

## Minutes of the Sixty-Fifth Annual General Meeting (“65<sup>th</sup> AGM” or “the Meeting”)

Minutes of the 65<sup>th</sup> 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> (Domain Registration No. with MYNIC – D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. Malaysia on Wednesday, 20 July 2022 at 10:00 a.m.

<b>DIRECTORS</b>	: YBhg. Tan Sri Datuk Amar (Dr.) Hamid bin Bugo ( <i>Chairman</i> )	- Independent Non-Executive Director
	YH. Dato’ Shahrman bin Shamsuddin	- Managing Director
	YBhg. Tan Sri Dato’ Seri Shahril bin Shamsuddin	- Non-Independent Non-Executive Director
	YBhg. Dato’ Muthanna bin Abdullah	- Non-Independent Non-Executive Director
	Encik Ahmad Jauhari bin Yahya	- Independent Non-Executive Director
	Mr. Andrew Heng	- Independent Non-Executive Director
<b>MEMBERS</b>	: As per Attendance List	
<b>PROXY HOLDERS / CORPORATE REPRESENTATIVES</b>	: As per Attendance List	
<b>INVITEES</b>	: As per Attendance List	
<b>IN ATTENDANCE</b>	: Ms. Chua Siew Chuan	- Company Secretary
	Ms. Zoe Yau Jye Yee	- Company Secretary
	Ms. Rachel Chong	- Assisting the Company Secretaries
	Mr. Branden Lim	- Assisting the Company Secretaries

### 1. OPENING REMARKS BY THE CHAIRMAN

**NOTED** YBhg. Tan Sri Datuk Amar (Dr.) Hamid bin Bugo (“**Tan Sri Chairman**”) was in the chair. Tan Sri Chairman welcomed all present to the live streaming of the 65<sup>th</sup> AGM of the Company.

Tan Sri Chairman informed all that keeping in mind the continuing safety and health of the shareholders of the Company, the Board of Directors has decided that the 65<sup>th</sup> AGM of the Company be held 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> (Domain Registration No. with MYNIC – D6A357657) provided by Boardroom Share Registrars Sdn. Bhd.

Tan Sri Chairman then introduced the Directors and the Company Secretary of the Company who joined the Meeting from their respective locations.

## **2. QUORUM**

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

Tan Sri Chairman informed the Meeting that the Company was using 13 July 2022 as the determinant date of the General Meeting Record of Depositors.

## **3. PROCEEDINGS OF THE MEETING**

**INFORMED** Ms. Chua Siew Chuan, the Company Secretary briefed that the Meeting would first be taken through each item of the Agenda and followed by the question-and-answer ("Q&A") session to respond to the questions transmitted by 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 in the Agenda through the text box below the live stream player within the same e-Portal page. Tan Sri 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 by the Company after the Meeting via email.

## **5. NOTICE**

**NOTED** The Notice convening the Meeting dated 31 May 2022 having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

## **6. VOTING PROCEDURES**

**INFORMED** Tan Sri Chairman informed all that voting for Meeting would be conducted by way of electronic polling, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Tan Sri Chairman further informed that there were shareholders who were unable to participate in the Meeting and had appointed him to vote on their behalf. Accordingly, Tan Sri Chairman would be voting in his capacity as proxy in accordance with the shareholders' instructions, where indicated.

Tan Sri 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.

Tan Sri 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.

