

Minutes of the Sixty-Fourth Annual General Meeting (“64th AGM” or “the Meeting”)

Minutes of the 64th 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 Lumi AGM via its website at <https://web.lumiagm.com> provided by Boardroom Share Registrars Sdn. Bhd. Malaysia on Wednesday, 14 July 2021 at 10:00 a.m.

DIRECTORS	: 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	- Independent Non-Executive Director
	Encik Ahmad Jauhari bin Yahya	- Independent Non-Executive Director
	Mr. Andrew Heng	- Independent Non-Executive Director
MEMBERS	: As per Attendance List	
PROXY HOLDERS / CORPORATE REPRESENTATIVES	: As per Attendance List	
INVITEES	: As per Attendance List	
IN ATTENDANCE	: Encik Ismed Darwis Bahatiar	- External Auditor
	Ms. Chua Siew Chuan	- Company Secretary
	Ms. Zoe Yau Jye Yee	- Company Secretary
	Ms. Loo Chee Ying	- 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 64th AGM of the Company and called the Meeting to order at 10:00 a.m.

Tan Sri Chairman informed all that in line with the recent announcements made by the Prime Minister’s office on 28 May 2021 in relation to the implementation of Full Movement Control Order (“**FMCO**”) starting from 1 June 2021, which had been further extended to a later date and the revised Guidance Note and FAQs on the conduct of General Meetings for Listed Issuers issued by Securities Commission of Malaysia (“**SC**”), the Board of Directors (“**the Board**”) had decided that the 64th AGM be conducted on a fully virtual basis through live streaming and remote participation and voting facility hosted on Lumi AGM by Boardroom Share Registrars Sdn. Bhd.

Tan Sri Chairman then introduced the Directors, the Company Secretary, and the External Auditors of the Company.

2. QUORUM

The requisite quorum being present pursuant to Clause 94 of the Company's Constitution, Tan Sri Chairman declared the Meeting duly convened.

3. PROXIES

NOTED Based on the records given by the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd., the Company had received proxy forms from 41 shareholders representing 73,551,117 ordinary shares within the stipulated prescribed period of forty-eight (48) hours before the time fixed for convening the Meeting.

4. PROCEEDINGS OF THE MEETING

INFORMED Ms. Chua Siew Chuan, the Company Secretary informed that Tan Sri Chairman would take the Meeting through each item on the Agenda and followed by a questions and answers ("Q&A") session. Shareholders and proxies were advised to use the text box provided below the live stream player within the same e-Portal page to transmit their questions or remarks during the Meeting.

5. NOTICE

NOTED The Notice convening the Meeting dated 10 June 2021 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 poll, 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 and would continue to be accessible for an additional ten (10) minutes after all the questions transmitted during the Meeting have been dealt with.

Tan Sri Chairman informed that the Boardroom Share Registrars Sdn. Bhd. acted as the Poll Administrator and Boardroom Corporate Services Sdn. Bhd. was the Independent Scrutineers to verify the results of the electronic poll voting.

The Meeting was further informed that for Ordinary Resolution 6, shareholders' votes would be cast under the two-tier voting process pursuant to the Malaysian Code on Corporate Governance.

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

7. PRESENTATION BY THE CHIEF FINANCIAL OFFICER AND LETTER RECEIVED FROM THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)

BRIEFED AND INFORMED Tan Sri Chairman invited the Chief Financial Officer of the Company, Mr. Ivan Oh Boon Wee (“**Mr. Ivan**”), to give a presentation on the highlights of the financial and business performance of the Group followed by the Company’s response to a letter received from the MSWG on 6 July 2021.

Mr. Ivan presented, and the Meeting noted the following presentation:-

- Impact of Covid-19 pandemic on the Group’s businesses;
- The Group’s key financial highlights for the financial year ended 31 January 2021; and
- Overview of the Group’s business performance including property segment – Lot 91 Permata Sapura Tower KLCC, aviation segment, Maintenance and Repair Overhaul (“**MRO**”) segment – Sapura Technics Sdn. Bhd. (“**STSB**”) and lastly, Sale and MRO of MTU engines – MTU Power Systems Sdn. Bhd. (“**MPS**”).

Mr. Ivan 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 Mr. Ivan for his presentation.

8. AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE DIRECTORS’ AND AUDITORS’ REPORTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

NOTED Tan Sri Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements together with the Directors’ and Auditors’ reports for the financial year ended 31 January 2021.

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 2021 together with the Directors’ and Auditors’ Reports thereon be received.

