORPORATE REPRESENTATIVES	: As per the Attendance List	
INVITEES	: As per the Attendance List	
IN ATTENDANCE	: Ms. Chua Siew Chuan	- Company Secretary
	Ms. Zoe Yau Jye Yee	- Company Secretary
	Mr. Branden Lim	- Assisting the Company Secretaries

1. OPENING REMARKS BY THE CHAIRMAN

NOTED Encik Ahmad Jauhari bin Yahya (“the Chairman”) was in the chair. The Chairman welcomed all present to the live streaming of the 67th AGM of the Company.

The Chairman informed that the Board of Directors (“the Board”) has decided to leverage on technology and conduct the 67th AGM of the Company on a fully virtual basis via the live streaming webcast and online remote voting using remote participation and voting facilities hosted on the website at <https://meeting.boardroomlimited.my> provided by Boardroom Share Registrars Sdn. Bhd.

The Chairman then introduced the Directors, the Company Secretary of the Company, the Chief Corporate Officer (“CCO”) and Chief Financial Officer (“CFO”) of the Company and the representative from Ernst & Young PLT (“EY”), the External Auditors of the Company who joined the Meeting.

2. QUORUM

The requisite quorum being present pursuant to Clause 94 of the Company’s Constitution, the Chairman declared the Meeting duly convened. The Chairman then called the Meeting to order at 10:00 a.m.

The Chairman informed the Meeting that the Company used 10 July 2024 as the determinant date of the General Meeting Record of Depositors.

3. PROCEEDINGS OF THE MEETING

INFORMED The Chairman then invited the Company Secretary to brief the Meeting on the process of the poll voting.

Ms. Chua Siew Chuan, the Company Secretary, informed that the CFO and the COO will be giving their presentation before the Meeting proceeds with the items of the Agenda, followed by the question-and-answer (“Q&A”) session to respond to the questions transmitted by the shareholders and proxies.

As stipulated by the Securities Commission Malaysia, shareholders and proxies could rely on real time submission of typed texts to exercise their rights to speak or communicate in the Meeting by submitting questions or remarks in relation to the items on the Agenda through the messaging box within the online meeting portal. The Chairman would announce the relevant questions and answer the questions accordingly.

The Company Secretary further informed that any unattended questions and/or remarks submitted during the Meeting will be responded to by the Company after the Meeting via email.

4. NOTICE

NOTED The Notice convening the Meeting dated 31 May 2024 having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

5. VOTING PROCEDURES

INFORMED The Chairman informed all that voting for the Meeting would be conducted by way of electronic polling which complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Chairman further informed that there were shareholders who could not to participate in the Meeting and had appointed him to vote on their behalf. Accordingly, the Chairman would be voting in his capacity as a proxy in accordance with the shareholders’ instructions, where indicated.

The Chairman informed all that there is no legal requirement for a proposed resolution to be seconded and as such, the voting module has been made accessible to all to cast and submit their votes from the start of the Meeting. The voting module would continue to be accessible for an additional ten (10) minutes after all the questions transmitted during the Meeting have been dealt with and would close upon the closure of the voting session to be shown on the screen.

The Chairman informed that Boardroom Share Registrars Sdn. Bhd. has been appointed as the Poll Administrator and SKY Corporate Services Sdn. Bhd. has been appointed as the Independent Scrutineers to verify the results of the electronic poll voting.

A short video clip containing the polling process was then played.