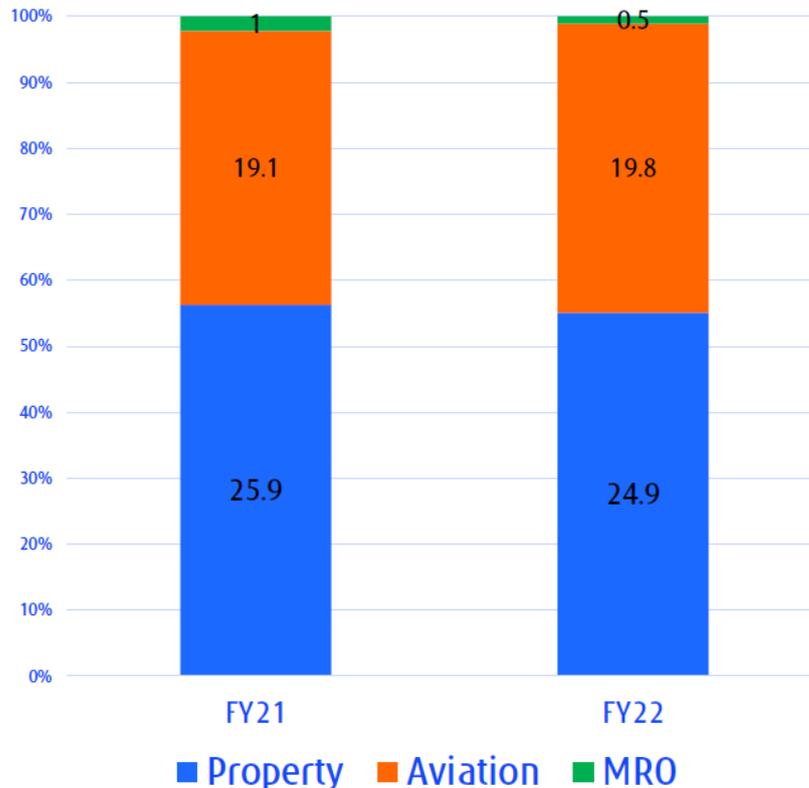
## 7. PRESENTATION BY THE MANAGEMENT

**BRIEFED AND INFORMED** Tan Sri Chairman invited the Head of Accounting and Taxation of the Company, Puan Amilia binti Sabtu ("**Puan Amilia**"), to give a presentation on the highlights of the financial and business performance of the Group.

Puan Amilia presented, and the Meeting noted the following presentation:-

### 1. Sapura Resources Berhad

#### Financial Highlights: SRB Group Revenue (RM'mil)

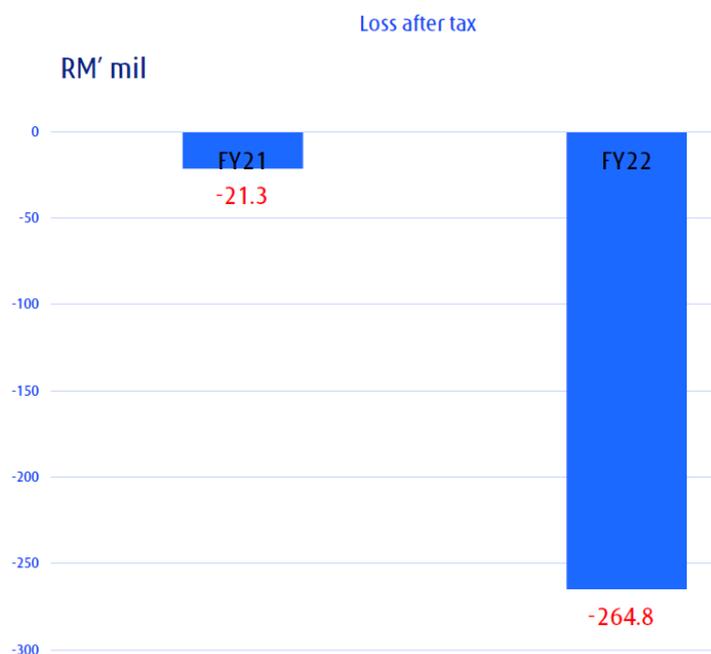


Financial Year ("**FY**") 2022 revenue reduced by RM0.8 million (2%) as compared to FY 2021 mainly due to:-

- (i) RM1.0 million reduction in Property Investment's revenue; and
- (ii) RM0.5 million reduction in Aircraft Maintenance Repair and Overhaul ("**MRO**") revenue.

The decrease is offset by the increase of RM0.7 million in Aviation's revenue.

