Sapura Resources

ANNUAL REPORT 2025

68th Annual General Meeting

Date
Thursday, 26 June 2025

Time
10:00 a.m

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www.sapura-resources.com

INSIDE THIS REPORT

AGILE

> "The current of industry flows, and we are built to navigate its every bend."

In a world of constant motion, we move with purpose and speed, anticipating shifts and embracing change to stay ahead. Agility isn't just a response; it's our proactive stride towards tomorrow.


MONITOR
RELEASE
DEPLOY
OPERATE

NOTICE OF SIXTY-EIGHTH (68TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Eighth ("**68th**") Annual General Meeting ("**AGM**") of the Company will be physically held at Multi-Purpose Hall, Ground Floor, Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Thursday, 26 June 2025 at 10:00 a.m., or any adjournment thereof, to transact the following business:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 January 2025 together with the Directors' and Auditors' reports thereon. *[Please refer to Note A]*

2. To approve the payment of the following Directors' fees for the financial year ended 31 January 2025:

   (i) Director's fee of RM121,715.07 payable to Encik Ahmad Jauhari bin Yahya, Independent Non-Executive Chairman. **Ordinary Resolution 1** *[Please refer to Note B]*

   (ii) Director's fee of RM59,000 payable to Tan Sri Dato' Seri Shahril bin Shamsuddin, Non-Independent Non-Executive Director. **Ordinary Resolution 2** *[Please refer to Note B]*

   (iii) Director's fee of RM105,138.08 payable to Mr. Andrew Heng, Senior Independent Non-Executive Director. **Ordinary Resolution 3** *[Please refer to Note B]*

   (iv) Director's fee of RM101,000.00 payable to Dr. Yap Lang Ling, Independent Non-Executive Director. **Ordinary Resolution 4** *[Please refer to Note B]*

   (v) Director's fee of RM77,235.63 payable to Encik Reza bin Abdul Rahim for his service as a Non-Independent Non-Executive Director during the period from 1 February 2024 to 9 October 2024. **Ordinary Resolution 5** *[Please refer to Note B]*

   (vi) Director's fee of RM4,775.34 payable to Puan Nik Aisyah Amirah binti Mansor, Non-Independent Non-Executive Director during the period from 10 January 2025 (date of appointment) to 31 January 2025. **Ordinary Resolution 6** *[Please refer to Note B]*

   (vii) Director's fee of RM4,084.93 payable to Puan Aiza Azreen binti Ahmad, Independent Non-Executive Director during the period from 10 January 2025 (date of appointment) to 31 January 2025. **Ordinary Resolution 7** *[Please refer to Note B]*

3. To approve the payment of Directors' benefits payable up to an amount of RM91,000.00 from 27 June 2025 until the date of the next AGM of the Company to be held in 2026. **Ordinary Resolution 8** *[Please refer to Note B]*

4. To re-elect Mr. Andrew Heng, who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers himself for re-election. **Ordinary Resolution 9** *[Please refer to Note C]*

5. To re-elect Dr. Yap Lang Ling, who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers herself for re-election. **Ordinary Resolution 10** *[Please refer to Note C]*

6. To re-elect Puan Nik Aisyah Amirah binti Mansor, who retires in accordance with Clause 115 of the Company's Constitution and, being eligible, offers herself for re-election. **Ordinary Resolution 11** *[Please refer to Note C]*

7. To re-elect Puan Aiza Azreen binti Ahmad, who retires in accordance with Clause 115 of the Company's Constitution and, being eligible, offers herself for re-election. **Ordinary Resolution 12** *[Please refer to Note C]*

8. To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 13** *[Please refer to Note D]*

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

9. **Retention of Encik Ahmad Jauhari bin Yahya as Independent Non-Executive Chairman** **Ordinary Resolution 14** *[Please refer to Note E]*

   "**THAT** Encik Ahmad Jauhari bin Yahya, who has served as an Independent Non-Executive Chairman of the Company for a cumulative term of more than nine (9) years since 19 January 2016, be and is hereby retained as an Independent Non-Executive Chairman of the Company."

10. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

    Ordinary Resolution 15 *[Please refer to Note F]*

    "THAT subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the capital of the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being;

    AND THAT the Directors be and are so empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares to be issued and THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by ordinary resolution of the Company at a general meeting;

    AND FURTHER THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment of such new shares."

11. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC NO. 201908002648)
YAU JYE YEE (MAICSA 7059233) (SSM PC NO. 202008000733)
Company Secretaries

Selangor Darul Ehsan
30 May 2025

NOTICE OF SIXTY-EIGHTH (68TH) ANNUAL GENERAL MEETING (Continued)

EXPLANATORY NOTES ON THE ORDINARY AND SPECIAL BUSINESS:

A. Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require formal approval of the shareholders for the Audited Financial Statement. Hence, this Agenda item is not put forward for voting.

B. Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act provides, amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors agreed that the shareholders' approval shall be sought at the 68th AGM of the Directors' fees for the financial year ended 31 January 2025 under Ordinary Resolutions 1 to 7.

The proposed Directors' fees payable to the Directors of the Company for the financial year ended 31 January 2025 shall be up to a total of RM472,949.05 only, comprising the following rates based on responsibilities assumed and the annual Directors' fees are prorated based on his/her appointment date (where applicable):-

Annual Directors' Fees	Chairman	Senior Members	Members
Board of Directors ("**Board**")	RM118,000	RM64,900	RM59,000
Board Audit and Risk Committee ("**BARC**")	RM30,000	-	RM24,000
Board Nomination and Remuneration Committee ("**BNRC**")	RM18,000	-	RM12,000

Encik Reza bin Abdul Rahim was re-designated as Executive Director on 10 October 2024. Accordingly, he is entitled to receive directors' fees up to 9 October 2024.

Puan Nik Aisyah Amirah binti Mansor (Non-Independent Non-Executive Director) and Puan Aiza Azreen binti Ahmad (Independent Non-Executive Director) were both appointed to the Board on 10 January 2025. As such, their directors' fees are prorated from the date of their appointment.

Under Ordinary Resolution 8, the proposed Directors' benefits payable comprise meeting allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committee meetings from 27 June 2025, being the day after the 68th AGM, until the next AGM and other benefits.

If the proposed Directors' benefits payable during the above period exceed the estimated amount sought at the 68th AGM, approval will be sought at the next AGM for additional Directors' benefits payable to meet the shortfall, before the payment is made.

C. Re-election of Directors

The performance, effectiveness and independence (as the case may be) of each Director standing for re-election have been evaluated through the Board's annual assessment process. The BNRC has also conducted an assessment on the fitness and properness of the retiring Directors, including the review of their fit and proper assessment declarations in accordance with the Directors' Fit and Proper Policy of the Company.

Based on these evaluations, the BNRC and the Board are satisfied with the performance, effectiveness, fitness and independence (as the case may be) of Mr. Andrew Heng, Dr. Yap Lang Ling, Puan Nik Aisyah Amirah binti Mansor and Puan Aiza Azreen binti Ahmad, all of whom are retiring as Directors, and being eligible, have offered themselves for re-election at the 68th AGM.

The profiles of the Directors standing for re-election are set out in the Directors' Profiles section of the 2025 Annual Report.

D. Re-appointment of Auditors

The BARC had assessed the suitability, objectivity, and independence of the External Auditors and recommended the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 January 2026. The Board, having reviewed the BARC's recommendation, concurred with the proposal and endorsed the re-appointment to be tabled for shareholders' approval at the forthcoming 68th AGM of the Company under Ordinary Resolution 13.

E. Retention of Encik Ahmad Jauhari bin Yahya as Independent Non-Executive Chairman

Encik Ahmad Jauhari bin Yahya ("**Encik Ahmad Jauhari**") was appointed as an Independent Non-Executive Director of the Company on 19 January 2016 and was redesignated as the Independent Non-Executive Chairman on 20 July 2022. He has since served the Board in this capacity for a cumulative term exceeding nine (9) years.

Pursuant to the annual performance and independence assessment conducted by the Board through the BNRC, Encik Ahmad Jauhari was evaluated based on his skills, experience, and ability to exercise independent judgement. The Board, based on the BNRC's recommendation, considers him to remain independent and recommends that he be retained as an Independent Non-Executive Chairman, subject to shareholders' approval through a two-tier voting process in accordance with the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance ("**MCCG**").

The justification for this recommendation includes the following:

(a) He continues to fulfil the independence criteria as prescribed under Paragraph 1.01 of the Main Market Listing Requirements ("**MMLR**") of Bursa Securities, and is capable of exercising objective and independent judgement while contributing to effective oversight, balance, and diverse perspectives at Board level.

(b) He has not engaged in any business or other relationships that could impair his independence, objectivity, or ability to act in the best interests of the Company.

(c) He does not have any conflict of interest, whether business-related or otherwise, with the Company.

(d) He has not maintained any significant personal or social relationships, directly or indirectly, with the Chief Executive Officer, major shareholders, or members of Management (including their immediate family members), aside from professional engagements in line with his responsibilities as an Independent Director.

F. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act

This is the renewal of the mandate obtained from the members at the last AGM held on 17 July 2024 ("**the Previous Mandate**"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

The Company wishes to obtain the mandate on the authority to issue shares of not more than 10% of the total issued shares capital for the time being pursuant to the Act at the forthcoming 68th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The proposed General Mandate seeks to provide the Directors of the Company with the authority and flexibility to issue and allot new shares in the Company at any time, to such persons and upon such terms and conditions as the Directors may, in their absolute discretion, deem fit, without the need to convene a general meeting for shareholders' approval. This would allow the Company to respond promptly to business opportunities and market conditions, thereby reducing administrative time and costs associated with convening additional general meetings.

The General Mandate, if approved, may be utilised for fundraising activities, including but not limited to further placements of shares to finance current and/or future projects, working capital requirements, potential acquisitions, investments, or for the issuance of shares as consideration for asset purchases or such other purposes as the Directors may consider to be in the best interests of the Company.

This authority, unless revoked or varied by the Company at a general meeting, shall remain in force until the conclusion of the next Annual General Meeting.

NOTES:-

1. This is a physical AGM. Shareholders and/or proxies are invited to attend **in-person** only.

2. In respect of deposited securities, only members whose names appear on the Record of Depositors as at **19 June 2025** (General Meeting Record of Depositors) shall be entitled to participate, speak and vote at this Meeting.

3. A member of the Company who is entitled to participate and vote at the meeting, shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy in relation to a meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

4. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to participate, speak and vote at the meeting.

NOTICE OF SIXTY-EIGHTH (68TH) ANNUAL GENERAL MEETING (Continued)

5. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

6. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

7. Publication of Notice of 68th AGM on corporate website

   Pursuant to Section 320(2) of the Act, a copy of this Notice together with the proxy form and Administrative Guide, are available at the corporate website of the Company at http://www.sapura-resources.com.

8. Appointment of Proxy(ies)

   The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e., not later than 24 June 2025 at 10:00 a.m. or adjournment thereof.

9. Alternatively, the proxy form can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com to login and deposit your proxy form electronically not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.

   The lodging of the Proxy Form does not preclude any shareholder from participating and voting at the meeting should any shareholder subsequently wish to do so, provided that a Notice of Termination of Authority to act as Proxy is given to the Company and deposited at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time stipulated for holding the meeting or any adjournment thereof.

   All resolutions set out in the Notice of the Meeting are to be voted by poll voting as per paragraph 8.29A(1) of the MMLR of Bursa Securities via the RPV facilities.

10. Corporate Representatives

    As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the 68th AGM pursuant to Section 333 of the Act. For this purpose and pursuant to Section 333(5) of the Act, the corporate member shall be provided a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("the Board") of Sapura Resources Berhad ("SRB" or "the Company") and its group of companies ("the Group"), I am honoured to present our Annual Report for the financial year ended 31 January 2025 ("FYE2025").

FYE2025 has been among the most challenging years in the Group's history. We recorded a loss after tax of RM51.6 million, a deterioration compared to the RM37.4 million loss in the previous financial year. However, there are encouraging signs - most notably, an improvement in revenue due to higher occupancy at Permata Sapura, and also positive performance on other fronts.

GOVERNANCE AND ACCOUNTABILITY AT THE FOREFRONT

Regrettably, the year also saw the Group placed under public scrutiny due to serious allegations made against the former Managing Director, Dato' Shahriman Shamsuddin. The allegations included potential conflicts of interest, and breaches of fiduciary, statutory, and contractual duties. The matter was initially brought to our attention by a concerned shareholder.

In response, and under the direction of the Board, a comprehensive internal investigation was launched. The findings revealed a wider scope of alleged misconduct, prompting the Group to act swiftly and decisively. Dato' Shahriman was placed on leave during the investigation and subsequently resigned. We appointed external legal advisors to guide us in safeguarding the Company's interests and in dealing with the relevant authorities.

In February 2025, the Company submitted a formal report to the Companies Commission of Malaysia (SSM), and subsequently the required police report. In April 2025, we initiated legal proceedings by filing a Generally Endorsed Writ of Summons in the High Court of Malaya at Kuala Lumpur against Dato' Shahriman and three other defendants. Subsequently, in May 2025 we filed the Statement of Claim.

These actions marked the necessary steps taken by the Board, guided by our legal advisors. Whilst we acknowledge shareholders' concerns over limited disclosures on the investigations' findings, we are currently bound by legal and regulatory restrictions due to ongoing investigations by the authorities. We appreciate your understanding in this regard.

CHAIRMAN'S STATEMENT (Continued)

STRENGTHENING THE LEADERSHIP BENCH

With the conclusion of this difficult chapter, our focus is now firmly on the future. We are focused on rebuilding trust, reinforcing governance, and ensuring the long-term sustainability of the Group. We also have strengthened the Board by appointing two new directors.

On 10 October 2024, we appointed Reza Abdul Rahim to be the Acting Managing Director while Dato' Shahriman was on leave and subsequently Dato' Shahriman resigned as the Managing Director on 29 October 2024. Then on 10 January 2025, the Board appointed Reza Abdul Rahim as the Chief Executive Officer ("CEO") of the Group. Given his tenure as the Non-Independent Non-Executive Director for one and a half years, and his familiarity with our business operations, his transition into the CEO role was smooth and seamless. In addition, he brings a fresh outlook, energy, and the resolve needed to drive meaningful transformation.

Additionally, several changes were made to the management team, including appointments of the Chief Financial Officer, Chief Operating Officer for Aviation, and the creation of a new position - Chief Strategy and Business Development Officer. These changes, together with the continued leadership of our Chief Corporate Officer, have resulted in a strong, principled, and experienced management team ready to chart our next chapter.

BUSINESS SEGMENT HIGHLIGHTS

Our Property segment saw encouraging progress, particularly at Permata Sapura, which achieved a strong occupancy rate of 92%. However, we also faced the departure of the anchor tenant at Sapura@Mines as of 1 April 2025, which presents near-term tenancy challenges. We are actively engaging potential tenants and exploring new opportunities for repositioning the asset. Elsewhere, our other property assets continue to enjoy full tenancy.

Our Aviation business has been scrutinized by the new management, at the Board's direction, to understand the reasons for its persistent underperformance. As part of this exercise, we have also outlined targeted measures to revitalise this segment, focusing on:

1. Enhancing business development to increase utilisation of hangarage, offices, and ground handling services;
2. Improving operational efficiency and maximising the effectiveness of existing resources;
3. Streamlining third-party contracting and procurement processes to optimise costs.

With these structural changes underway and the redeployment of key talent, we are confident that this business will regain momentum.

LOOKING FORWARD

We are under no illusion of the scale of challenges ahead. Yet, we remain resolute in our belief that with the current leadership, strong governance, and a disciplined approach, we can rebuild Sapura Resources Berhad into a stronger and more resilient organisation.

I urge our shareholders to continue holding the Board and Management to the highest standards - ask the necessary questions, expect transparency and demand performance - but also extend your support. The road ahead will be demanding, but we are committed to delivering meaningful progress, step by step.

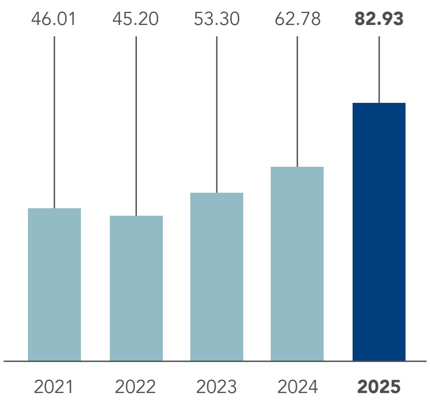
Thank you for your continued trust and support.

Encik Ahmad Jauhari bin Yahya
Chairman

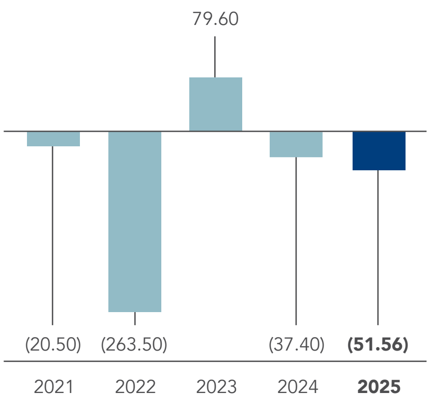
FINANCIAL HIGHLIGHTS

		Financial Year Ended 31 January				
		2021	2022	2023	2024	**2025**
Revenue	(RM million)	46.01	45.20	53.30	62.78	**82.93**
Profit/(loss) attribute to equity holders of the Company	(RM million)	(20.50)	(263.50)	79.60	(37.40)	**(51.56)**
Shareholders' funds	(RM million)	403.10	138.30	218.02	182.69	**217.46**
Basic/diluted earnings/(loss) per share	(sen)	(14.70)	(188.74)	57.04	(26.80)	**(27.21)**
Net assets per share	(sen)	2.89	0.99	1.56	1.31	**0.84**

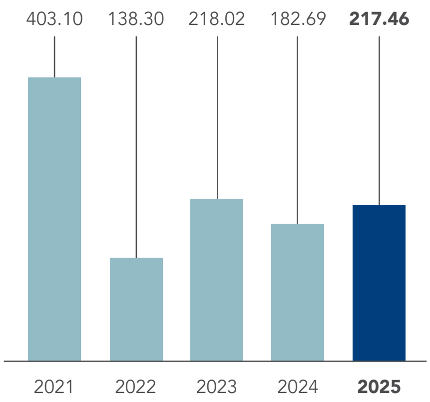
REVENUE
(RM million)



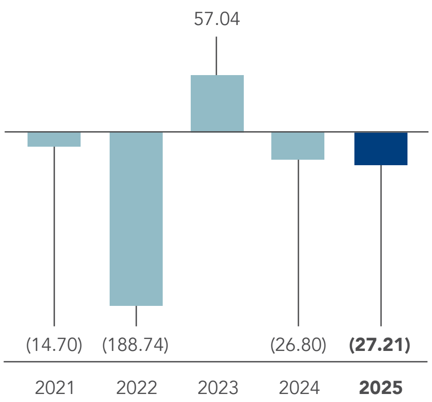
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
(RM million)



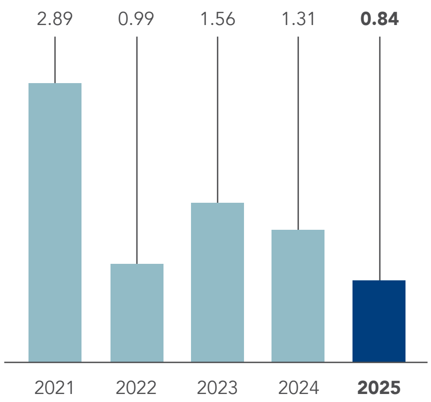
SHAREHOLDERS' FUNDS
(RM million)



BASIC/DILUTED EARNINGS/(LOSS) PER SHARE
(Sen)



NET ASSETS PER SHARE
(Sen)



CORPORATE INFORMATION

BOARD OF DIRECTORS

ENCIK AHMAD JAUHARI BIN YAHYA
Independent Non-Executive Chairman

TAN SRI DATO' SERI SHAHRIL BIN SHAMSUDDIN
Non-Independent Non-Executive Director

MR. ANDREW HENG
Senior Independent Non-Executive Director

DR. YAP LANG LING
Independent Non-Executive Director

PUAN AIZA AZREEN BINTI AHMAD
Independent Non-Executive Director

PUAN NIK AISYAH AMIRAH BINTI MANSOR
Non-Independent Non-Executive Director

ENCIK REZA BIN ABDUL RAHIM
Executive Director/Chief Executive Officer

DATUK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE
(Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin)

BOARD AUDIT AND RISK COMMITTEE

Mr. Andrew Heng (Chairman)
Dr. Yap Lang Ling
Puan Nik Aisyah Amirah Binti Mansor

BOARD NOMINATION AND REMUNERATION COMMITTEE

Dr. Yap Lang Ling (Chairman)
Mr. Andrew Heng
Puan Aiza Azreen Binti Ahmad

INVESTOR RELATIONS SAPURA RESOURCES BERHAD

Mail to:-
Sapura@Mines
No. 7 Jalan Tasik
The Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan

WEBSITE

www.sapura-resources.com

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
SSM PC No.201908002648

Yau Jye Yee (MAICSA 7059233)
SSM PC No. 202008000733

PRINCIPAL SOLICITORS

Robert Low + Ooi
Bock & Partners
Steven Thiru

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
RHB Bank Berhad

REGISTERED OFFICE

Sapura@Mines
No. 7 Jalan Tasik
The Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan
Tel : 603-8949 7000
Fax : 603-8949 7046

AUDITORS

Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 603-7495 8000
Fax : 603-2095 9076/78

INTERNAL AUDITORS

KPMG Management & Risk Consulting Sdn. Bhd.
10th Floor, KPMG Tower
No. 8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Fax : 603-7721 3399

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7890 4700
Fax : 603-7890 4670

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name : SAPRES
Stock Code : 4596

CORPORATE STRUCTURE

Sapura Resources Berhad
195701000235 (3136-D)

- 100% **Sapura Aero Sdn Bhd** 201101035477 (963611-P)
  - 100% **Aerohandlers Sdn Bhd** 201301006166 (1036009-X)
  - 100% **Aerodome Services Sdn Bhd** 201401003377 (1079451-D)
  - 100% **Aerodome Fife Sdn Bhd** 201201019144 (989289-X)
- 100% **Dnest Aviation Sdn Bhd** 200401017788 (656291-D)
  - 100% **Aerodome Sdn Bhd** 198101005138 (71252-X)
- 100% **SRB Ventures Sdn Bhd** 200801021297 (822612-W)
- 100% **SRB One Sdn Bhd** 201801045308 (1307340-P)
  - 51% **MTU Power Systems Sdn Bhd** 201801022706 (1284725-M)
- 50% **Impian Bebas Sdn Bhd** 199401039496 (325183-H)
- 24% **Tenaga Cable Industries Sdn Bhd** 198901012116 (189423-D)

Legend:
- Jointly Controlled Entity
- Aviation
- Associate
- Others

RESOURCEFUL

> “Where others see limits,
> we discover pathways.”

