



**SAPURA RESOURCES BERHAD**  
**195701000235 (3136-D)**

**INVESTMENT POLICY**

<b>TITLE</b>	Investment Policy
<b>VERSION</b>	1.0
<b>APPLICABILITY</b>	Sapura Resources Berhad (“SRB”) and all its subsidiaries
<b>APPROVED BY</b>	Board of Directors of Sapura Resources Berhad
<b>APPROVAL DATE</b>	3 <sup>rd</sup> December, 2025
<b>EFFECTIVE DATE</b>	3 <sup>rd</sup> December, 2025
<b>POLICY SPONSOR</b>	Chief Strategy & Business Development Officer
<b>REGULATORY REQUIREMENTS</b>	None

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## 1 ABBREVIATIONS AND DEFINITIONS

Abbreviation	Meaning
GMC	: Group Management Committee
Key Senior Management	: Chief Financial Officer, Chief Corporate Officer, Chief Strategy & Business Development Officer
Board	: SRB's Board of Directors
Company	: Sapura Resources Berhad
SRB or the Group	: Sapura Resources Berhad and its subsidiaries (excluding joint-controlled entities and associate companies)
This Document	: Investment Policy

## 2 PURPOSE

This Policy is meant to establish a framework for managing investments undertaken by the Company, ensuring that investments are aligned with the Company's strategic goals, deliver sustainable value, and comply with all applicable laws and regulations.

It is meant to promote transparency, accountability, and prudent financial management.

Investments shall be pursued with a focus on strategic growth, market expansion, or operational synergies with the ultimate objective of increasing shareholder value.

## 3 INVESTMENT PRINCIPLES

The Company's mandate is to grow shareholder value in a long-term, sustainable manner, while adhering to the highest standards of environmental, social and governance (ESG) and ethical conduct

Therefore, all investment proposals for investment shall adhere to the following guiding principles:

- **Strategic Fit:** Investments shall support the Company's long-term vision and business strategy.
- **Financial Appraisal:** Investments shall meet or exceed internal benchmarks on return on capital. and should include financial modeling and sensitivity analysis.
- **Risk Management:** Comprehensive risk assessments shall be conducted, covering financial, operational, legal, environmental, social, and reputational risks.
- **Governance and Control:** Preference for majority ownership and control. Joint control arrangements are acceptable for strategic partnerships.
- **Regulatory Compliance:** All investments shall comply with Bursa Malaysia Main Market Listing Requirements, Capital Markets and Services Act (CMSA), Malaysian Code on Corporate Governance (MCCG), Companies Act and other relevant laws.

#### 4 SCOPE

In the context of this Policy, investments undertaken by the Company shall be defined as those in the following areas for which the approval of the Board is required per the Limits of Authority:

- **Strategic Investments:** Mergers, acquisitions, joint ventures or projects that align with the company's long-term vision and operational goals;
- **Financial Investments:** Equity, debt instruments, managed funds or other securities aimed at income generation or capital appreciation, including investment of surplus funds (other than fixed deposits and money-market funds);
- **Tangible and Intangible Assets:** Property, infrastructure, technology, intellectual property, or other resources that support sustainable growth, including high-value asset acquisitions and reinvestments; and
- **Divestments and exits** from existing investments.

#### 5 GOVERNANCE & APPROVAL STRUCTURE

The Chief Executive Officer is responsible for the implementation of the Investment Policy. Approval for investments shall be in accordance with the Limits of Authority as approved by the Board.

Investment decisions shall follow a structured governance process to ensure proper oversight and accountability. The Investment oversight structure is as follows:

ROLES	RESPONSIBILITIES
Board of Directors	<u>Approving Authority</u> <ul style="list-style-type: none"> <li>• Holds authority over investment decisions in accordance with the LoA</li> <li>• Ensures investments align with the company's strategic direction and long-term goals</li> <li>• Approves investment proposals recommended by Management (per the LoA)</li> <li>• Receives updates on post-investment performance</li> </ul>
Chief Executive Officer	<u>Proposer</u> <ul style="list-style-type: none"> <li>• Identifies potential investment opportunity for assessment by the Company</li> <li>• Evaluates, and if necessary, recommends successfully assessed opportunities to the Board for approval</li> <li>• Ensures all investment activities comply with the investment policy</li> </ul>
Key Senior Management (CFO, CCO, CSBDO)	<u>Review and Assessment</u> <ul style="list-style-type: none"> <li>• Reviews feasibility studies, financial models, and risk analyses of each investment proposal</li> <li>• Recommends successfully assessed opportunities to the CEO for recommendation to the Board</li> <li>• Oversees post-investment performance and strategic outcomes</li> <li>• Ensures compliance with regulatory frameworks and corporate governance standards</li> </ul>

ROLES	RESPONSIBILITIES
Chief Strategy & Business Development Officer	<p><u>Coordinator for Investment Opportunities</u></p> <ul style="list-style-type: none"> <li>• Coordinate assessment, execution and post-investment monitoring activities</li> <li>• Manages due diligence, financial modeling, and risk assessments</li> <li>• Preparation of feasibility study reports</li> </ul>

All records of deliberations and decisions are to be maintained to ensure traceability and compliance.