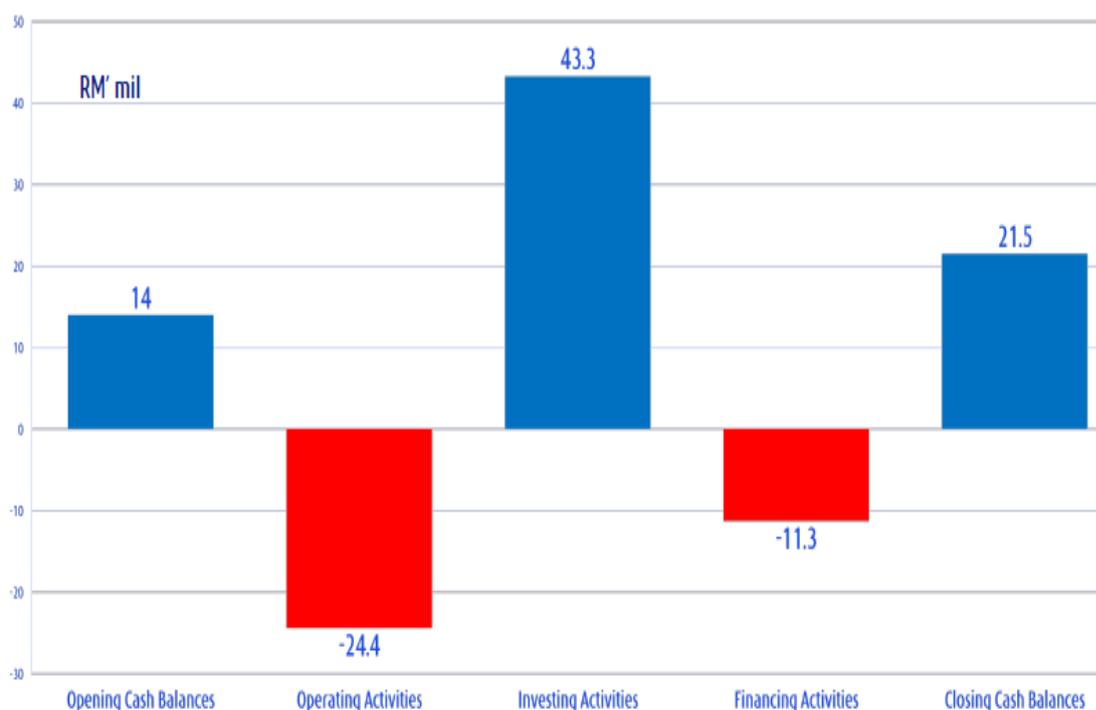
### Financial Highlights: SRB Group Loss After Tax (“LAT”) (RM’ mil)



LAT increased by RM243.5 million mainly due to:-

- (i) Impairment loss of non-current assets of RM186.2 million;
- (ii) Increase in share of losses in joint ventures by RM38.6 million; and
- (iii) Increase in finance costs by RM12 million.

### Financial Highlights: FY 2021 Cash Flow (Cash Balances)



## 2. Property Segment

As at 31 January 2022



Property Segment: Lot 91 Permata Sapura Tower KLCC

Development Completed

<b>Fact Sheet</b>	
CCC Date	19 March 2021
Height	255 meters
Number of Floors	52 Floors
Tenancy %	16%
Office Tower (45 floors)	638,000
Podium – Convention Centre	122,000
Podium – Retail (2.5 floors)	87,000
Basement car park (5 floors)	531
Total Net Lettable Area*	997,000

\*Approximate

Property Segment: Permata Sapura Office Lobby



Private Tenant Entrance



Tenant Lobby

## Property Segment: Permata Sapura Level 6 Sky Garden



### 3. Aviation Segment

Status as at January 2022



### 4. Commercial MRO Segment

- The Commercial MRO Segment has been discontinued due to the adverse impact arising from the COVID-19 pandemic.
- Refocus Group's resources to other revenue generating segments.

### 5. Recognition

- Kuala Lumpur International Logistic & Transportation Awards 2021

Tan Sri Chairman then invited Mr. Eng Soo Kam ("**Mr. Soo Kam**"), the Head of Corporate Planning and Treasury of the Company to present the Company's response to the letter received from the Minority Shareholders Watch Group ("**MSWG**") received on 13 July 2022.

Mr. Soo Kam then proceeded to read the letter from the MSWG and the Company's corresponding reply, details of which is attached to this Minutes as "**Appendix A**".

Upon completion, Tan Sri Chairman thanked Puan Amilia and Mr. Soo Kam for their presentation.