We see challenges as opportunities, leveraging every asset – intellectual, technological, and human – to find ingenious solutions. Resourcefulness is the art of achieving more with what we have.

MANAGEMENT DISCUSSION AND ANALYSIS

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

On behalf of Sapura Resources Berhad ("SRB") and its group of companies ("the Group"), I am honoured to present the Management Discussion and Analysis for SRB for the financial year ended 31 January 2025 ("FYE2025").

I assumed the role of Acting Managing Director on 10 October 2024 and was subsequently appointed Chief Executive Officer ("CEO") on 10 January 2025.

I am humbled by the trust the Board of Directors has placed in me to lead the Group through this pivotal period of leadership transition. The financial year under review has been a challenging one for the Group, marked by significant corporate governance issues arising from an alleged conflict of interest involving the former Managing Director, Dato' Shahriman Shamsuddin. The Board and Management have taken decisive steps to address the issue, and as CEO, I remain committed to ensuring that this matter is brought to a transparent and satisfactory resolution.

At the same time, we are undertaking a thorough review of our internal governance structures to strengthen accountability and embed the lessons learned. These initiatives are essential as we work to stabilise the Group and lay a strong foundation for sustainable long-term value creation.

GROUP FINANCIAL PERFORMANCE OVERVIEW

The Group recorded revenue of RM82.9 million in FYE2025, a significant increase from RM62.8 million in the previous financial year. This growth was primarily attributable to improved occupancy and higher sub-tenancy income at Menara Permata Sapura.

Despite the revenue increase, the Group posted a net loss of RM51.6 million, compared to a net loss of RM37.4 million in the financial year ended 31 January 2024 ("FYE2024"). During FYE2024, the reversal of impairment amounting to RM46.2 million had resulted in a lower loss for FYE2024 compared to the net loss for the current year.

CORPORATE EXERCISES

During the financial year under review, the Group completed the following key corporate exercises:

- Settlement of advances amounting to RM168 million owing to a related company, Jurudata Sdn Bhd ("JSB"), through the issuance of new 9-year zero-coupon redeemable convertible secured loan stocks ("RCSLS") in SRB; and
- Renounceable rights issue of new ordinary shares in SRB raising gross proceeds of approximately RM33.5 million ("Rights Issue").

These initiatives have strengthened the Group's balance sheet by restructuring liabilities related to the RM168 million advances from JSB, while the proceeds from the Rights Issue have further enhanced the Group's liquidity. This has enabled the Group to meet its financial obligations arising from the joint venture and the Master Lease Agreement ("MLA") pertaining to Menara Permata Sapura.

The corporate exercises have provided financial relief, offering the Group much-needed breathing space to refocus on executing the strategic and operational improvements outlined below.

PROPERTY REVIEW

Property Market Outlook

The outlook for the purpose-built office market in the Klang Valley remains subdued due to a persistent oversupply of new developments. This situation has intensified competition, particularly for older properties, which face challenges in retaining and attracting tenants. Amidst this competitive landscape, tenants are increasingly seeking high-quality assets. These properties are favoured for their green certifications, digital infrastructure, accessibility to public transportation, and premium amenities. This shift benefits our flagship asset, Menara Permata Sapura, which aligns well with current market preferences.

Menara Permata Sapura (via Impian Bebas Sdn Bhd)

Menara Permata Sapura is a 52-storey mixed-use development comprising an office tower, a convention centre, and a retail podium. The property is held through Impian Bebas Sdn Bhd (IBSB), a 50:50 joint venture between SRB and KLCC (Holdings) Sdn Bhd ("KLCCHSB"). SRB has entered into a 15-year MLA with IBSB effective from 1 October 2021, covering approximately 449,000 square feet of Net Lettable Area.

Sub-tenancy occupancy improved significantly, rising from 16% as at 31 January 2024 to 92% by 31 January 2025. This increase contributed to a substantial growth in rental income, from RM11.1 million in FYE2024 to RM36.0 million in FYE2025. While the occupancy rate has improved, the tenancy yield remains relatively low due to the weighted average rental rates being below the current MLA rate and the remaining 8% of unoccupied space. However, post-year-end tenancy renewals have been secured at rates exceeding the MLA, and this positive trend is expected to continue, progressively improving yield performance.

Nevertheless, given the prevailing market oversupply and the typical three-year tenure of tenancies, achieving positive cash flow from the MLA in the near term remains challenging. As such, proceeds from the Rights Issue will be utilised to address the MLA shortfall and support operational requirements in the interim.

Sapura@Mines

Sapura@Mines, a 10-storey office building with a Net Lettable Area of approximately 260,000 square feet, generated RM15.7 million in revenue during the financial year. Of this, 97% was contributed by our anchor tenant, Sapura Energy Berhad ("SEB"). SEB's tenancy expired in March 2025, resulting in an anticipated reduction in annual revenue of approximately RM15.2 million.

Efforts to secure new tenants are currently underway. Concurrently, the Group has initiated a cost rationalisation programme across HQ and Property operations to mitigate the financial impact of this vacancy and preserve operational efficiency.

Jalan Tandang and Jalan 219

Our other property holdings include warehouses and offices located at Jalan Tandang, Petaling Jaya (Net Lettable Area: approximately 166,000 square feet), and a commercial showroom at Jalan 219, Petaling Jaya (Net Lettable Area: approximately 46,000 square feet). These properties are currently tenanted under a lease agreement and a tenancy agreement expiring in August 2032 and November 2026, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

CHIEF EXECUTIVE OFFICER'S STATEMENT

AVIATION SERVICES REVIEW

The Group's Aviation Services segment comprises of hangarage and office rentals, ground handling, and aircraft management operations. In FYE2025, revenue from this segment declined to RM24.4 million, compared to RM29.4 million in the previous year. The reduction was primarily attributable to lower revenue recognition from aircraft management services and, to a lesser extent, ground handling activities. Notably, much of the decrease was related to cost-pass-through items, which had a limited impact on the segment's overall profitability.

Despite the lower revenue, this segment improved from a loss of RM3.7 million in the previous year to profit of RM5.7 million in FYE2025. This improvement was attributable to the reversal of provisions for legal cases that were settled during the year. Hangar and office occupancy and ground handling movements remained stable throughout the year.

In response to a challenging private aviation market and increasing competition in Subang Airport, we undertook a strategic review in early FYE2026. As a result, we are implementing targeted measures to retain and attract clients, enhance operational efficiency, and expand into commercial and government aviation segments. Additionally, we are exploring opportunities to establish a presence in other aviation hubs across Malaysia to further diversify our revenue base.

JOINT VENTURE AND ASSOCIATE COMPANIES

Our portfolio comprises the following:

1. Impian Bebas Sdn Bhd ("IBSB") - a 50:50 joint venture with KLCCHSB, which owns Menara Permata Sapura. IBSB generated revenue of RM111.8 million of which 71% is contributed by the office rental via the MLAs with SRB and Kenyalang Murni Sdn Bhd ('KMSB"), a wholly owned subsidiary of KLCCHSB. The remaining contribution is mainly from the convention centre segment (26%), while revenue from retail segment has quadrupled compared with the previous year. The Group's share of losses from IBSB is primarily attributable to interest expenses on borrowings and property depreciation.
2. MTU Power Systems Sdn Bhd ("MPS") - a 51% joint venture with Rolls-Royce Solutions Asia Pte Ltd. While MPS recorded its first profit in FYE2025 amounting to RM6.9 million, the Group was unable to recognise its share of the profit, as the accumulated losses to date exceed SRB's cost of investment.
3. Tenaga Cable Industries Sdn Bhd ("TCI") - a 24% associate company of the Group. TCI continues to deliver stable performance, contributing a profit share of RM2.9 million. In addition, the Group received a dividend of RM1.02 million from TCI during the financial year.

FINANCIAL REVIEW

Financial Position

Despite the current year's losses, shareholders' equity increased from RM182.7 million to RM217.5 million due to the effects of the Rights Issue and RCSLS.

Total assets declined from RM869.0 million to RM796.1 million due to depreciation in investment properties and share of losses in joint ventures. Nonetheless, the net current assets has improved from a RM127.7 million net current liabilities position to a RM15.1 million net current assets position, and this is primarily due to the issuance of the RCSLS during the year.

Total liabilities decreased from RM686.3 million to RM578.7 million, attributed to reductions in lease liabilities, conversion of payables to RCSLS, and reversals in provisions due to settlement of legal disputes.

Cash Flow

Net operating cash grenerated improved to RM29.1 million from RM19.6 million in the previous year. The operating profit before working capital changes increased from RM4.3 million to RM38.6 million mainly due to the higher rental income from Menara Permata Sapura. However, this significant increase is offset by the working capital changes of RM9.5 million in FY2025.

The cash outflow from investing activities declined to RM5.1 million from RM40.9 million in the previous year, due to the absence of a RM37.0 million cash call payment to IBSB, which occurred in the previous year.

Net cash from financing activities decreased from RM27.2 million generated in FYE2024 to RM21.2 million used in FYE2025. Financing activity proceeds for the current year were primarily attributable to the Rights Issue, as opposed to RM128.0 million financial assistance received from a related company. This financial assistance was settled via the issuance of RCSLS during the year. In addition, the repayment of lease liabilities was also lower as compared to the previous year.

CONCLUSION & OUTLOOK

The outlook for FYE2026 remains challenging across all of the Group's business segments. However, under the Board's guidance and through focused execution, we have initiated a series of measures aimed at restoring profitability, seizing new opportunities, and strengthening resilience.

In the Property segment, our key priorities are to re-tenant Sapura@Mines following the departure of SEB and to enhance returns from Menara Permata Sapura by increasing sub-tenancy rates and optimising ancillary income streams.

For the Aviation Services segment, we are concentrating on business development initiatives to increase utilisation of our hangar, office spaces, and ground handling operations while improving operational efficiency and reinforcing our market position.

At the Group level, we are enhancing organisational capabilities through strategic talent deployment, rationalising under-performing operations, and fostering closer collaboration with our joint venture partners.

While the turnaround will take time, we remain committed to a transparent and focused approach to rebuilding the Group's profitability and long-term resilience. I look forward to sharing further updates with our shareholders at the upcoming Annual General Meeting.

We look to the future with determination and optimism.

Reza Abdul Rahim
Chief Executive Officer

HONOURABLE

"Integrity is not just a policy;
it is our promise."

Our word is our bond. We operate with unwavering integrity, transparency, and respect, building lasting relationships founded on trust and ethical conduct. Honour is the bedrock of our reputation.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BOARD OF DIRECTORS

left to right:
front

MR. ANDREW HENG
Senior Independent Non-Executive Director

ENCIK AHMAD JAUHARI BIN YAHYA
Independent Non-Executive Chairman

TAN SRI DATO' SERI SHAHRIL BIN SHAMSUDDIN
Non-Independent Non-Executive Director

ENCIK REZA BIN ABDUL RAHIM
Executive Director/ Chief Executive Officer

Back

DR. YAP LANG LING
Independent Non-Executive Director

PUAN AIZA AZREEN BINTI AHMAD
Independent Non-Executive Director

PUAN NIK AISYAH AMIRAH BINTI MANSOR
Non-Independent Non-Executive Director

DATUK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE
(Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin)

BOARD OF DIRECTORS' PROFILES

ENCIK AHMAD JAUHARI BIN YAHYA

Independent Non-Executive Chairman

Nationality	**Aged**	**Gender**
Malaysian	70	Male

Date of Appointment
19 January 2016

Length of service
(as at 30 April 2025)
9 years 3 months

Board Committees Membership(s)
Nil

Directorships in other public companies and listed issuers

- Cenergi SEA Berhad
  - Non-Executive Director
- Proton Holdings Berhad
  - Non-Executive Director

Board Meeting attendance in FYE2025

15/15

Encik Ahmad Jauhari was appointed to the Board of Sapura Resources Berhad as an Independent Non-Executive Director on 19 January 2016. On 17 September 2021, he was re-designated as the Chairman of the Board Nomination and Remuneration Committee of the Company. On 20 July 2022, he was re-designated as the Chairman of the Company. On 6 April 2023, he ceased as the Chairman of the Board Nomination and Remuneration Committee and the member of the Board Audit and Risk Committee.

He holds a Bachelor of Science (Hons) Degree in Electrical and Electronics Engineering from University of Nottingham, United Kingdom.

He started his career with ESSO Malaysia Berhad in 1977 before joining The New Straits Times Press (M) Berhad in 1979 where he rose to the rank of Senior Group General Manager, Production and Circulation. He then joined Time Engineering Berhad as the Deputy Managing Director in 1992 and subsequently became Managing Director within the same year. He then served as the Managing Director of Malaysian Resources Corporation Berhad in 1993 before taking the role of Managing Director of Malakoff Berhad from 1994 till 2010.

After 2010, he became a Director at Malaysia Airport Holdings Berhad and the Chairman of Destination Resorts and Hotel Sdn. Bhd. prior to his appointment at Malaysia Airlines Berhad.

Encik Ahmad Jauhari was appointed as the Group Chief Executive Officer of Malaysia Airlines Berhad on 19 September 2011. He was a member of the Board Tender Committee and sat on the Boards of several subsidiaries within the Malaysia Airlines Berhad Group of Companies. He stepped down from the role of Group Chief Executive Officer of Malaysia Airlines Berhad on 30 April 2015 but remained on the Board as a Non-Executive Director until December 2015.

Encik Ahmad Jauhari has vast experience in managing organisations on the international front as he had served as the Director and Chairman of Executive Committee of Central Electricity Generating Company Limited (Jordan), a Director of Shuaibah Expansion Project Company Limited (Saudi Arabia) and a Director of Souk Tieta Independent Water Project (IWP) in Algeria.

Encik Ahmad Jauhari also has vast and diverse working experience in various industries which includes oil and gas, media publications, engineering, power generation, gas utilities, telecommunications and IT. He is also the founder member and the former President of Penjanabebas (Association of Independent Power Producer of Malaysia).

Encik Ahmad Jauhari is currently serving as the Chairman of Minconsult Sdn. Bhd.

Encik Ahmad Jauhari does not have any family relationship with the other Directors and/or major shareholders of the Company.

BOARD OF DIRECTORS' PROFILES (Continued)

TAN SRI DATO' SERI SHAHRIL BIN SHAMSUDDIN

Non-Independent Non-Executive Director

Nationality	Aged	Gender
Malaysian	64	Male

Date of Appointment
19 February 1990

Length of service
(as at 30 April 2025)
35 years 2 months

Board Committees Membership(s)
Nil

Directorships in other public companies and listed issuers

- Sancy Berhad
  - Non-Executive Chairman
- Perdana Leadership Foundation
  - Board of Trustees
- Yayasan Shamsuddin Abdul Kadir
  - Board of Trustees
- Yayasan Siti Sapura Husin
  - Board of Trustees

Board Meeting attendance in FYE2025

14/15

Tan Sri Shahril was appointed as Managing Director of Sapura Resources Berhad on 19 February 1990, and was re-designated as a Non-Independent Non-Executive Director of the Company on 1 March 2007.

As President and Group Chief Executive Officer of Sapura Group, Tan Sri Shahril oversees a diverse business portfolio including secured communications technologies, automotive manufacturing, aviation and property development. Under his stewardship, Sapura Group through Sapura Secured Technologies now has more than two decades of experience in leading Mission Critical Technology innovation and is a key service provider in Defence Electronics and Homeland Security Solutions. His recent venture is the founding of Velum Labs, a company providing non-intrusive cloud and cyber intelligence solutions.

In recognition of his contributions to the local industry, Tan Sri Shahril was conferred an Honorary Doctorate in Technology Management by the Universiti Teknologi Malaysia (UTM) in 2013. In 2020, Tan Sri Shahril was appointed Chairman of the Malaysian National Applied Research and Development Centre (MIMOS) to spearhead the agency's leading technological innovation and capabilities.

From 2012 to 2021, Tan Sri Shahril was President and Group Chief Executive Officer of Sapura Energy, where he spearheaded the Group's transformation from a domestic-focused oil & gas contractor to a global integrated oil & gas services and solutions provider. During his tenure, Sapura Energy has received numerous accolades, including the Fabulous 50 listing by Forbes Asia in 2013 and 2014, Asia's Overall Best Managed Company in Natural Resources by Finance Asia in 2014, New Upstream Player of the Year award by The Oil & Gas Year Malaysia in 2015, Marginal Oil Fields Development Company of the Year award by Frost & Sullivan in 2015, Best Pipe Layer Operator award by Petrobras in 2018 and APAC Company of the Year (Energy Services, Offshore and Marine) by Energy Council in 2019.

He was honoured with the Order of Rio Branco by the government of Brazil in 2019 and was the recipient of government the Legion d'Honneur by the Republic of France in 2007. Ernst & Young hailed Tan Sri Shahril as Malaysia's Entrepreneur of the Year in 2009 and he was presented Man of the Year award by The Oil & Gas Year Malaysia in 2014.

