

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2024

THE FIGURES HAVE NOT BEEN AUDITED

I. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2024 RM'000	Preceding year corresponding quarter 30/04/2023 RM'000	Three months to 30/04/2024 RM'000	Three months to 30/04/2023 RM'000
Revenue	1,176,416	951,726	1,176,416	951,726
Other operating income	13,715	9,367	13,715	9,367
Operating expenses	(990,039)	(847,212)	(990,039)	(847,212)
Operating profit	200,092	113,881	200,092	113,881
Depreciation and amortisation	(101,017)	(95,019)	(101,017)	(95,019)
Finance income	8,685	4,270	8,685	4,270
Finance costs	(204,654)	(185,083)	(204,654)	(185,083)
Loss on liquidation of a subsidiary	(117,760)	-	(117,760)	-
Gain on disposal of an associate	8,523	-	8,523	-
Net gain on disposal of property, plant and equipment	3,832	-	3,832	-
Net foreign exchange gain	52,417	217,618	52,417	217,618
Share of profit from associates and joint ventures	125,529	117,805	125,529	117,805
(Loss)/profit before taxation	(24,353)	173,472	(24,353)	173,472
Taxation	(28,250)	(29,580)	(28,250)	(29,580)
(Loss)/profit after taxation	(52,603)	143,892	(52,603)	143,892
Attributable to:				
Owners of the Parent	82,128	146,086	82,128	146,086
Non-controlling interests	(134,731)	(2,194)	(134,731)	(2,194)
	(52,603)	143,892	(52,603)	143,892
Earnings per share (sen)				
- Basic	0.45	0.91	0.45	0.91
- Diluted	0.45	0.94	0.45	0.94

The condensed consolidated statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2024

THE FIGURES HAVE NOT BEEN AUDITED

II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	30/04/2024	30/04/2023	30/04/2024	30/04/2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit after taxation	(52,603)	143,892	(52,603)	143,892
Other comprehensive loss:				
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Foreign currency translation differences	(31,673)	(801,924)	(31,673)	(801,924)
Share of other comprehensive (loss)/income of associates and joint ventures:				
- Foreign currency translation differences	(29,280)	210,696	(29,280)	210,696
Total comprehensive loss	<u>(113,556)</u>	<u>(447,336)</u>	<u>(113,556)</u>	<u>(447,336)</u>
Attributable to:				
Owners of the Parent	22,809	(444,334)	22,809	(444,334)
Non-controlling interests	<u>(136,365)</u>	<u>(3,002)</u>	<u>(136,365)</u>	<u>(3,002)</u>
Total comprehensive loss	<u>(113,556)</u>	<u>(447,336)</u>	<u>(113,556)</u>	<u>(447,336)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2024

THE FIGURES HAVE NOT BEEN AUDITED

III. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As at end of current financial period 30/04/2024 RM'000	AUDITED As at end of preceding financial year 31/01/2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,339,363	5,348,014
Intangible assets	242,025	242,491
Investment in associates	21,110	1,878,854
Investment in joint ventures	2,641,923	2,740,233
Deferred tax assets	128,620	116,427
Trade and other receivables	77,311	54,955
Deferred mobilisation cost	28,743	33,979
	<u>8,479,095</u>	<u>10,414,953</u>
Current assets		
Inventories	439,210	431,718
Trade and other receivables	1,253,506	1,092,350
Deferred mobilisation cost	77,291	54,302
Contract assets	442,172	462,530
Tax recoverable	86,948	80,083
Cash, deposits and bank balances	1,583,873	1,453,506
	<u>3,883,000</u>	<u>3,574,489</u>
Non-current asset classified as held for sale	1,918,823	6,447
	<u>5,801,823</u>	<u>3,580,936</u>
TOTAL ASSETS	<u>14,280,918</u>	<u>13,995,889</u>
EQUITY AND LIABILITIES		
(Deficit in shareholders' funds)/		
Equity attributable to equity holders of the Company		
Share capital	11,854,791	11,854,791
Warrants reserve	109,110	109,110
Other reserves	1,107,179	1,166,498
Accumulated losses	(17,231,129)	(17,313,257)
	<u>(4,160,049)</u>	<u>(4,182,858)</u>
Non-controlling interests	<u>(174,587)</u>	<u>(38,222)</u>
Shareholders' deficit	<u>(4,334,636)</u>	<u>(4,221,080)</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2024

THE FIGURES HAVE NOT BEEN AUDITED

III. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D.)

	UNAUDITED As at end of current financial period 30/04/2024 RM'000	AUDITED As at end of preceding financial year 31/01/2024 RM'000
Non-current liabilities		
Trade and other payables	20,673	20,571
Contract liabilities	16,352	19,160
Lease liabilities	11,321	15,028
Deferred tax liabilities	57,829	52,656
	<u>106,175</u>	<u>107,415</u>
Current liabilities		
Borrowings	11,021,309	10,982,446
Trade and other payables	5,849,954	5,511,426
Contract liabilities	718,889	667,301
Lease liabilities	23,232	24,418
Provisions	751,812	787,384
Provision for tax	144,183	136,579
	<u>18,509,379</u>	<u>18,109,554</u>
TOTAL LIABILITIES	<u>18,615,554</u>	<u>18,216,969</u>
TOTAL EQUITY AND LIABILITIES	<u>14,280,918</u>	<u>13,995,889</u>
Net liabilities per share (RM)	<u>(0.23)</u>	<u>(0.23)</u>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2024

THE FIGURES HAVE NOT BEEN AUDITED

IV. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent					Non-controlling interests	Shareholders' deficit	
	<-----Non-distributable----->			Distributable				
	Share capital RM'000	Islamic redeemable convertible preference shares ("RCPS-i") RM'000	Warrants reserve RM'000	Other reserves RM'000	Accumulated losses RM'000			Total RM'000
Three months to 30 April 2024 (Unaudited)								
At 1 February 2024	11,854,791	-	109,110	1,166,498	(17,313,257)	(4,182,858)	(38,222)	(4,221,080)
Total comprehensive (loss)/income	-	-	-	(59,319)	82,128	22,809	(136,365)	(113,556)
At 30 April 2024	11,854,791	-	109,110	1,107,179	(17,231,129)	(4,160,049)	(174,587)	(4,334,636)
Three months to 30 April 2023 (Unaudited)								
At 1 February 2023	10,872,078	982,713	109,110	1,970,284	(16,813,275)	(2,879,090)	(26,632)	(2,905,722)
Total comprehensive (loss)/income	-	-	-	(590,420)	146,086	(444,334)	(3,002)	(447,336)
At 30 April 2023	10,872,078	982,713	109,110	1,379,864	(16,667,189)	(3,323,424)	(29,634)	(3,353,058)

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2024

THE FIGURES HAVE NOT BEEN AUDITED

V. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED Three months to 30/04/2024 RM'000	UNAUDITED Three months to 30/04/2023 RM'000
Cash flows from operating activities		
(Loss)/profit before taxation	(24,353)	173,472
Adjustments	(59,831)	53,826
Cash (used in)/generated before working capital changes	(84,184)	227,298
Changes in working capital	159,131	(157,335)
Cash generated from operations	74,947	69,963
Taxes paid	(16,891)	(15,537)
Net cash generated from operating activities	58,056	54,426
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,238)	(43,217)
Proceeds from disposal of property, plant and equipment	3,339	-
Repayment from a joint venture	109,223	-
Dividend received from a joint venture	-	6,747
Other items	8,685	1,793
Net cash generated/(used in) from investing activities	74,009	(34,677)
Cash flows from financing activities		
Finance costs paid	(5,083)	(25,166)
Placement of cash pledged (restricted)	(49,009)	(13,677)
Net repayment of borrowings	(1,242)	(16,609)
Net repayment of lease liabilities	(9,672)	(7,947)
Net cash used in from financing activities	(65,006)	(63,399)
Net increase/(decrease) in cash and cash equivalents	67,059	(43,650)
Effect of exchange rate translation	14,299	20,034
Cash and cash equivalents at beginning of year	1,274,699	697,730
Cash and cash equivalents at end of period	1,356,057	674,114
Add: Cash pledged with bank (restricted)	227,816	166,072
Cash and cash equivalents	1,583,873	840,186

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the period ended 30 April 2024 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). These condensed consolidated interim financial statements also comply with International Accounting Standards ("IAS") 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The unaudited condensed consolidated interim financial statements for the financial period ended 30 April 2024 should be read in conjunction with the audited financial statements for the financial year ended 31 January 2024.

On 1 February 2024, the Group has adopted the following revised MFRSs and Amendments to MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB").