**8. AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022**

**NOTED** Tan Sri 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 2022.

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. Tan Sri Chairman then declared that the Audited Financial Statements of the Company for the financial year ended 31 January 2022 together with the Directors' and Auditors' Reports thereon be received.

**9. ORDINARY RESOLUTION 1  
– TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF RM531,931.50 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022**

**INFORMED** Tan Sri Chairman informed the Meeting that the next item on the Agenda is to approve the payment of Directors' fees amounting to RM531,931.50 for the financial year ended 31 January 2022.

**10. ORDINARY RESOLUTION 2  
– TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM67,500.00 FROM 21 JULY 2022 UNTIL THE DATE OF THE NEXT AGM OF THE COMPANY.**

**INFORMED** Tan Sri Chairman informed the Meeting that the third item on the Agenda is to approve the payment of Directors' benefits payable up to an amount of RM67,500.00 from 21 July 2022 until the date of the next AGM of the Company. The proposed benefits are comprised of meeting allowance only.

**11. ORDINARY RESOLUTIONS 3 & 4  
– 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**
- (b) MR. ANDREW HENG**

**INFORMED** Tan Sri Chairman informed that the next item on the Agenda is to re-elect the retiring Directors, namely Tan Sri Dato' Seri Shahril bin Shamsuddin and Mr. Andrew Heng pursuant to Clause 116 of the Company's Constitution and being eligible, had offered themselves for re-election.

The Meeting noted that Dato' Muthanna bin Abdullah who is also retiring pursuant to Clause 116 of the Company's Constitution had expressed his intention not to seek re-election, and that he would retain office until the close of the 65<sup>th</sup> AGM.

**12. ORDINARY RESOLUTION 5  
– 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** Tan Sri 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 6  
– AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016**

**INFORMED** Tan Sri Chairman informed that the next 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 Section 75 and 76 of the Companies Act 2016.

The Meeting noted that Bursa Malaysia Securities Berhad had allowed listed issuer to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad of not more than 20% of the total number of issued shares of the Company up to 31 December 2022 and thereafter 10% of the total number of issued shares (excluding treasury shares) for the general issue of new securities.

The proposed Ordinary Resolution is primarily to give flexibility to the Board to issue and allot 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 the abovementioned threshold of the total number of issued shares of the Company for the time being.

The Board having considered the current economic climate arising from the global Covid-19 pandemic and the future financial needs of the Group to sustain its business, are of the opinion that the General Mandate is in the best interest of the Company and its shareholders.

**14. SPECIAL RESOLUTION  
– PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

**INFORMED** Tan Sri Chairman informed that the next item on the Agenda is a special business for the approval of the Special Resolution in relation to the Proposed Amendments to the Constitution of the Company.

The Meeting noted that the Proposed Amendments to the Constitution of the Company will streamline the Company's Constitution with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and enhance administrative efficiency.

**15. 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.

**16. Q&A SESSION**

**INFORMED** Tan Sri Chairman informed that the Company has received some questions submitted by the shareholders before the AGM and Tan Sri Chairman will proceed to answer these Pre-AGM questions.

**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:**

Kindly consider other Service Providers for future Virtual Meetings due to the limitation of the system and service provided by Boardroom Share Registrars Sdn. Bhd.

**Response:**

The Board and Management took note of the suggestion and would consider looking into the list of Service Providers to host future Virtual Meetings of the Company.

**Question 2:**

Can the Company overcome the new interest rate imposed by Bank Malaysia? Would the new interest rate affect the Company's loan in future loan application?

**Response:**

Tan Sri Chairman responded that the overnight policy rate (OPR) is determined by Bank Negara Malaysia, and all loans in Malaysia will be affected by the increased interest rates.

**Question 3:**

The current business does not seem to perform well ever since the sale of its education business. How can the business of the Company be improved? Did the Directors request for higher director fees? The losses throughout the years have caused the net tangible asset of the Company to drop.

What is the Chairman's future plan for the years 2022 and 2023?

**Response:**

Tan Sri Chairman responded that the Directors have never requested for higher fees and that their fees have not been revised since 2016.

