

SAPURA RESOURCES BERHAD

(Company No. 3136-D)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE MULTI-PURPOSE HALL, GROUND FLOOR, SAPURA@MINES, NO. 7 JALAN TASIK, THE MINES RESORT CITY, 43300 SERI KEMBANGAN, SELANGOR DARUL EHSAN ON TUESDAY, 24 JULY 2018 AT 10:00 A.M.

ATTENDEES

- 1) All members of the Board of Directors
- 2) Company Secretaries
- 3) Representatives from Messrs. Ernst & Young, the external auditors
- 4) Shareholders/ Proxies/ Authorised Representative/ Invitees and others as per attendance list

CHAIRMAN

YBhg. Tan Sri Datuk Amar (Dr.) Hamid bin Bugo ("**Tan Sri Chairman**"), the Chairman of the Meeting welcomed all shareholders/ proxy holders/ invitees present at the Sixty-First Annual General Meeting ("**61st AGM**") of the Company. The Chairman introduced the members of the Board and Company Secretary at the head table to all present.

QUORUM

The presence of quorum was confirmed by the Company Secretary pursuant to Article 64 of the Company's Articles of Association.

PROXIES

The Company Secretary reported that the Company had received proxy forms from 583 shareholders representing 3,118,949 ordinary shares within the stipulated prescribed period of 48 hours before the time fixed for convening the Meeting.

NOTICE

The Notice convening the Meeting dated 31 May 2018 having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

POLL VOTING

All the resolutions as set out in the Notice of the 61st AGM dated 31 May 2018 were conducted by way of poll. The Share Registrar of the Company, Symphony Share Registrars Sdn. Bhd., acted as the Poll Administrator and Symphony Corporatehouse Sdn. Bhd., appointed as the Independent Scrutineers to verify and confirm the results of the poll.

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(Summary of Key Matters Discussed at the Sixty-First Annual General Meeting held on 24 July 2018 - cont'd)

SUMMARY OF KEY MATTERS DISCUSSED AT THE 61ST AGM

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

1. What is the outlook of the future plans of the Company?

Reply by YH. Dato' Shahrizan bin Shamsuddin ("**Dato' Shahrizan**"), Managing Director:

The Company currently has a joint-venture investment with KLCC Holdings Sdn. Bhd. which is expected to be completed in 2020. The whole development of the property holds a 1.2 million square feet which would be occupied with retail and office space as well as extension of a convention center. The podium construction is expected to be ready by June 2019. He further added that despite the property market remains in the doldrums, the Company is continually working with its partner in reviewing the said project. On the aviation business sector, the Company is expecting the said segment to grow and produce positive results in the near future.

2. How were the profit distribution from short term investment derived as stated on page 95 of the Annual Report?

Reply by Puan Rosenah binti Mohd Hassan ("**Puan Rosenah**"), Chief Corporate Officer:

The profits distribution from short term investment were derived from the Shariah-compliant investments.

3. Can the Company clarify on the four (4) items of expenses incurred for other services as stated on page 94 of the Annual Report?

Reply by Puan Rosenah:

The tax fees incurred were for the purpose of annual tax annual filings, tax advisory services were related to the valuation of the projects of the Company, assurance related services were to review and verify the Statement of Risk Management and Internal Control for the annual report whereas the advisory services were to evaluate the investment in Tenaga Cable Industries Sdn. Bhd., an associate company of SRB.

4. What is your explanation on the nature of transactions and the related parties for the amount due from directors' related companies under the trade receivables on page 115 of the Annual Report?

Reply by Puan Rosenah:

The amount due from directors' related companies was arose under the normal course of business in respect of the aviation management services provided to Directors' related companies. The related parties' transactions were entered into on normal commercial terms and on terms which were not more favorable to the transacting parties than those generally available to the third parties dealing at arms' length.

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5. Are the Directors of the dormant subsidiary companies paid with remuneration?

Reply by Puan Rosenah:

The subsidiary companies' directors do not receive any directors' fees as they are employees of the Company.

6. Can the Company comment on the letters mailed to the Board of Directors that were not responded accordingly?

Reply by Tan Sri Chairman:

All letters from the stakeholders could be sent to the Senior Independent Non-Executive Director at the email address stated in the Annual Report of the Company.

7. WCT Holdings Bhd has acquired a stake in Subang Skypark Sdn. Bhd., i.e. the operator of the Skypark Terminal (formerly Terminal 3) of the Sultan Abdul Aziz Shah Airport in Subang, Selangor. Will this acquisition affect the Company's business in the Subang airport?

Reply by Dato' Shahrman:

The change in shareholder of Subang Skypark Sdn. Bhd. should have no effect to the Group's business in Subang airport as the Group has secured a long-terms lease of 30 years with the landlord.

8. What are the competencies that the Company possess by setting up an aviation-based subsidiary in Singapore given that the business environment in Singapore is more efficient compared to Malaysia?