Previously member of the World Economic Forum's ASEAN Regional Strategy Group, Tan Sri Shahril now sits in the Asian Executive Board of the MIT Sloan School of Management, and the Board of Governors of the Asia School of Business, a collaboration between MIT Sloan and Bank Negara Malaysia. He is also a member of the International Advisory Council of the Singapore Management University. In 2023, Tan Sri Shahril was appointed as Adjunct Professor at the Institute of Microengineering & Nanoelectronics at Universiti Kebangsaan Malaysia (UKM).

Tan Sri Shahril obtained an M.Sc. in Management of Technology from MIT Sloan School of Management and graduated from the California Polytechnic State University with a B.Sc. in Industrial Technology. Tan Sri Shahril is also an Honorary Brigadier General in the Territorial Army Regiment of the Malaysian Army.

Tan Sri Shahril is a major shareholder of the Company.

MR. ANDREW HENG

Senior Independent Non-Executive Director

Nationality	Aged	Gender
Malaysian	50	Male

Date of Appointment
3 June 2019

Length of service
(as at 30 April 2025)
5 years 10 months

Board Committees Membership(s)

1. Board Audit and Risk Committee
   - Chairman
2. Board Nomination and Remuneration Committee
   - Member

Directorships in other public companies and listed issuers

Nil

Board Meeting attendance in FYE2025

14/15

Andrew Heng was appointed to the Board of Sapura Resources Berhad as an Independent Non-Executive Director on 3 June 2019 and was re-designated to Senior Independent Non-Executive Director on 21 May 2024. On 17 September 2021, he was re-designated as the Chairman of the Board Audit and Risk Committee. On 20 July 2022, he was appointed as a Member of the Board Nomination and Remuneration Committee.

Andrew is a Chartered Accountant with the Malaysian Institute Accountants ("MIA"), a fellow member of CPA Australia, Chartered Accountant Australia New Zealand, a member of the Cambodian Institute of CPAs, a Chartered Valuer and Appraiser with the Institute of Valuers and Appraisers Singapore, a Certified Financial Planner with the Financial Planning Association of Malaysia and a Chartered Internal Auditor with The Institute of Internal Auditors Malaysia.

Andrew graduated from the University of Western Australia with a Bachelor of Commerce and Bachelor of Law in 1998 and Master of Business Administration from the University of Manchester. He was also called to the Malaysian Bar in 2000.

Andrew is the Group Managing Partner of Baker Tilly Malaysia and has more than 20 years of experience in corporate restructuring, transaction advisory and corporate recovery. He is the lead partner in Malaysia for Corporate Advisory and is experienced in Mergers and Acquisitions, Reverse Take Over and Initial Public Offerings of companies, including being Independent Valuer's/Expert Report's Role in valuation of companies and financial due diligence for application, for admission and listing on the Bursa Malaysia. He also sits on the Baker Tilly International Board and is the Baker Tilly International APAC Regional Chair.

Andrew does not have any family relationship with the other Directors and/or major shareholders of the Company.

BOARD OF DIRECTORS' PROFILES (Continued)

DR. YAP LANG LING

Independent Non-Executive Director

Nationality	Aged	Gender
Malaysian	53	Female

Date of Appointment
1 November 2022

Length of service
(as at 30 April 2025)
2 years 6 months

Board Committees Membership(s)

1. Board Audit and Risk Committee
   - Member
2. Board Nomination and Remuneration Committee
   - Chairperson

Directorships in other public companies and listed issuers

- Well Chip Group Berhad
  - Independent Non-Executive Director

Board Meeting attendance in FYE2025

15/15

Dr. Yap Lang Ling was appointed to the Board of Sapura Resources Berhad as an Independent Non-Executive Director on 1 November 2022. She is also a Member of Board Audit and Risk Committee, and a Member of the Board Nomination and Remuneration Committee. On 6 April 2023, she was re-designated as the Chairperson of the Board Nomination and Remuneration Committee.

Dr. Yap Lang Ling graduated from Universiti Sains Malaysia with a Doctorate in Service Supply Chain Management, a Masters in Human Resource Management and Bachelor of Economics (Hons) from Universiti Utara Malaysia, a Certificate in Sustainable Development Goals and the Law, and a Certificate in The Paris Agreement, Sustainable Development and the Law from University of Cambridge, United Kingdom.

Dr. Yap has various leadership experiences in MNCs across the High-Tech, Financial Services and Energy industries; including local conglomerate for the Real Estate and Healthcare industries.

She has two (2) years of strategic sourcing and procurement experience in managing outsourced business processes with global suppliers for group insurance benefits, occupational health, employee services, finance and administration in Asia and Latin America and four (4) years of manufacturing operations and systems engineering related experience for global high-paced virtual factories as well as two (2) years of quality, risk management, and infection prevention and control for group healthcare in Malaysia and Singapore.

Dr. Yap also has nineteen (19) years of human resource (HR) experience in various leadership capacities with progressively responsible experience in Pay/Stock/Benefits design and administration for manufacturing, sales and marketing, greenfield, brownfield, start-up and mergers and acquisitions in Asia, Latin America, Europe, Middle East and Africa which required strong stakeholder management skill. As a Senior Director of HR, she was responsible for the full spectrum of HR and business top strategic priorities and provided outside-in HR consultation and guidance to the senior leadership team. Areas of focus included business transformation and cultural change.

Dr. Yap has served as Independent Director for main market listed issuers in Financial Services and Healthcare Manufacturing industries, Chair of Group Board Risk Committee, Member of Audit Committee, Member of Nomination and Remuneration Committee, and Chair of ESG Committee.

Dr. Yap is also an Independent Non-Executive Director of Well Chip Group Berhad.

Dr. Yap Lang Ling does not have any family relationship with the other Directors and/or major shareholders of the Company.

PUAN AIZA AZREEN BINTI AHMAD

Independent and Non-Executive Director

Nationality	**Aged**	**Gender**
Malaysian	50	Female

Date of Appointment
10 January 2025

Length of service
(as at 29 April 2025)
3 months

Board Committees Membership(s)
Board Nomination and Remuneration Committee - Member

Directorships in other public companies and listed issuers
Nil

Board Meeting attendance in FYE2025
1/1

Puan Aiza Azreen binti Ahmad graduated from Macquarie University with Bachelor of Commerce-Accounting.

Puan Aiza served as Management Consultant during her early career in Australia from the year 2004-2007. In her role as a senior accountant, Puan Aiza handled M&A deals, conducted integrity reviews, and performed forensic accounting for clients like Macquarie Leisure and Westpac Bank.

Puan Aiza is an experienced multi-sector leader with 25 years of experience in digital transformation, capacity building, and ecosystem development across healthcare, fintech, education, and media with a proven success in scaling operations and integrating digital technologies.

Among her notable accomplishments were successful expansion of lifestyle medicine to GCC countries, pivoting MySejahtera from a Covid-19 tool to a digital health platform, spearheading multi-million ringgit national level digitalization initiatives with MDEC and pioneering the cashless ecosystem with Boost eWallet by Axiata eCode.

Puan Aiza does not have any family relationship with the other Directors and/or major shareholders of the Company.

BOARD OF DIRECTORS' PROFILES (Continued)

PUAN NIK AISYAH AMIRAH BINTI MANSOR

Non-Independent and Non-Executive Director

Nationality	Aged	Gender
Malaysian	37	Female

Date of Appointment
10 January 2025

Length of service
(as at 30 April 2025)
3 months

Board Committees Membership(s)
Board Audit and Risk Committee
- Member

Directorships in other public companies and listed issuers
Nil

Board Meeting attendance in FYE2025
1/1

Puan Nik Aisyah Amirah binti Mansor is a member of The Malaysian Institute of Certified Public Accountants (MICPA) and graduated with Masters in Business Administration from the Asia School of Business, in collaboration with MIT Sloan Management and from the University of Adelaide with Bachelor of Commerce, double majoring in Accounting and Corporate Finance.

Puan Nik Aisyah has extensive experience in strategy, audit, financial planning and management, corporate finance and operations within complex business structures across MNCs and Malaysian public listed and private entities. She has held various leadership roles in her experience, which spans across several industries such as oil & gas, critical communications, rail systems, digital technology, cybersecurity and real estate.

Puan Nik Aisyah does not have any family relationship with the other Directors and/or major shareholders of the Company.

ENCIK REZA BIN ABDUL RAHIM

Executive Director/
Chief Executive Officer

Nationality	**Aged**	**Gender**
Malaysian	49	Male

Date of Appointment
6 April 2023

Length of service
(as at 30 April 2025)
2 years

Board Committees Membership(s)
Nil

Directorships in other public companies and listed issuers
Nil

Board Meeting attendance in FYE2025
14/15

Encik Reza Abdul Rahim was appointed to the Board of Sapura Resources Berhad as a Non-Independent Non-Executive Director on 6 April 2023.

On 10 October 2024, he was re-designated as an Executive Director and appointed as the Acting Managing Director. Following his re-designation, he ceased to be a Member of the Board Audit and Risk Committee and a Member of the Board Nomination and Remuneration Committee.

Subsequently, on 10 January 2025, Encik Reza Abdul Rahim was appointed and redesignated as the Chief Executive Officer.

Encik Reza is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants. He graduated from the University of Cambridge with an MPhil in Finance and from the London School of Economics and Political Science with a BSc in Accounting and Finance (First Class Honours).

Encik Reza has over 25 years of experience in audit, financial management, corporate finance and mergers and acquisitions as well as in strategy and operations and has held various senior leadership roles within public listed and private companies with regional and global coverage. His experience spans across several industries including technology, telecommunications and energy.

Encik Reza is currently the Honorary Treasurer of MERCY Malaysia.

Encik Reza does not have any family relationship with the other Directors and/or major shareholders of the Company.

BOARD OF DIRECTORS' PROFILES (Continued)

DATUK MEGAT ABDUL MUNIR BIN MEGAT ABDULLAH RAFAIE

Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin

Nationality	Aged	Gender
Malaysian	55	Male

Date of Appointment
29 September 2022

Length of service
(as at 30 April 2025)
2 years 7 months

Board Committees Membership(s)
Nil

Directorships in other public companies and listed issuers
Nil

Board Meeting attendance in FYE2025
N/A

Datuk Megat Abdul Munir bin Megat Abdullah Rafaie was appointed to the Board of Sapura Resources Berhad as the Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin (Non-Independent Non-Executive) on 29 September 2022.

Datuk Megat holds a Bachelor of Laws from International Islamic University Malaysia, and he was called to the Malaysian Bar in 1994.

Datuk Megat is a founding partner of the legal firm Messrs. Zain Megat & Murad and leads the Kuala Lumpur branch as well as three of the firm's practice areas, namely Litigation, Corporate Commercial and the Foundation Laws. He is not only heavily involved in corporate and general litigation, but also advises on foreign investments, mergers and acquisitions, listing and compliance requirements as well as matters related to Bursa Malaysia Securities Berhad and Securities Commission Malaysia.

Datuk Megat does not have any family relationship with the other Directors and/or major shareholders of the Company.

ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

1. **Conflict of Interests**
   None of the Directors of the Company has any conflict of interest with the Company other than those disclosed in the financial statements of the Company.

2. **Convictions for Offences**
   None of the Directors of the Company has any conviction for offences within the past five (5) years other than traffic offences (if any) or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 January 2025.

PROFILES OF SENIOR MANAGEMENT

MAI ELIZA BINTI MIOR MOHAMAD ZUBIR

Chief Corporate Officer

Nationality	Aged	Gender
Malaysian	52	Female

Date of Appointment	Length of service
13 January 2014	11 years

Mai Eliza binti Mior Mohamad Zubir was appointed as the Chief Corporate Officer (CCO) of Sapura Resources Berhad on 16 November 2023. In this CCO role, she oversees the Group's corporate matters including corporate governance and corporate strategy. She is also responsible for managing relationship with key stakeholders and driving corporate strategic initiatives. Additionally, she plays a pivotal role in supporting the Chief Executive Officer in operational administration, governance matters, and the execution of strategic business decisions.

Prior to her current appointment, Mai Eliza served as Chief Operating Officer (COO) of Sapura Resources Berhad from October 2022, where she was instrumental in aligning operational execution with the Company's strategic goals.

She joined Sapura Resources Berhad in January 2014 as Head of Legal and Secretarial, where she provided legal counsel and strategic guidance. She was promoted to Head of Corporate Services in January 2020, and subsequently redesignated as Head of Corporate Support in August 2020. Throughout her tenure in the Company, she has held several key leadership positions and contributed significantly to the Group's legal and corporate governance functions.

Before joining Sapura Resources Berhad, Mai Eliza spent 13 years with National Aerospace & Defence Industries Sdn Bhd (NADI), serving as Group General Manager for Legal and Corporate Services. In that capacity, she led legal services for the NADI Group and managed the Human Resources and Administration divisions.

Mai Eliza holds a Bachelor of Laws (LLB) (Hons) from the University of Sheffield, United Kingdom (1996) and obtained her Certificate of Legal Practice from University Malaya (1997).

Mai Eliza does not hold any directorships in other public or listed companies. She has no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, have not been convicted of any offences within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2025 and/or to date.

PROFILES OF SENIOR MANAGEMENT (Continued)

IVAN OH BOON WEE

Chief Financial Officer

Nationality	Aged	Gender
Malaysian	59	Male

Date of Appointment	Length of service
7 April 2025	1 month

Mr. Ivan Oh Boon Wee ("Mr. Ivan") was appointed as the Chief Financial Officer (CFO) of Sapura Resources Berhad on 7 April 2025. He had previously served as the CFO of Sapura Resources Berhad from October 2020 to May 2022.

Mr. Ivan is a Certified Public Accountant of Malaysia Institute of Accountants (MIA) as well as Malaysia Institute of Public Accountants (MICPA).

He has forty (40) years of total work experience with in-depth knowledge and capabilities in his areas of responsibilities including listing requirements and corporate governance.

He is experienced in aspects such as tax planning & compliance including cross border transactions, corporate restructuring of distressed companies and corporate finance work including fund raising and mergers & acquisitions.

He had served as the Business Controller at Appspace (Malaysia) Sdn Bhd responsible for the overall finance and accounting functions of a group of companies across multiple jurisdictions ie Switzerland, UK, UAE, Malaysia & Australia. He has held positions as Vice President of Treasury at Asia Broadcast Satellite (HK) Ltd, CFO of Ho Hup Construction Company Berhad and financial and operational leadership roles in TIME dotCom Berhad.

He began his career with PriceWaterhouseCoopers spanning over fourteen (14) years which included Assurance and Corporate Advisory services.

Mr. Ivan is presently an Independent Non-Executive Director at Jaycorp Berhad since October 2022. He currently chairs the Audit Committee, Board Risk Management Committee, and Remuneration Committee, while also serving as a member of the Nomination Committee.

Mr. Ivan has no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, have not been convicted of any offences within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2025 and/or to date.

DR. ADAM BADRI

Chief Strategy and Business Development Officer

Nationality	Aged	Gender
Malaysian	49	Male

Date of Appointment	Length of service *(as at 30 April 2025)*
6 January 2025	4 months

Dr. Adam Badri was appointed as the Chief Strategy and Business Development Officer of Sapura Resources Berhad (SRB) on 6 January 2025. In this role, he is responsible for driving the Group's strategic direction, identifying new business opportunities, and forging strategic partnerships that support SRB's long-term growth agenda.

Adam holds a Ph.D. and Master of Science in Materials Science and Engineering from Carnegie Mellon University, USA. He also holds a Bachelor of Engineering in Metallurgical Engineering from McGill University, Canada, and a Diploma of Engineering from Dalhousie University, Canada.

He began his career in 2003 with Shell in Sarawak as an engineer, progressing to Team Lead (Asset Integrity & Fitness-for-Service) in Shell Projects & Technology for the Asia-Pacific region. In 2012, he joined the Boston Consulting Group as a Consultant, based in Kuala Lumpur and Jakarta. Subsequently, in 2013 he joined SapuraKencana Petroleum Berhad and held various roles in Strategic Business Support (Office of the President and Group Chief Executive Officer) and also as Vice President, Group Human Resources. In 2017, Adam joined Sapura Secured Technologies Sdn Bhd as Chief Operating Officer (New Ventures) and then held the role of Director of Business Development. After that, Adam co-founded and developed Lang Biru Fisheries Sdn Bhd, focusing on sustainable offshore aquaculture.

Adam does not hold any directorships in other public or listed companies. He has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries, has not been convicted of any offences within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the financial year 2025 and/or to date

RESILIENT

> “We don’t just weather the storm; we emerge stronger.”

Through every ebb and flow, we stand firm. Our resilience is forged in adaptability, perseverance, and a collective spirit that transforms setbacks into stepping stones for growth.

SUSTAINABILITY STATEMENT

1. **Introduction**

   This report reflects Sapura Resources Berhad and its subsidiaries ("SRB", the "Group", "we" and "us") efforts and performance in managing its material Economic, Environmental, and Social ("EES") risks and opportunities.

2. **Reporting Framework**

   In preparing this statement, we have been guided by Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, with reference to the latest edition of the issued Sustainability Reporting Guide 3rd Edition.

3. **Reporting Scope**

   This sustainability report covers the Group's property and aviation business segment for the financial year ended 31 January 2025 ("FYE2025"). Unless mentioned otherwise, this report excludes associates and joint ventures. They are excluded as we do not exercise any operational control over these entities.

   Reference to the property business is limited to our property known as Sapura@Mines. We excluded other (non-operated) properties in the Group which are the Jalan 219 Showroom and Jalan Tandang Warehouse (both fully leased out to third parties) and Menara Permata Sapura (operated by our joint venture). With respect to the aviation business, it includes all of our operations.

   Where relevant, we included data from previous years to track year-on-year progress and to provide additional context. This report addresses our response to the material sustainability matters which impact our business and our ability to deliver value to stakeholders.

4. **Sustainability Governance**

   The Group's sustainability governance structure is integrated into our corporate governance and Enterprise Risk Management framework. The Board of Directors ("the Board") is ultimately responsible for the Group's direction and performance on sustainability matters. The Board is supported by the Board Audit and Risk Committee ("BARC"), and the Group Risk Management Committee ("GRMC").

   The GRMC is headed by the Chief Executive Officer ("CEO") and consists of the Chief Corporate Officer ("CCO"), Chief Financial Officer ("CFO"), Chief Operating Officer for Aviation ("COO Aviation") and the Chief Strategy and Business Development Officer ("CSBDO"). The GRMC is responsible for the day-to-day implementation and monitoring of its sustainability strategies and policies, within the ambit of its limits of authority.

   Please refer to the corporate governance statement for more detailed disclosure on our Corporate Governance policies and practices.

Board of Directors ("Board")

- Responsible for the Group's direction and performance on sustainability matters.

Board Audit and Risk Committee ("BARC")

- Review management of key risks and sustainability matters through periodic update on key/principal risks and sustainability related matters.