Tan Sri Chairman further informed that the Board's plans for years 2022 and 2023 will be to focus on increasing the occupancy rate of the Company's properties, as well as expanding the Company's business to include service-related offerings complimenting the Company's properties. The Aviation industry is also expected to pick up in 2022 with the normalisation of air travel post pandemic.

**Question 4:**

In view of the supply glut of office space in Klang valley, how confident is the Board that the space of Permata Sapura can be tenanted when the payment of borrowing starts to kick in from early 2024?

**Response:**

Tan Sri Chairman responded that the Board and Management are taking multiple measures to increase the occupancy rate at Permata Sapura. This combined with the post-Covid-19 economic recovery has resulted in the Board and Management seeing increased interest in the building. Nevertheless, the Board and Management will be closely monitoring the situation and will take active steps to mitigate future risks.

**Question 5:**

The Edge had reported that the Company is soliciting to sell Sapura@Mines. Why were the assets not classified as asset held-for-sale if the Company has the intention to sell?

**Response:**

Tan Sri Chairman responded that the Company has no intention to sell Sapura@Mines at that point in time. Therefore, there was no reason for the building to be classified as an asset held-for-sale.

**Question 6:**

The loss incurred by the Company during the year had wiped out the profits built over the past decades, including the gain from the disposal of the educational business. How would the Executive Directors ensure that the future business plans will allow the Company to get back to its footing?

**Response:**

Tan Sri Chairman responded that the substantial loss during the past year was mainly due to a one-off impairment of Permata Sapura, which was an effect of the current property climate and the pandemic.

The Management had and will continue to perform a thorough analysis on the Company's situation which will be reviewed and challenged by the Board before any informed and collective decision is made.

**Question 7:**

Why did the Board continue with the commercial MRO business during the crisis induced by Covid-19 and exit the said business when Malaysia stated to open its borders in April 2022?

**Response:**

Tan Sri Chairman responded that the decision to start the MRO business was made pre-Covid-19. When the Covid pandemic occurred, with no end in sight, the business was put into hibernation mode with minimal operational cost, similar to other aviation companies.

The Board had also explored multiple avenues to save the business, including exploring collaborations or partnerships with foreign aviation players. However, it did not materialize. This then led to the Board's decision to cease the business operations to avoid further losses and to reduce the cash flow risks to the group.

**Question 8:**

How would the Board ensure that the Company does not fall into bad financial situation?  
Does the Company have a secure order book for operation?

**Response:**

Tan Sri Chairman responded that the Board is closely monitoring the financial situation of the Company.

The orderbook within the nature of the Company's business includes fixed term tenancies of which had been secured for its properties and aircraft hangarage. The Management is continuously making efforts to increase the Company's occupancy rates in FY 2023.

**Question 9:**

Kindly consider giving e-vouchers, food vouchers or e-wallet to the loyal shareholders.

**Response:**

The Board take note of the request.

**Question 10:**

Kindly allow the shareholders to vote at the start of the Meeting.

**Response:**

On behalf of the Board, Tan Sri Chairman responded that the request has been noted and it has been implemented.

**INFORMED**

Tan Sri Chairman informed that the Company has received some questions submitted by the shareholders or proxies via text box during the AGM and Tan Sri Chairman informed that similar questions have been identified, grouped and combined in the interest of time. *(Published Questions and Answers)*

**Question 1:**

The Company generated a negative operating cash flow of RM24.432mil. What is the operating cash flow projection for 2022? If the cashflow trend continues, how long can the Company's operation be sustained with the limited cash available?

**Response:**

Tan Sri Chairman responded that Company acknowledged the cash flow situation and is looking into multiple options to improve the cash flow position.

**Question 2:**

The Company's last event was doing a durian festive at Mines. Any other upcoming to boost well-known of the Company or business growth event?

**Response:**

Tan Sri Chairman responded that there are plans to showcase the building further by organising entrepreneurship focused events and exhibitions.