**9. ORDINARY RESOLUTION 1
– TO APPROVE THE PAYMENT OF DIRECTORS’ FEES OF RM560,230.14 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021**

INFORMED Tan Sri Chairman informed the Meeting that the next item on the Agenda was to approve the payment of Directors’ fees amounting to RM560,230.14 for the financial year ended 31 January 2021 and that the interested Directors had abstained from voting.

**10. ORDINARY RESOLUTION 2
– TO APPROVE THE PAYMENT OF DIRECTORS’ BENEFITS PAYABLE UP TO AN AMOUNT OF RM63,000.00 FROM 15 JULY 2021 UNTIL THE DATE OF THE NEXT AGM OF THE COMPANY.**

INFORMED Tan Sri Chairman informed the Meeting that the third item on the Agenda was to approve the payment of Directors’ benefits payable up to an amount of RM63,000.00 from 15 July 2021 until the date of the next AGM of the Company.

**11. ORDINARY RESOLUTION 3 & 4
– RE-ELECTION OF THE FOLLOWING DIRECTORS WHO RETIRED IN ACCORDANCE WITH
CLAUSE 116 OF THE COMPANY’S CONSTITUTION:**

- (a) DATO’ SHAHRIMAN BIN SHAMSUDDIN**
- (b) ENCIK AHMAD JAUHARI BIN YAHYA**

INFORMED Tan Sri Chairman informed that the next item on the Agenda was to re-elect the retiring Directors, namely Dato’ Shahrman bin Shamsuddin and Encik Ahmad Jauhari bin Yahya pursuant to Clause 116 of the Company’s Constitution and being eligible, had offered themselves for re-election.

**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 was to re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize 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 were satisfied with their effectiveness and performance as Auditors of the Company.

SPECIAL BUSINESS

**13. ORDINARY RESOLUTION 6
– RETENTION OF DATO’ MUTHANNA BIN ABDULLAH AS INDEPENDENT NON-EXECUTIVE
DIRECTOR**

INFORMED Tan Sri Chairman informed that the next item on the Agenda was a special business to consider and approve the retention of Dato’ Muthanna bin Abdullah as an Independent Non-Executive Director.

The Meeting noted that Dato’ Muthanna bin Abdullah had served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 18 December 2008.

The Meeting further noted that the Board had vide the Board Nomination and Remuneration Committee conducted an annual performance evaluation and assessment of Dato’ Muthanna bin Abdullah as an Independent Non-Executive Director and recommended him to continue in office as an Independent Non-Executive Director through a two-tier voting process pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance.

**14. ORDINARY RESOLUTION 7
– RETENTION OF TAN SRI DATUK AMAR (DR.) HAMID BIN BUGO AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

INFORMED At this juncture, Tan Sri Chairman informed the Meeting that the next item on the Agenda was in relation to his retention as an Independent Non-Executive Director of the Company. He passed the Chairmanship to Tan Sri Dato’ Seri Shahril bin Shamsuddin to chair this segment of the Meeting.

Tan Sri Dato’ Seri Shahril bin Shamsuddin took over the Chairmanship and informed that Tan Sri Datuk Amar (Dr.) Hamid bin Bugo, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 25 August 2009.

The Meeting noted that the Board had vide the Board Nomination and Remuneration Committee conducted an annual performance evaluation and assessment of Tan Sri Datuk Amar (Dr.) Hamid bin Bugo as an Independent Non-Executive Director and recommended him to continue in office as an Independent Director.

NOTED At this juncture, Tan Sri Dato’ Seri Shahril bin Shamsuddin handed over the chairmanship to Tan Sri Chairman. Tan Sri Chairman thanked Tan Sri Dato’ Seri Shahril bin Shamsuddin for chairing this item of the Agenda.

**15. ORDINARY RESOLUTION 8
– 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 was 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 vide their letter dated 16 April 2020 allow 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 (excluding treasury shares) for the general issue of new securities.

The proposed Ordinary Resolution was 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 20% 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, were of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

16. ANY OTHER BUSINESS

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

17. Q&A SESSION

**ENQUIRED
AND
RESPONDED**

The salient enquiries and comments made by the shareholders as well as responses from the Board and Management were as follows:

Question 1:

What could be the plaintiff's motive on the material litigation involving an accident that happened in 2015 and a civil suit was subsequently filed five (5) years later in early 2020?

Will the above incident tarnish the newly set-up MRO division namely STSB since it has obtained the approval from Civil Aviation Authority of Malaysia (CAAM) to carry out commercial aircraft MRO business?