Reply by Dato' Shahrman:

The setting up of a new wholly-owned subsidiary in Singapore was for the purpose of entering into a bid to penetrate into the aviation services in Singapore. However, the bidding was not successful and the subsidiary in Singapore is dormant at present.

9. With respect to the Company's corporate governance matter, what is the Company's explanation on the remuneration of directors that were not stated clearly on page 97 of the Annual Report?

Reply by Puan Rosenah:

The detailed disclosure on named basis for the remuneration of individual directors was distinctly stated on page 34 of the Corporate Governance Report which is available on the Company's website.

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10. Do the External Auditors, Messrs. Ernst & Young ("EY") provide constructive suggestions to the Directors?

Reply by both Tan Sri Chairman and Encik Ismed Darwis bin Bahatlar ("Encik Ismed"), External Auditor from EY:

The Board Audit Committee engages with the External Auditors during the Board Audit Committee's meetings as well as having private sessions with the External Auditors without the presence of the Management.

The responsibilities of the External Auditors for the audit of the financial statements are to provide their opinion on the Audited Financial Statements of the Company whether they give a true and fair view of the financial position of the Group and of the Company, in accordance with the relevant financial reporting standards and the requirements of the Companies Act 2016. In the discharge of the responsibilities, the External Auditors also made suggestions and comments to the Board Audit Committee for the improvement of the Group's processes and internal control.

11. With respect to the services rendered by EY, what is the amount of the Goods and Service Tax ("GST") refund and the time limit required for the said refund?

Reply by Encik Ismed:

The services rendered by EY were merely GST advisory for GST purposes such as setting up a GST compliance framework within the group. The External Auditors do not intervene in the GST refund.

12. What is the amount of capital to be injected in the subsidiary in Singapore?

Reply by Puan Rosenah:

There is no specific allocation for the amount of capital to be injected in the subsidiary in Singapore and the Company would only look into this matter as and when the need arises.

13. What is the method adopted to conduct the impairment test for the impairment loss of RM7,495,000 for the financial year ended 31 January 2018 as shown on page 64 of the Annual Report?

Reply by Encik Ismed:

The detailed explanation on the impairment loss was disclosed under Note 11(c) of page 103 of the Annual Report.

Under MFRS 136, there are 2 methods that need to be considered to carry out the impairment test. First, the Management could estimate the future cash inflows and outflows to be derived from continuing use of the properties and from its ultimate disposal; and applying the appropriate discount rate to these future cash flows. Secondly, to engage an independent valuer to estimate the fair value of the properties.

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The SRB Group had adopted the second method and based on the impairment test performed, the recoverable amount of the properties is estimated to be RM25,985,000 resulting in an impairment loss of RM7,495,000 for the financial year ended 31 January 2018.

APPROVAL OF RESOLUTIONS

The Meeting resolved and approved the following resolutions at the meeting by way of poll votes:-

Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Ordinary Resolution 1</u> Re-election of Dato' Shahrman bin Shamsuddin as a Director pursuant to Article 88 of the Company's Article of Association	72,846,131	99.9645	25,859	0.0355	Carried
<u>Ordinary Resolution 2</u> Re-election of Encik Ahmad Jauhari bin Yahya as a Director pursuant to Article 88 of the Company's Article of Association	72,846,131	99.9645	25,859	0.0035	Carried
<u>Ordinary Resolution 3</u> Re-appointment of Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration	72,851,721	99.9722	20,268	0.0278	Carried
<u>Ordinary Resolution 4</u> Payment of Directors' Fees of RM616,583.50 for the financial year ended 31 January 2018	72,762,881	99.9645	33,879	0.0465	Carried

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Resolutions	Voted in Favour		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Ordinary Resolution 5</u> Payment of Directors' Benefits Payable of RM62,570.00.00 from 25 July 2018 until the next Annual General Meeting	72,754,861	99.9535	33,879	0.0465	Carried
<u>Ordinary Resolution 6</u> Retention of Dato' Muthanna bin Abdullah as an Independent Director of the Company	72,846,131	99.9645	25,859	0.0355	Carried
<u>Ordinary Resolution 7</u> Retention of Tan Sri Datuk Amar (Dr.) Hamid bin Bugo as an Independent Director of the Company	72,846,131	99.9645	25,859	0.0355	Carried
<u>Ordinary Resolution 8</u> Retention of Dato' Fuziah @ Fauziah binti Dato' Ismail as an Independent Director of the Company	72,846,131	99.9645	25,859	0.0355	Carried
<u>Ordinary Resolution 9</u> Authority for Directors to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	72,846,131	99.9645	25,859	0.0355	Carried

The results of the poll were validated by Symphony Corporatehouse Sdn. Bhd., the Independent Scrutineers appointed by the Company.

TERMINATION

There being no other business to be transacted, Tan Sri Chairman concluded the Meeting at 11:40 a.m. and thanked all present for their attendance.