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

**17. POLL VOTING**

**NOTED** At this juncture, the short video clip containing 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.

**19. ANNOUNCEMENT OF POLL RESULTS**

**ANNOUNCED** Tan Sri Chairman resumed the Meeting at 11:31 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	%	
<b>Ordinary Resolution 1</b> To approve the payment of Directors' fees of RM531,931.50 for the financial year ended 31 January 2022	72,774,852	97.8608	1,590,835	2.1392	Carried
<b>Ordinary Resolution 2</b> To approve the payment of Directors' benefits payable up to an amount of RM67,500.00 from 21 July 2022 until the date of the next AGM of the Company	72,776,721	97.8635	1,588,846	2.1365	Carried
<b>Ordinary Resolution 3</b> To re-elect Tan Sri Dato' Seri Shahril bin Shamsuddin who retires in accordance with Clause 116 of the Company's Constitution	72,990,275	97.9299	1,542,912	2.0701	Carried
<b>Ordinary Resolution 4</b> To re-elect Mr. Andrew Heng who retires in accordance with Clause 116 of the Company's Constitution	72,995,918	97.9375	1,537,269	2.0625	Carried
<b>Ordinary Resolution 5</b> To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM	72,999,266	97.9420	1,533,921	2.0580	Carried

and to authorize the Directors to fix their remuneration.					
<b>Ordinary Resolution 6</b> Authority for Directors to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016	72,935,654	97.8567	1,597,483	2.1433	Carried
<b>Special Resolution</b> Proposed Amendments to the Constitution of the Company	74,521,364	99.9843	11,723	0.0157	Carried

**INFORMED** Tan Sri Chairman then declared that the Ordinary Resolutions and the Special Resolution are all **CARRIED**.

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

**ORDINARY RESOLUTION 1**

- **TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF RM531,931.50 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022**

**"THAT** the payment of Directors' fees of RM531,931.50 for the financial year ended 31 January 2022, be and is hereby approved for payment."

**ORDINARY RESOLUTION 2**

- **TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM67,500.00 FROM 21 JULY 2022 UNTIL THE DATE OF THE NEXT AGM OF THE COMPANY.**

**"THAT** the payment of Directors' benefits payable up to an amount of RM67,500.00 from 21 July 2022 until the date of the next AGM of the Company, be and is hereby approved for payment."

**ORDINARY RESOLUTION 3**

- **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 4**

- **RE-ELECTION OF MR. ANDREW HENG WHO RETIRED IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION**

**"THAT,** Mr. Andrew Heng 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**

- **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 6**

- **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016**
- 

“**THAT** subject 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 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 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 twenty per centum (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad’s letter dated 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements hereinafter referred to as the (“**General Mandate**”);

**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 shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**SPECIAL RESOLUTION**

- **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**
- 

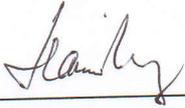
“**THAT** the proposed amendments to Clauses 91, 165 and 170 of the Company’s Constitution as annexed to the Notice of the Sixty-Fifth Annual General Meeting dated 31 May 2022 Appendix “A”, be and are hereby approved, with immediate effect.

**AND THAT**, the Directors of the Company be and are hereby authorised to assent to any conditions, variations, modifications and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendments, for and on behalf of the Company.”

**CLOSE OF MEETING**

There being no other business, Tan Sri Chairman concluded the Meeting and thanked all for participating in this Meeting. The Meeting ended at 11:35 a.m. with a vote of thanks to the Chair.

**CONFIRMED AS CORRECT,**



Chairman

Dated: 20 July 2022

## 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 downsizing exercise of an anchor tenant at Sapura@Mines has inevitably resulted in a reduction of the Group's tenanted office space which subsequently impacted the revenue.

The Group is diversifying its Sapura@Mines tenant base by targeting small and medium sized enterprises ("**SMEs**") to fill up the vacated space by the anchor tenant (Page 19 of Annual Report).

- a) Please name the anchor tenant that has downsized its office space.

**Response:**

The tenant is Sapura Energy Berhad.

- b) What is the current office space of the anchor tenant as compared to prior to the downsizing?

**Response:**

The anchor tenant is currently occupying approximately 188,000 square feet ("**sq ft**") of office space since 1 October 2021 as compared to 251,000 sq ft previously.

- c) What is the loss in rental income per annum from the anchor tenant as it downsized its office space?

**Response:**

The loss in rental income from the anchor tenant is approximately RM1.4 million in financial year ("**FY**") 2022 arising from the downsized office space.