Group Risk Management Committee ("GRMC")

- Headed by the Chief Executive Officer.
- Responsible for the day-to-day implementation and monitoring of the Group's sustainability strategies and policies

5. **Assurance Statement**

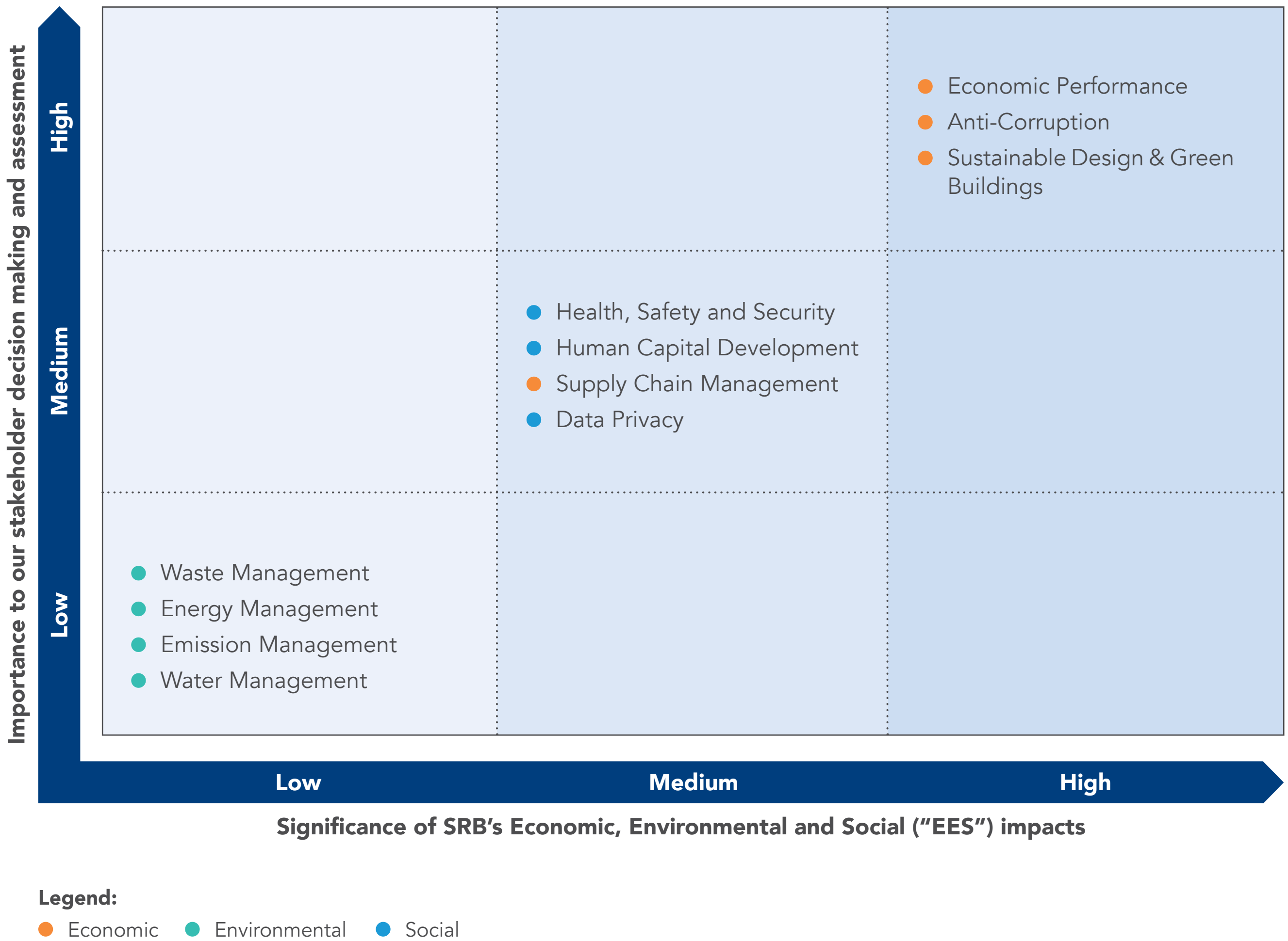
Information in this report has not been assured by our internal audit function or any other independent assurance provider.

6. **Materiality Assessment**

We continuously monitor the business environment and engage various stakeholders on an ongoing basis to ensure the proper recognition and management of our material sustainability matters. Our prioritisation of material sustainability matters is illustrated by way of the materiality matrix, for the reporting year.

The following materiality matrix below illustrates material topics aligned along the horizontal axis to indicate the significance of our sustainability impact on our business and the vertical axis to reflect their influence on stakeholder assessment decisions concerning our business engagements.

MATERIALITY MATRIX



SUSTAINABILITY STATEMENT (Continued)

Economic Performance

Amidst the challenging financial environment, our stakeholders - including employees, vendors, lenders, investors, and government - continue to focus on the Group's economic performance. This emphasises the importance of addressing financial challenges and ensuring stable financial outcomes.

The summary of our economic performance is as follows:

RM ('Million)	FYE2025	FYE2024	FYE2023
Economic Value Generated	**82.9**	**62.8**	**53.3**
Less: Economic Value Distributed, which consists of:	**59.0**	**64.8**	**56.5**
• Payment to employees (e.g. wages, benefits)	17.7	21.4	21.2
• Payment to providers of capital (e.g. interest to lenders, dividends to investors)	Nil	Nil	0.4
• Payment to government (e.g. taxes and permits)	1.0	Nil	0.3
• Payment to vendors	40.3	43.4	34.6

We have restated the figures for payments to vendors for FYE2024 and FYE2023. As a result, the economic performance data for the previous years has also been restated.

We acknowledge the considerable opportunities for enhancing our economic performance. Key areas of focus include regularly assessing our business practices, evaluating the feasibility of our investments, and strengthening engagement with business partners and stakeholders.

Community Investment

We recognise the significance of contributing to the broader society and acknowledge that the well-being of the community directly impacts the business environment in which we operate.

However, during the reporting period, we were unable to make any contributions to the community. Due to the challenging economic conditions, we had to prioritise resources to fulfil our commitments to employees, vendors, and the government.

Total amount invested in the community where the target beneficiaries are external to the listed issuer and total number of beneficiaries of the investment in the communities for FYE2025, 2024 and 2023	None

For a detailed discussion of our economic performance and challenges, please refer to the Management Discussion and Analysis ("MD&A") section in this Annual Report.

Anti-Corruption

We continue to focus on efforts to assess and strengthen our corruption risk management across our business, remaining committed to refining our approach and deepening our understanding of the corruption risks our businesses face.

To that end, we have made continuous improvements to our corruption risk assessment process, ensuring that clear policies and procedures are in place to mitigate exposure. The compliance and effectiveness of these policies are regularly monitored, reviewed, and updated by the Board through management and its Board Committees. Key policies include:

- Board Charter;
- Terms of Reference for the BARC and BNRC;
- Anti-Bribery and Corruption Policy;
- Conflict of Interest Policy;
- Related - Party Transaction Policy;
- Procurement Policy; and
- Employee Handbook.

Percentage of operations assessed for corruption-related risks for FYE2025 and FYE2024	100%

To promote ongoing compliance with our Anti-Bribery & Corruption Policy, we implement training and engagement programs for all employees to reinforce the integrity of our control environment. All participants are required to sign an Anti-Bribery & Corruption declaration, which is then stored in their personnel files for record-keeping.

Percentage of employees who have received training on Anti-Bribery & Corruption Policy by employee category	FYE2025 (%)	FYE2024 (%)	FYE2023 (%)
Senior Management	100	20	20
Managers	100	76	37
Executives	100	78	11
Non-Executives	100	46	8

Formal training sessions are conducted on a quarterly basis and are mandatory for all new employees. In addition to formal training, we raise awareness of anti-corruption matters through management discussions, periodic updates on anti-corruption risks, and during internal control reviews. This ensures that key staffs are informed and equipped to mitigate the Group's exposure to various corruption risks.

Recognising the potential corporate liability associated with bribery and corruption involving our vendors and agents, we have incorporated bribery & corruption criteria into our pre-qualification process. As part of our communication protocol, we require our vendors to sign an anti-bribery and corruption declaration.

As a result of our ongoing assessment, monitoring, and communication efforts, we are pleased to report no confirmed incidents of corruption during this reporting year.

Number of confirmed incidents of corruption and action taken for FYE2025, 2024 and 2023	None

However, as discussed in our Chairman's Statement, we are aware of the alleged conflict of interest involving our former Managing Director. We have taken steps to investigate the matter internally, issued announcement to Bursa Malaysia, initiated legal action, and lodged the appropriate reports with the relevant authorities. These actions are subject to due process under Malaysian law.

Sustainable Design & Green Buildings

We acknowledge the increasing demand for sustainable design and green buildings, which not only contribute positively to the environment but also attract tenants, driving better sales.

Sustainable design and green buildings extend beyond energy efficient features, and include features that enhance energy security, and ensure the availability of essential utilities.

We understand that for current and potential tenants, the overall cost of occupancy is a key consideration. This includes not only rental or lease rates but also ongoing costs such as electricity and travel expenses. As a result, properties with green building features - particularly those located near MRT/LRT corridors - become more appealing, offering potential savings and convenience for tenants.

Moreover, energy security is becoming an increasingly important factor in tenant decision-making. For businesses, especially those reliant on digital technology, ensuring a reliable, uninterrupted power supply is crucial to avoid disruptions from power failures and maintain business continuity.

Permata Sapura

We are able to capitalise on these market trends through our investment in Permata Sapura. The building's energy efficiency is exemplified by its GreenRE (Gold) Certification, which reflects the effectiveness of its sustainable design features. GreenRE's standards and certification processes are aligned with the United Nations' Sustainable Development Goals (SDGs) and the principles of the World Green Building Council.

SUSTAINABILITY STATEMENT (Continued)

The certification affirms Permata Sapura's compliance with established energy efficiency benchmarks, achieved through a combination of passive design strategies and high-performing active systems. These include energy-efficient air conditioning, lift systems, mechanical ventilation, energy-efficient lighting, and the use of renewable energy sources.

Qlassic award by CIDB Malaysia 2021
The best commercial building in KL for quality assessment system in Kuala Lumpur.

Green R.E Certification (GOLD)
GreenRE's standards and certification process are in line with UN's Sustainable Development Goals (SDGs) and World Green Building Council's.

Top 5 "Garden Township" in the World
Landscape design by Arquitectonica, an award-winning global architecture and landscape company.

For more information, please visit www.sapuraproperty.com.my.

In addition to its energy-efficient design features, Permata Sapura is strategically located within a well-connected public transportation corridor, providing seamless access to the urban rail network - including the LRT, MRT, and Monorail - as well as public bus services such as Rapid KL and GoKL.

Sapura@Mines

Although Sapura@Mines is not formally green-certified, the building incorporates several environmentally friendly features, including the following:

Features	Description
Water feature	Our building is facing a man-made lake. Water features can contribute to building cooling through a combination of evaporation and convection. • Evaporation – draws heat from surrounding air, which leads to a cooling effect; whilst • Convection is when warm air rises away from water surfaces, creating a flow that can further reduce temperature.
Energy-efficient fittings	Energy-efficient fixtures, such as LED lights and sensor-activated taps.
Sun-facing designs	Optimised natural sunlight exposure to minimise the need for artificial lighting.
Tempered tinted glass	Manages heat and light in a building and may support efforts to improve energy use and comfort.
Natural Ventilation	Utilises natural air movement to circulate fresh air within the parking area.
Electric Vehicle (EV) port	An electrical connector for tenants to charge their electric vehicles. This allows us to encourage the adoption and usage of electric vehicles by our visitors and employees.

We will continue to explore further enhancements and features for Sapura@Mines, including the potential diversification of energy sources through the installation of solar panels. However, the implementation of this initiative will depend on its financial feasibility and the overall performance of our business.

Jalan Tandang

We actively support and encourage our tenant's sustainability efforts, including initiatives such as the installation of a rooftop solar PV system at our property on Jalan Tandang, Petaling Jaya.

Supply Chain Management

We recognise the vital role our contractors and suppliers play in ensuring the timely and high-quality delivery of our projects and services.

Responsible procurement

We are committed to maintaining responsible procurement practices across our supply chain. With increasing stakeholder scrutiny on labour rights and environmental compliance, we continue to evaluate and encourage our contractors to align with the same principles we uphold.

We regularly assess supplier performance to ensure products and services meet our ethical standards. We provide constructive feedback to suppliers to support their continuous improvement efforts.

Local procurement

We also recognise the importance of local procurement in contributing to the local economy. To this end, we prioritise engaging with local contractors and suppliers who have a proven record of compliance with local laws and regulations, whenever possible. This approach not only supports local markets but also helps us meet our operational needs efficiently, driving both productivity and economic growth.

The table below outlines the percentage of our spending allocated to local suppliers.

Proportion of spendings on local suppliers	FYE2025 (%)	FYE2024 (%)	FYE2023 (%)
Property	100	100	98
Aviation	60	77	51
Overall	75	86	67

To ensure the best value for money is achieved and the Group's interest is protected, we have in place a Cost, Contracts and Procurement Department ("CCP"), which ensures our Procurement Policies and Procedures are complied with.

Supply chain continuity

We recognise the critical importance of supply chain continuity to our business and continuously monitor potential risks. To mitigate these, we have implemented contingency measures, including diversifying suppliers and enhancing our sourcing practices.

Health, Safety and Security

At SRB, we are committed to safeguarding the health and safety of all our direct and indirect employees, ensuring they return home safely each day. This dedication drives our efforts to prevent and minimise workplace incidents, with the goal of maintaining a zero-fatality record.

In our property operations, we concentrate on establishing a secure environment and ensuring the safety and security of both assets and tenants. To achieve this, our safety measures for buildings encompass surveillance systems and regular maintenance checks. In ensuring the safety of our tenants, we have emergency response plans in place, including emergency drills that prepare us for various scenarios. Collaborating with local authorities further enhances our overall security measures.

Within aviation, especially in our hangar operations, stringent safety measures are a priority. We have reinforced our risk management protocols and incident response mechanisms. The key controls implemented to enhance safety in our hangar operations include:

- Ongoing training ensuring all personnel have an understanding of safety protocols.
- Regular checks and maintenance of equipment, tools, and machinery used in hangar activities are conducted to prevent potential malfunctions.
- Thorough pre-flight inspections guarantee aircraft readiness for safe operations.
- Regular safety audits continuously assess and enhance protocols, reflecting our proactive stance in preventing incidents.
- Renew and maintain licenses and certifications to uphold industry standards.

We are cognisant that our aviation business exposes us to greater workplace injury/fatality risk than our property business due to its inherent nature, therefore we have a Safety Action Group ("SAG") established with 10 members. During the year, they met 4 times to identify and raise safety issues to the Safety Review Board who in turn will review, analyse, and mitigate the safety concerns.

SUSTAINABILITY STATEMENT (Continued)

Workplace fatalities and Lost Time Incident Rate (LTIR)

During this reporting year, no work-related fatalities were recorded.

Number of work-related fatalities	FYE2025	FYE2024	FYE2023
Property	Nil	Nil	Nil
Aviation	Nil	Nil	Nil

For the Lost Time Incident Rate ("LTIR"), our LTIR is 1.25 for the aviation segment and zero for the property segment.

One lost time injury (LTI) was recorded during the reporting period involving an employee with a pre-existing medical condition, who experienced a minor incident at the workplace. The case has been investigated, closed, and corrective actions have been implemented in line with standard procedures.

Lost Time Incident Rate (LTIR)	FYE2025	FYE2024	FYE2023
Property	Nil	Nil	Nil
Aviation	1.25	2.43	1.20

1. Lost time incident rate refers to the lost of productivity associated with accidents or injury arising out of or in the course of work.
2. LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period, subsequently multiplied by 200,000. The value of 200,000 represents the standardised value of hours that 100 employees work weekly for 40 hours for 50 weeks.
3. The number of lost time injuries/incidents for Aviation is as follows: 1 (FYE2025), 2 (FYE2024) and 1 (FYE2023).

We are aware that the nature of our work involves intricate processes, stringent safety standards, and the potential for unforeseen challenges. As we navigate this demanding environment, our focus remains on continuous improvement and proactive measures, including the vital role played by our Emergency Response Team. This team, comprised of 10 members, actively participates in planned exercises and ensures a coordinated response during emergencies, further emphasising our commitment to fostering a safe working environment within the aviation sector.

Health and safety training

We continue to adhere with relevant health and safety regulations and standards. As and when required, we conduct formal and dedicated health and safety training, which is reflected in the table below:

Number of Employees Trained on Health and Safety Standards	FYE2025	FYE2024	FYE2023
Property	45	44	71
Aviation	86	236	137
Total	**131**	**280**	**208**

1. For the Aviation segment, the training covers either direct Occupational Safety and Health training or indirectly with elements of safety & health in Human Factors, Ramp Safety, Safety Management System, Dangerous Goods, Evacuation Drill, First Aid & CPR, Emergency Response Plan & Security Awareness.

Employee Management

Diversity

We acknowledge the significance of diversity in enriching the Group's decision-making, risk awareness, and adaptability to change. While valuing equal opportunities, our focus is on hiring talent based on their skills, experience and potential for growth. Therefore, our approach is merit-based, with no specific target for workplace diversity, as we aim to recruit and retain individuals based on their capabilities and value-add to our operations and strategy.

The following tables provide an overview of age and gender diversity within the management and board level.

Percentage of employees by gender for each employee category	FYE2025		FYE2024		FYE2023	
	Male %	Female %	Male %	Female %	Male %	Female %
Senior Management	50	50	56	44	70	30
Managers	61	39	63	37	59	41
Executives	64	36	63	37	70	30
Non-Executives	90	10	85	15	87	13
Overall Composition	76	24	67	33	75	25

Percentage of employees by age group for each employee category	Age in Years (%)			Age in Years (%)			Age in Years (%)		
	FYE2025			FYE2024			FYE2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	50	50	Nil	67	33	Nil	70	30
Managers	6	71	23	5	86	9	13	79	8
Executives	28	64	8	50	48	2	41	53	6
Non-Executives	37	44	19	42	43	15	36	47	17
Overall Composition	27	55	18	24	61	15	31	57	12

Board diversity

At the date of this report, the diversity in age and gender for the Board is as follows:

Percentage of Directors by Gender

FYE2025

Male **58%** | Female **42%**

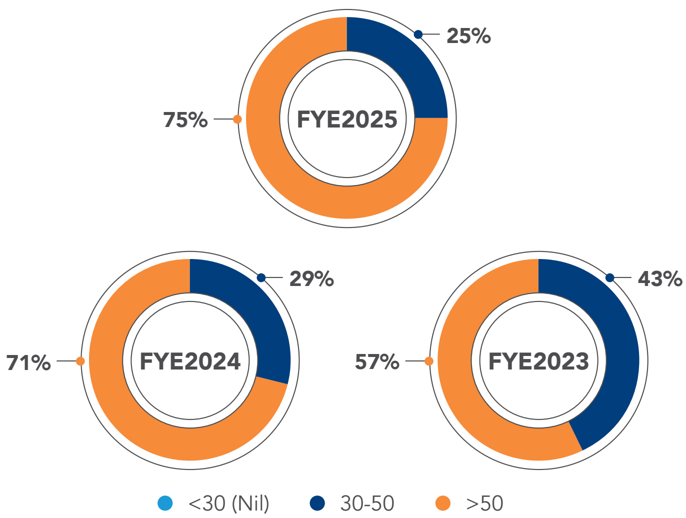
FYE2024

Male **86%** | Female **14%**

FYE2023

Male **86%** | Female **14%**

Percentage of directors by age group



SUSTAINABILITY STATEMENT (Continued)

Utilisation of temporary/contract staff

During the current year, we continue to rely on a significant number of contract employees in delivering our business.

Percentage of temporary/ contract staff	FYE2025 (%)	FYE2024 (%)	FYE2023 (%)
	57	57	47

Employee labour rights

We are committed to ensuring continuous compliance with labour rights and local employment laws. This commitment extends throughout our entire supply chain, and we expect our primary contractors to adhere to these standards.

We ensure our labour practices are in line with the standards established by the International Labour Organisation ("ILO"). Below is an overview of our key practices:

Practices	Description
Equal Benefits	Promote equitable benefit practices for all employees, free from discrimination.
No Recruitment Fees	Ensure that workers are not charged any fees by agents or subcontractors for securing employment.
Passport Handling	Ensure that passports are kept by their rightful owners and not retained by employers or agents.
Minimum Wages	Comply with local minimum wage requirements.
Overtime, Leaves	Our practices meet, at a minimum, the requirements set forth by local labour laws (i.e. Employment Act 1955)

During the reporting year, we are pleased to announce that no substantiated complaints were noted, with respect to violation of human rights amongst our employees.

Number of substantiated complaints concerning human rights violations for FYE2025, FYE2024 and FYE2023: **None**

Training and education

We recognise that developing our employees is key to the long-term success of our business. We focus on enhancing their skills and knowledge to help them reach their full potential.