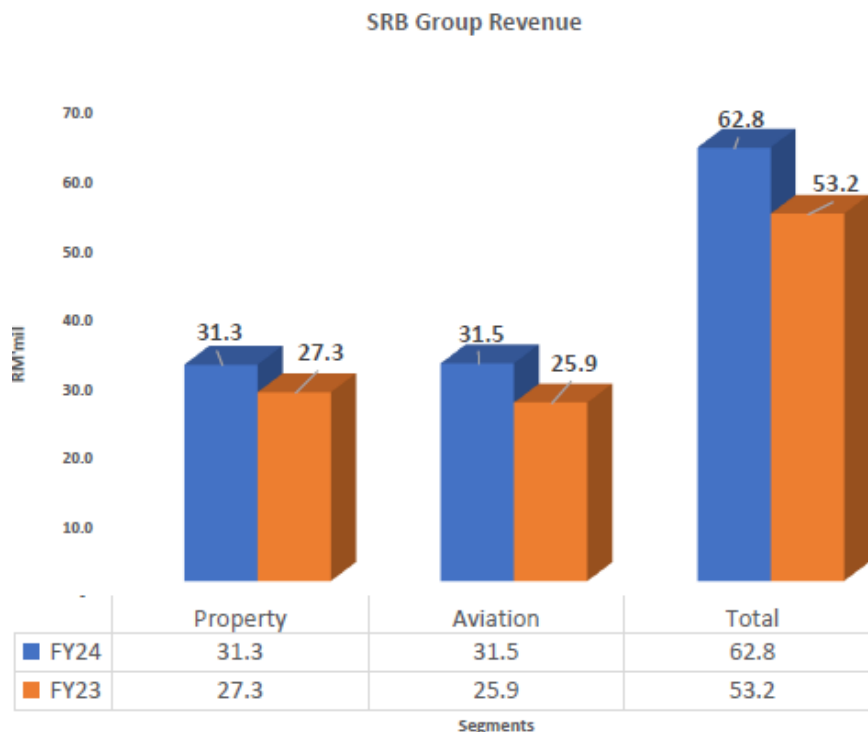
6. PRESENTATION BY THE CHIEF FINANCIAL OFFICER AND CHIEF CORPORATE OFFICER

BRIEFED AND INFORMED The Chairman then invited the CFO of the Company, Encik Azzaddin bin Abdullah (“**Encik Abdullah**”) to present the highlights of the financial and business performance of the Group and the CCO of the Company, Puan Mai Eliza binti Mior Mohamad Zubir (“**Puan Mai**”) to present the Company’s response to the letter received from the Minority Shareholders Watch Group (“**MSWG**”) on 12 July 2024.

The Meeting noted the following presentation by Encik Azzaddin:-

1. Sapura Resources Berhad

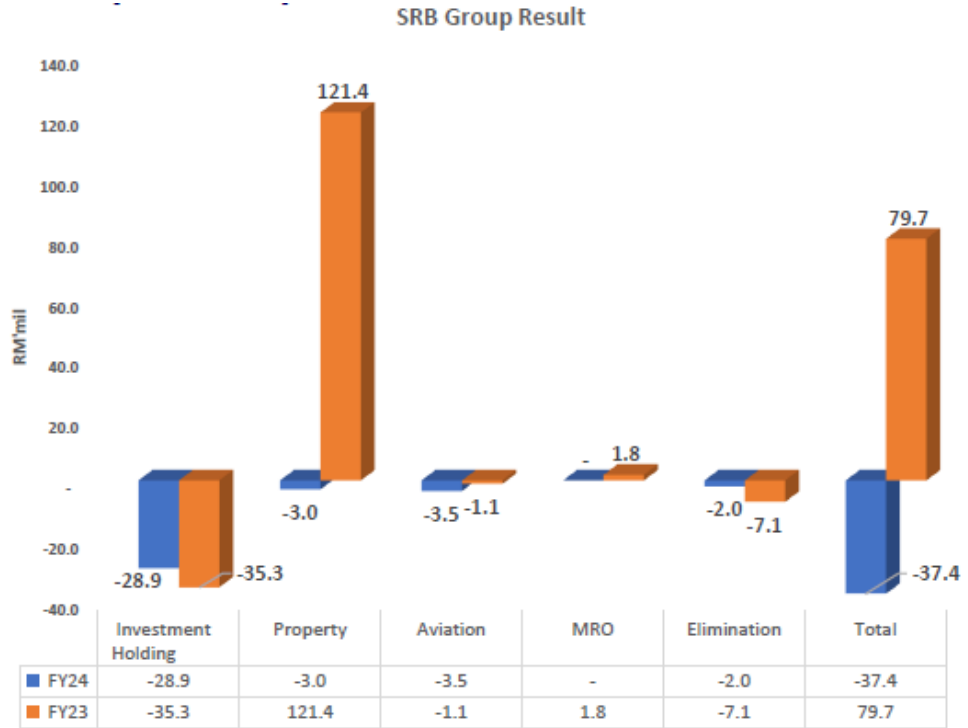
Financial Highlights: SRB Group Revenue (RM’mil)



Financial Year (“**FY**”) 2024 revenue increased by RM9.6 million (18%) as compared to FY 2023 mainly due to:-

- (i) RM5.6 million increase in revenue from the Aviation segment;
- (ii) RM2.8 million increase in the sub-tenancy rate of Permata Sapura to 91% as compared to the sub-tenancy rate of 16% in FY 2023; and
- (iii) RM1.2 million increase in revenue from Property Food & Beverage (“**F&B**”) business.