Effective for annual periods beginning on or after 1 January 2024:

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)

Amendments to MFRS 107 and MFRS 7: Disclosures (Supplier Finance Arrangements)

The adoption of the above standards did not have a significant impact on the financial statements in the period of application.

2. Seasonality and cyclicity of operations

The Group's operations are not materially affected by any seasonal or cyclical factors except for severe weather conditions in the various regions that the Group operates.

3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion with material uncertainty relating to going concern in Sapura Energy Berhad's ("the Company") audited financial statements for the financial year ended 31 January 2024 in their report dated 30 May 2024. An extract of the opinion is as follows:

"We draw attention to Note 2.1 to the financial statements, which indicates that the Group and the Company reported a net loss of RM518.7 million and RM430.0 million respectively for the year ended 31 January 2024, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM14,528.6 million and RM2,173.2 million respectively, and that the Group is facing severe liquidity constraints. The Company and 22 of its subsidiaries ("the Applicants") have obtained Restraining Orders under Section 368 of the Companies Act 2016 in Malaysia ("the Act") which will expire on 11 June 2024 and is in the process of undertaking schemes of arrangement ("SOA") and compromise under Section 366 of the Act.

These events or conditions, along with other matters as set forth in Note 2.1 to the financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is highly dependent on obtaining extensions of the Restraining Orders; favourable outcomes of the legal claims for the terminated Engineering & Construction projects; and the successful and timely implementation of the proposed SOA which requires that the Applicants secure approvals from at least 75% of the scheme creditors in the court convened meetings.

3. Auditors' report on preceding annual financial statements (cont'd.)

Should the going concern basis for the preparation of the financial statement be no longer appropriate, adjustments would have to be made in the financial statements relating to the amounts and classification of the assets and liabilities. No such adjustments have been made to these financial statements.

Our opinion is not qualified in respect of this matter."

4. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current financial period, other than as disclosed in these condensed consolidated interim financial statements.

5. Changes in estimates

There were no changes in estimates that have a material effect in the current financial period, other than as disclosed in these condensed consolidated interim financial statements.

6. Debt and equity securities

There were no other issuance and repayment of debt securities, share buy-back or share cancellations during the period ended 30 April 2024.

7. Subsequent events

- (a) On 23 February 2024, Sapura Energy Mexicana Sociedad Anónima Promotora de Inversión de Capital Variable ("SEM"), a wholly owned subsidiary through Sapura Offshore Sdn. Bhd. and SapuraMex Pte Ltd, which are both ultimately wholly owned subsidiaries of the Company, was declared bankrupt by Second District Insolvency Court in Mexican Republic. With effect from 29 February 2024, a liquidator was appointed. An appeal was filed by SEM on 27 February 2024. The appeal was withdrawn by SEM on 24 May 2024.

On 27 May 2024, Court of Appeal received and accepted the withdrawal of the appeal against the judgment declaring the liquidation of the Company. Consequently, it is considered that the declaration of liquidation of SEM as definitive.

- (b) On 23 February 2024, Sapura Engineering & Construction (India) Pvt. Ltd. ("SE&C"), a wholly owned subsidiary through Sapura Fabrication Sdn. Bhd. ("SFSB") and Sapura Petroleum Sdn. Bhd., received an order of initiation of Corporate Insolvency Resolution Process from the National Company Law Tribunal. Subsequently SE&C filed an appeal against the order to the National Company Law Appellate Tribunal and was granted stay of the order until the appeal is heard, which is scheduled for 12 July 2024.
- (c) On 22 April 2024, Sapura Upstream Assets Sdn. Bhd. ("SUA"), a wholly owned subsidiary of the Company, entered into an agreement to divest its 50% equity interest in SapuraOMV Upstream Sdn. Bhd. to TotalEnergies Holdings SAS. The total disposal consideration for the transaction amounts to USD705.3 million (equivalent to approximately RM3,370.8 million). SUA will receive a cash consideration of USD530.3 million (equivalent to approximately RM2,534.5 million), and the Company will be relieved of a USD175.0 million (equivalent to approximately RM836.4 million) debt obligation related to a financing facility extended by OMV Exploration & Production GmbH.

The agreement is subject to the fulfilment of conditions precedent and is expected to be completed by no later than the second half of 2025.

7. Subsequent events (cont'd.)

- (d) On 26 May 2015, SFSB was awarded a contract by Oil And Natural Gas Corporation Ltd. ("ONGC") for the redevelopment of the Mumbai High South field project. During or after the execution of the contract works, there were several claims raised by SFSB to ONGC which were not amicably settled. Due to the disputes, SFSB initiated arbitration through a notice dated 28 December 2021.

On 4 May 2024, the arbitration order was received in favour of SFSB for an approximately USD22.2 million (equivalent to an approximately RM106.1 million), excluding GST and interest.

On 28 May 2024, SFSB filed Rectification Application under Section 33 of the Arbitration and Conciliation Act 1996 seeking correction of certain computational errors in the final award.

- (e) On 6 June 2024, the High Court of Malaya granted the Company and certain of its wholly-owned subsidiaries an extension of the Convening and Restraining Orders for a period of nine months till 10 March 2025. The Orders granted by the Court will allow the Group to finalise the Proposed Schemes of Arrangement for the approval of its Creditors. The Company received a letter dated 7 June 2024 from the Corporate Debt Restructuring Committee ("CDRC") stating that the CDRC had extended the standstill period for the Company and its relevant subsidiaries, up to 10 March 2025 after taking into consideration of the current status of the Company's Proposed Restructuring Scheme.

8. Changes in the composition of the Group

There was no significant change in the composition of the Group during the current financial period.

9. Contingent liabilities

- (a) The Group has provided corporate guarantees to financial institutions for credit facilities and granted performance bonds to joint ventures and associates amounting to RM514.7 million (31 January 2024: RM529.8 million).
- (b) On 31 January 2019, SapuraOMV Upstream Sdn. Bhd. ("SapuraOMV"), an associate company held through Sapura Upstream Assets Sdn. Bhd. ("SUA"), entered into a facility agreement with OMV Exploration & Production GmbH ("OMV E&P") for the OMV financing amounting to USD350.0 million (equivalent to approximately RM1,431.2 million). As security for this, SUA has pledged shares of SapuraOMV with a value of USD175.0 million (equivalent to approximately RM715.6 million) in favour of OMV E&P. Further details are disclosed in Note 7(c).
- (c) On 17 November 2019, Petroliam Nasional Berhad ("PETRONAS") approved a 2-year extension for the Exploration Period for SB331 and SB332 Production Sharing Contracts ("PSC") to Sapura Exploration & Production (Sabah) Inc. ("SEPS") subject to the fulfilment of certain minimum work commitments, failure of which there will be a sum payable to PETRONAS. On 29 December 2021, PETRONAS approved a further extension for 3 years allowing SEPS to complete its commitments by 19 November 2024. SEPS is currently in discussion with PETRONAS in relation to the terms and conditions stipulated in the extension.

Subsequent to the period end, on 7 May 2024, SEPS has received a letter from PETRONAS stating that all parties to the PSC, including SEPS is required to complete the acceptance of their approval letter by 30 June 2024.

- (d) In prior years, Sapura Offshore Sdn. Bhd. ("SOSB") has been awarded a contract by Shell Eastern Petroleum (Pte) Ltd. ("Shell") for an Engineering, Procurement, Construction and Installation for the SBM Pipeline Rejuvenation Phase II Project ("Contract").

In the Financial Year 2024, Shell has requested for rescaling or descoping of the Contract. Following that, there have been several discussions between both parties. Subsequently, Shell has issued Letter of Demand in September 2023, followed by a clarification meeting held on 5 October 2023. Accordingly, SOSB considered this Contract has been terminated.

- (e) Other than as disclosed above and Notes 14(b), (c), (d), (e) and (f), there are no other changes to contingent liabilities in the current quarter.

10. Capital commitments

Capital expenditure for property, plant and equipment approved and not provided for in these condensed consolidated interim financial statements as at 30 April 2024 is as follows:

Approved and contracted for:	30/04/2024
	RM'000
Group	<u>71,096</u>

11. Taxation

Taxation comprises of the following:

	Individual Quarter		Cumulative Quarter	
	Three months to 30/04/2024	Three months to 30/04/2023	Three months to 30/04/2024	Three months to 30/04/2023
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
Malaysian taxation	9,890	7,705	9,890	7,705
Foreign taxation	19,250	22,826	19,250	22,826
Deferred taxation	(890)	(951)	(890)	(951)
	<u>28,250</u>	<u>29,580</u>	<u>28,250</u>	<u>29,580</u>

Domestic income tax is calculated at the Malaysian statutory corporate tax rate of 24% of the estimated assessable profit for the period.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

12. Status of corporate proposals announced

There were no corporate proposals announced and not completed as at the date of this announcement. Save as disclosed in these condensed consolidated interim financial statements.