Response:

Mr. Ivan responded that Management do not know the motive of the plaintiff for the litigation. The incident had happened in 2016 and the civil suit was filed on 9 January 2020, which was within the six (6) years limitation period to sue for breach of contract. However, it will not tarnish the reputation of STSB as the incident was not related to the aforesaid company.

Question 2:

What is the revenue percentage breakdown for MPS in terms of its sales and services? What is the revenue in percentage contributed by recurring service contract?

Response:

Mr. Ivan responded that based on MPS' Audited Financial Statements as at 31 December 2020, the sales of engines & parts contributed about 85% of the total revenue whereas service contracts contributed about 15% of the total revenue in the form of ad-hoc corrective jobs and short-term contracts.

Question 3:

Based on the Management Discussion and Analysis on page 17 of the Annual Report, it is noted that MPS has remained on the offensive, securing the Royal Malaysian Navy's ("RMN") repowering contract bids. How many of such similar contracts are MPS expected to bid in the next three (3) years.

Which shipyard is MPS partnered with for the RMN project?

Response:

Mr. Ivan responded that repowering project for its fleet of vessels will be an ongoing exercise by RMN for the next three (3) years.

MPS partners with all shipyards that participate in the repowering projects.

Question 4:

What is the current progress in securing tenants for the office and retail space at Permata Sapura? Are SRB and its joint venture partner, namely KLCC (Holdings) Sdn. Bhd. negotiating with the financiers for the loan repayment due to the delay caused by the pandemic?

Response:

Mr. Ivan responded that the Company has managed to secure some tenants, whilst there are other tenants that are in the process of finalising the terms of the tenancy agreements. For the retail space, Impian Bebas Sdn. Bhd. (“IBSB”) will appoint a real estate agent to secure tenants and manage the operations of the retail space. IBSB has negotiated with the financiers since November 2020, and they have recently given a favourable reply. Both the joint venture parties are now finalising the terms with the financiers.

Question 5:

It is well noted the last financial year where the Company had recorded profit was in the year 2018. Given that the Group had recorded a revenue of RM46 million in 2021 (2020: RM50.2 million), what measures are in place to continue to reduce the cost of remuneration which stood relatively high at RM23.9 million (2020: RM26.1 million) if the financial performance does not improve over the next two (2) years?

Response:

Mr. Ivan responded that Management is continuously monitoring the Group’s financial position and will take necessary measures to improve the Company’s profitability and manage the costs.

Question 6:

Will the Company consider giving door gifts/e-vouchers/e-wallet to the shareholders/proxies who attended the live streaming of the 64th AGM?

Response:

Mr. Ivan responded that the Company has considered the shareholders’ request for door gift and agreed to provide the door gift in the form of ‘Touch-N-Go’ e-voucher.

Question 7:

What is the impact of Covid-19 on the Company’s operations?

Response:

Mr. Ivan responded that the question above was addressed in his earlier presentation on the impact of COVID-19 on the Group’s businesses. The aircraft MRO segment faced some difficulties to secure business as airlines were grounded due to the travel restriction and closure of borders. Whereas for property segment, tenants are requesting for a reduction in rental rates.

Question 8:

What is the economic outlook for the Company and shareholders for the next five (5) years?

Response:

Mr. Ivan responded that the Management believes that the aviation and real estate businesses are expected to recover to the pre-pandemic economic levels by the end of 2022.

Question 9:

The Board should consider paying a nominal dividend of 1.0 sen (equivalent to a total of approximately RM1.4 million) as a commensuration to the shareholders of the Company, an amount that is relatively meager as compared to the remuneration paid to the Directors of the Company.

Response:

On behalf of the Board, Tan Sri Chairman responded that the Board will consider the request accordingly.

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

18. 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 while the Company's corporate video was played for the viewing pleasure of all participants.

19. ANNOUNCEMENT OF POLL RESULTS

ANNOUNCED Tan Sri Chairman resumed the Meeting at 11:23 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	%	
Ordinary Resolution 1 To approve the payment of Directors' fees of RM560,230.14 for the financial year ended 31 January 2021	72,633,350	98.0162	1,470,079	1.9838	Carried