Financial Highlights: SRB Group Profit / (Loss) After Tax (“PAT” or “LAT”) (RM’mil)



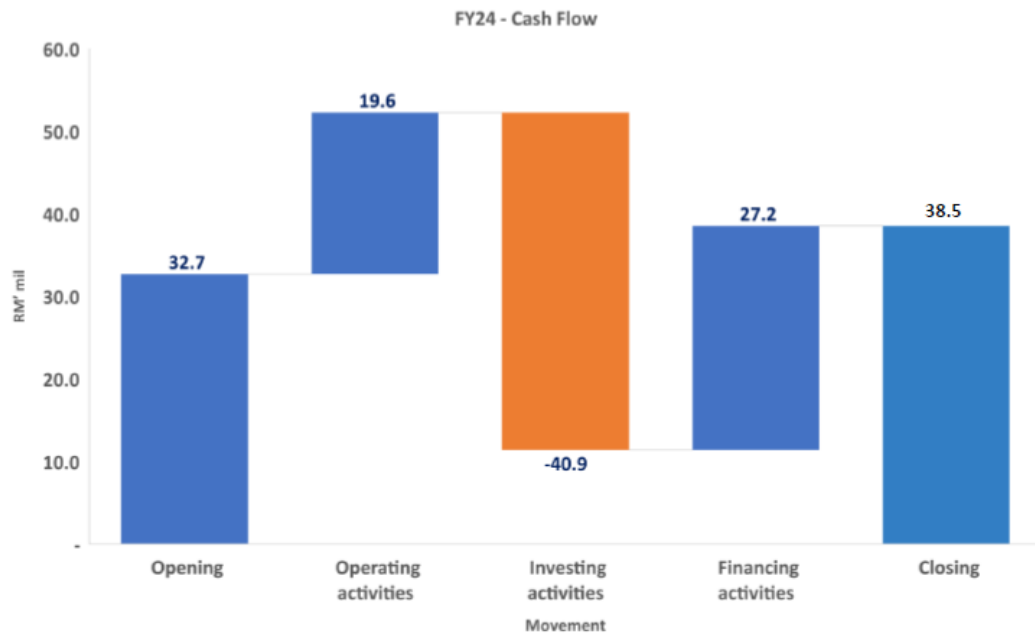
The Group reported LAT of RM37.4 million as compared to the PAT of RM79.7 million in FY 2023 mainly due to the following:-

- (i) Lower reversal of impairment of Permata Sapura Master Lease Agreement (“MLA”) asset amounting to RM46.2 million as compared to RM122.9 million in FY 2023; and
- (ii) One-off gain upon initial recognition of finance lease receivables in accordance with MFRS 16 amounting to RM34.6 million in FY 2023.

Note:

There was no result from Maintenance, Repair and Overhaul (“MRO”) as the aircraft MRO business is in liquidation since 20 February 2023.

Financial Highlights: FY 2024 Cash Flow (Cash and Short-Term Investment)