13. Borrowings

(a) Included in the Group's borrowings are as follows:

	Short- term borrowings		Total
	USD denomination RM'000	RM denomination RM'000	RM RM'000
As at 30 April 2024			
Unsecured			
Revolving credits	-	355,400	355,400
Term loans	2,485,125	860,374	3,345,499
Sukuk Programme	949,688	6,370,722	7,320,410
	<u>3,434,813</u>	<u>7,586,496</u>	<u>11,021,309</u>
As at 31 January 2024			
Unsecured			
Revolving credits	-	355,400	355,400
Term loans	2,457,635	858,467	3,316,102
Sukuk Programme	940,053	6,370,891	7,310,944
	<u>3,397,688</u>	<u>7,584,758</u>	<u>10,982,446</u>

13. Borrowings (cont'd.)

(b) Other information relating to borrowings:

- (i) In the Financial Year 2022, Sapura TMC Sdn. Bhd. ("Sapura TMC") had executed multi-currency financing facilities agreements (collectively, the "MCF Facilities") with the MCF Financiers consisting of:
- (a) the senior multi-currency term facilities agreement dated 29 March 2021 between, inter alia, Sapura TMC as borrower, and the MCF Financiers named therein as conventional facility MCF Financiers; and/or
 - (b) the Multi-Currency Sukuk Programme of up to RM10.0 billion in nominal value based on the Shariah principle of murabahah (via a tawarruq arrangement), established under a programme agreement originally dated 20 August 2015 (as announced on 8 September 2015) between Sapura TMC as issuer, Maybank Investment Bank Berhad as lead arranger, and Maybank Investment Bank Berhad as facility agent, and as thereafter amended and supplemented.
- (ii) In March and June 2022, and subsequently in March and June 2023, Sapura TMC and the Obligors requested the MCF Financiers of the MCF Facilities to waive any event of default which may arise as a result of:
- (a) failure by Sapura TMC and the Obligors to comply with certain financial covenants of the MCF Facilities;
 - (b) granting of Restraining Order in relation to Sapura TMC and the Obligors, and the filing of any documents in connection with that Restraining Order; and
 - (c) failure by Sapura TMC or any of the Obligor of the MCF Facilities to pay certain amounts due and payable under the MCF Facilities during the 90-day period commencing from 7 March 2022 and a further six (6) months from 6 June 2022 to 10 December 2022.

In relation to (a) and (b) above, the majority of the MCF Financiers consented to these requests and agreed not to take any enforcement action in relation to any default which may arise as a result of:

- (aa) the failure by Sapura TMC and the Obligors to comply with certain financial covenants of the MCF Facilities; and
 - (bb) the Restraining Orders in relation to Sapura TMC and the Obligors and the filing of any documents in connection with the Restraining Order.
- (iii) On 1 September 2022, the Company received approval from the Corporate Debt Restructuring Committee ("CDRC") approving the Company's application for assistance to mediate in its debt restructuring negotiations with certain financial institutions who have provided multi-currency facilities to Sapura TMC.

The CDRC is a committee established under the purview of Bank Negara Malaysia for the purpose of providing a platform for corporate borrowers and their creditors to work out feasible debt resolutions without having to resort to legal proceedings. The Company and nine (9) of its subsidiaries which are obligors under the MCF Facilities ("Admitted Group Companies"), were admitted to the CDRC regime with effect from 1 September 2022.

13. Borrowings (cont'd.)

(b) Other information relating to borrowings (cont'd.):

(iii) Following the CDRC's acceptance of the Company's application, CDRC has issued a letter addressed to the Company stating that:

- (a) the Lenders are expected to observe an informal standstill and withhold from any proceedings and the Company is expected to submit a proposal for a restructuring of its debts within 60 days from 1 September 2022; and
- (b) the Company and the Admitted Group Companies are required to adhere to and be bound by Bank Negara Malaysia CDRC Participant's Code of Conduct and any variations thereof as determined at the discretion of the CDRC from time to time.

The Company submitted a draft Proposed Restructuring Scheme ("PRS") to the CDRC on 29 September 2022 and has since been participating in CDRC meetings with the MCF Financiers to seek feedback on and to refine the terms of the PRS.

On 28 February 2023, the Company received a formal notification dated 24 February 2023 from the CDRC stating that the CDRC extended the standstill period for the Company and its relevant subsidiaries under the CDRC regime, up to 9 September 2023.

On 6 September 2023, the Company received a formal notification from CDRC dated 5 September 2023, stating of a further extension of the standstill period for the Company and its nine (9) subsidiaries until 10 March 2024.

On 12 December 2023, CDRC confirmed at least 75% of the MCF Financiers have provided their requisite AIP of the PRS.

On 11 March 2024, the Company has received a letter from CDRC stating CDRC has extended the standstill period for the Company and its relevant subsidiaries until 10 June 2024 after taking into consideration of the current state of progress of the Company's PRS and the three (3) months extension of the Convening and Restraining Orders granted by the Court on 7 March 2024 which will take effect on 11 March 2024.

On 6 June 2024, the High Court of Malaya granted the Company and certain of its wholly-owned subsidiaries an extension of the Convening and Restraining Orders for a period of nine (9) months till 10 March 2025. The Orders granted by the Court will allow the Group to finalise the Proposed Schemes of Arrangement for the approval of its Creditors. The Company received a letter dated 7 June 2024 from the CDRC stating that the CDRC had extended the standstill period for the Company and its relevant subsidiaries, up to 10 March 2025 after taking into consideration of the current status of the Company's PRS.

The MCF Financiers are to continue to observe the informal standstill and withhold all legal proceedings and/or any other recovery action initiated or intended against the Company and/or the Company's subsidiaries under the CDRC regime.

(c) As required under MFRS 101: Presentation of Financial Statements, in the event of a breach of loan covenants on or before the end of reporting date, which give lenders the rights to demand for immediate repayment, an entity is required to classify a liability as current as it no longer has the unconditional right to defer its settlement for at least twelve months after that date.

Since the previous reporting date, the Group has breached certain financial covenants pursuant to the MCF Facilities. As a result, the borrowings have been classified as current liabilities.

14. Material litigation

(a) Sarku Engineering Services Sdn. Bhd. vs Oil and Natural Gas Corporation Limited

On 20 February 2006, Sarku Engineering Services Sdn. Bhd. ("SESSB"), a wholly owned subsidiary of the Company entered into a contract with Oil and Natural Gas Corporation Limited ("ONGC") for the performance of works by SESSB to revamp 26 well platforms located in Mumbai High South field offshore site ("Contract").

On 21 September 2012, SESSB commenced arbitration proceedings by filing a Statement of Claim against ONGC in relation to disputes pursuant to the Contract for a sum of Indian Rupee ("INR")1,063,759,201 and USD123,819,632 (including interest, costs, losses and damages).

On 17 December 2012, ONGC filed their reply to the Statement of Claim. No counter claims have been filed by ONGC. Documents and witness statements have been filed.

Examination in chief took place in January 2014 whereby a revised list of documents was exchanged and recorded.

The cross examination of ONGC's witness was held from 22 to 24 December 2014 and 5 to 6 January 2015.

In January 2018 and February 2018, SESSB concluded its arguments on each of the claims filed before the tribunal. On 5 February 2018, submissions were made by SESSB's external counsel and thereafter SESSB's arguments were concluded.

ONGC's counsels submitted and concluded their arguments in defence on 6 February 2018 and on 2 to 4 May 2018.

The proceedings continued on 21, 22 and 23 November 2018 with submissions from SESSB's counsel. The tribunal heard ONGC's counsel's submissions on 12 and 13 February 2019. Final written submissions were submitted to the tribunal on 15 April 2019. ONGC presented its submissions on 31 July 2019.

On 30 November 2019, SESSB was awarded the sum of USD3,009,789 ("First Award") by the arbitral tribunal, comprising claims of work done valued at USD1,983,521 (subject to 4.368% withholding tax to be deducted by ONGC) and interests of USD1,026,267 (subject to income tax of 43.68%).

SESSB has instructed its solicitors to file an appeal against the above award.

SESSB has been advised by its solicitors that SESSB has reasonably strong grounds to appeal against the arbitral tribunal's decision. The following are the reasons provided by its solicitors as grounds of appeal against the arbitral tribunal's award:

- (i) The arbitral tribunal had failed to consider the record and detailed written and oral submissions on behalf of SESSB in arriving at its findings and they have made an error in rejecting most of SESSB's claims; and
- (ii) There were instances of procedural irregularities in favour of ONGC in the arbitration which may be grounds to a successful challenge of the award in High Court of Judicature at Bombay (the "Bombay High Court").