The summary of total training hours by employee category for the reporting year is as follows:

Total hours of training by employee category	FYE2025 (Hours)		FYE2024 (Hours)		FYE2023 (Hours)	
	SRB HQ & Property	Aviation	SRB HQ & Property	Aviation	SRB HQ & Property	Aviation
Senior Management	8.0	34.0	23.0	165.0	129.0	2,436.0
Managers	160.0	576.0	351.0	256.0	172.0	
Executives	436.0	255.0	612.0	252.0	206.0	
Non-Executives	150.0	1,170.0	290.0	1,005.0	344.0	
Subtotal	754.0	2,035.0	1,276.0	1,678.0	851.0	
Total	**2,789.0**		**2,954.0**		**3,287.0**	

Our employee training programs encompass a diverse range, incorporating both technical and non-technical aspects. This includes regulatory training sessions covering industry-specific regulations. In the aviation segment, the focus of regulatory and technical training extends to specialised areas such as ground support, marshalling, and refuelling/de-refuelling, among others.

Internship programmes

We consistently invest in developing young talent through our internship programme. During the reporting period, we provided 28 internship positions. We recognise the importance of the internship programme as a source of our talent pipeline.

Number of Interns	FYE2025	FYE2024	FYE2023
HQ/Property	Nil	1	33
Aviation	28	25	

Employee retention

We experienced turnover during the reporting year. An overview of the turnover number and rate, by employee category, is as follows:

Total number of employee turnover by employee category	FYE2025	FYE2024	FYE2023
Senior Management	3	4	4
Manager	28	17	20
Executives	38	25	19
Non-Executives	21	10	12
Total	**90**	**56**	**55**

Data Privacy and Security

We are committed to ensuring data confidentiality for our customers and meeting the requirements of local data protection laws and regulations. Our data privacy policy is governed by local laws such as the Personal Data Protection Act 2010. We are pleased to announce that no complaints were received from any regulatory or official bodies in relation to breaches of customer privacy and losses of customer data.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE2025, FYE2024 and FYE2023	None

Energy Management

We are aware that energy costs are expected to continue rising in the short term due to global pressures on the prices of non-renewable energy sources, which Malaysia still relies on. This places upward pressure on our operating costs. Our approach is to optimise energy consumption through employee awareness and to rely on passive/active design features of the premises which we operate. An overview of our direct energy consumption is as follows:

Total Energy Consumption (Megawatt)	FYE2025		FYE2024		FYE2023	
	Property	Aviation	Property	Aviation	Property	Aviation
Purchased Electricity	3,089	748	2,936	655	2,803	577
Fuel Consumption (vehicles, LPG)	69	160	41	100	2	139
Subtotal	3,158	908	2,977	755	2,805	716
Total	**4,066**		**3,732**		**3,521**	

1. For the property data above, the energy consumption covers our office and common areas/facilities.
2. Energy conversion factor used for vehicles is based on fuel litre consumption derived from UK Government GHG Conversion Factors for Company Reporting 2024, and 2023.
3. Energy conversion factor used for LPG cylinder is based on gaseous kg consumption derived from UK Government GHG Conversion Factors for Company Reporting 2024. Our calculation is based on the assumption that 1 cylinder of LPG equals 50 kg. We began recording LPG fuel consumption in FYE2024, with the start of kitchen operations.
4. As part of our review, purchased electricity data for the property segment from previous years has been restated.

SUSTAINABILITY STATEMENT (Continued)

Emission Management

We support Malaysia's net-zero aspirations and are focused on minimising our emissions by optimising our energy consumption with respect to fuel consumption for company vehicles and the use of electricity at our premises.

We have only begun tracking Scope 3 for the reporting year. Currently, our Scope 3 emissions data is limited to business travel from mileage claims and employee commuting using their private vehicles in connection with their employment at SRB. We will review our current practices and approach to emission management in response to any changes in the regulatory environment.

With respect to Scope 2 emissions, we have adopted a more conservative approach, by changing the grid emissions factor source from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation to the one published by the Energy Commission of Malaysia, which has a higher value. The grid emission factor has changed from 0.585 tCO2e/MWh previously to 0.774 tCO2e/MWh.

The following table provides a summary of Scope 1, Scope 2 and Scope 3 GHG emissions.

	GHG Emissions, tCO2e					
	FYE2025		FYE2024		FYE2023	
	Property	Aviation	Property	Aviation	Property	Aviation
Scope 1	15.2	39.6	9.0	24.4	0.5	34.3
Scope 2	2,390.7	579.2	2,272.6	506.9	2,169.9	446.3
Scope 3 (Business Travel & Employee Commuting only)	536.7		N/A	N/A	N/A	N/A
Total	**3,561.4**		**2,813.0**		**2,651.0**	

1. Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the Group. Our data is limited to vehicles and LPG cylinders used in our kitchen operations, excluding generators owned or operated by the Group. Emission Conversion factor for Scope 1 is derived from UK Government GHG Conversion Factors for Company Reporting 2024 and 2023 respectively.
2. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. Emission Conversion factor for Scope 2 used is from the Energy Commission of Malaysia.
3. We have only begun tracking Scope 3 (employee commuting and business travel) for the reporting year. We have identified opportunities for enhancement in both our communication and data collection practices.
4. For employee commuting, emissions are calculated based on employees' estimated fuel consumption from the survey, extrapolated using the median to represent the total employee population.
5. For business travel, the distance travelled is estimated from total mileage claims (RM) and SRB's mileage claim policy. Subsequently, we estimated the emissions using an average petrol car size emissions factor of 0.0001645 tCO_2e/KM from UK Government GHG Conversion Factors for Company Reporting 2024. We excluded emissions from any overnight stays and any other form of travel.
6. As a result of changes for purchased electricity in the property segment, emissions data from previous years have been restated.

Water Management

The Group relies on treated water supplied by local authorities for our water consumption. Given the nature of our operations, water usage is minimal in our day-to-day activities. Most of our water consumption is concentrated at the Group's headquarters in Sapura@Mines, primarily for kitchen, washroom and pantry purposes. We continue to ensure our water facilities and piping are well-maintained, in order to reduce water wastage.

Total volume of water used - Megalitres (ML)	FYE2025	FYE2024	FYE2023
Property	52.87	41.80	37.55
Aviation	0.65	0.41	0.85
Total	**53.52**	**42.21**	**38.40**

1. The Group's water consumption is equivalent to our water withdrawal, given that we have zero water discharge.
2. Our water usage includes consumption by tenants.
3. As part of our review, the volume of water used data for the property segment from previous years has been restated.

Waste Management

With respect to waste management, we are guided by local laws in ensuring appropriate waste management and disposal procedures are adhered to. During the year, we managed to reduce 5.5 tonnes of waste from being directed to disposal, through our recycling initiative.

The following is a summary of the total waste generated by our Group, which consists of waste diverted from disposal and waste directed to disposal.

Waste Category (tonne)	FYE 2025		Total	FYE2024		Total	FYE2023		Total
	Property	Aviation		Property	Aviation		Property	Aviation	
Total Waste Generated, which consists of:	227.5	94.8	322.3	227.6	40.0	267.6	75.1	40.0	115.1
Waste to disposal [1]	223.2	93.6	316.8	223.3	40.0	263.3	71.7	40.0	111.7
Waste diverted from disposal [2]	4.3	1.2	5.5	4.4	Nil	4.4	3.4	Nil	3.4

1. Waste to disposal refers to general waste which is sent to landfills/ incinerator.
2. Waste diverted from disposal includes waste that is reused, recycled, or subject to other recovery positions.
3. Our waste generation includes waste from tenants.
4. The total waste generated from previous years has been restated.

SUSTAINABILITY STATEMENT (Continued)

Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2025
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Managerial	Percentage	100.00
Executive	Percentage	100.00
Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	75.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.25
Bursa C5(c) Number of employees trained on health and safety standards	Number	131
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	50.00
Senior Management Above 50	Percentage	50.00
Managerial Under 30	Percentage	6.00
Managerial Between 30-50	Percentage	71.00
Managerial Above 50	Percentage	23.00
Executive Under 30	Percentage	28.00
Executive Between 30-50	Percentage	64.00
Executive Above 50	Percentage	8.00
Non-Executive Under 30	Percentage	37.00
Non-Executive Between 30-50	Percentage	44.00
Non-Executive Above 50	Percentage	19.00
Gender Group by Employee Category		
Senior Management Male	Percentage	50.00
Senior Management Female	Percentage	50.00
Managerial Male	Percentage	61.00
Managerial Female	Percentage	39.00
Executive Male	Percentage	64.00
Executive Female	Percentage	36.00
Non-Executive Male	Percentage	90.00
Non-Executive Female	Percentage	10.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	63.00
Female	Percentage	38.00
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00

Internal assurance | External assurance | No assurance | (*)Restated

Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2025
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	42
Managerial	Hours	736
Executive	Hours	691
Non-Executive	Hours	1,320
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	57.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	3
Managerial	Number	28
Executive	Number	38
Non-Executive	Number	21
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	4,066.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	54.80
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	2,969.90
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	536.70
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	53.520000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	322.30
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	5.50
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	316.80

Internal assurance | External assurance | No assurance | (*)Restated

PROFESSIONAL

> "Our commitment to
> excellence defines our craft."

Excellence is our standard, not merely an aspiration. We commit to the highest levels of expertise, discipline, and accountability in every interaction, delivering quality that speaks for itself.


MAX
SKILL

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Sapura Resources Berhad ("SRB" or "the Company") is committed to upholding strong corporate governance practices across the Company and its subsidiaries ("the Group"). This commitment is anchored in the principles of integrity, transparency, and professionalism, with the aim of protecting and enhancing shareholders' value, while ensuring the financial resilience and sustainability of the Group. In discharging its responsibilities, the Board remains fully mindful of its fiduciary duties and governance obligations.

The Board is pleased to present this Corporate Governance Overview Statement ("CG Statement") to shareholders and stakeholders, which outlined the Company's corporate governance practices for the financial year ended 31 January 2025 ("FYE2025"). These practices are aligned with the principles and recommendations set out in the Malaysian Code on Corporate Governance ("MCCG"), emphasising the following three (3) key principles:

PRINCIPLE A

Board leadership and effectiveness

- Board responsibilities
- Board composition
- Remuneration

PRINCIPLE B

Effective audit and risk management

- Audit committee
- Risk management and internal control framework

PRINCIPLE C

Integrity in corporate reporting and meaningful relationship with stakeholders

- Engagement with stakeholders
- Conduct of general meetings

This CG Statement is made in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read in conjunction with the Corporate Governance Report for FYE2025, which is published on the Company's corporate website at www.sapura-resources.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board holds primary responsibility for the effective stewardship of the Group, providing clear strategic direction and ensuring the implementation of sound governance, control, and risk management frameworks. It establishes a clear demarcation between matters reserved for the Board and those delegated to Management, ensuring effective oversight while empowering leadership to execute operational priorities.

As the governing body, the Board plays a pivotal role in reviewing and guiding the Group's strategic initiatives, including the approval of Management's strategic and business plans. It also sets the core values, corporate culture, and standards for the Group, with a view to safeguarding long-term shareholder value and upholding integrity across all levels of the organisation.

Key matters are expressly reserved for the Board's deliberation and decision-making, including major acquisitions, divestment, strategic direction, succession planning, and risk oversight. Operational matters are entrusted to the Management team, initially led by the then Managing Director who resigned on 29 October 2024, and subsequently led by the Chief Executive Officer who was appointed on 10 January 2025, in accordance with the Company's Limits of Authority. The roles and responsibilities of the Board are clearly defined in the Board Charter, which serves as a guiding framework for sound governance practices.

Recognising the complexity of SRB's diversified business activities, the Board is acutely aware of the principal risks inherent in its operations and underscores the importance of risk-informed decision-making. The Board is committed to maintaining comprehensive systems for identifying, monitoring, and mitigating risks, thereby preserving the Group's long-term resilience and sustainability.

To discharge its responsibilities effectively, the Board is supported by two Board Committees: The Board Audit and Risk Committee and the Board Nomination and Remuneration Committee. These Committees are governed by clearly defined Terms of Reference and are entrusted with detailed oversight responsibilities within their respective scopes, reporting to and advising the Board with independent recommendations.

Governance Response to Alleged Conflict-of-Interest in FYE2025

During FYE2025, the Board was confronted with a serious governance matter concerning allegations of conflict-of-interest involving the Company's former Managing Director, Dato' Shahriman Bin Shamsuddin ("former Managing Director"). In line with the Company's commitment to integrity, the Board, through its committees, acted decisively and comprehensively.

As a result of the investigations carried out on the conflict-of-interest matters, the Company lodged a formal complaint with the Companies Commission of Malaysia and fully complied with the requirement to file a corresponding police report. Subsequently, the Company together with its wholly owned subsidiaries Sapura Aero Sdn. Bhd. and Aerodome Fife Sdn. Bhd., initiated a legal proceeding via a Generally Endorsed Writ of Summons filed on 10 April 2025.

The Company also informed the matter to the Corporate Surveillance Unit of Bursa Securities. Although the internal investigation has been concluded, the findings are not being disclosed publicly at this juncture due to the legally sensitive nature of the matter and the Company's ongoing engagement with the relevant authorities.

Conclusion

Throughout this challenging period, the Board demonstrated decisive leadership, supported by the diligent oversight of the BARC and BNRC. These efforts exemplify the Board's unwavering commitment to upholding the highest standards of corporate governance, ethical conduct, and regulatory compliance, all of which are critical in safeguarding the interests of the Company and its stakeholders.

The Chairman and the Managing Director("MD")/CEO

The roles of the Chairman of the Board and the MD/CEO are held by separate individuals, with clearly delineated responsibilities. This separation of roles ensures a balance of power and authority, thereby fostering effective oversight, accountability, and governance within the organisation.

The Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of its role, particularly in providing strategic oversight and monitoring management performance. The MD/CEO, on the other hand, is entrusted with the overall responsibility for managing the operations of the Company and the Group, including the execution of strategies and policies approved by the Board.

The Board is chaired by Encik Ahmad Jauhari Bin Yahya, an Independent Non-Executive Chairman, who plays a key leadership role in guiding the Board's deliberations. He sets the tone at the top, promotes high standards of corporate governance, and ensures that the Board focuses on matters related to strategy, governance, and compliance.

Currently, the position of CEO is held by Encik Reza bin Abdul Rahim, who is responsible for driving the Group's strategic direction and managing its day-to-day operations. Working closely with the Board, the CEO participates in formulating corporate objectives, including performance targets and long-term goals, and is accountable for delivering these objectives. Reporting directly to the Board, the CEO assumes primary responsibility for the implementation of Board-approved initiatives and the overall operational effectiveness of the Group.

Company Secretaries

In line with Practice 1.5 of the MCCG, all Board members have unrestricted access to two (2) Company Secretaries, both of whom are qualified professionals and members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). They are duly qualified to act as Company Secretaries in accordance with Section 235(2) of the Companies Act 2016.

The Company Secretaries play a vital advisory role in supporting the Board and its Committees, particularly in ensuring compliance with applicable laws, regulations, rules, and corporate governance best practices. They serve as a key source of guidance and assurance to the Board in fulfilling its fiduciary duties and statutory obligations.

In addition to their advisory role, the Company Secretaries are responsible for facilitating the smooth conduct of Board and Board Committee meetings. This includes the timely preparation and dissemination of meeting materials, ensuring proceedings are properly documented, and maintaining accurate records of deliberations and resolutions in the Company's statutory registers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

Access to information and advice

The Board has unrestricted access to all information pertaining to the Company, either in its entirety or individually, to enable the effective discharge of its fiduciary duties. Management ensures that relevant and timely information is provided to the Board to facilitate informed decision-making.

Prior to each Board meeting, comprehensive meeting agendas, management reports, operational updates, and proposal papers are circulated to all Directors within a reasonable timeframe. This allows Directors adequate time to review the materials, seek clarification, and request additional information where necessary. During the meetings, Management presents further details and responds to queries raised by Board members to support robust deliberation.

Throughout the FYE2025, members of Senior Management and external professional advisors were invited to attend Board and Board Committee meetings where appropriate. Their participation provided the Board with professional insights, expert advice, and clarifications on specific matters within their areas of expertise.

To support the Board in executing its responsibilities, the Directors are also empowered to obtain independent professional advice, at the Company's expense, when necessary. This includes engaging external consultants or subject matter experts to provide briefings or independent views on matters under deliberation.

Board Charter

In accordance with Practice 2.1 of the MCCG, the Company has adopted a comprehensive Board Charter that governs the manner in which the Board conducts its affairs. This Board Charter serves as a vital point of reference for all Directors, acting as a foundational document for Board induction and providing guidance to both existing and prospective Board members in discharging their fiduciary duties.

The Board operates within the parameters defined by the Board Charter, which outlines the Board's roles, responsibilities, and authority. It sets out the structure and composition of the Board, procedures for meetings, and matters specifically reserved for Board deliberation. In addition, the Board Charter addresses the Board's relationship with Management, processes for Board evaluation, remuneration policies, and engagement protocols with key stakeholders including shareholders, institutional investors, media, and customers.

The Board remains committed to upholding the principles and best practices encapsulated in the Board Charter. The Board Charter is reviewed periodically to ensure its continued relevance, consistency with the Board's objectives, and alignment with prevailing statutory requirements and evolving corporate governance standards.

The Board Charter is accessible to the public on the Company's corporate website at www.sapura-resources.com.

Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics for Directors, which outlines the standards of ethical behaviour and professional conduct expected of all Board members. This Code serves as a fundamental guide to promote integrity, honesty, and accountability in the discharge of Directors' fiduciary duties and responsibilities.

The Code of Conduct and Ethics is designed to ensure that Directors uphold the highest standards of ethical and professional conduct in all dealings, both internally and externally, while acting in the best interests of the Company and its stakeholders.

In addition, the Board is committed to cultivating a corporate culture anchored in trust, shared values, social responsibility, and sound governance. These core principles are intended to be embedded throughout the Group, reinforcing the Board's dedication to fostering a sustainable, transparent, and ethical business environment.

The Code of Conduct and Ethics is available on the Company's corporate website at www.sapura-resources.com.

Whistleblowing Policy

The Board has established a Whistleblowing Policy to provide a secure and confidential avenue for all stakeholders, including employees, vendors, and customers, to raise genuine concerns regarding potential misconduct within the Group. This Policy covers a broad range of concerns, including but not limited to financial reporting irregularities, internal control deficiencies, breaches of compliance, unethical behaviour, and other forms of malpractice.

The Whistleblowing Policy is designed to promote transparency, accountability, and integrity across the Group. It assures whistleblowers that their identities will be protected and that they will not face retaliation, intimidation, or any form of reprisal for reports made in good faith.

The Whistleblowing Policy is accessible on the Company's corporate website at www.sapura-resources.com.

Employees may submit reports directly to any of the designated personnel listed in the Policy via the established whistleblowing reporting channels, using the prescribed Whistleblowing Reporting Form. External parties may report their concerns by emailing the dedicated whistleblowing channel at SRBethicsline@sapura.com.my.

Anti-Bribery and Corruption Policy ("ABC Policy")

A formal ABC Policy was established and adopted on 28 November 2019. The ABC Policy applies to the entire Group, encompassing all levels and business/support units within the Group.

The purpose of the ABC Policy is:-

- to set out the Company's responsibilities and responsibilities of all employees, officers and Directors of the Group to observe and uphold the Company's stance on zero-tolerance to bribery and corruption.
- to provide information and guidance on how the Company expects the employees and those working for them to conduct themselves.
- to provide guidance on how to recognise bribery and corruption and to set out the procedure on how to raise concerns on breaches of this policy.
- to ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption.
- to protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption.

An Integrity and Governance Unit ("IGU") was established with the primary responsibility of implementing and administering the ABC Policy. The Terms of Reference for IGU was approved by the BARC on 26 September 2022. The IGU is led by the Integrity & Governance Officer ("IG Officer"), who oversees the usage and effectiveness of the ABC Policy and addresses any queries regarding its interpretation. The IGU reports directly to the BARC. Any reports on the breach of the ABC Policy can be made to the designated email address at SRBethicsline@sapura.com.my.

The ABC Policy and the Terms of Reference for IGU are available on the Company's corporate website at www.sapura-resources.com.

SRB Workplace Sexual Harassment Policy ("WSH Policy")

The WSH Policy of the Company was adopted by the Board on 30 November 2022. The Company strives to create and maintain a work environment where people are treated with dignity, decency and respect through the WSH Policy.