2. Property Segment and Food and Beverage

Property Segment

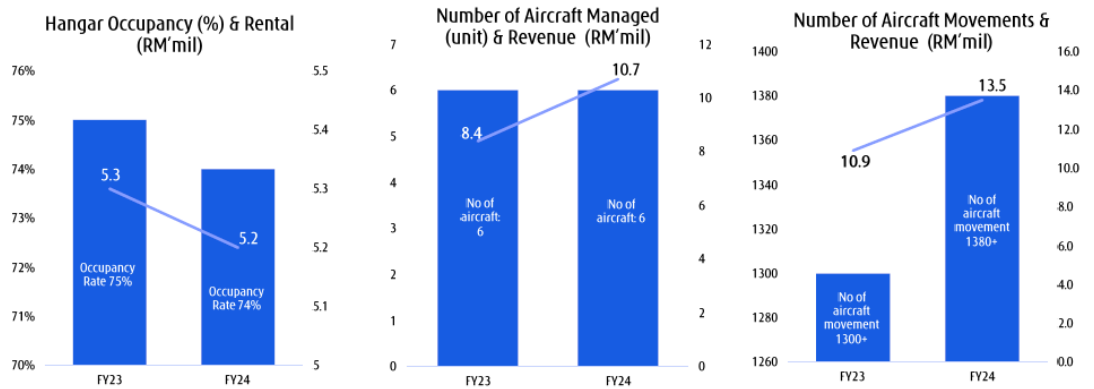


Property Segment: F&B

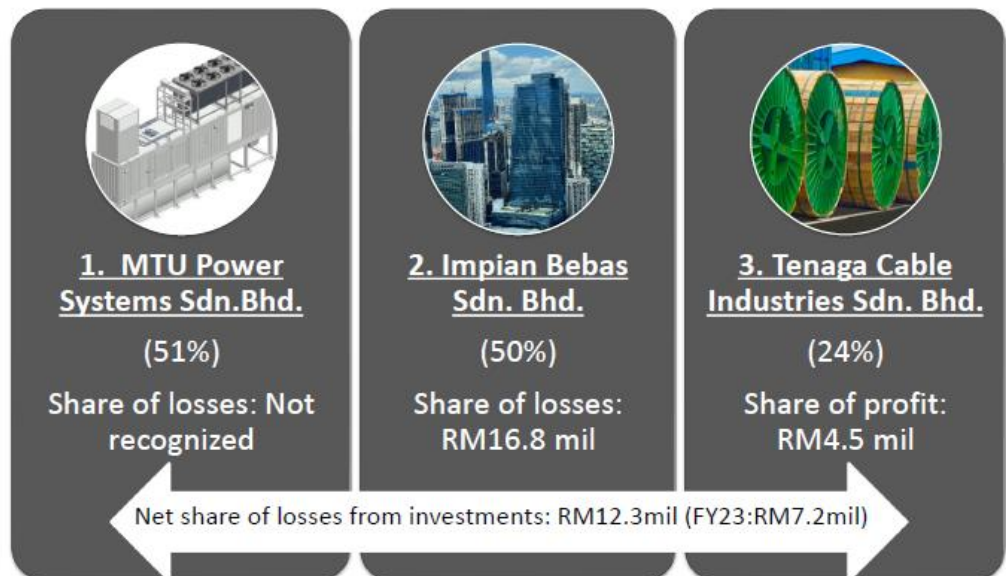


Revenue for FY24: RM2.0 mil
 (FY23: RM0.8 mil)

3. Aviation Segment



4. Investment in Joint Venture & Associate



Permata Sapura



Note: Revenue included as rental revenue in Property segment

Puan Mai then proceeded to present the letter from the MSWG and the Company’s corresponding reply, details of which are attached to this Minutes as “**Appendix A**”.

Upon completion, the Chairman thanked Encik Azzaddin and Puan Mai for their presentation.

7. AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE DIRECTORS’ AND AUDITORS’ REPORTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

NOTED The Chairman informed that the first item on the Agenda is to receive the Audited Financial Statements together with the Directors’ and Auditors’ reports for the financial year ended 31 January 2024.

The Meeting noted that pursuant to Section 340(1)(a) of the Companies Act 2016, shareholders’ approval is not required for this item of the Agenda and would not be put for voting. The Chairman then declared that the Audited Financial Statements of the Company for the financial year ended 31 January 2024 together with the Directors’ and Auditors’ Reports thereon be received.

**8. ORDINARY RESOLUTION 1
– TO APPROVE THE PAYMENT OF DIRECTORS’ FEES OF RM549,863.38 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**

INFORMED The Chairman informed the Meeting that the next item on the Agenda is to approve the payment of Directors’ fees amounting to RM549,863.38 for the financial year ended 31 January 2024.

9. **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.

INFORMED The Chairman informed the Meeting that the third item on the Agenda is to approve the 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. The proposed additional payment is solely for meeting allowance for the new temporary set up Board Committee in year 2023.

10. **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.

INFORMED The Chairman informed the Meeting that the fourth item on the Agenda is 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. The proposed benefits are comprised of meeting allowance only.

11. **ORDINARY RESOLUTION 4 & 5**
– RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRED IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY’S CONSTITUTION:

- (a) TAN SRI DATO’ SERI SHAHRIL BIN SHAMSUDDIN; AND
(b) ENCIK AHMAD JAUHARI BIN YAHYA

At this juncture, the Chairman passed the Chairmanship to Mr. Andrew Heng.

INFORMED Mr. Andrew Heng informed that the next item on the Agenda is to re-elect the retiring Directors, namely Tan Sri Dato’ Seri Shahril bin Shamsuddin and Encik Ahmad Jauhari bin Yahya pursuant to Clause 115 of the Company’s Constitution and being eligible, had offered themselves for re-election.

At this juncture, the Chairman resumed the Chairmanship.

12. **ORDINARY RESOLUTION 6**
– TO RE-ELECT ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

INFORMED The Chairman informed the Meeting that the next item on the Agenda is to re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

The Meeting noted that Ernst & Young PLT had indicated their willingness to continue in office as Auditors of the Company.