ONGC filed an application to the arbitral tribunal disputing the computation of the award and seeking a correction of the amounts awarded in respect of the interest portion of the award.

The application by ONGC for correction of the errors in the award was allowed by the arbitral tribunal on 29 August 2020. The total amount payable by ONGC as per the Final Award is USD413,037 ("Final Award"). The difference between the First Award and the Final Award is in the sum of USD2,596,752. Parties will have 90 days from the date of the Final Award to file an appeal to the Bombay High Court.

Our solicitors had accordingly filed an appeal on 8 December 2020 to challenge or set aside parts of the First Award and the Final Award which reject the claims of SESSB. The matter is now pending admission stage where it is to be listed for hearing upon filing of petition.

14. Material litigation (cont'd.)

(a) Sarku Engineering Services Sdn. Bhd. vs Oil and Natural Gas Corporation Limited (cont'd.)

For the sums awarded to SESSB under the Final Award which are not being appealed against, a Letter of Demand ("LOD") was issued to ONGC on 7 May 2021 to demand for the payment of sum of INR19,693,815 and USD146,904. SESSB's solicitors advised that the LOD will not affect SESSB's position in respect of its action to challenge or set aside the award.

Considering the lack of response from ONGC on the LOD, our solicitors are weighing further options and possible enforcement actions. The advice from our solicitors with regards to the hearing date for the appeal, was matters which require urgent/interim reliefs are usually taken up in normal course. Since no interim relief has been sought in the appeal, it is taking time for the petition to be listed.

We have instructed our lawyers to appoint a junior counsel to appear before the Bombay High Court to expedite the listing process of the appeal filed by SESSB.

With respect to the sums awarded under the Final Award, SESSB has been advised to file an Execution Petition in court and we were in the process of filing the Execution Petition.

However, after several attempts by our solicitors, the Appeal had been considered for listing or admission on 27 June 2024. As such, SESSB will no longer be appointing junior counsel nor filing the Execution Petition.

(b) Petrofac (Malaysia) Limited vs Sapura Fabrication Sdn. Bhd.

On 18 March 2011, Sapura Fabrication Sdn. Bhd. ("SFSB"), a wholly-owned subsidiary of the Company entered into a contract with Petrofac (Malaysia) Limited ("PML") to provide works for the engineering, procurement and construction of well head platforms for the Cendor Phase 2 Development Project located in Block PM 304 in the Malaysian sector of the South China Sea ("Contract").

On 26 March 2018, SFSB received a commencement request from PML to formally initiate a claim in relation to disputes arising from the Contract by way of arbitration proceedings at the Asian International Arbitration Centre, for damages amounting to a sum of USD9,558,003 and RM16,785,227 vide its Re-amended Point of Claims. PML has alleged breach of riser height requirements and preservation obligations by SFSB. The claim by PML was made separately in two currencies as the claim is based on the rates and currencies prescribed in the Contract.

On 26 April 2018, SFSB responded to PML's claim and made a counter claim for a total amount of RM13,521,495.

The arbitrators have been appointed and parties had attended the first arbitration meeting on 21 July 2018. PML filed their Points of Claim on 21 September 2018 and SFSB filed its Defence and Counterclaim on 3 December 2018. Subsequently, PML submitted their Points of Reply and Defence to Counterclaim on 4 February 2019. PML requested to amend their Points of Claim and the same was filed on 8 March 2019. SFSB filed its rejoinder on 18 March 2019. The deadline for parties to exchange the bundle of documents was on 5 April 2019 and any request for discovery/disclosure was to be filed on 9 May 2019. The documents ordered to be produced by SFSB were produced on 12 September 2019. On the other hand, the documents ordered to be produced by PML were partially tendered on 23 September 2019. Witness Statements were filed on 15 November 2019 and the rebuttal witness statements were filed on 15 December 2019.

14. Material litigation (cont'd.)

(b) Petrofac (Malaysia) Limited vs Sapura Fabrication Sdn. Bhd. (cont'd.)

The hearing proceeded on 26, 27 and 28 April 2021 as scheduled with 2 of PML's witnesses giving evidence. The hearing continued on the following dates:

- (i) 30 April 2021;
- (ii) 3, 4, 5, 6, 7 & 10 May 2021;
- (iii) 20 to 24 September 2021;
- (iv) 27 September 2021 to 1 October 2021; and
- (v) 4 to 6 October 2021.

During the case management on 6 April 2021, the tribunal vacated the May 2021 dates as two of PML's witnesses were unable to attend the April and May 2021 hearing dates.

The hearing proceeded on the following dates as scheduled:

- (i) 20 to 24 September 2021;
- (ii) 27 September 2021 to 1 October 2021;
- (iii) 4, 6, 7 and 8 October 2021; and
- (iv) 13 November 2021.

The hearing dates scheduled in January and February 2022 were vacated and the tribunal fixed the following dates for continued hearing:

- (i) 25 to 29 April 2022;
- (ii) 17 to 20 May 2022;
- (iii) 8 to 12 August 2022; and
- (iv) 15 to 19 August 2022.

The matter was scheduled for case management on 22 April 2022 and the tribunal vacated the earlier fixed hearing dates due to the Restraining Order obtained in Originating Summons WA-24NCC-148-03/2022 which came into effect on 10 March 2022.

PML indicated that they are currently awaiting to receive the applicable notice from SFSB to allow them to proceed with the filing of Proof of Debt ("POD"). Subject to the outcome of their POD, PML will then consider whether or not to seek leave to proceed with the arbitration in accordance with the terms of the Restraining Order.

A case management conference was scheduled to be conducted on 11 August 2022 for the parties to update the tribunal vis-à-vis the status/outcome of the scheme and for the tribunal to chart the course of the arbitration moving forward.

SFSB was verifying the POD submitted by PML.

The case management conference on 11 August 2022 was vacated as the Tribunal instructed the parties to provide a joint status report on the POD by 11 November 2022.

14. Material litigation (cont'd.)

(b) Petrofac (Malaysia) Limited vs Sapura Fabrication Sdn. Bhd. (cont'd.)

On 11 November 2022, the tribunal directed the parties to provide a brief update to the tribunal on status of PML's POD claims and a case management was scheduled on 18 January 2023.

During the case management on 18 January 2023, SFSB's solicitors informed the tribunal that a Notice of Admission of POD was issued to PML on 16 January 2023 in response to PML's POD Form. The tribunal was also made aware of the contents of the said Notice of Admission from SFSB. SFSB's solicitors further informed the tribunal that moving forward, SFSB will provide an Explanatory Statement in relation to the Proposed Scheme of Arrangement ("PSA") to PML which sets out the payment terms and the date of the Court-Convened Meeting.

In light of the then Restraining Order that would expire on 10 March 2023, the tribunal had requested parties to provide the tribunal with a status update on the schemes of arrangement ("SOA") and Restraining Order by 20 March 2023.

During the Case Management on 20 March 2023, SFSB's solicitors updated the tribunal that SFSB had obtained a new Restraining Order dated 8 March 2023 and SFSB will provide further update to tribunal on the ongoing POD exercise under the SOA.

There is no further case management date fixed by the tribunal. The tribunal only directed parties to update on the status of the restructuring exercise under the SOA.

SFSB informed its solicitors that on 7 March 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Tribunal.

On 23 April 2024, SFSB's solicitors informed the Tribunal of the fresh Restraining Order dated 7 March 2024. Additionally, they addressed the Tribunal's inquiry about the parties' intentions concerning the arbitration process moving forward, stating that both parties have agreed to wait for the outcome of the Group's SOA before making any decisions on how to proceed with the arbitration.

SFSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.

On 11 June 2024, SFSB's solicitors informed the Tribunal of the extended Convening and Restraining Order dated 6 June 2024.

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A.

On 5 January 2020, Sapura Energy Berhad's subsidiary, Sapura Energy do Brasil Ltda. ("SE Brasil"), commenced arbitration proceedings against Centrais Elétricas de Sergipe S.A. ("CELSE") of Brazil. The arbitration is to resolve disputes arising out of an Engineering, Procurement, Construction and Installation Contract ("Contract") dated 20 November 2017.

SE Brasil had completed the works under the Contract in November 2019.

On 19 February 2021, CELSE wrote to Maybank to expressly withdraw its Letter of Demand dated 16 November 2019, including its request for payment of the Bank Guarantee, due to a Settlement Agreement entered into between CELSE and Sapura Energy do Brasil Ltda. Consequently, CELSE reaffirms its agreement with the cancellation of the Bank Guarantee.