## 6 INVESTMENT PROCESS OVERVIEW

The investment process is a critical component of the Company’s strategic and financial management framework. It ensures that all investment decisions are made with a high degree of diligence, transparency, and accountability, in alignment with the Company’s long-term objectives and risk appetite.

This process is designed to provide a structured and disciplined approach to identifying, evaluating, executing, and monitoring investments.

By clearly defining each stage of the investment lifecycle—from opportunity identification to post-investment monitoring and eventual exit—this process enables the Company to:

- Maximize shareholder value through sound capital allocation;
- Mitigate financial, operational, and reputational risks;
- Ensure alignment with environmental, social, and governance (ESG) principles;
- Maintain compliance with Bursa Malaysia Main Market Listing Requirements, the Capital Markets and Services Act (CMSA), Companies Act and other applicable laws and regulations.

STAGE	OUTCOME(S)	RESPONSIBLE PARTY
Opportunity Identification	Defined investment opportunity, to a moderate degree of confidence of success  Recommendation for Initial Assessment	CEO
Initial Assessment	Investment opportunity refined to a good degree of confidence of success  Recommendation for Feasibility Study and Due Diligence	CSBDO
Feasibility Study and Due Diligence	Investment opportunity refined to a high degree of confidence of success, with thorough due-diligence on potential investments, including: <ul style="list-style-type: none"> <li>• Technical due diligence</li> <li>• Financial due diligence</li> <li>• Legal and regulatory due diligence</li> <li>• Review on potential risks and liabilities</li> </ul>	CSBDO

STAGE	OUTCOME(S)	RESPONSIBLE PARTY
	Recommendation for Investment Proposal	Key Senior Management
<b>Investment Proposal</b>	Full development of an investment proposal, detailing all aspects including the deal structure, rationale, funding options, investment appraisal, financial impact, risk assessment, ESG considerations and timeline.  Assessment and evaluation of investment proposal  Recommendation for Approval	CSBDO  CFO, CCO  CEO
<b>Approvals</b>	Approval for Investment	Board
<b>Investment Execution</b>	Operationalization of the Investment Proposal (Ranging from execution/implementation of small projects up to and including structuring, financing, agreements, regulatory approvals, stakeholder engagement for large investments)	Key Senior Management
<b>Post-Investment Monitoring</b>	Monitoring to ensure performance is in accordance with the Investment Proposal. Any deviations from the investment proposals are to be reported and managed	CEO
<b>Integration into SRB</b>	The Project Manager and Head of Business Division are to ensure the integration of the new Investment into SRB	CEO

The following are mandatory due-diligence processes for all proposed investments:

- **Financial due diligence**  
A comprehensive review of financial considerations, including financial models, audited statements, cash flow, debt exposure, and funding capacity.
- **Legal and regulatory due diligence**  
A comprehensive review of legal and regulatory requirements for the investment, including for partners their compliance history, contractual obligations, and exposure to litigation or regulatory sanctions. It also ensures compatibility with local laws, especially when SPVs or cross-border structures are involved.
- **Review on potential risks and liabilities**  
Identifies operational, reputational, environmental, and governance risks. For partners, this includes assessing the partner's track record, internal controls, and any contingent liabilities that may affect the investment's success.

Additionally, for partnerships, reviews should include the following key considerations:

- **Alignment of strategic objectives between partners**  
Ensures both parties are pursuing compatible goals. Misalignment can lead to disputes, inefficiencies, or premature termination. Strategic fit should be validated through scenario planning and stakeholder interviews.