The Meeting further noted that the Board Audit and Risk Committee and the Board had reviewed Ernst & Young PLT’s performance as Auditors of the Company for the past financial years and are satisfied with their effectiveness and performance as Auditors of the Company.

SPECIAL BUSINESS

**13. ORDINARY RESOLUTION 7
– AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75
AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

INFORMED The Chairman informed that the last item on the Agenda is a special business to approve the Ordinary Resolution in respect of the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights.

The proposed Ordinary Resolution aims to provide flexibility to the Board to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

Once the proposed Ordinary Resolution is carried, the shareholders of the Company shall agree to waive their statutory pre-emptive right and will allow the Directors to issue new shares to any person under general mandate without having to offer the new shares to all existing shareholders of the Company prior to issuance of the new shares.

14. ANY OTHER BUSINESS

NOTED The Meeting noted that there is no other business to be transacted at the Meeting of which due notice had been given.

15. Q&A SESSION

INFORMED The Chairman then proceeded to answer the questions submitted by the shareholders or proxies via messaging box during the AGM. The Chairman informed that similar questions have been identified, grouped, and combined in the interest of time.

**ENQUIRED
AND
RESPONDED** The salient enquiries and comments made by the shareholders as well as responses from the Board and Management are as follows:

Question 1:

Mr. Cheang Heng Hun enquired whether the Company could pay out a dividend of 10 sen.

Response:

The Company is not able to pay out any dividend at this point of time.

Question 2:

The following shareholders requested the Board to provide door gifts/e-wallet/e-voucher to the attendees of the Meeting as a token of appreciation for attending the AGM:

- (i) Mr. Lee Chew Foong;
- (ii) Mr. Tee Beng Hee;
- (iii) Mr. Tee Beng;
- (iv) Mr. Ngo Lim Ba Tai @ Lim Eng Kim;
- (v) Mr. Tee Beng Choo; and
- (vi) Mr. Chee Teng Ho.

Response:

The Board took note of the request to provide door gifts/e-wallet/e-voucher to the attendees of the Meeting.

Question 3:

Encik Ahmad Ridwan bin Abdullah enquired if SRB is still planning to proceed with the announced divestment of its aviation business, or is SRB planning to grow the business as the Management seemed to be suggesting.

Response:

Dato’ Shahrman bin Shamsuddin (“**Dato’ Shahrman**”) informed that there was no decision to divest the Aviation Business and it is the Management’s duty to continue with the Aviation Business until and unless the Board decides otherwise. In view thereof, Sapura Aero Sdn. Bhd. has embarked on a collaboration with a licensed Aviation Maintenance Organisation (AMO) to enhance SRB Group’s business and add value to the new business stream.

Question 4:

Mr. Teh Kian Lang enquired the impact of the opening up of the Sultan Abdul Aziz Shah Airport (“**Subang Airport**”) to SRB.

Response:

Dato’ Shahrman informed that the expansion of Sultan Abdul Aziz Shah Airport (Subang Airport) will create more competition and the business environment will be very challenging moving forward.

Question 5:

Mr. Teh Peng Tin enquired the following:-

- (i) How much did the Company spent on the Virtual AGM?
- (ii) Would the Board kindly provide door gifts to the shareholders as a token of appreciation for attending the AGM?
- (iii) What is the future outlook and prospects of the Company?

Mr. Teh Peng Tin also requested for a copy of the Company’s Annual Report 2024.

Response:

Puan Mai responded to Mr. Teh Peng Tin as follows:-

- (i) The cost to organise the fully virtual AGM is approximately RM60,000.00.
- (ii) The Board took note of the request for door gifts. However, there is no distribution of door gifts for members or proxies who participated in this AGM.
- (iii) The future outlook and prospects of the Company has been explained in Page 13 of the Company’s Annual Report 2024.

Puan Mai informed Mr. Teh Peng Tin that he may submit his request for a copy of the Company’s Annual Report 2024 by submitting the requisition form to the Share Registrar.

Question 6:

Mr. Robin Lee Choon Fye enquired how will be Managing Director manage the businesses of SRB properly if he is relieved from all matters in relation to Royal Jet LLC and the Aviation Business, in view that the Aviation Business is a major business segment in SRB.

Response:

The Chairman informed that SRB has a few business segments. As for the Aviation Business segments, it is being managed by the Chief Operating Officer of Aviation, the CFO and the Head of Departments.

There being no further questions, the Meeting proceeded with the polling process.

16. POLL VOTING

NOTED At this juncture, the short video clip on the polling process was then played again. The shareholders and proxies were given ten (10) minutes to cast and submit their votes. Thereafter, the Scrutineer proceeded to verify the poll results.