Due to unresolved disputes such as non-payment of milestone payments and non-payment of variation orders, SE Brasil commenced arbitration proceedings against CELSE at the International Court of Arbitration in Sao Paulo, Brazil, under the International Chamber of Commerce ("ICC") Arbitration Rules. The Arbitration Tribunal comprises of three (3) arbitrators. Chairman for the arbitration proceeding has been appointed.

14. Material litigation (cont'd.)

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A. (cont'd.)

- (i) SE Brasil filed their Statement of Claim for the sum of USD84,606,035 on 29 March 2021.
- (ii) CELSE filed Respondent's Statement of Claim for the sum of USD89,799,186 on 29 March 2021.
- (iii) SE Brasil filed Claimant's and Additional Party's Statement of Defence against Respondent's Statement of Claim on 28 May 2021.
- (iv) CELSE filed Respondent's Statement of Defence against Claimant's Statement of Claim on 28 May 2021.
- (v) SE Brasil filed Claimant's Reply on 28 June 2021.
- (vi) CELSE filed Respondent's Reply on 28 June 2021.
- (vii) SE Brasil filed Claimant's and Additional Party's Rejoinder on 28 July 2021.
- (viii) CELSE filed Respondent's Rejoinder on 28 July 2021.

Submissions on the issues to be determined by the Arbitration Tribunal, witness statements and request for additional evidence were submitted on 27 September 2021. Thereafter, a hearing for the presentation of the case shall take place.

On 30 September 2021, SE Brasil requested for leave to file expert rebuttal and this was granted on 10 November 2021. SE Brasil filed a rebuttal against the Technomar report on 10 December 2021.

The Arbitration Tribunal is now fully constituted following the ICC's confirmation of CELSE's third nominee. Evidentiary hearing was conducted on 26 January 2022.

- (i) 28 March 2022 - Parties submitted their application for document production by the counterparty in the form of a Redfern Schedule;
- (ii) 12 April 2022 – SE Brasil and Sapura Energy Berhad ("Sapura Energy") informed they did not object against the production of the documents requested by CELSE;
- (iii) 12 April 2022 – CELSE objected to the production of the documents requested by SE Brasil and Sapura Energy in their Answer to the Redfern Schedule;
- (iv) April 2022 – SE Brasil and Sapura Energy submitted their answer to the objections presented by CELSE to the production of the requested documents (Reply to the Redfern Schedule);
- (v) 27 April 2022 – CELSE submitted a motion to the Arbitration Tribunal requesting that SE Brasil and Sapura Energy produce the non-objected documents immediately;
- (vi) 28 April 2022 – SE Brasil and Sapura Energy presented a submission to the Arbitration Tribunal in response to CELSE's submission dated 27 April 2022;
- (vii) 3 May 2022 – The Arbitral Tribunal determined that SE Brasil and Sapura Energy provide the non-objected documents to CELSE by 10 May 2022;
- (viii) 10 May 2022 – SE Brasil and Sapura Energy produced the non-objected documents to CELSE.

CELSE's counter claim against SE Brasil for USD89,799,186 is for delay penalties, damages and/or expenses due to failure to perform the contract, breach of warranty and claim for warranty extension items which CELSE had or will have to perform correction on given SE Brasil's inaction.

Parties are waiting for the Arbitration Tribunal to rule on the latest production of the documents requested by SE Brasil and Sapura Energy and to decide on the next steps in evidence production.

The Arbitration Tribunal had also ruled on the latest production of the documents requested by SE Brasil and Sapura Energy and ordered CELSE to produce only a certain category of documents that the Arbitration Tribunal find relevant to the proceedings.

14. Material litigation (cont'd.)

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A. (cont'd.)

The Arbitration Tribunal also requested parties to file a joint submission on the technical issues that still require expert determination on 5 November 2022, which CELSE refused. As such, only SE Brasil and Sapura Energy filed the said submission on 4 November 2022.

On 7 November 2022, SE Brasil and Sapura Energy presented their proposal of a calendar for production of their additional documents. On the same date, CELSE also presented a submission requesting the Arbitration Tribunal to hold a hearing on the merits to allow the Parties to present their case prior to any expert determination.

Since the Parties were not able to reach an agreement regarding the procedural calendar for SE Brasil and Sapura Energy's production of additional documents, as well as on the calendar for the production of the expert determination, on 02 January 2023 the Arbitration Tribunal rendered the Procedural Order No. 19 ("PO 19"), deciding on those issues.

By means of PO 19, the Arbitration Tribunal:

- (i) granted SE Brasil and Sapura Energy the opportunity to produce additional evidence until 16 January 2023; and
- (ii) invited CELSE to comment on such evidence until 30 January 2023.

The Arbitration Tribunal held an Evidentiary Hearing in order to assess the evidence already produced by the Parties and also to determine whether it should appoint experts for additional expert determination. Therefore, the Parties were invited to present, by 30 January 2023, a joint submission with the points of agreement and disagreement regarding some issues related to the hearing.

On 16 January 2023, SE Brasil and Sapura Energy complied with PO 19 and submitted the settlement agreements entered into with the subcontractors, in order to prove the losses and financial damages SE Brasil faced as a result of CELSE's default of its payment obligations.

In turn, on 30 January 2023 CELSE presented its comments on SE Brasil and Sapura Energy's abovementioned submission and documents, whereby it requested the Arbitration Tribunal to deny the claims and documents produced, by alleging that it referred to new claims which was time-barred.

On 30 January 2023, the Parties presented a joint submission in response to PO 19, whereby both submitted partial agreement on the Evidentiary Hearing's agenda. The Arbitration Tribunal shall soon issue a new procedural order in order to establish the hearing dates.

A two-week Evidentiary Hearing took place from 11 September to 22 September 2023.

The Arbitral Tribunal asked the Parties to present their requests for additional document production and additional evidence by 16 October 2023 and to reply to the counterparty's requests by 30 October 2023. These have been submitted accordingly, and the Arbitral Tribunal will then render its decision regarding the production of new evidence and documents submission, establishing the deadlines for the submission of permissible documents.

Following the submission of additional documents, the Arbitral Tribunal will issue another Procedural Order outlining the following:

- (i) A 75-day timeframe for the submission of the Parties' closing statements, which may include any requests for partial awards;
- (ii) A 45-day timeframe, following each party's submission, for responding to the opposing party's final statements; and
- (iii) 15 days for the Parties' submissions on costs, followed by an additional 15 days for comments on the opposing party's statement of costs.

As of 6 December 2023, no further Procedural Order have been issued by the Arbitral Tribunal as the Arbitral Tribunal has yet to decide regarding the production of new evidence and documents submission.

14. Material litigation (cont'd.)

(c) Sapura Energy do Brasil Ltda. vs Centrais Elétricas de Sergipe S.A. (cont'd.)

On 8 February 2024 the Arbitral Tribunal granted most of the Parties' requests for production of additional documents and evidence and determined that the Parties shall produce them by 1 March 2024.

The Parties were further invited to comment on the documents and evidence produced by its counterparty by 22 March 2024.

On 20 March 2024, the Arbitral Tribunal issued Procedural Order No. 29, outlining the next steps of these proceedings and the following calendar:

- (i) 7 June 2024 - Post- Hearing Briefs
- (ii) 24 July 2024 - Reply to Post-Hearing Briefs
- (iii) 8 August 2024 - Submission of costs and expenses related to this arbitration

On 7 June 2024, SE Brasil & the Company and CELSE submitted their respective Post-Hearing Briefs. Each Party has until 24 July 2024 to reply to the Counterparty's submission.

(d) Brunei Shell Petroleum Company Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd.

On 30 August 2019, Sapura Fabrication Sdn. Bhd. ("SFSB") a wholly owned subsidiary of the Company entered into a contract with Brunei Shell Petroleum Company Sdn. Bhd. ("BSP") for engineering, procurement, construction and installation works related to the Salman project ("the Contract", or the "Salman").

On 29 September 2023, BSP commenced an arbitration proceeding at the Singapore International Arbitration Centre ("SIAC") by filing a Notice of Arbitration ("NoA") against SFSB in relation to disputes pursuant to the Contract for the following reliefs:

- (i) A declaration that the BSP had validly terminated part of the Contract for cause;
- (ii) A declaration that SFSB had breached certain provisions of the Contract;
- (iii) Award of monetary relief to the extent necessary to fully compensate the Claimant for the damages suffered resulting from the breaches and termination event;
- (iv) An order for indemnification of the BSP for all costs, expenses, and fees in the arbitration; and
- (v) Pre- and post-award interest.

On 20 November 2023, Singapore High Court has issued an order to recognise the Malaysian Convening and Restraining Order dated 8 March 2023 ("Singapore Recognition Order"). This arbitration is currently stayed pursuant to the Singapore Recognition Order until the Order is lifted.

On 7 March 2024, the Company and its twenty-two (22) subsidiaries which includes SFSB obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024.