The intention of the WSH Policy is to fulfil the requirements set forth in:

- the Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace published by the Ministry of Human Resources of Malaysia in August 1999; and
- Part XVA (Sexual Harassment) of the Malaysian Employment Act 1955.

The WSH Policy is available on the Company's corporate website at www.sapura-resources.com.

II. Composition of the Board

During the FYE2025, the former Managing Director of the Company, tendered his resignation on 29 October 2024. Subsequently, Encik Reza, who had been redesignated as Executive Director and Acting MD on 10 October 2024, was officially appointed as the CEO on 10 January 2025.

On the same date, 10 January 2025, Puan Nik Aisyah Amirah binti Mansor and Puan Aiza Azreen binti Ahmad were appointed to the Board as Non-Independent Non-Executive Director and Independent Non-Executive Director, respectively.

As at the FYE2025, the Board comprises seven (7) members, as follows:

- Three (3) Independent Non-Executive Directors,
- One (1) Senior Independent Non-Executive Director;
- Two (2) Non-Independent Non-Executive Directors; and
- One (1) Executive Director, namely the CEO.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

The composition of the Board reflects a balanced mix of skills, experience, and independence, supporting effective governance and decision-making. The respective tenures of service of each Board member are provided in the table below:-

Name	Designation	Length of service (as at 29 April 2025)
Encik Ahmad Jauhari bin Yahya	Independent Non- Executive Chairman	9 years 3 months
Tan Sri Dato' Seri Shahril bin Shamsuddin *(Alternate Director: Datuk Megat Abdul Munir bin Megat Abdullah Rafaie)*	Non-Independent Non-Executive Director	35 years 2 months
Encik Reza bin Abdul Rahim	Chief Executive Officer	2 years
Andrew Heng	Senior Independent Non-Executive Director	5 years 10 months
Dr. Yap Lang Ling	Independent Non-Executive Director	2 year 5 months
Puan Nik Aisyah Amirah binti Mansor *(Appointed on 10 January 2025)*	Non-Independent Non-Executive Director	3 months
Puan Aiza Azreen binti Ahmad *(Appointed on 10 January 2025)*	Independent Non-Executive Director	3 months

Tenure of Independent Director

Practice 5.3 of the MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, an Independent Director may continue to serve on the Board as a Non-Independent Non-Executive Director upon redesignation. Where the Board intends to retain an Independent Director beyond the nine-year threshold, the retention must be justified and approved by shareholders via a two-tier voting process at a general meeting.

The Board adopts an open and pragmatic approach regarding the tenure of Independent Directors, refraining from imposing arbitrary limits. It is the Board's considered view that the length of service does not, in itself, impair an Independent Director's objectivity, professionalism, or ability to act in the best interests of the Company.

Where a proposal is made to retain an Independent Director beyond the nine (9) years, the Board will provide robust justifications and seek shareholders' approval, based on the recommendation of the BNRC, following a formal review process.

In line with good governance practices, the Board, through the BNRC, undertook a comprehensive annual evaluation of the performance and effectiveness of the Board, its Committees, and individual Directors for FYE2025. The results of the assessment, including self-assessments, peer evaluations, and the overall Board effectiveness review, confirmed that the Independent Directors continue to uphold strong independence of mind and remain capable of exercising objective judgment in the best interests of the Company.

All Independent Directors continue to demonstrate independence from Management and any other relationships that may impair their judgement. The Board affirms that its Independent Directors contribute impartial and constructive perspectives, strengthening the leadership structure and maintaining effective checks and balances to safeguard the interests of all stakeholders, particularly minority shareholders.

As at the date of this CG Statement, Encik Ahmad Jauhari, the Independent Non-Executive Chairman, has served on the Board for a cumulative period exceeding nine (9) years and has expressed his willingness to continue serving in this capacity.

Pursuant to the annual performance and independence assessment conducted by the Board through the BNRC, Encik Ahmad Jauhari was evaluated based on his skills, experience, and ability to exercise independent judgement. The Board, based on the BNRC's recommendation, considers him to remain independent and recommends that he be retained as an Independent Non-Executive Chairman, subject to shareholders' approval through a two-tier voting process in accordance with the Guidance to Practice 5.3 of the MCCG.

Board Nomination and Remuneration Committee

The BNRC was established with a clearly defined Terms of Reference and is comprised exclusively of three (3) Non-Executive Directors, the majority of whom are Independent Directors. As at the latest practicable date, the BNRC is chaired by Dr. Yap Lang Ling, an Independent Non-Executive Director. The Terms of Reference of BNRC was then revised on 9 October 2024.

During FYE2025, Encik Reza, the CEO of the Company, ceased to be a member of the BNRC following his re-designation as Executive Director on 10 October 2024. Subsequently, Puan Aiza, an Independent Non-Executive Director, was appointed as a member of the BNRC upon her appointment to the Board on 10 January 2025.

The BNRC held eighteen (18) meetings during FYE2025. This reflects the BNRC's intensified role in supporting the Board on matters relating to the alleged conflict of interest matters, as well as governance oversight and executive accountability during a period of significant challenge.

In particular, the BNRC played a central and pivotal role in managing the investigation into the former Managing Director 's conflict of interest matters. Following the initial review by the BARC and opinions from external legal counsels, the BNRC took the lead in addressing the contract of employment matters and overseeing the internal investigation process. As part of its responsibilities, the BNRC recommended the issuances of the show cause letters to the former Managing Director and directed a comprehensive fact-finding exercise led by SRB's internal investigation team. This process entailed the review of internal correspondence, procurement, and potential breaches of fiduciary duties and conflict-of-interest.

The BNRC also worked closely with an external legal advisor to ensure that the disciplinary procedures adhered to applicable employment laws. These coordinated efforts involved the preparation of comprehensive internal reports and the convening of special Board meetings to deliberate on the findings and recommend the appropriate course of action.

Throughout the financial year, the BNRC's actions were marked by thoroughness, independence, and strategic clarity, reinforcing the Company's commitment to leadership integrity and the continued strengthening of its corporate governance framework amidst complex and sensitive challenges.

The attendance of BNRC members during the financial year under review is as follows:

Members	Membership	No. of meetings attended
Dr. Yap Lang Ling	Chairperson	18/18
Mr. Andrew Heng	Member	17/18
Encik Reza bin Abdul Rahim *(Ceased on 10 October 2024)*	Member	13/13
Puan Aiza Azreen binti Ahmad *(Appointed on 10 January 2025)*	Member	N/A

During the FYE2025, the BNRC carried out the following key activities in line with its Terms of Reference: -

(1) Reviewed and recommended to the Board the proposed Directors' fees in respect of the financial year ended 31 January 2024;

(2) Reviewed the proposed additional Directors' benefits payable for the period from 19 July 2023 until the date of the Sixty-Seventh ("67th") Annual General Meeting ("AGM") of the Company and recommended the same to the Board for shareholders' approval;

(3) Reviewed the proposed Directors' benefits payable for the period from 18 July 2024 to the date of the next AGM and recommended the same to the Board for shareholders' approval at the 67th AGM;

(4) Reviewed and assessed the effectiveness of the Board as a whole, the performance and contribution of the BARC and BNRC, and the individual performance of each Director and each member of the BARC;

(5) Assessed the independence of the Independent Directors;

(6) Reviewed and recommended to the Board the re-election of Directors, for recommendation to the shareholders for approval at the 67th AGM;

(7) Reviewed and recommended the revision of the Terms of Reference of the BNRC to the Board;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

(8) Reviewed the composition of the Board, Board Committees, as well as directorships in joint venture companies and associate companies;

(9) Reviewed and recommended the Board Remuneration Package to the Board;

(10) Reviewed and recommended the proposed amendments to the Board Remuneration Policy to the Board;

(11) Reviewed and recommended the appointment of the Senior Independent Non-Executive Director to the Board;

(12) Reviewed and recommended the formation of the Board Aviation Management Committee and its Terms of Reference to the Board, with the primary role to assume the responsibilities of the former Managing Director in relation to SRB's Aviation Business to address the issue of conflict-of-interest of the former Managing Director whereby the former Managing Director is to abstain from managing the SRB Aviation Business;

(13) Extensively deliberated on the MD's Employment Contract dispute and related allegations, and discussed the appropriate course of action;

(14) Reviewed and recommended to the Board the proposed appointment of Executive Director, Finance or Chief Financial Officer;

(15) Reviewed and recommended to the Board the proposed appointment of female Directors;

(16) Extensively deliberated on the findings of the facts-finding report related to the MD's Employment Contract dispute and allegations;

(17) Reviewed and recommended to the Board the appointment of Acting Chief Financial Officer;

(18) Reviewed and recommended to the Board the appointment of Chief Operating Officer, Aviation Business;

(19) Reviewed and recommended to the Board the appointment of Chief Strategy and Business Development Officer;

(20) Reviewed and recommended to the Board the appointment of CEO;

(21) Reviewed and recommended to the Board the appointment of Puan Nik Aisyah as Non-Independent Non-Executive Director;

(22) Reviewed and recommended to the Board the appointment of Puan Aiza as Independent Non-Executive Director;

(23) Reviewed the Succession Planning of SRB;

(24) Reviewed the Performance Management Activity for SRB; and

(25) Reviewed the Key Performance Indicator for Senior Management of SRB.

The Terms of Reference of the BNRC has been revised and updated by the Board on 9 October 2024 and is available on the Company's corporate website at www.sapura-resources.com.

Board Aviation Management Committee ("BAMC")

The BAMC was established on 19 August 2024 as a temporary committee of the Board, with a clearly defined Terms of Reference, to undertake the roles and responsibilities of the former Managing Director in relation to the SRB Aviation Business. The BAMC was formed to address the conflict-of-interest involving the MD, who was required to abstain from overseeing the SRB Aviation Business during the investigation period.

The BAMC was chaired by Encik Reza, then Non-Independent Non-Executive Director of SRB, with Encik Ahmad Jauhari, the Independent Non-Executive Chairman, serving as a member.

The BAMC was entrusted with the following responsibilities:-

(1) Make decisions on all business and commercial matters in accordance with the Company's Limits of Authority;

(2) Oversee and manage all commercial matters relating to customers, including but not limited to new customer acquisition, marketing and other customer related matters;

(3) Oversee and manage aviation business's cash flow requirements;

(4) Ensure that the daily operations of the aviation business are conducted in accordance to the company's objectives, strategies, annual budget, business plan, applicable laws and regulations as well as SRB's internal policies and procedures;

(5) Provide direction to all senior management with regard to key business strategies and objectives;

(6) Provide direction in the implementation of short, medium and long-term business plan;

(7) To develop the strategic direction of the Aviation business including performance target and 5-year term goals of the aviation business;

(8) Responsible for overall performance of the aviation business, strategic and business plans, formulate tactical actions and make recommendations to SRB Board accordingly; and

(9) Update the SRB Board with material information that affects SRB Group's financial condition on timely manner.

Following the resignation of the former Managing Director as MD and the appointment of Encik Reza as the Acting MD on 10 October 2024, the conflict of interest issues no longer exist. Upon the recommendation of the BNRC, the Board resolved to dissolve the BAMC on 3 December 2024.

Directors' Fit and Proper Policy

The Company instituted the Directors' Fit and Proper Policy in April 2022 for the appointment and reappointment/re-election of Directors of the Company and its subsidiaries to comply with Paragraph 15.01A of the Listing Requirements of Bursa Securities. This policy serves as a guideline for the BNRC and the SRB Board in evaluating and assessing candidates for appointment, reappointment, or re-election to the Board of SRB and its subsidiaries. The primary objective is to ensure that each Director possesses the requisite character, experience, integrity, competence, and availability to effectively fulfil their role as a Director of SRB and its subsidiaries.

The Directors' Fit and Proper Policy is made available on the Company's corporate website at www.sapura-resources.com.

Re-election of Directors

Under the Company's Constitution, any Director appointed during the year is required to retire and may seek re-election by shareholders at the subsequent Annual General Meeting (AGM) following their appointment. Additionally, one-third of the Directors, including the Managing Director (MD), are required to retire by rotation and seek re-election at each AGM. Each Director must also submit themselves for re-election at least once every three (3) years.

In line with the Directors' Fit and Proper Policy, the BNRC conducts an evaluation of retiring Directors before recommending their re-election to the Board. This evaluation includes a Fit and Proper assessment through diligence, screening, and declarations from the concerned individuals. Furthermore, the assessment considers the results of the Board Effectiveness Evaluation and performance appraisal records.

The Directors standing for re-election at the forthcoming Sixty-Eighth ("68th") AGM are detailed in the Notice of the AGM as provided in this Annual Report.

Recruitment Process and Annual Board Evaluation

The Company's Directors' Fit and Proper Policy establishes the fundamental criteria for assessing the fitness and propriety of the Board of the Company and its subsidiaries. The BNRC conducts a thorough assessment of each candidate for a new Director appointment, adhering to the criteria outlined in the Policy before recommending it for Board approval.

During the appointment process, the assessment includes diligence or screening procedures such as third-party verification checks and declarations from the individuals concerned. Additionally, the BNRC considers a mix of skills, competencies, experience, integrity, time commitment, and other essential qualities required for the effective discharge of directorial duties.

Through the annual Board Effectiveness Evaluation, Directors are assessed comprehensively, with the findings consolidated into a performance report. This report is analysed and presented to the BNRC for review and subsequent endorsement by the Board. The evaluation covers aspects like capability, character, integrity, and commitment towards the Company, identifying areas for improvement to enhance each Director's effectiveness.

Based on the evaluation outcomes for FYE2025, the BNRC expressed satisfaction with the performance of individual Board members.

Regarding the appointment of key management personnel, the BNRC evaluates candidates based on their skill sets, competencies, experience, integrity, and other essential qualities before recommending them for approval by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

Board Diversity

The Company acknowledges the importance of women's representation on the Board and in Senior Management. When vacancies arise and suitable candidates are identified, consideration will be given to women's representation, while ensuring that the primary goal remains selecting the best candidate to support the achievement of the Company's strategic objectives. The Board Diversity Policy, which outlines these principles, is available on the Company's website at www.sapura-resources.com.

As of the date of this CG Statement, the current diversity in gender, ethnicity and age of the Board and the Key Senior Management of the Company are as follows:

		Directors	Key Senior Management (excluding the CEO)
Race/Ethnicity	Malay	5	2
	Chinese	2	1
	Indian	0	0
	Others	0	0
Age Group	31 to 40	1	0
	41 to 50	3	1
	51 to 60	1	2
	61 to 70	1	0
	Above 70	1	0
Gender	Male	4	2
	Female	3	1

Board Meetings

The Board mandates that all Directors allocate sufficient time to effectively discharge their responsibilities, including attending and contributing meaningfully to Board and Board Committee meetings. Directors are expected to remain informed of the Group's business and operations, as well as developments in the regulatory and business landscape.

During the FYE2025, the Board convened fifteen (15) Board Meetings. These meetings were held to review and deliberate on the Group's quarterly financial results, operational performance, strategic initiatives, and other material matters requiring urgent or strategic Board deliberation. The Chief Corporate Officer and Chief Financial Officer were present at these meetings to provide clarifications, insights, and support to the Board.

The BNRC undertook a review of the Directors' attendance at Board and Board Committee meetings and concluded that all Directors demonstrated a strong commitment to their roles by dedicating adequate time and effort throughout FYE2025.

The attendance record of each Director at the Board Meetings during the FYE2025 is as follows:

Name of Directors	Designation	No. of Meetings Attended
Encik Ahmad Jauhari bin Yahya	Independent Non-Executive Chairman	15/15
Encik Reza bin Abdul Rahim *(Redesignated on 10 January 2025)*	Chief Executive Officer	14/15
Tan Sri Dato' Seri Shahril bin Shamsuddin *(Alternate Director: Datuk Megat Abdul Munir bin Megat Abdullah Rafaie)*	Non-Independent Non-Executive Director	14/15
Mr. Andrew Heng	Senior Independent Non-Executive Director	14/15
Dr. Yap Lang Ling	Independent Non-Executive Director	15/15
Puan Nik Aisyah Amirah binti Mansor *(Appointed on 10 January 2025)*	Non-Independent Non-Executive Director	1/1
Puan Aiza Azreen binti Ahmad *(Appointed on 10 January 2025)*	Independent Non-Executive Director	1/1
Dato' Shahriman bin Shamsuddin *(Resigned on 29 October 2024)*	Managing Director	10/11

In addition to scheduled Board meetings, the Board also convened ad-hoc meetings to deliberate on urgent matters requiring immediate direction or approval. During the FYE2025, the Board held a total of fifteen (15) Board Meetings, of which eleven (11) were Special Board Meetings convened to address pressing issues in a timely manner. Where necessary, urgent matters were resolved via circular resolutions accompanied by sufficient background information and justification to facilitate informed decision-making.

The Board is satisfied with the level of commitment demonstrated by all Directors. All Directors have complied with the Listing Requirements of Bursa Securities, with none holding more than five (5) directorships in listed issuers.

Recognising the need to remain relevant and competitive in a fast-evolving business environment, the Board places strong emphasis on continuous professional development. It acknowledges that ongoing education is essential for equipping Directors with the latest insights, knowledge, and skills to navigate regulatory and operational challenges effectively.

During the FYE2025, the Directors have participated in various continuing education and training programmes, details of which are provided in the Corporate Governance Report. Based on the BNRC's review, the Board is satisfied that the training attended during FYE2025 was adequate. The Board continues to encourage Directors to participate in at least one (1) training programme annually, where feasible, to ensure they remain informed of developments relevant to their directorship roles.

III. Remuneration

The Company has established a Board Remuneration Policy designed to support its long-term strategic objectives and business sustainability. This policy provides a structured framework aimed at achieving the following key objectives:

- To attract individuals with the necessary experience, expertise, and commitment to serve on the Board, and to retain them to ensure continuity and effective leadership.
- To incentivise Directors to actively contribute to the Group's strategic goals, performance, and governance, thereby cultivating a results-driven and accountable culture.
- To align Directors' interests with those of shareholders, ensuring long-term value creation and sustainable business growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

The Board Remuneration Policy was last reviewed and approved by the Board on 21 May 2024. The detailed Board Remuneration Policy is accessible on the Company's corporate website at www.sapura-resources.com for reference and transparency.

The Board remains committed to upholding a fair and competitive remuneration policy that appropriately reflects the responsibilities and fiduciary duties of Directors in guiding the Group toward its strategic objectives. The aim is to provide a remuneration package that is sufficiently competitive to attract, retain, and reward Directors for their contributions to the Group's success.

The BNRC is entrusted with the responsibility of reviewing and recommending the framework and remuneration packages for Non-Executive Directors to the Board for approval. Where appropriate, the BNRC engages external consultants to ensure that the remuneration offered is benchmarked against market practices and is sufficient to attract and retain talent critical to the Company's performance. In performing its assessment, the BNRC considers the Directors' fiduciary duties, time commitment, responsibilities, and the overall performance of the Company.

For FYE2025, the total Directors' fees proposed for shareholders' approval at the upcoming AGM of the Company amount to RM472,949.05. The breakdown of the individual Director remuneration for FYE2025 at both the Company and Group levels is disclosed in the Corporate Governance Report.

Remuneration Committee

The Board is satisfied with the effective and efficient performance of the BNRC in discharging its roles and responsibilities relating to nomination and remuneration matters. The BNRC has demonstrated its capability in supporting the Board's oversight of both functions in a cohesive and well-coordinated manner.

Accordingly, the Board is of the view that there is no necessity at present to separate the nomination and remuneration functions into distinct committees, as the existing structure continues to serve the Company effectively.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit and Risk Committee

The Board is responsible for ensuring that the Company's quarterly and annual audited financial statements present a balanced, accurate, and transparent view of the Company's financial position, performance, and prospects, in accordance with applicable financial reporting standards. In fulfilling this responsibility, the Board is supported by the BARC, which plays a pivotal role in overseeing the financial reporting process, reviewing the accuracy of financial results, and ensuring that all disclosures are reliable and compliant with relevant accounting standards.