17. ANNOUNCEMENT OF POLL RESULTS

ANNOUNCED The Chairman resumed the Meeting at 11:16 a.m. after the verification of poll results by the Scrutineer. The results of the poll as follows were shown on the screen:-

Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Ordinary Resolution 1</u> To approve the payment of Directors’ fees of RM549,863.38 for the financial year ended 31 January 2024	73,904,448	95.6966	3,323,387	4.3034	Carried

<p><u>Ordinary Resolution 2</u> 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</p>	73,991,154	95.7045	3,320,931	4.2955	Carried
<p><u>Ordinary Resolution 3</u> 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</p>	73,990,038	95.7031	3,322,047	4.2969	Carried
<p><u>Ordinary Resolution 4</u> To re-elect Tan Sri Dato’ Seri Shahril bin Shamsuddin who retires in accordance with Clause 116 of the Company’s Constitution</p>	74,036,039	98.3507	1,241,546	1.6493	Carried
<p><u>Ordinary Resolution 5</u> To re-elect Encik Ahmad Jauhari bin Yahya who retires in accordance with Clause 116 of the Company’s Constitution</p>	74,040,334	98.3603	1,234,251	1.6397	Carried
<p><u>Ordinary Resolution 6</u> To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.</p>	74,059,684	98.3769	1,221,901	1.6231	Carried
<p><u>Ordinary Resolution 7</u> Authority for Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights</p>	74,034,734	98.3490	1,242,851	1.6510	Carried

INFORMED The Chairman then declared that all the Ordinary Resolutions are **CARRIED**.

RESOLVED The Meeting **RESOLVED** that all the Ordinary Resolutions be and are hereby **APPROVED** as follows:-

ORDINARY RESOLUTION 1

- TO APPROVE THE PAYMENT OF DIRECTORS’ FEES OF RM549,863.38 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024**
-

“**THAT** the payment of Directors’ fees of RM549,863.38 for the financial year ended 31 January 2024, be and is hereby approved for payment.”

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**
-

“**THAT** 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, be and is hereby approved for payment.”

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**
-

“**THAT** 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, be and is hereby approved for payment.”

ORDINARY RESOLUTION 4

- RE-ELECTION OF TAN SRI DATO’ SERI SHAHRIL BIN SHAMSUDDIN WHO RETIRED IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY’S CONSTITUTION**
-

“**THAT** Tan Sri Dato’ Seri Shahril bin Shamsuddin who retired in accordance with Clause 116 of the Company’s Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

ORDINARY RESOLUTION 5

- RE-ELECTION OF ENCIK AHMAD JAUHARI BIN YAHYA WHO RETIRED IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY’S CONSTITUTION**
-

“**THAT**, Encik Ahmad Jauhari bin Yahya who retired in accordance with Clause 116 of the Company’s Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

ORDINARY RESOLUTION 6

- **TO RE-ELECT ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**
-

“**THAT** Ernst & Young PLT be and are hereby re-appointed as Auditors of the Company until the conclusion of the next AGM and that authority be and is hereby given to the Directors to fix their remuneration.”

ORDINARY RESOLUTION 7

- **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT 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.”

CLOSE OF MEETING

There being no other business, the Chairman concluded the Meeting and thanked all for participating in this Meeting. The Meeting ended at 11:18 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT,



Chairman

Dated: 17 July 2024

Appendix A

The details of the queries raised by the MSWG and the corresponding reply by the Company are as follows:-

Operational and Financial Matters

1) The group faced heightened competition risks in the private aviation space due to aggressive expansion in new hangarage spaces and more competitive pricing, especially by a well-resourced MRO player in Subang Airport. (Page 12 of Annual Report)

a) What actions has the Group taken to compete with the well-connected MRO player in private aviation in Subang?

Response:

The group has embarked into a collaboration with a licensed Authorised Maintenance Organisation (“**AMO**”) to get its hangar certified as a private jet maintenance satellite station, increasing its capabilities to add value to the current business. The group has also increased its engagement with its existing and potential customers.

b) What competitive advantages does the Group have over its competitors? Please elaborate.

Response:

The Group’s advantage is that it has highly qualified staff with proven track record. This is evident as the Group is the only company to achieve the certification of International Standard for Business Aircraft Handling (IS-BAH) with stage 2 in Malaysia, amongst the more than approximately 15 other Civil Aviation Authority of Malaysia (“**CAAM**”) licensed ground handling operators in Sultan Abdul Aziz Shah Airport (“**Subang Airport**”).

c) Has the Group managed to maintain its position in the private aviation business at Subang Airport in FY 2024 in terms of customer retention?