On 7 March 2024, the following applications were filed in the Singapore Court:

- (i) Application to recognise the Malaysian Convening and Restraining Order dated 7 March 2024 - filed by the Company and SFSB; and
- (ii) Application to lift the Singapore Recognition Order dated 20 November 2023 - filed by SFSB.

The matter is stayed until SFSB's discharge application to lift the Singapore Recognition Order dated 20 November 2023 is heard.

The hearing for aforesaid applications (i) and (ii) has been fixed on 8 May 2024.

14. Material litigation (cont'd.)

(d) Brunei Shell Petroleum Company Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. (cont'd.)

On 8 May 2024, the Singapore Court granted the following:

- a) The recognition application for the Company and SFSB i.e. the (i) application as mentioned above. Thus, with effect from today an automatic moratorium applies in Singapore to restrain all claims (including the BSP arbitration claims); and
- b) The discharge application i.e. the (ii) application as mentioned above.

SFSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order was provided to the Singapore High Court on 7 June 2024.

(e) Brunei Shell Petroleum Company Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.

On 29 February 2020, Sapura Offshore Sdn. Bhd. ("SOSB") a wholly owned subsidiary of the Company entered into a contract with Brunei Shell Petroleum Company Sdn. Bhd. ("BSP") to fabricate transport, install and pre-commission the pipelines relating to the PRP-7 Pipeline Replacement Project ("the Contract").

On 29 September 2023, BSP commenced an arbitration proceeding at the SIAC by filing a NoA against SOSB in relation to disputes pursuant to the Contract for the following reliefs:

- (i) A declaration that SFSB had breached certain provisions of the Contract;
- (ii) Award of monetary relief to the extent necessary to fully compensate the Claimant for the damages suffered resulting from the breaches and termination event;
- (iii) An order for indemnification of the Claimant for all costs, expenses, and fees in the arbitration; and
- (iv) Pre- and post-award interest.

On 20 November 2023, Singapore High Court has issued an order to recognise the Malaysian Convening and Restraining Order. This arbitration is currently stayed pursuant to the Singapore Recognition Order until the Order is lifted.

On 7 March 2024, the Company and its twenty-two (22) subsidiaries which includes SOSB obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024.

On 7 March 2024, the following applications were filed in the Singapore Court:

- (i) Application to recognise the Malaysian Convening and Restraining Order dated 7 March 2024 - filed by the Company & SOSB; and
- (ii) Application to lift the Singapore Recognition Order dated 20 November 2023 - filed by SOSB.

The matter is stayed until SOSB's discharge application to lift the Singapore Recognition Order dated 20 November 2023 is heard.

The hearing for aforesaid applications (i) and (ii) has been fixed on 8 May 2024.

On 8 May 2024, the Singapore Court granted the following Orders:

- a) The recognition application for the Company and SOSB i.e. the (i) application as mentioned above. Thus, with effect from today an automatic moratorium applies in Singapore to restrain all claims (including the BSP arbitration claims); and
- b) The discharge application i.e. the (ii) application as mentioned above.

SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order was provided to the Singapore High Court on 7 June 2024.

14. Material litigation (cont'd.)

(f) **Yunneng Wind Power Co. Ltd. vs Sapura Offshore Sdn. Bhd. and Sapura Energy Berhad**

On 15 March 2019, Sapura Offshore Sdn. Bhd. ("SOSB"), a wholly-owned subsidiary of the Company entered into a contract with Yunneng Wind Power Co. Ltd ("Yunneng") for the provision of Transportation and Installation ("T&I") of Offshore Wind Turbine Substructures of which the scope of work include T&I of substructures (foundations) for the offshore wind turbines at the Yunlin Offshore Wind Farm in Taiwan ("the Contract"). The Contract was subsequently terminated by SOSB on 3 February 2022.

On 22 January 2024, SOSB and the Company was served with a request for arbitration dated 29 December 2023 which was filed by Yunneng at the German Arbitration Institute (Deutsche Institution für Schiedsgerichtsbarkeit e.V.) ("DIS") (the "Request for Arbitration", or the "Request"). This Request for Arbitration was only brought to our attention after the end of business on 26 January 2024.

In brief, in the Request for Arbitration, the Claimant:

- (i) has claimed a provisional claim amount of EUR50,000,000 for certain alleged breaches of the Contract (but has reserved the right to further specify and expand its claims, and to claim damages for any damage incurred);
- (ii) has stated that that the Claimant filed the Request for Arbitration primarily to suspend the statute of limitations under German law in respect of the claims specified in the Request for Arbitration;
- (iii) has acknowledged its submission of a POD with SOSB and the Company as at 31 December 2023 for purposes relating to the PSA (as described and defined in our announcement dated 8 March 2023) proposed to be undertaken by SOSB and the Company under Section 366 of the Companies Act 2016; and
- (iv) has acknowledged that its claims in relation to the Contract would be determined through and be subject to the assessment procedure for the PSA (as stipulated in the order of the Court dated 10 March 2022 granted under Originating Summons No. WA-24NCC-148-03/2022 and the order of the Court dated 8 March 2023 granted under Originating Summons No. WA-24NCC-121-03/2023).

SOSB and the Company have filed nomination of its Arbitrator and have indicated that they will be reserving rights to formally challenge the jurisdiction of the arbitral tribunal and the admissibility of the arbitration proceedings.

On 11 March 2024, Secretary General of the DIS has appointed Prof. Dr. Christian Borris and Dr. Daniel Busse as co-arbitrators pursuant to Article 13.2, 13.3 DIS Arbitration Rules.

(g) **Winding up petitions**

The following are the list and status of the Winding Petitions served to the Company or its subsidiaries. On 10 March 2022, in view of the Restraining Orders obtained by the Group, the case management and hearing of the Petitions against Sapura Fabrication Sdn. Bhd. ("SFSB"), Sapura Offshore Sdn. Bhd. ("SOSB"), Sapura Pinewell Sdn. Bhd., Sapura Subsea Services Sdn. Bhd. and Sapura Geosciences Sdn. Bhd. were vacated as the winding up proceedings has been stayed for three (3) months. By the Court order dated 8 June 2022, the Restraining Orders were now extended for a further period of nine (9) months until 10 March 2023. The Company and its twenty-two (22) subsidiaries filed a fresh application under Sections 366 and 368 of the Companies Act and were granted a Restraining Order for the period of three (3) months by the Court on 8 March 2023, and such Restraining Order is to take effect from 11 March 2023. On 6 June 2023, the Restraining Orders were extended by the Court for a further period of nine (9) months until 10 March 2024.

On 7 March 2024, the Company and its twenty-two (22) subsidiaries including SFSB, SOSB, Sapura Pinewell Sdn. Bhd., Sapura Subsea Services Sdn. Bhd. and Sapura Geosciences Sdn. Bhd. obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. On 6 June 2024, the High Court of Malaya granted the Company and certain of its wholly-owned subsidiaries an extension of the Convening and Restraining Orders for a period of nine (9) months till 10 March 2025. This Order stays all the current proceedings before the Court.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(i) Hycotech Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-638-12/2021)

- a) Winding up petition date - 17 December 2021
- b) On 17 February 2022, SOSB's solicitors informed the court that SOSB has entered into a settlement agreement with Hycotech Sdn. Bhd., and that full payment has been made to Hycotech Sdn. Bhd., subject to deductions on withholding tax.

Hycotech Sdn. Bhd. refused to withdraw the winding up petition as they claimed that they are entitled to receive the full outstanding sum including the withholding tax.

Following the dispute, on 1 March 2022 SOSB filed an application under Order 14A Rules of Court 2012 and to Strike Out the Petition.

On 9 March 2022, the Court fixed 22 April 2022 for the hearing of the Order 14A Rules of Court 2012 and Striking Out Application, and for the hearing of the Petition itself.

The hearing on 22 April 2022, was vacated as the Restraining Order was obtained on 10 March 2022.

- c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that it has obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- g) During the Case Management on 14 June 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(ii) Perdana Nautika Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-920-12/2021)

- a) Winding up petition date - 20 December 2021
- b) On 22 February 2022 Notices of Intention to Appear on Petition were filed by two creditors, namely:
 - i. Tumpuan Megah Development Sdn. Bhd.; and
 - ii. Vallianz Offshore Marine Pte Ltd.

The hearing on 27 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 12 June 2023.
- d) During the Case Management on 12 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 12 March 2024.
- e) During the Case Management on 12 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Convening and Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.
- f) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.

(iii) Perdana Nautika Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-921-12/2021)

- a) Winding up petition date - 20 December 2021
- b) On 23 February 2022 the solicitors for Perdana Nautika informed the Court that they were just instructed to advertise and gazette the Petition. Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that Sapura Pinewell Sdn. Bhd. will file an affidavit to oppose the Petition if they are required to do so.