<p><u>Ordinary Resolution 2</u> To approve the payment of Directors' benefits payable up to an amount of RM63,000.00 from 15 July 2021 until the date of the next AGM of the Company</p>	74,046,952	99.9246	55,869	0.0754	Carried
<p><u>Ordinary Resolution 3</u> To re-elect Dato' Shahrizan bin Shamsuddin who retires in accordance with Clause 116 of the Company's Constitution</p>	72,761,645	98.0794	1,424,830	1.9206	Carried
<p><u>Ordinary Resolution 4</u> To re-elect Encik Ahmad Jauhari bin Yahya who retires in accordance with Clause 116 of the Company's Constitution</p>	72,762,701	98.0808	1,423,764	1.9192	Carried
<p><u>Ordinary Resolution 5</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>	74,177,494	99.9883	8,669	0.0117	Carried
<p><u>Ordinary Resolution 6 (Tier 1)</u> Retention of Dato' Muthanna bin Abdullah as an Independent Non-Executive Director</p>	72,456,022	100.000	0	0.000	Rejected
<p><u>Ordinary Resolution 6 (Tier 2)</u> Retention of Dato' Muthanna bin Abdullah as an Independent Non-Executive Director</p>	304,578	17.6246	1,423,567	82.3754	

Ordinary Resolution 7 Retention of Tan Sri Datuk Amar (Dr.) Hamid bin Bugo as an Independent Non-Executive Director	74,174,409	99.9869	9,754	0.0131	Carried
Ordinary Resolution 8 Authority for Directors to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016	72,690,367	97.9864	1,493,804	2.0136	Carried

INFORMED Tan Sri Chairman then declared that all the resolutions except for Ordinary Resolution 6, were **CARRIED**.

RESOLVED The Meeting **RESOLVED** that all the ordinary resolutions except for Ordinary Resolution 6 be and are hereby **APPROVED** as follows:-

ORDINARY RESOLUTION 1

- TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF RM560,230.14 FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021

"THAT the payment of Directors' fees of RM560,230.14 for the financial year ended 31 January 2021, be and is hereby approved for payment."

ORDINARY RESOLUTION 2

- TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE UP TO AN AMOUNT OF RM63,000.00 FROM 15 JULY 2021 UNTIL THE DATE OF THE NEXT AGM OF THE COMPANY.

"THAT the payment of Directors' benefits payable up to an amount of RM63,000.00 from 15 July 2021 until the date of the next AGM of the Company, be and is hereby approved for payment."

ORDINARY RESOLUTION 3

- RE-ELECTION OF DATO' SHAHRIMAN BIN SHAMSUDDIN WHO RETIRED IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION

"THAT Dato' Shahrman 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 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 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

- **RETENTION OF DATO’ MUTHANNA BIN ABDULLAH AS INDEPENDENT NON-EXECUTIVE DIRECTOR**
-

“**THAT** Dato’ Muthanna bin Abdullah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 18 December 2008, be and is hereby not to be retained as an Independent Non-Executive Director of the Company.”

ORDINARY RESOLUTION 7

- **RETENTION OF TAN SRI DATUK AMAR (DR.) HAMID BIN BUGO AS INDEPENDENT NON-EXECUTIVE DIRECTOR**
-

“**THAT** Tan Sri Datuk Amar (Dr.) Hamid bin Bugo, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 25 August 2009, be and is hereby retained as an Independent Non-Executive Director of the Company.”

ORDINARY RESOLUTION 8

- **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 2021 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad’s letter dated 16 April 2020 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.”

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 11:30 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT,

Chairman

Dated: 14 July 2021

Appendix A

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

Operational and Financial Matters

- 1) The Group currently owns three (3) investment properties under its portfolio as detailed below:
- 10-storey office building at Sapura@Mines with an NLA of 260,000 square feet.
 - Warehouses with an NLA of RM165,000 square feet at Jalan Tandang; and
 - Commercial showroom building with an NLA of 46,000 square feet at Jalan 219, Petaling Jaya (Page 14 of Annual Report).
- a) Please provide the latest occupancy rates for each of the building mentioned above as at April 2021.

Response:

	Occupancy as at 30 April 2021
Mines	98%
Jalan Tandang	100%
Jalan 219	100%

- b) What is the gross and net rental yield of each of the above commercial building?

Response:

	Mines	Tandang	219
Gross rental yield	16.4%	8.6%	7.3%
Net rental yield	9.6%	8.0%	6.2%

- 2) Lot 91 KLCC, the commercial space, known as Permata Sapura recorded a loss of RM2.1 million in FY2021 (Page 16 of Annual Report)

- a) What was the reason for the loss?

Response:

The loss was mainly related to the operations of the Convention Centre as a result of the lack of events during the pandemic.

- b) When is Permata Sapura expected to record a profit?

Response:

Impian Bebas Sdn. Bhd. (the owner of Permata Sapura) is expected to record profit in 2024, subject to the recovery from COVID-19 pandemic.

c) What is the latest occupancy rate of Permata Sapura?

Response:

As of July 2021, occupancy rate is still zero as vacant possession has not been handed over.