Response:

Yes, the Group managed to maintain the same number of customers.

d) What is the expected private aviation space outlook in FY 2025?

Response:

Malaysian Airport Holdings Berhad has embarked on the Regeneration Program to significantly increase the gross floor area for business aviation. This will bring more competitors into the Group’s aviation business space which will make it very challenging moving forward.

e) When does the Group expect the private aviation business to turn around? Please support with reasons.

Response:

The Group has added a licensed AMO as a new line of business into Sapura Aero Sdn. Bhd. (“**Sapura Aero**”) to increase its service offering, of which the Management hopes to reap benefits in the future.

- 2) The Group reported a higher loss of RM3.4 million from the private aviation business in FY 2024 compared to a lower loss of RM1.1 million in FY 2023.

The risk of non-renewal of aviation agreements by the Group’s existing customers is significant, given the influx of new hangarage space at a more competitive rate. (Page 12 of the Annual Report)

- a) What measures has the Group taken to turn around the private aviation business, which has continued to incur losses for the past two financial years?

Response:

The Group has added a licensed AMO as a new line of business into Sapura Aero to increase its service offering, of which the Management hopes to reap benefits in the future.

- b) What measures has the Group taken to mitigate the potential of non-renewal of aviation agreement by the Group’s existing customers?

Response:

The Management is continuously seeking new customers in the region.

- c) Did any existing customers not renew their aviation agreements in FY 2024? If yes, what is the number, and are they significant to the Group’s revenue?

Response:

Yes, one customer did not renew the agreement in FY 2024 and it is not significant to the Group’s revenue.

- 3) The New Straits Times reported on 5 December 2023 that Explorer Group Sdn. Bhd. (“**Explorer Group**”) has signed a Memorandum of Understanding (“MoU”) with Royal Jet LLC (“**Royal Jet**”) at the Emirates Palace Hotel in Abu Dhabi.

The MoU envisages Explorer Group and Royal Jet collaborating on private flight operations at Sultan Abdul Aziz Shah Airport. The aim is to provide Royal Jet with opportunities to enter the Southeast Asia private aviation market for fixed-base operations, private charter and aircraft maintenance services.

- a) Dato’ Shahrman bin Shamsuddin is the shareholder and Executive Director of Explorer Group and also the Managing Director of Sapura. This may represent a potential conflict of interest as both companies are involved in the private aviation business. Did the Board deliberate on the potential conflict of interests? If yes, what was the board’s decision, and how did the board address the matter?

Response:

Yes, the potential conflict of interest was deliberated by the Board Audit and Risk Committee (“**BARC**”) and the Board of Directors.

The BARC has decided that Dato’ Shahrman bin Shamsuddin shall be relieved from all matters in relation to Royal Jet and appointed a lawyer to seek legal advice on the matter and Conflict of Interest Policy to be implemented. Subsequently, on 26 January 2024, the Company conducted a training for the Board of Directors on conflict of interest.

- b) Will the MoU signed by Explorer Group compete with the Company’s private aviation business, as both are in the same line of business?

Response:

The Company’s private aviation business is the business of hangarage, ground handling and aircraft management whereas the MoU is for collaboration to operate private jet operations which includes fixed-based operations, private charter and aviation maintenance services. There may be competition if the MoU embarks into hangarage, ground handling and aircraft management services.

- 4) The Group was trying to maintain its commercial properties with occupancy rates at a competitive rate, which will be an ongoing and significant concern for the Group. (Page 10 of Annual Report).
- a) Please explain what measures the Group has taken to attract new tenants and how competitive the Group’s commercial property rental rates are compared to those of its competitors.

Response:

Some of the measures taken are:

- (i) Improve building facilities such as EV charging station, cashless visitor parking and event space; and
- (ii) Marketing efforts such as website, social media, continuous engagement with property agents.

The rental rates offered by the Group is within (the lower end) the market rental rate within the vicinity and in comparison with the same type of building.

- b) How successful were the measures taken to increase the occupancy rates of commercial properties before and after these measures were taken?

Response:

The Group has received inquiries from prospects and property agents, and the Management team is continuously following up with the prospects.

- c) Can the competitive rental rates offered for its commercial properties cover its fixed operating costs? If not, what is the deficit amount?

Response:

The competitive rental rates offered for Sapura@Mines, Jalan Tandang and Jalan 219 are able to cover the respective buildings’ fixed operating costs. However, for Permata Sapura, the Group has gone through the fund-raising exercise to cover the deficit amount.