The BARC reviews the unaudited quarterly financial reports and the year-end audited financial statements prior to recommending them to the Board for approval and submission to Bursa Securities and/or the shareholders, where applicable.

The BARC is chaired by Mr. Andrew Heng, the Senior Independent Non-Executive Director. As at the FYE2025, the BARC comprises three (3) members, the majority of whom are Independent Non-Executive Directors. During the same period, Encik Reza, the CEO of the Company, ceased to be a member of the BARC following his redesignation as Executive Director on 10 October 2024. Subsequently, Puan Nik Aisyah, a Non-Independent Non-Executive Director, was appointed to the BARC on 10 January 2025.

In addition to its core responsibilities pertaining to financial oversight, the BARC played a crucial governance role during FYE2025 in managing the Company's response to whistleblower complaints.

Following the receipt of the initial whistleblower letter in January 2024, and subsequent complaints in September 2024, the BARC acted swiftly and decisively. The BARC commissioned independent legal opinions and engaged KPMG Management & Risk Consulting Sdn. Bhd. to undertake a targeted review of the appointment processes and remuneration of two consultants as part of the internal audit on operating expenses.

Working in coordination with the BNRC, the BARC recommended that a more extensive investigation be conducted into the allegations.

Through its oversight and proactive governance approach, the BARC reinforced its commitment to transparency, accountability, and the highest standards of corporate conducts. Its actions during this period reflect the BARC's dual mandate, as a financial steward and a guardian of governance integrity within the Company.

As at the FYE2025, the composition of the BARC is as follows:-

Name	Position	Designation
Mr. Andrew Heng	Chairman	Senior Independent Non-Executive Director
Dr. Yap Lang Ling	Member	Independent Non-Executive Director
Puan Nik Aisyah Amirah binti Mansor *(Appointed on 10 January 2025)*	Member	Non-Independent Non-Executive Director

The Terms of Reference of the BARC is available on the Company's corporate website at www.sapura-resources.com.

Practice 9.2 of the MCCG stipulates that the Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

As none of the current Board members were former partners of the external audit firm of SRB, and in line with the commitment to maintain utmost independence, the Board affirms that there are no plans to appoint any former partner of the external audit firm of SRB as a member of the Board.

Conflict-of-Interest Policy and Procedures

In March 2024, the Group established a standalone Conflict-of-Interest Policy and Procedures to strengthen awareness and ensure effective management of conflict situations. The policy outlines disclosure obligations for Directors, Key Senior Management, and Legal Representatives, and sets out procedures for the timely identification, disclosure, and resolution of actual or potential conflicts of interest.

The policy promotes transparency, integrity, and accountability, and complements existing governance frameworks including the Directors' Code of Conduct and Ethics, Related Party Transactions Policy, and Anti-Bribery and Anti-Corruption Policy.

It was developed in accordance with the Main Market Listing Requirements of Bursa Securities and other relevant regulations and serves as a key reference for the Board and the BARC in overseeing conflict-of-interest matters within the Group.

The Conflict-of-Interest Policy and Procedures is made available on the Company's corporate website at www.sapura-resources.com.

Assessment of Suitability and Independence of External Auditors

For the FYE2025, the BARC conducted an annual assessment on the suitability and independence of the External Auditors of the Company, Ernst & Young PLT.

In evaluating the **suitability** of the External Auditors, the BARC considered, inter alia, the following factors:

- The adequacy of resources, skills, technical knowledge, and experience of the audit team to carry out the audit effectively and in compliance with approved auditing standards and applicable regulatory and legal requirements;
- Absence of any record of disciplinary actions against the audit firm or its partners by the Malaysian Institute of Accountants ("MIA") that remain unresolved or unreversed by the MIA Disciplinary Board;
- The audit firm's geographical coverage to effectively audit the Group's operations;
- Timely updates provided by the audit firm to the BARC on significant issues and developments relating to financial reporting standards, corporate governance, risk management, and internal controls;
- Adherence to deadlines and timely completion of audit work;
- The quality and robustness of the audit firm's internal control procedures, including audit review processes; and
- Adequacy of the audit scope in addressing key financial and operational risks across the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

In assessing the **independence** of the External Auditors, the BARC took into account the following:

- Confirmation that the engagement partner has not served the Company for a continuous period exceeding seven (7) years, in compliance with professional requirements;
- Receipt of a written assurance from Ernst & Young PLT confirming their independence throughout the audit engagement, in accordance with all relevant professional and regulatory guidelines; and
- The overall tenure of Ernst & Young PLT as the Company's External Auditors.

Based on the above, the BARC was satisfied with the technical competence, performance, and independence of Ernst & Young PLT for the financial year under review.

Risk Management and Internal Control Framework

The Board remains steadfast in its commitment to determining the Group's risk appetite and actively overseeing the identification, evaluation, and management of key business risks. This is essential in safeguarding shareholders' investments and the Group's assets. The BARC is entrusted with the responsibility of overseeing risk management and internal control functions, with support from the External Auditors and outsourced Internal Auditors. These parties periodically report to the BARC on the adequacy, effectiveness, and efficiency of internal controls and risk management processes.

To enhance the Group's risk management practices, the Board has adopted a Group Enterprise Risk Management Policy ("ERM"). The ERM Policy promotes a consistent and structured approach to risk management across the Group and is embedded as a core management competency. It enables the identification and mitigation of risks that could impede the achievement of strategic objectives. The key elements of the ERM framework include:

- Identification of business risks that may affect the Group's operations and objectives;
- Assessment and measurement of the significance and likelihood of each identified risk;
- Implementation of control measures or risk mitigation strategies in line with the Group's policies and risk appetite; and
- Ongoing monitoring and communication of risk exposures to facilitate timely responses and to seize potential opportunities.

The Group's internal audit function is outsourced to KPMG Management and Risk Consulting Sdn. Bhd., which is responsible for independently evaluating the adequacy and effectiveness of the Group's risk management, internal control, and governance processes. The internal audit reviews are conducted in accordance with a risk-based audit plan approved by the BARC.

Details on the Group's internal control framework and the assessment of its effectiveness are outlined in the Statement on Risk Management and Internal Control included in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

The Board places significant importance on transparent, timely, and effective communication with its stakeholders. This commitment is upheld through structured channels and best practices to ensure the accurate dissemination of material information in compliance with the Listing Requirements of Bursa Securities.

Prior to the release of any material information or corporate disclosure, the Board ensures thorough engagement with the Management team. This process ensures that all disclosures are accurate, timely, and comply with the disclosure obligations stipulated by Bursa Securities.

The Board is guided by the Corporate Disclosure Guide issued by Bursa Securities in determining the materiality and timing of disclosures. Adhering strictly to these guidelines reinforces the Company's commitment to transparency, consistency, and accountability in its communication practices.

The Company employs a variety of communication tools and platforms to facilitate continuous and open engagement with shareholders and stakeholders:

(i) Announcements to Bursa Securities

All material developments, quarterly financial results, and corporate disclosures are promptly communicated via announcements to Bursa Malaysia Securities. These announcements are publicly accessible through www.bursamalaysia.com and the Company's own website.

(ii) Corporate Website

The Company's official website, www.sapura-resources.com, serves as a central repository for up-to-date corporate information, including press releases, investor presentations, key policies, and governance documents.

(iii) Annual Reports

The Annual Report is a key medium through which the Company communicates its operational and financial performance, corporate governance practices, sustainability efforts, and strategic direction. It is circulated to all shareholders and made available on the Company's website.

(iv) General Meetings (AGMs/EGMs)

AGMs and EGMs provide valuable platforms for direct interaction between shareholders, the Board, and Senior Management. Shareholders are encouraged to participate actively, pose questions, and vote on resolutions during these meetings.

(v) Investor Relations

Shareholders and members of the public may contact the Company for queries, feedback, or requests for information through the following channels:

Address	:	Sapura@Mines No. 7, Jalan Tasik, The Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan Malaysia
Telephone No.	:	603-8949 7000
Fax No.	:	603-8949 7046

Conduct of General Meetings

The AGM is a key platform for engaging with shareholders, both individual and institutional. It provides an opportunity for shareholders to receive updates on the Group's performance, strategic direction, and operational matters, as well as to clarify concerns and seek explanations directly from the Board and Senior Management.

The Board encourages shareholders to participate actively during the AGM by engaging in discussions and voting on resolutions. The Company also provides post-AGM access to the Board for members of the press, ensuring openness and media transparency.

In line with the Board Charter and the principles of good corporate governance, the Company is committed to issuing the Notice of AGM at least 28 days prior to the meeting. This allows shareholders adequate time to prepare, consider the resolutions, and make arrangements to attend or vote.

Recognising the importance of leveraging technology for inclusive participation, the 67th AGM was conducted virtually. The meeting was live-streamed, allowing eligible shareholders to participate remotely and vote electronically on the proposed resolutions. This approach not only promoted accessibility and convenience but also supported broader shareholder engagement in line with current digital trends and best practices.

In compliance with Paragraph 8.29A of Bursa Securities' Listing Requirements, all resolutions set out in the Notice of AGM are voted by poll. At the 67th AGM:

- Shareholders were briefed on the procedures for electronic voting;
- Poll results were independently verified by Sky Corporate Services Sdn. Bhd., the appointed scrutineer;
- Voting outcomes were promptly displayed to shareholders and subsequently announced to Bursa Securities on the same day.

The Company remains committed to promoting robust governance practices by facilitating transparent, inclusive, and technologically enhanced AGMs. These efforts underscore the Board's dedication to ensuring effective shareholder participation, accountability, and sound corporate governance.

KEY FOCUS AREAS AND FUTURE PRIORITIES

SRB's overall focus is on stabilizing operations and setting the direction towards strengthening governance, long-term value creation and sustainable business growth. As such, the Board has identified the following key focus areas and future priorities across the Group's operations:

Corporate Development

Governance Framework and Policies Review

Having had the conflict-of-interest involving the former Managing Director, SRB is now focused on ensuring that internal policies and control mechanisms remain robust and effective. This will involve regular reviews and enhancement of key governance documents to reflect best practices and incorporate emerging regulatory requirements and lessons learned from our own experience.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

Rebuilding the Management Team and Talent Pipeline

The Group experienced a high attrition rate FY2025. We have rebuilt the management team under the new CEO, and continue to be focused on developing our talent pipeline by staffing positions with individuals who are experienced and possess the necessary qualities to drive the delivery of our business plans.

We will follow this effort with formalised and enhanced succession planning framework, particularly for critical and specialist positions, to ensure continuity, strategic alignment, and leadership depth.

Enhanced Stakeholder Engagement

We will focus on strengthening transparency and responsiveness with stakeholders, particularly shareholders and institutional investors. We intend to expand this further into sustained engagements with shareholders, institutional investors, market participants and the media to ensure effective corporate communications.

Board Composition and Diversity

We recognize that a diversity of experiences and expertise in the Board is of great value to the Company. We are focused on ensuring that the Board continues to have an optimal mix of skills, experience, independence, and gender diversity to guide SRB's strategic direction. This is reflected in our Board, where we have a broad diversity in core expertise, experience, balance between independent and non-independent directors, and exceed the MCCG Best Practices target of 30% women directors. The continuation of this Board diversity agenda will remain a continued focus in the future.

ESG Integration and Sustainability

We are focused on embedding environment, social and governance principles into corporate strategy. Strengthening the Board's ESG oversight will include reporting on climate-related risks, stakeholder impact, sustainability performance and governance assurance indicators.

In addition to these initiatives for corporate development, the focus of the Aviation Business and the Property Management Divisions will also be on long-term value creation and sustainable business growth, through the effective generation of revenue and management of costs. The priorities that we have in place for this are detailed further in the Management Discussion and Analysis section.

CONCLUSION

The Board is satisfied that for the FYE2025, the Company complies substantially with the principles and practices of the MCCG.

This CG Statement and the Corporate Governance Report were approved by the Board on 29 April 2025.

BOARD AUDIT AND RISK COMMITTEE REPORT

The Board Audit and Risk Committee was established by the Board of Directors with the primary objective of assisting the Board in fulfilling its fiduciary responsibilities related to corporate governance, the system of internal controls, risk management processes and management of financial reporting practices of the Group.

The BARC is pleased to present the BARC Report for the financial year ended 31 January 2025 ("FYE2025") in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance.

COMPOSITION OF THE BARC

During the FYE2025, the Board restructured the composition of BARC:

- Encik Reza bin Abdul Rahim was redesignated from Non-Independent Non-Executive Director to Executive Director on 10 October 2024 and was subsequently redesignated as the Chief Executive Officer on 10 January 2025. In line with his new executive role, Encik Reza ceased to be a member of the BARC effective 10 October 2024.
- Puan Nik Aisyah Amirah binti Mansor was appointed as a member of the BARC on 10 January 2025 to fill the vacancy.

The latest composition of the BARC for FYE2025 consisted of three (3) members, including one (1) Senior Independent Non-Executive Director, one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director as follows:

Name	Position	Designation
Mr. Andrew Heng	Chairman	Senior Independent Non-Executive Director
Dr. Yap Lang Ling	Member	Independent Non-Executive Director
Puan Nik Aisyah Amirah binti Mansor *(Appointed on 10 January 2025)*	Member	Non-Independent Non-Executive Director

NUMBER OF BARC MEETINGS AND DETAILS OF ATTENDANCE

For FYE2025, the BARC held a total of nine (9) meetings. The details of the attendance of each BARC member are as follows: -

BARC Members	Total no. of meetings attended	%
Mr. Andrew Heng	9/9	100
Dr. Yap Lang Ling	9/9	100
Puan Nik Aisyah Amirah binti Mansor *(Appointed on 10 January 2025)*	-	-
Encik Reza bin Abdul Rahim *(Ceased on 10 October 2024)*	8/8	100

BOARD AUDIT AND RISK COMMITTEE REPORT (Continued)

SUMMARY OF WORK OF THE BARC

During the FYE2025, the BARC carried out various activities in line with its responsibilities as set out in its terms of reference ("TOR"). The key activities undertaken included the following: -

(1) Financial Reporting

(a) Reviewed and deliberated on the unaudited quarterly financial reports and the audited year-end financial statements of the Group for the FYE2024 prior to submission to the Board for approval and subsequent release to Bursa Securities; and

(b) In reviewing the unaudited quarterly financial reports and the audited year-end financial statements, the BARC engaged with Management and External Auditors to deliberate on the following matters:-

- changes in or implementation of accounting policies and practices;
- any financial reporting developments under the Malaysian Financial Reporting Standards;
- significant audit adjustments arising from the audit;
- significant matters highlighted, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and their resolution;
- assessment of the Group's ability to continue as a going concern; and
- compliance with applicable accounting standards and other legal and regulatory requirements.

(c) The BARC convened the following meetings during FYE2025 to deliberate on financial reporting matters: -

Date of meetings	Financial Reporting Statements Reviewed
21 March 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the fourth quarter ended 31 January 2024.
16 May 2024	Audited Financial Statements for the financial year ended 31 January 2024 ("AFS").
20 June 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the first quarter ended 30 April 2024.
24 September 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the second quarter ended 31 July 2024.
28 November 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the third quarter ended 31 October 2024.

(2) Audit Reports

(a) Received and reviewed both internal and external audit reports, together with Management's responses. Ensured that that significant control or procedural deficiencies identified in the reports were promptly addressed by Management. Monitored the implementation status of prior audit recommendations and the corresponding remedial actions taken.

(b) Undertook detailed discussions and inquiries into internal audit findings. Reviewed Management's responses and corrective actions to ensure that issues were appropriately resolved and that enhancements to internal controls and procedures were effectively implemented.

(3) Matters relating to External Audit

(a) Reviewed the terms of engagement and the Audit Planning Memorandum by Ernst & Young PLT ("EY"), the external auditors. This included reviewing the nature, scope and timeline of the audit planned for the financial year under review.

(b) Examined the external auditors' audit report, including the significant audit findings forming the basis of their opinion.

(c) Reviewed key audit matters highlighted by EY in their annual audit and management letter, together with Management's responses and corrective actions undertaken to address these issues.

(d) Reviewed the annual AFS of the Company and the Group prior to their submission to the Board for approval.

(e) Convened a private session with the external auditors on 16 May 2024, without the presence of Management, to allow the auditors to raise any concerns, including those relating to their ability to perform their independence or any limitations encountered during the audit.

(f) Evaluated the external auditors' independence, objectivity, technical competence, and adequacy of resources. Assessed the reasonableness of proposed audit fees in relation to the Group's size and operational complexity.

(g) Reviewed both audit and non-audit fees proposed for FYE2025, ensuring that the scope of non-audit services did not compromise the auditors' independence and objectivity.

(h) Assessed the overall performance and effectiveness of the external auditors and recommended their re-appointment as the Company's external auditors for the ensuing year at the forthcoming Annual General Meeting.

(4) Matters relating to Internal Audit

(a) Assessed the adequacy of the scope, functions, and resources of the outsourced internal auditors, KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG"), to ensure they equipped with the necessary authority to carry out their responsibilities effectively.

(b) Reviewed the Internal Audit Plan and its subsequent updates, including any revisions to the audit scope, focus areas and timelines.

(c) Examined the Internal Audit Report for each audit cycle, encompassing key findings, observations, prioritised areas for improvement, and the recommended corrective actions proposed by KPMG.

(d) Evaluated the adequacy and overall performance of KPMG for FYE2025, including an assessment on their competency, technical expertise, and adequacy of resources to effectively support the Group's internal audit function.

(5) Risk Management and Internal Control

(a) Reviewed the Company's Statement on Risk Management and Internal Control for inclusion in the Annual Report for FYE2025.

(b) Reviewed quarterly risk management reports prepared by BDO Governance Advisory Sdn. Bhd. ("BDO"), the appointed Enterprise Risk Management consultant, covering the Group's risk profile and the risk register for FYE2025. Ensured that identified risks were effective monitored and managed.

(6) Related Party Transactions

(a) Scrutinised related party transactions undertaken by the Company and the Group to ensure they were conducted at arm's length, on normal commercial terms, and not favouring the related parties more than what is available to the public.

(b) Reviewed and assessed potential conflicts of interest within the Company and the Group, including any transactions, procedures, or conduct that could compromise Management's integrity or objectivity.

(c) Monitored and reviewed quarterly report on recurrent related party transactions of a revenue or trading nature entered into by the Group. Ensured compliance with the thresholds and requirements set out under the Listing Requirements of Bursa Securities.

BOARD AUDIT AND RISK COMMITTEE REPORT (Continued)

(7) Annual Reporting

Reviewed and endorsed the BARC Report and Statement on Risk Management and Internal Control, ensuring alignment with the applicable regulatory reporting requirements. Subsequently recommended both documents to the Board for approval.

(8) Whistleblowing Issues

(a) Received and extensively deliberated on the whistleblowing letter received from a concerned shareholder pertaining to the conflict of interests by the former Managing Director, and the complaints from whistleblower(s).

(b) Instructed Management to prepare preliminary investigation reports in response to whistleblowing disclosures.

During the BARC Meeting held on 24 September 2024, the BARC reviewed and noted the preliminary investigation reports.

(9) Conflict of Interest

(a) Reviewed and recommended to the Board for approval, the standalone Conflict of Interest Policy and Procedure to ensure that it sets out the guidelines, procedures, appropriate controls and measures to ensure systematic identification and management of potential, actual, perceived or persisting conflict of interests in an effective and timely manner, and recommended to the Board for approval and adoption.

(b) Reviewed any potential conflict of interest situations, including transactions that may give rise to conflicts of interest between the Group and interested parties. Recommended that individuals in conflict abstain from participating in discussions, deliberations or voting at Board, Board Committees or shareholder meetings relating to such transactions;

Reviewed reports, updates and legal opinions from external counsel concerning a potential conflict of interest involving the former Managing Director of the Company.

In collaboration with the Board Nomination and Remuneration Committee, the BARC recommended a comprehensive investigation into the conflicts of interest by the former Managing Director.

(10) Others

(a) Conducted a self/peer evaluation of the BARC's performance to assess its overall effectiveness in discharging its roles and responsibilities.

