

SAPURA RESOURCES BERHAD (“SRB”)
[Registration No. 195701000235 (3136-D)]
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTY-FOURTH ANNUAL GENERAL MEETING (“64th AGM”) OF 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](https://web.lumiagm.com) PROVIDED BY BOARDROOM SHARE REGISTRARS SDN. BHD., MALAYSIA ON WEDNESDAY, 14 JULY 2021 AT 10:00 A.M.

CHAIRMAN

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.

QUORUM

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

PROCEEDINGS OF THE MEETING

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.

NOTICE

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.

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

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 corresponding reply 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

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- 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. 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 herewith as “Appendix A”.

QUESTIONS & ANSWERS SESSION

The following are the key questions that were raised from the livestreaming participants, which were adequately responded and addressed by the Management and the Board:-

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 Maintenance, Repair and Overhaul (“MRO”) division namely Sapura Technics Sdn. Bhd. (“STSB”) since it has obtained the approval from the Civil Aviation Authority of Malaysia (CAAM) to carry out commercial aircraft MRO business?

Reply by Mr. Ivan:

The 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.

2. **What is the revenue percentage breakdown for MTU Power Systems Sdn. Bhd. (“MPS”)? What is the revenue in percentage contributed by recurring service contract?**

Reply by Mr. Ivan:

Based on MPS’s 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.

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?

Reply by Mr. Ivan:

The 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.

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- 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?**

Reply by Mr. Ivan:

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.

- 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?**

Reply by Mr. Ivan:

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

- 6. Will the Company consider giving door gifts/e-vouchers/e-wallet to the shareholders/proxies who attended the livestreaming of the 64th AGM?**

Reply by Mr. Ivan:

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

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

Reply by Mr. Ivan:

The question above was addressed in Mr. Ivan’s earlier presentation on the impact of Covid-19 on the Group’s business. 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.

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

Reply by Mr. Ivan:

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.

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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.**

Reply by Tan Sri Chairman:

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

After dealing with all items on the Agenda, the resolutions set out in the Notice of 64th AGM dated 10 June 2021 were put to vote by way of poll.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11:23 a.m. after the verification of poll results by the Scrutineer. The results of the poll as follows was 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 RM560,230.14 for the financial year ended 31 January 2021	72,633,350	98.0162	1,470,079	1.9838	Carried
<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	74,046,952	99.9246	55,869	0.0754	Carried
<u>Ordinary Resolution 3</u> To re-elect Dato’ Shahrman bin Shamsuddin who retires in accordance with Clause 116 of the Company’s Constitution	72,761,645	98.0794	1,424,830	1.9206	Carried
<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	72,762,701	98.0808	1,423,764	1.9192	Carried

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Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 5 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.	74,177,494	99.9883	8,669	0.0117	Carried
Ordinary Resolution 6 (Tier 1) Retention of Dato’ Muthanna bin Abdullah as an Independent Non-Executive Director	72,456,022	100.000	0	0.000	Rejected
Ordinary Resolution 6 (Tier 2) Retention of Dato’ Muthanna bin Abdullah as an Independent Non-Executive Director	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

CLOSE OF MEETING

There being no other business, Tan Sri Chairman concluded the Meeting at 11:30 a.m. and thanked all for participating in this Meeting.