- d) Has the Group been able to attract SMEs to fill up the vacated space by the anchor tenant? If yes, what is the size of the office space occupied by the SMEs.

**Response:**

Yes, currently approximately 7,500 sq ft of office space has been taken up by SMEs. Additionally, another 6,100 sq ft has been taken up by corporate sized entities.

- e) What is the current occupancy rate of Sapura@Mines as of June 2022 as compared to FY 2022?

**Response:**

The current occupancy at Sapura@Mines as of June 2022 is 75% as compared to average occupancy of 88% in FY 2022.

2) Permata Sapura, an investment property of the Group recorded an impairment loss of RM172.8 million, a drop of 35.7% from its initial cost of RM483.5 million (Page 129 of Annual Report).

a) What is the current occupancy rate of Permata Sapura as compared to FY 2022?

**Response:**

The current occupancy at Permata Sapura is 16% as compared to the average occupancy of 3% in FY 2022.

b) What are the measures taken by the Group to improve the occupancy rate of Permata Sapura?

**Response:**

The active measures taken to improve the occupancy rate are as follows:-

- (i) Engaging multiple property agents that are focused in Regional and Local office space rentals;
- (ii) Offering market relevant incentives to remain competitive in the office space supply glut; and
- (iii) Focused marketing targeted to specific customer segments seeking central Kuala Lumpur address.

c) How successful are the measures in terms of occupancy rate prior to and after implementing the measures to improve the occupancy rate of Permata Sapura?

**Response:**

We have seen improvement in the number of interests and site visits from prospective tenants since these measures have been implemented, which has resulted in the increased occupancy as compared to FY 2022.

3) The Group's equity interest in Tenaga Cable Industries Sdn. Bhd. ("TCISB") is 24% and it is able to exercise 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 board of directors.

TCISB recorded a higher revenue of RM320 million in FY 2022 as compared to RM225.8 million in FY 2021. Its operating profit however reduced significantly from RM4.2 million in FY 2021 to RM0.47 million in FY 2022 (Page 140 of Annual Report).

a) Please explain the reasons for the higher revenue and lower operating profit in FY 2022.

**Response:**

The higher revenue is due to the increase in demand from major customers. However, the increase in revenue is not in tandem with the escalating cost of various raw materials which resulted in the lower operating profit in FY 2022.

b) What is the outlook of TCISB in FY 2023?

**Response:**

The outlook for FY 2023 remains challenging due to the high costs of raw materials. However, TCISB is renegotiating its contracts with major customers in order to cushion the impact of the price increase of raw materials.

4) Impian Bebas Sdn. Bhd.'s ("IBSB") lenders have agreed, amongst others, to revise the predetermined rate of the Master Lease Agreement ("MLA"), and deferred the first repayment of the principal amount of 29 January 2024 (Page 112 of Annual Report).

a) Please disclose the latest changes to the MLA and the new tenure of the repayment of the loan.

**Response:**

The MLA rate was revised downwards from RM9.48 per sq ft to RM7.00 per sq ft. The new tenure of the repayment of the loan is until FY 2033.

b) What is the amount of the borrowings that has been deferred?

**Response:**

The amount of borrowing that has been deferred is approximately RM1.07 billion.

c) Has the Company paid IBSB for the unpaid cash calls of RM19 million? If no, what was the reason for the delay.

**Response:**

No, the Company is in the midst of reviewing the long term cashflow requirements of IBSB.

5) The Group's lease liabilities have increased to an amount of RM479.3 million in FY 2022 (Page 153 of Annual Report).

a) Please explain the reasons for the high increase in lease liabilities.

**Response:**

The increase in lease liabilities was due to the recognition of Permata Sapura's MLA per MFRS 16 in October 2021.

b) Please provide the type and amount of the Group's new lease liabilities incurred in FY 2022.

**Response:**

Type	Amount (RM'mil)
Permata Sapura (recognition of MLA)	473.6
Extension of rental by Aviation segment	5.7

- c) What are the ranges of interest rate change, from the lowest to the highest of the Group's new lease liabilities in FY 2022?

**Response:**

The range of interest rate for the Group's new lease liabilities are between 3.92% to 8%.