The hearing on 26 April 2022 was vacated as the Restraining Order was obtained on 10 March 2022.

- c) During the Case Management on 14 March 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 13 March 2024.
- e) During the Case Management on 13 March 2024, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(iii) Perdana Nautika Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-921-12/2021) (cont'd.)

- f) Sapura Pinewell Sdn. Bhd. informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.

(iv) Hycotech Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Shah Alam High Court (BA-28NCC-639-12/2021)

- a) Winding up petition date - 20 December 2021
- b) On 28 February 2022, Petitioner informed the Court that the Petitioner wishes to withdraw the petition during the hearing on 9 March 2022.

However, another creditor has appeared as a supporting creditor to the Petition during the Hearing on 9 March 2022, and the Court directed the supporting creditor to file its formal application to be substituted as the petitioner within 14 days.

- c) During the Case Management on 13 March 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.
- f) Sapura Pinewell Sdn. Bhd. informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.

(v) Fast Global Link Services vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-27-01/2022)

- a) Winding up petition date - 13 January 2022
- b) On 14 February 2022, Sapura Subsea Services Sdn. Bhd. sought for a further case management date to be fixed on 15 March 2022 to determine whether Sapura Subsea Services Sdn. Bhd. will be contesting the winding-up petition or otherwise.

The case management date on 15 March 2022 and hearing date on 12 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.

- c) During the Case Management on 13 March 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its 22 subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(v) Fast Global Link Services vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-27-01/2022) (cont'd.)

- d) During the Case Management on 13 June 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) Sapura Subsea Services Sdn. Bhd. informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- g) During the Case Management on 14 June 2024, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(vi) Mectra Synergy (M) Sdn. Bhd. vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-31-01/2022)

- a) Winding up petition date - 25 January 2022
- b) On 17 February 2022, Sapura Subsea Services Sdn. Bhd.'s solicitors sought further case management date to be fixed by the Court and the Court has fixed the next case management on 15 March 2022.
The case management date on 15 March 2022 and hearing date on 12 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) Sapura Subsea Services Sdn. Bhd. informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- g) During the Case Management on 14 June 2024, Sapura Subsea Services Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Subsea Services Sdn. Bhd. obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(vii) Equatorial Marine Fuel Management vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-68-01/2022)

- a) Winding up petition date - 25 January 2022
- b) On 28 February 2022, Petitioner informed the Court that a further date is required for compliance with winding up procedures.

SOSB solicitors informed the Court that a further date is required to confirm whether the debt under the winding up petition may be disputed.

Hearing date on 25 April 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- g) During the Case Management on 14 June 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(viii) Dura International Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-83-02/2022)

- a) Winding up petition date - 7 February 2022
- b) The case management on 10 March 2022 and hearing date on 18 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, Sapura Fabrication Sdn. Bhd. ("SFSB")'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(viii) Dura International Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-83-02/2022) (cont'd.)

- f) SFSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- g) During the Case Management on 14 June 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(ix) Astro Offshore Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-87-02/2022)

- a) Winding up petition date - 7 February 2022
- b) The case management on 14 March 2022 and hearing date on 19 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SFSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- g) During the Case Management on 14 June 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(x) Public Crane Heavy Equipment Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-92-02/2022)

- a) Winding up petition date - 9 February 2022
- b) The case management on 14 March 2022 and hearing date on 19 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(x) Public Crane Heavy Equipment Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-92-02/2022) (cont'd.)

- e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SFSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Tribunal.
- g) During the Case Management on 14 June 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(xi) MMA Offshore Malaysia Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-111-02/2022)

- a) Winding up petition date - 14 February 2022
- b) The case management on 15 March 2022 and hearing date on 8 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During case management on 23 June 2022 Sapura Pinewell Sdn. Bhd. updated that the Restraining Order is extended for nine (9) months.
- d) During the Case Management on 14 March 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- e) During the Case Management on 13 June 2023, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 13 March 2024.
- f) During the Case Management on 13 March 2024, Sapura Pinewell Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 26 June 2024.
- g) Sapura Pinewell Sdn. Bhd. informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including Sapura Pinewell Sdn. Bhd. were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(xii) Icon Offshore Group Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-119-02/2022)

- a) Winding up petition date - 25 February 2022
- b) The case management on 17 March 2022 and hearing date on 24 May 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- g) During the Case Management on 14 June 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(xiii) Posh Subsea Pte. Ltd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-145-03/2022)

- a) Winding up petition date - 3 March 2022
- b) The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SFSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SFSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- g) During the Case Management on 14 June 2024, SFSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SFSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(xiv) **Lincoln Energy Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-146-03/2022)**

- a) Winding up petition date - 4 March 2022
- b) The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- g) During the Case Management on 14 June 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(xv) **Semco Salvage (V) Pte. Ltd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA28NCC-144-03/2022)**

- a) Winding up petition date - 3 March 2022
- b) The case management on 6 April 2022 and hearing date on 7 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- d) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- e) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- f) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- g) During the Case Management on 14 June 2024, SOSBs' solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(xvi) VKI Marketing Sdn. Bhd. vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-159-03/2022)

- a) Winding up petition date - 22 February 2022
- b) The case management on 11 April 2022 and hearing on 13 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) Next case management was fixed on 29 June 2022.
- d) Due to the extension of the Restraining Order, the next Case Management was fixed on 13 March 2023.
- e) During the Case Management on 13 March 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order on 8 March 2023 which took effect from 11 March 2023. The Court fixed next Case Management on 13 June 2023.
- f) During the Case Management on 13 June 2023, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.
- g) During the Case Management on 14 March 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- h) SOSB informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including SOSB were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- i) During the Case Management on 14 June 2024, SOSB's solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including SOSB obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

(xvii) Tumpuan Megah Development Sdn. Bhd. vs Sapura Geosciences Sdn. Bhd. - Shah Alam High Court (BA-28NCC-181-03/2022)

- a) Winding up petition date - 17 March 2022
- b) The case on 14 April 2022 and hearing on 20 June 2022 were vacated as the Restraining Order was obtained on 10 March 2022.
- c) Next case management was fixed on 29 June 2022.
- d) Due to the extension of the Restraining Order, the next Case Management was fixed on 13 March 2023.
- e) During the Case Management on 13 March 2023, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained a new Restraining Order on 8 March 2023 which will take effect from 11 March 2023. The Court fixed the next Case Management on 13 June 2023.
- f) During the Case Management on 13 June 2023, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained an extension to the Restraining Order until 10 March 2024. The Court fixed next Case Management on 14 March 2024.

14. Material litigation (cont'd.)

(g) Winding up petitions (cont'd.)

(xvii) Tumpuan Megah Development Sdn. Bhd. vs Sapura Geosciences Sdn. Bhd. - Shah Alam High Court (BA-28NCC-181-03/2022) (cont'd.)

- g) During the Case Management on 14 March 2024, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained a fresh Restraining Order for a period of three (3) months, effective from 11 March 2024. This Order stays the current proceedings before the Court and the Court fixed next Case Management on 14 June 2024.
- h) Sapura Geosciences Sdn. Bhd. informed its solicitors that on 6 June 2024, the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. were granted an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. This Order stays the current proceedings before the Court.
- i) During the Case Management on 14 June 2024, Sapura Geosciences Sdn. Bhd.'s solicitors informed the Court that the Company and its twenty-two (22) subsidiaries including Sapura Geosciences Sdn. Bhd. obtained an extended Convening and Restraining Order for a period of nine (9) months, effective from 11 June 2024. The Court has yet to fixed further Case Management date.

15. Review of Group Performance

15.1 Current quarter against the corresponding quarter of the preceding year

	Individual Quarter		Changes %
	30/04/2024 RM'000	30/04/2023 RM'000	
Revenue	1,176,416	951,726	23.6
Operating profit	200,092	113,881	75.7
(Loss)/profit before taxation	(24,353)	173,472	(>100.0)
(Loss)/profit after taxation	(52,603)	143,892	(>100.0)
Profit attributable to owners of the Parent	82,128	146,086	(43.8)

The Group's revenue of RM1,176.4 million in the current quarter, was an increase of RM224.7 million compared to RM951.7 million in the corresponding quarter of the preceding year ("Q1 FY2024") due to a higher revenue recognised from the E&C as a result of higher project progress in current quarter.

The Group recorded a loss before taxation of RM24.4 million in the current quarter, higher by RM197.8 million compared to a profit before taxation of RM173.5 million in Q1 FY2024, mainly due to higher operating expenses and higher finance cost incurred.