3) MTU Power Systems Sdn. Bhd. (“MPS”) has won the Royal Malaysian Navy’s (“RMN”) repowering contract, and this will provide a new source of revenue for the Group going forward. (Page 15 of Annual Report).

a) What is the contract value and the duration of the contract?

Response:

Value of repowering contracts won is approximately RM30 million. expected deliveries are within one (1) year from the date of awards.

b) How will the Maintenance, Repair and Overhaul (“MRO”) segment perform in FY2022 with the win of the RMN’s repowering contract?

Response:

The contribution from the contracts is marginal and hence, SRB’s share of MPS results for FY2022 is not expected to be significant.

Please note that MPS is a joint-controlled entity and will not be consolidated in SRB’s group results, hence MPS’s results is not included in the segment reporting. SRB will only account for its share of MPS’s results for the year.

c) Is there any new contract secured by MRO in FY2022? If yes, please name them.

Response:

No other significant contract secured to date.

4) Sapura Technics Sdn. Bhd. (“STSB”), a ninety-five percent (95%) subsidiary of the Group recorded a revenue and a comprehensive loss of RM1.0 million and RM15.8 million respectively in FY2021 (Page 132 of Annual Report).

a) Please explain the reasons for the high comprehensive loss in FY2021.

Response:

The approval from the Civil Aviation Authority of Malaysia (“CAAM”) was received in February 2020 just before the Covid-19 was declared a pandemic and the Government began to impose the Movement Control Order in March 2020.

Since then, STSB was unable to secure any aircraft maintenance work due to limited airline traffic and therefore significantly reduced aircraft maintenance during the pandemic. However, STSB continued to incur operation cost to maintain the CAAM approval.

- b) What is the financial outlook of STSB in FY2022?

Response:

STSB's performance will continue to be challenging because the industry's recovery from the Covid-19 pandemic (i.e., global border closure and travel restriction) is still uncertain at this point of time.

As such, STSB is expected to continue to record a loss in FY2022.

In the meantime, Management is continuously monitoring the effect of Covid-19 on the MRO business and also the overall industry.

- c) What are the measures taken by the Group to improve STSB's financial performance in the coming future?

Response:

The group has scaled down the operations of STSB in order to reduce operational cost whilst simultaneously seeking for alternative source of income or funds to support STSB's operations during this difficult time.

- 5) The Group has an Unpaid Cash Call amounting to RM29.6 million, owing to a joint venture which eventually will be converted into share capital of the joint venture once payment is made (Page 134 of Annual Report)

- a) Why was the Group unable to pay the Cash Call as required by Impian Bebas Sdn. Bhd. (IBSB), the joint venture company with KLCC (Holdings) Sdn. Bhd.?

Response:

Significant portion of the cash call was made in December 2020 and SRB needed the time to mobilise its funds. In addition, IBSB was in the midst of negotiating the terms with its lender.

- b) When is the Group expected to pay the Cash Call of RM29.6 million?

Response:

As of to-date, SRB has paid the full amount.

Corporate Governance Matters

- 1) The Group reported three (3) years of losses attributable to equity shareholders amounting RM6.1 million (FY2019), RM25.1 million (FY2020) and RM20.5 million (FY2021) due to the difficult and challenging operating environment as well as brought by Covid-19 pandemic.

Notwithstanding that, Dato' Shahrman bin Shamsuddin, the Managing Director ("MD") was paid higher other emoluments amounting to RM2,178,196 in FY2021 as compared to RM435,670 in FY2019.

- a) Why was the MD paid much higher emoluments in FY2021 since the Group has been recording losses for the past three (3) financial years?

Response:

The amount described as “other emoluments” of RM2,178,196 for FY2021 as stated in the Corporate Governance report dated 10 June 2021 is incorrect. The actual amount is RM362,896 which is lower than the amount for FY2020 (RM435,670) and FY2019 (RM508,496) as reflected in the table below. The amended Corporate Governance report has been updated to Bursa Malaysia on 9 July 2021.

RM'	Fees	Salary	Allowance	BIK	Other Emoluments	Total
FY21	59,000	1,560,000	255,300	7,523	362,896	2,244,719
FY20	59,000	1,560,000	254,600	7,502	435,670	2,316,772
FY19	59,000	1,560,000	255,300	7,502	508,496	2,390,298

- b) What are the components of other emoluments in FYs 2021 and 2020?

Response:

Other emoluments consist of EPF contribution, Leave Pay and Bonus.

RM	Other Emoluments			Total
	EPF	Leave Pay	Bonus	
FY21	232,896	130,000	-	362,896
FY20	240,670	130,000	65,000	435,670