5) The increase in the sub-tenancy rate of Permata Sapura, a 52-storey tower, was 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 (Page 11 of Annual Report).

a) Please name the single key tenant of Permata Sapura.

Response:

The single key tenant of Permata Sapura is Kenyalang Murni Sdn. Bhd.

b) What is the Net Lettable Area (“NLA”) occupied by the single key tenant as a percentage of the total NLA?

Response:

The NLA occupied by Kenyalang Murni Sdn. Bhd. is 309,049 square feet, which constitutes 68.78% of the total NLA office space under SRB.

c) Is the rental rate offered to the single key tenant below the market rate or the rate stated in the NLA? If yes, how much lower is it compared to the market or NLA rates?

Response:

The rental rate offered to Kenyalang Murni Sdn. Bhd. is below the market rate and below the MLA rate. This rate is offered after considering various factors, including the substantial amount of space leased and the long-term tenancy taken up. The rental rate is approximately RM0.89 lower than the average market rates and RM1.00 lower than the MLA rate.

6) Currently, 82.6% of the existing occupants at Permata Sapura are renting below the rate stated in the NLA. (Page 14 of Annual Report).

a) What is the expected annual loss incurred by the Group due to renting below the rate stated in the NLA in FY 2024?

Response:

In FY 2024, the Group incurred loss of RM57.1 million from Permata Sapura MLA as stated in page 11 of the Annual Report.

b) When does the Group expect the 82.6% of the existing occupants to revert to the market rate or near the rate stated in the NLA?

Response:

The Management expects the existing occupants to revert to near the MLA rate in three years' time.

- c) When does Permata Sapura commercial property expect to record a positive return for the Group?

Response:

Permata Sapura commercial property is expected to record positive segmental return in FY 2032.

Sustainability Matters

- 1) The Loss Time Incident Rate (“LTIR”) for the aviation segment was 2.43 in FY 2024 compared to an LTIR of 1.2 in FY 2023. (Page 29 of Annual Report)

- a) Please explain the reasons for the higher LTIR of 2.43 in FY 2024.

Response:

There was an increase in incident from 1 to 2 in FY 2024. The incident was considered minor as the staff had out-patient treatment.

- b) What actions has the Group taken to mitigate the LTIR figure from getting higher?

Response:

The Group will continuously engage with the staffs to instil compliance to procedures and exercise extra caution while performing their work in order to maintain a low LTIR and to ensure the staff to follow our safety procedures.

- c) Please provide the type of accident that occurred in FY 2024.

Response:

The details of the 2 incidents are as follows:

- (i) Water cart handle hit the finger when connecting water cart to Tow truck; and
- (ii) Injured while removing helicopter platform.

Corporate Governance Matters

- 1) In the Board Audit and Risk Committee (“BARC”) Report, addressed and reviewed a whistleblowing issue raised by a whistleblower about a potential conflict of interest matter by a Director of the Company (“Concerned Director”). (Pages 51 and 52 of Annual Report)

- a) What is the whistleblowing issue related to? Please elaborate.

Response:

The Chairman of BARC had on 11 January 2024 received a letter from an anonymous SRB Shareholder, in relation to “Conflict of Interest Arising from Private Business Interest of Dato’ Shahrman bin Shamsuddin, Managing Director of SRB”. The issue raised in the letter is in relation to conflict of interest of Dato’ Shahrman bin Shamsuddin. As it was an anonymous letter, the BARC dealt with the letter as a whistleblower and therefore followed the Whistleblowing Policy that the Company has in place.

- b) Please provide the name of the Concerned Director.

Response:

The name of the Concerned Director is Dato’ Shahrman bin Shamsuddin, the Managing Director of the Company.

- 2) The Company has not adopted Practice 5.9 of the Malaysian Code on Corporate Governance 2021 (“MCCG”) as the board did not comprise at least 30% women directors. The Company has only one woman, representing 16.7% of the Board members. The time frame for the Company to comply with Practice 5.9 is within two years.

What benefits has the Board experienced from increased gender diversity among its members? How have these benefits impacted the board’s performance?

Response:

The Company continue to adhere to the listing requirement which requires one female director on the Board. Notwithstanding, the composition of the Board is based on merit.

Furthermore, the Board looks into diversity from a broader and more holistic vantage, not limited to gender but includes different work/industry experiences, age-seniority, academic qualification, and cultural/socio-economic background. These contributed to board performance in terms of greater scrutiny and debate, when exercising its roles and responsibilities as set out in its charter.