15. Review of Group Performance (cont'd.)

15.2 Current quarter against immediate preceding quarter

	Individual Quarter		Changes %
	30/04/2024 RM'000	31/01/2024 RM'000	
Revenue	1,176,416	1,119,678	5.1
Operating profit/(loss)	200,092	(157,107)	>100.0
Loss before taxation	(24,353)	(713,801)	96.6
Loss after taxation	(52,603)	(731,878)	92.8
Profit/(loss) attributable to owners of the Parent	82,128	(728,439)	>100.0

The Group's revenue of RM1,176.4 million was RM56.7 million or 5.1% higher than the immediate preceding quarter ("Q4 FY2024") of RM1,119.7 million, due to higher revenues from E&C segments, attributable to progress from on-going projects.

In the current quarter, the Group recorded a loss before taxation of RM24.4 million, improved by RM689.4 million compared to RM713.8 million in Q4 FY2024, mainly due to net foreign exchange gain arising from the appreciation of USD against RM and share of profit from associates and joint ventures in the current quarter.

16. Segment information

The Group organises its business activities into five major segments as follows:

- (i) Engineering and Construction ("E&C")
- (ii) Operations and Maintenance ("O&M")
- (iii) Drilling;
- (iv) Exploration and Production* ("E&P"); and
- (v) Corporate

	Three months to 30/04/2024	
	Revenue RM'000	Profit/(loss) before tax RM'000
E&C	818,919	83,796
O&M	143,629	31,691
Drilling	251,584	(77,034)
E&P	-	41,017
	1,214,132	79,470
Corporate expenses and eliminations	(37,716)	(103,823)
Group revenue/loss before taxation	1,176,416	(24,353)

*includes share of profit after tax of associates

16. Segment information (cont'd.)

16.1 Current quarter against corresponding quarter of the preceding year

	Revenue			(Loss)/profit before tax		
	Three months to			Three months to		
	30/04/2024	30/04/2023	Changes	30/04/2024	30/04/2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Business segments:						
E&C	818,919	574,820	42.5	83,796	71,283	17.6
O&M	143,629	144,470	(0.6)	31,691	(28)	>100.0
Drilling	251,584	294,632	(14.6)	(77,034)	851	(>100.0)
E&P	-	-	-	41,017	43,827	(6.4)
	<u>1,214,132</u>	<u>1,013,922</u>		<u>79,470</u>	<u>115,933</u>	
Corporate expenses and eliminations	<u>(37,716)</u>	<u>(62,196)</u>	39.4	<u>(103,823)</u>	<u>57,539</u>	(>100.0)
Group revenue/ (Loss)/profit before taxation	<u>1,176,416</u>	<u>951,726</u>	23.6	<u>(24,353)</u>	<u>173,472</u>	(>100.0)

Business segments:

Engineering and Construction

The segment recorded revenue of RM818.9 million in the current quarter, which is RM244.1 million or 42.5% higher than revenue of RM574.8 million in Q1 FY2024, due to higher project progress in the current quarter.

The segment's profit before taxation increased by RM12.5 million to RM83.8 million compared to profit before taxation of RM71.3 million in Q1 FY2024, in line with improved project performance.

Operations and Maintenance

The segment recorded RM0.8 million or 0.6% lower revenue in the current quarter standing at RM143.6 million as compared to RM144.5 million in Q1 FY2024.

In the current quarter, the segment turned to a profit before taxation of RM31.7 million as compared to loss before taxation of RM0.03 million in Q1 FY2024 mainly contributed by settlement of claims and reversal of impairment.

Drilling

The segment's revenue dropped by RM43.0 million or 14.6%, from RM294.6 million in Q1 FY2024 to RM251.6 million in the current quarter. The reduction in revenue is mainly due to lower utilisation of rigs and short-term awarded contract.

The segment recorded a loss before taxation of RM77.0 million in the current quarter which is lower by RM77.9 million as compared to profit before taxation of RM0.9 million in Q1 FY2024. This is due to lower rigs utilisation and higher interest.

Exploration and Production

The segment recorded a profit before taxation of RM41.0 million, which was RM2.8 million lower than the profit before taxation of RM43.8 million in Q1 FY2024 mainly due to lower share of profit from an associate company classified as an Asset Held for Sale in the current quarter.

17. Additional disclosure information

17.1 Foreign exchange exposure and hedging policy

Foreign currency (a currency which is other than the functional currency of the Group entities) risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising mainly from revenue or costs and advances that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily RM and US Dollar ("USD"). The foreign currencies in which these transactions are denominated are mainly USD and RM.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the assets or investment is located or by borrowing in the currencies that match the future revenue stream to be generated from its investments. Where possible, the strategy is to match the payments for foreign currency payables against receivables denominated in the same foreign currency.

17.2 Trade and other receivables and contract assets

	As at 30/04/2024 RM'000	As at 31/01/2024 RM'000
Non-current		
Trade receivables	84,329	61,891
Less: Provision for expected credit loss	(10,360)	(10,360)
	<u>73,969</u>	<u>51,531</u>
Other receivables	<u>3,342</u>	<u>3,424</u>
Total non-current trade and other receivables	<u>77,311</u>	<u>54,955</u>
Current		
Trade receivables	834,250	694,696
Less: Provision for expected credit loss	(115,322)	(131,374)
	<u>718,928</u>	<u>563,322</u>
Other receivables	850,537	844,987
Less: Provision for expected credit loss	(315,959)	(315,959)
	<u>534,578</u>	<u>529,028</u>
Total current trade and other receivables	<u>1,253,506</u>	<u>1,092,350</u>
Contract assets	<u>442,172</u>	<u>462,530</u>
Total trade and other receivables and contract assets	<u>1,772,989</u>	<u>1,609,835</u>

Trade receivables are non-interest bearing. The Group's normal trade credit term ranges from 30 to 90 days (31 January 2024: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Overdue balances are reviewed regularly by the senior management. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

18. (a) Commentary on prospects

Sapura Energy Berhad and its subsidiaries ("the Group") reported a net gain of RM82 million in Q1 FY2025. Free cashflows generated in Q1 FY2025 are approximately RM132 million.

E&C and O&M business segment continues its resilience amidst its challenging operational conditions. The ongoing lack of access to working capital and bank guarantee facilities remains a strain to the Group, as it navigates its turnaround journey.

The Group's orderbook currently stands at RM7.0 billion. E&C and O&M segments are actively pursuing a number of prospects, focusing on transportation & installation, subsea inspection and repair & maintenance, whilst aligning its ESG principles across all operations. The orderbook held by the Group's joint venture and associate entities currently stands at RM7.1 billion.

On 6 June 2024, the High Court of Malaya granted Sapura Energy Berhad and certain of its wholly-owned subsidiaries an extension of the Convening and Restraining Orders for a period of nine (9) months till 10 March 2025. The Company then received a letter dated 7 June 2024 from the Corporate Debt Restructuring Committee ("CDRC") stating that the CDRC had extended the standstill period for the Company and its relevant subsidiaries, up to 10 March 2025. The extension Orders granted by the Court and standstill by the CDRC will allow the Group to finalise the proposed schemes of arrangement for the approval of its Creditors.

(b) Revenue or profit estimate, forecast, projection or internal targets

The Company has not provided any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public document.

19. Dividend

The Board of Directors does not recommend any payment of dividend for the current quarter under review.

20. Earnings per share

Basic/Diluted	Individual Quarter		Cumulative Quarter	
	Three months to 30/04/2024	Three months to 30/04/2023	Three months to 30/04/2024	Three months to 30/04/2023
Profit attributable to owners of the Parent (RM'000)	82,128	146,086	82,128	146,086
Weighted average number of ordinary shares in issue excluding shares held under trust ('000):				
- Basic [^]	18,375,942	15,979,080	18,375,942	15,979,080
- Diluted*	18,375,942	15,578,190	18,375,942	15,578,190
Earnings per share (sen)				
- Basic [^]	0.45	0.91	0.45	0.91
- Diluted*	0.45	0.94	0.45	0.94

[^] Included in the calculation of weighted average number of ordinary shares is the conversion of matured RCPS-i of 2,396,862,035 units into ordinary shares.

* In the Financial Year ("FY24"), rights issue of RCPS-i of 2,396,862,035 have not been included in the calculation for diluted earnings per share because they are anti-dilutive. In current quarter and FY24, warrants of 998,692,020 as well as 691,938,153 and 586,388,264 options under the Executive Share Option Scheme granted have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

By Order of the Board

Tai Yit Chan
(SSM Practising Certificate No. 202008001023)
(MAICSA 7009143)

Choong Siew Mun
(SSM Practising Certificate No. 202008001881)
(MAICSA 7068632)

Seri Kembangan, Selangor Darul Ehsan
27 June 2024