- **Complimentary capabilities and resources**  
Partners should bring distinct but synergistic strengths—such as technical know-how, market access, or regulatory influence. This enhances the JV’s competitiveness and resilience.
- **Defined governance structure and decision-making protocols**  
Establishes clear rules for board composition, voting rights, reserved matters, and escalation procedures. Strong governance reduces ambiguity and supports agile decision-making.
- **Clear delineation of roles, responsibilities, and financial commitments**  
Each partner’s contributions—whether capital, personnel, or assets—must be documented. Operational roles should be assigned based on expertise, and financial obligations must be enforceable.
- **Inclusion of exit clauses and dispute resolution mechanisms**  
Provides a structured pathway for termination, buyouts, or restructuring. Clauses should cover triggers (e.g., deadlock, breach, change in control), valuation methods, and arbitration forums.
- **Corporate guarantees if partners use SPVs with limited financial capacity**  
When a partner operates through a special purpose vehicle, guarantees from the parent entity may be required to ensure financial backing and accountability.

All JV agreements shall be reviewed by the Legal and Secretarial Department and finally approved by the Board prior to execution.

This ensures compliance with internal governance standards, regulatory frameworks, and shareholder expectations. Legal review focuses on enforceability, risk mitigation, and alignment with corporate policies, while board approval confirms strategic fit and fiduciary oversight.

## 7 INVESTMENT THRESHOLDS

The Group Management Committee shall be given the discretion to decide on the investment proposals that shall be forwarded to the Board for consideration and approval. To assist with the decision-making, this Policy sets out investment thresholds as guides for decision-making.

These general guides are as follows:

METRIC	THRESHOLD VALUES
<b>Overall Financial Metrics</b>	
NPV	Positive NPV, discounted at Group’s prevailing weighted-average cost of capital
<b>Non-Financial Considerations</b>	
Risk Assessment	A comprehensive risk assessment on financial, operational, legal, reputational, environmental and social aspects shall be undertaken  All risks must have prevention and mitigation measures to ensure that the residual risk is at tolerable levels

## 8 EXIT & DIVESTMENT

Exits & Divestments can be triggered by a number of reasons, including:

- **Underperformance**  
When an investment consistently fails to meet its financial, operational, or strategic KPIs—such as low ROI, negative cash flow, or missed milestones—it may be deemed inefficient or unsustainable. This can erode shareholder value and divert resources from more promising ventures.
- **Strategic realignment**  
As corporate priorities evolve—such as entering new markets, pivoting business models, or consolidating operations—certain investments may no longer align with the company's long-term vision. Divestment allows reallocation of capital to core or high-growth areas.
- **Achievement of targets for divestment gains**  
If an investment has reached its target valuation or strategic milestone, divestment may be pursued to realize gains. This is common in private equity or venture capital settings where exit is part of the value creation cycle.
- **Market conditions**  
External factors such as economic downturns, regulatory shifts, or industry disruptions may prompt exits to mitigate risk or capitalize on favourable timing. For example, high valuations in a bullish market may present an opportune moment to divest.
- **Fundraising**  
Divestments may be used to generate liquidity for new ventures, reduce debt, or return capital to shareholders. This is especially relevant in capital-intensive industries or during strategic fundraising rounds.

Exit decisions shall follow the same process as that in making investment decisions.

## 9 POST-INVESTMENT MONITORING

Investment performance shall be monitored regularly to ensure alignment with strategic and financial objectives:

- Quarterly performance reports to GMC and the Board
- Annual portfolio reviews and strategic alignment assessments
- ESG impact reporting in line with IFRS and NSRF (National Sustainability Reporting Framework)
- Independent audits and compliance reviews (include as part of internal audit scheme)

Investments shall be tracked explicitly and independently during execution and for a defined period (to be specified during the investment process) after commencement of operations.

Thereafter, performance monitoring and reporting are to be integrated into the regular reporting schedules and schemes for the Group Management Committee and to the Board, as a routine matter and a normal part of business.

A report shall be compiled, with the intention of incorporating lessons learned:

- Immediately after the operationalization of the investment
- Prior to integration of reporting into the main business (after the defined period for explicit and independent monitoring)

Lessons learned shall be incorporated into this Investment Policy and its related procedures.

## 10 CONFLICTS OF INTEREST AND INVOLVEMENT OF RELATED PARTIES

All individuals involved in the investment process shall disclose any potential conflicts of interest and any related party. The affected individual shall make a formal declaration via the Company's established Conflict of Interest procedures as soon as they become aware of any conflicts.

Measures include:

- Declaration of interests prior to proposal review or as soon as individuals are aware of a conflict
- Recusal from decision-making where conflicts exist
- Compliance with Bursa Malaysia's Related Party Transaction (RPT) rules and the Company's RPT Policy
- Maintenance of a conflict-of-interest register
- Violations may result in disciplinary action and reporting to regulatory authorities.

— END —