(b) Reviewed of the TOR of the BARC to (i) reflect the amendments made to the Main Market Listing Requirements of Bursa Securities, in relation to conflict of interest, by expanding the BARC scope to cover the review of conflict of interest situations (including those that arose or persist, in addition to those that may arise) involving Directors and key senior management, and the measures taken to resolve, eliminate, or mitigate the conflict of interest; (ii) other amendments that aligned with the MCCG recommendations and industry best practices.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Internal Audit function, supported by KPMG as the outsourced professional internal auditors, plays a key role in assisting the BARC in fulfilling its oversight responsibilities for FYE2025. The following outlines the key aspects of this collaboration:

1. **Primary Responsibility:**

   The Internal Audit function is tasked with supporting the Board in overseeing the establishment and maintenance of an effective risk management, internal control, and governance framework by Management. It provides independent and objective assurance on the adequacy and effectiveness of these processes across the Group.

2. **Reporting Structure:**

   Internal Audit Reports, together with Management's responses, follow a structured reporting process. The reports are first circulated to the former Managing Director/Acting Managing Director and the relevant Heads of Department before being tabled at BARC meetings.

   This process ensures that audit findings are appropriately communicated, facilitating informed deliberations and decision-making by the BARC on matters relating to risk management, internal controls, and corporate governance.

   Throughout FYE2025, representatives from KPMG attended BARC meetings on a quarterly basis, at minimum, to present their audit observations and findings. These sessions enabled the BARC to monitor and evaluate the effectiveness of the Group's governance, risk management, and internal control systems.

The internal audit work undertaken by KPMG for the financial year under review included the following key activities:

1. **Developing the Group Internal Audit Plan:**

   KPMG formulated the Internal Audit Plan for FYE2025, detailing the audit scope, timeline, and associated fees. The plan was presented to the BARC for review and approval, ensuring alignment with the Committee's oversight priorities and the Group's key risk areas.

2. **Presenting Internal Audit Reports:**

   For each audit cycle, KPMG presented Internal Audit Reports to the BARC. These reports included key findings, observations, identified areas for improvement, and recommended corrective actions for Management. The BARC reviewed and discussed these reports during its quarterly meetings to ensure ongoing oversight of risk management, internal controls, and governance processes.

3. **Conducting Internal Audit Work:**

   KPMG conducted internal audit reviews across selected key operational areas, including tenancy management. These reviews evaluated the effectiveness and adequacy of the control frameworks and procedures implemented within the Group.

4. **Follow-Up Audit Report:**

   A follow-up audit report was also presented by KPMG to monitor the implementation status of previously recommended corrective actions. This report assessed whether Management had effectively addressed prior audit findings and whether the remedial measures were functioning as intended.

   KPMG's contributions throughout the year provided independent assurance to the BARC and supported the continuous enhancement of the Group's internal control, risk management, and governance frameworks.

   The total cost incurred in maintaining the internal audit function for the FYE2025 amounted to RM196,248 (Restated 2024: RM117,978).

BOARD'S CONCLUSION

The Board is satisfied with the performance of the BARC and its members. The absence of any material misstatements, fraud, regulatory breaches, or unresolved internal control deficiencies further reflects the effectiveness of the BARC in discharging its functions, duties, and responsibilities in accordance with its Terms of Reference and applicable regulatory requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of Sapura Resources Berhad ("SRB" or the "Company") seeks to promote a risk-conscious culture and is highly committed to maintaining a sound internal control system and risk management framework in the Company and its subsidiaries (collectively referred to as the "Group"). To this end, the Board is pleased to present the following Statement on Risk Management and Internal Control (the "Statement"), which outlines the nature and scope of internal control and risk management of the Group for the financial year ended 31 January 2025.

This Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad which calls for the annual report to include a "statement about the state of risk management and internal control of the listed issuer as a group" and Practice 10.2 of the Malaysian Code on Corporate Governance ("MCCG") which stipulates that "the board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework".

During the financial year under review, the Group had implemented various strategies to uphold effective risk management for its business. These include amongst others, targeted marketing efforts, exploring diversification opportunities, exploring fresh revenue streams, and maintaining financial and operational discipline.

This Statement does not cover the Group's joint ventures and associate companies as the Board of SRB does not have full control and management over the respective companies. The Group's interests in the joint ventures and associate companies are served through representations on the boards of the respective companies and review of management accounts, and enquiries given that the Board is not vested with full governance control.

On 10 October 2024, a Non-Executive Non-Independent Director was redesignated as an Executive Director, assuming the role of Acting Managing Director whilst the former Managing Director was on leave. On 29 October 2024, the former Managing Director resigned. Subsequently, the Acting Managing Director was appointed as the Chief Executive Officer, effective 10 January 2025. This leadership transition underscores the Group's commitment to upholding robust corporate governance practices and ensuring continuity in strategic leadership.

Accordingly, throughout this Statement on Risk Management and Internal Control, references to the "Managing Director" or the Chief Executive Officer ("CEO") shall reflect the chronology of events as outlined above.

BOARD'S RESPONSIBILITY

The Board acknowledges the importance of maintaining a sound system of internal control and the proper identification and management of risks affecting the Group's operations in order to safeguard shareholders' investments and other stakeholders' interests. Accordingly, the Board affirms its overall responsibility for the system of risk management and internal control, and for reviewing the adequacy, integrity, and operating effectiveness of the said system. Such a system covers financial, operational and compliance risks and the relevant controls designed to manage said risks. In view of the inherent limitations in any system of risk management and internal control processes, the system can only provide reasonable, but not absolute assurance, against material misstatements, financial losses, defalcations, or fraud.

The Board Audit and Risk Committee ("BARC") has been entrusted with the responsibility of assisting the Board in the oversight of risk management and internal controls. This includes reviewing and regularly communicating to the Board on the key risks enveloping the Group, the impact and likelihood of such risks crystallizing and Management's readiness to manage and mitigate the risks that arise. The BARC is supported by the outsourced internal audit function, KPMG Management & Risk Consulting Sdn Bhd ("KPMG MRC"), which reports to the BARC on the design and operating effectiveness of the internal control, risk management and governance processes and procedures. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control system.

MANAGEMENT'S RESPONSIBILITY

The Management team is responsible for the implementation of SRB's risk management policies and procedures and to ensure appropriate controls are in place to address identified risks within specific business and service units. In order to achieve this, the roles of the management team include identifying and evaluating risks faced within the Group's business units; designing adequate internal controls for the Group's business units; defining the job descriptions within the Management team to incorporate the control and risk management action plans within their domain of responsibility; reporting to the BARC on any material control breaches or losses in an open and timely manner; and implementing suitable action plans towards ineffective controls identified by the internal audit function.

RISK MANAGEMENT

The Board firmly believes that risk management is critical to the Group's continued business sustainability and overall value accretion. The priority of the Group remains towards upholding the sustenance of each of its business units and unlocking value through marketing efforts, potential diversification, and operational efficiencies.

The Group has instituted a Risk Management Policy and Framework ("the Policy") which sets out the overarching approach and requirements for managing risk. The Policy is designed to systematically identify, analyse, monitor, and report key risks and the likelihood of risk occurrence as well as the magnitude of impact. The Policy has been reviewed by the BARC and approved by the Board to ensure it reflects the current objectives of the Group as well as the markets in which the Group operates in.

Management is accountable to the Board for the execution of risk management policies and in identifying the key risks including strategic, reputational, financial, operational, environmental, human resources and regulatory risks affecting the Group. In this regard, Management evaluates the nature and extent of those risks by putting in place mitigating action plans for effective monitoring and reporting to the Board. Periodic results from the risk assessment taking into account any changes in the business processes and the market environment as well as the implementation status of corrective action plans on key risks are reported to the BARC, accordingly. Salient methodical steps of the risk management framework outlining the process to identify, assess, mitigate, and monitor the key business risks of SRB are shown below and in the ensuing page:

Risk Identification - Risks (both internal and external) which may threaten the achievement of business objectives are identified across different categories including but not limited to strategic, reputational, regulatory, safety, financial, operational, environmental, and human resources.

Risk identification focuses not only on the results of previous risk assessments, but also on any new, additional, or emerging risk in the market and shall be performed on a continuous basis by each business and service unit.

Risk Assessment and Mitigation - The likelihood and impact of each risk are determined with a rating assigned for each risk based on the risk tolerance levels as set by the Board.

The risk is then reassessed after incorporating the identified key controls that are put in place to mitigate and manage the risk in order to determine the effectiveness of the controls.

The identified risks, assessments and mitigating actions are documented and updated to Group Risk Management Committee ("GRMC"), comprising of the MD/CEO, the Chief Corporate Officer ("CCO"), the Chief Financial Officer ("CFO") and all Heads of Business Divisions ("HBD"), for approval. Thereafter, the records are maintained by the CFO.

Risk and Internal Controls Monitoring - Monitoring and reporting of risks are conducted on a quarterly basis through the BARC by the Management team to ensure:

- accountability and ownership for the identification of risks;
- the development of appropriate controls to mitigate them; and
- achievement of full compliance with the set controls.

Reporting of risk will be conducted to cover any changes in the current status of risks identified, associated controls and mitigating plans as well as on any material control breaches or losses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

INTERNAL CONTROL FRAMEWORK

The Board regularly reviews the evaluation on the adequacy and operating effectiveness of the Group's internal control framework. Salient elements of the Group's internal control framework are described below:

Organisation structure

The Group has in place an organisation structure with clearly demarcated lines of responsibilities and segregated reporting lines up to the Board and its Committees to ensure operational effectiveness and efficiency as well as independent stewardship, permeating through every facet of the Group's operations. The Board and its Committees are supported by the Group Management Committee ("GMC") who meets as needed throughout the year to hold discussions on business performance review and operational matters.

Board Charter

A Board Charter ensures that the Board, acting on behalf of SRB is cognizant of its fiduciary duties and responsibilities as members of the Board and the legislations and regulations affecting their conduct. In addition, the Board Charter serves as a source of reference to the Board for matters relating to Board organisation and provides guidance to the Board members in performing their duties, roles, and responsibilities as Directors of SRB.

Board Diversity Policy

A Board Diversity Policy is established to consider aspects including but not limited to professional experience, skills and knowledge, gender, educational and cultural backgrounds, ethnicity, and age in configuring the Board's composition. The recognition of cognitive diversity is premised on the need to avert 'groupthink' or 'blind spots' by leveraging on multifaceted perspectives, experience and expertise required to achieve effective stewardship and ensure that SRB's competitive advantage is preserved.

Board Remuneration Policy

A Board Remuneration Policy is established to support the Group's business strategy that is both long term and strategic in nature. The remuneration framework of Directors is designed based on the need to attract and retain Directors; motivate Directors to achieve SRB's business objectives; and align the interests of the Group with the long-term interests of shareholders.

Board Committees

- **Board Audit and Risk Committee ("BARC")**

  The primary function of the BARC is to assist the Board in discharging its fiduciary duties in respect of the corporate accounting and reporting practices of SRB, reviewing quarterly financial statements, interim financial announcements as well as year-end annual financial statements, internal and external audit reports, risk management and internal control, related party transactions, corporate governance and compliance, integrity, anti-bribery and corruption and other functions as the BARC considers appropriate or as authorised by the Board. The Board had appointed internal auditors and integrity officers, to report directly to the BARC.

- **Board Nomination and Remuneration Committee ("BNRC")**

  The BNRC, amongst others, reviews the composition of the Board and assists SRB in new appointments of Directors and Board Committees, evaluates the effectiveness of the Board, Board Committees and each individual Director, reviews the objectives and goals set for the Managing Director/CEO, determines the level and make-up of the Managing Director's/CEO's remuneration, develops policies, practices and recommended proposals appropriate to facilitating the recruitment and retention of Directors and finally, ensures that members of the BNRC should have no conflicts of interest with the outcome of decisions made, having due regard to the interests of shareholders and the continuing financial and commercial health of the Group.

  BNRC also reviews the appointment of key senior management and their remuneration packages.

Subsidiaries Governance Framework ("SG Framework")

The SG Framework, which is applicable across all subsidiaries of SRB as well as all levels and business/support units in SRB, sets out the corporate governance standards and practices adopted by SRB to ensure compliance with Companies Act 2016, MMLR, MCCG and Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries as released by Securities Commission Malaysia in July 2020 (as revised in April 2021).

The SG Framework defines the reporting structure of all Management Committees i.e. the GRMC and the GMC. The Group has restructured its sustainability oversight architecture by subsuming the Sustainability Steering Committee ("SSC") under the GMC to provide for greater centralisation and coordination of oversight on sustainability matters. SRB adopts a centralised approach in managing its subsidiaries with Board-reserved matters explicitly codified within the SG Framework.

Limits of Authority ("LOA")

Clearly defined limits of authority, responsibility and accountability have been established to govern the business and standard day-to-day operations, including matters requiring the Board, Board Committees, MD/CEO, CFO, HBD and Heads of Department ("HoD") approval. The LOA determines the approving authorities and authority limits for various transactions such as assets, procurement and contract, financial, human resource, legal and other matters. Major capital expenditure, acquisition and disposal of investment interests are approved by the Board before execution. The LOA aims to safeguard the SRB and its shareholders' interests, in line with the Group's internal control practices.

Management reporting system

A Management reporting system is established and this calls for operations and management accounts to be prepared and reviewed periodically. The system also requires Management to conduct Business Performance Review meetings to monitor the Group's financial performance and results. In addition, meetings are held at each individual business unit level to provide updates on any operational matters.

Code of Conduct and Ethics for Directors ("the Code")

The Code is established to outline the fundamental guiding principles that are anchored on professional conduct. The Directors acknowledge that they must exercise judgment in applying the principles embodied in this Code to any particular situation. The Code provides guidance to the Directors to assist them in carrying out their duties and responsibilities in accordance with the standards of professional conduct expected by SRB. The Code incorporates adaptations from the "Code of Ethics for Company Directors" issued by Companies Commission of Malaysia and is available on SRB's corporate website at Code of Conduct and Ethics for Directors.

Code of Conduct and Ethics for Employees

The Code of Conduct for employees lays out the duties and responsibilities of employees in the course of their employment with the Group. All employees must support the policies, procedures, and practices of the Group; conduct themselves with propriety and decorum at all times to reflect the good standing of the Group; and honour confidentiality of all the information that they have acquired during and after employment with the Group. The Code of Conduct for employees forms as a guide which covers a wide range of areas including workforce values, business integrity and data privacy. The Code of Conduct for employees is part of SRB's Employee Handbook.

Conflict of Interest Policy

In March 2024, the Group established a standalone Conflict of Interest Policy to strengthen awareness and ensure effective management of conflict situations. The policy outlines disclosure obligations for Directors, Key Senior Management, and Legal Representatives, and sets out procedures for the timely identification, disclosure, and resolution of actual or potential conflicts of interest.

The policy promotes transparency, integrity, and accountability, and complements existing governance frameworks including the Directors' Code of Conduct and Ethics, Related Party Transactions Policy, and Anti-Bribery and Corruption Policy.

It was developed in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other relevant regulations and serves as a key reference for the Board and the the BARC in overseeing conflict of interest matters within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Business Continuity Management Policy ("BCM Policy")

The BCM Policy seeks to guide the Group on BCM by providing a framework around which the BCM capability is designed and built. The objective of BCM is to make the Group more resilient to potential threats and allow the operations of the Group to resume or continue under adverse or abnormal conditions within a reasonable and predetermined timeframe upon the occurrence of a disruption. Specifically, the BCM Policy seeks to enable the Group to continue, recover and resume critical business functions or operations within the agreed Recovery Time Objectives (RTO). The BCM methodology includes the following:

Anti-Bribery and Corruption Policy ("ABC Policy")

Given the implementation of section 17A of the Malaysian Anti-Corruption Commission Act 2009 as effected vide the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board undertook to exercise oversight on the establishment of adequate procedures to prevent the commission of corrupt acts by persons associated to the Group through the institution of the ABC Policy.

The ABC Policy covers areas pertaining to corruption and bribery, gifts, hospitality, and entertainment; facilitation payments, kickbacks, sponsorships, and charitable donations; political contributions; etc. The ABC Policy is premised on a supply-chain wide perspective covering dealings with third parties such as agents, suppliers and vendors, contractors, sub-contractors, and distributors. Any breaches of the ABC Policy shall be treated as serious misconduct, leading to disciplinary actions taken against the offender.

The ABC Policy has been augmented with guideline covering gifts, hospitality, and entertainment expenses. This Guideline was introduced to provide clarity to employees on seeking reimbursements pertaining to these expenses and provides for additional controls to prevent corruption and bribery.

In order to raise awareness on integrity matter across the Group, training sessions are carried out on a regular basis. Induction programmes for new joiners covers the contents of the ABC Policy. Employees and third parties enlisted by the Group are required to sign the Anti-Bribery and Corruption Policy Declaration Form as a means to express conformance to the ABC Policy. The ABC Policy is made available on SRB's corporate website at Anti-Bribery and Corruption Policy (ABC Policy).

In addition, as required by paragraph 15.29(1)(c) of the MMLR of Bursa Malaysia Securities Berhad, corruption risk factors are also assessed on an annual basis as part of the Group's management of risks on an enterprise level.

Whistleblowing Policy

The Board has put in place a Whistleblowing Policy that enables the stakeholders of the Group including but not limited to the employees, vendors, and customers to raise bona fide concerns regarding unethical, unlawful, or undesirable conduct via a reporting channel within the Group in an objective manner without fear of intimidation or reprisal. Stakeholders of the Group may report any integrity/ethical misconducts through the reporting channels available including via email to SRBethicsline@sapura.com.my which will be directed to the Integrity and Governance Unit.

The Whistleblowing Policy is available on SRB's corporate website at Whistleblowing Policy.

Document Retention Policy

A Document Retention Policy was established to ensure complete and accurate records are maintained to support general operations and to meet contractual, legal, or regulatory promulgations including the Personal Data Protection Act 2010. The Policy shall be reviewed by the BARC on a periodical basis to ensure it reflects the current objectives of SRB and shall be approved by the Board, when necessary.

Employee Grievance Policy

A Standard Operating Procedures for Employee Grievance was established to provide a platform in resolving internal disputes or complaints. Based on this policy, detailed procedures are set up to allow employees to discuss their grievances or concerns in confidence with their immediate superior or Head of Department prior to submitting a compliant procedure form for review by the Human Resources Department and third-level Manager. The policy enables the grievances and concerns to be addressed at the "get-go" stage.

Information Security Management System Policy ("ISMS Policy")

The Group is guided by the requirements of ISO 27001:2013, established the ISMS Policy as a commitment to upholding the principles of confidentiality and integrity as well as ensuring the availability of all physical and electronic information assets throughout the Group. The ISMS is intended to be an enabling mechanism for information sharing, electronic operations and reducing information-related risks to acceptable levels.

The ISMS Policy covers a multitude of information security aspects including policies on hardware, passwords, emails, instant messaging, internet security and antivirus.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Enterprise Risk Management Policy

The Enterprise Risk Management ("ERM") Policy was formed to promote creation and value protection within the Group. The policy lays out the Group's main ERM practices, key elements and key attributes that supports the Group in appropriately identifying and managing risks. The Group's ERM framework consists of the following seven (7) key elements which mirrors globally accepted risk management standards:

Insurance and security safeguards

The Group has in place insurance and security safeguards over their employees and major assets whereby adequate cover has been sought against any untoward event which is beyond the Group's control and that could result in material losses. The insurance coverage is reviewed at specific intervals to ensure its adequacy.

INTERNAL AUDIT FUNCTION

The Board regularly reviews the evaluation on the adequacy and operating effectiveness of the Group's internal control framework. SRB outsourced its internal audit function to KPMG MRC to assess the adequacy and integrity of the Group's internal control systems. The internal audit function reports directly and provides assurance to the BARC through the execution of internal audit work based on a risk-based internal audit plan approved by the BARC before commencement of work. In carrying out its activities, the internal audit function has unrestricted access to the relevant records, personnel, and physical properties of the Group. The internal audit work is carried out based on KPMG MRC's Internal Audit Methodology ("KIAM"), which is closely aligned with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors ("IIA"), of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable, and relevant information that signifies a satisfactory conclusion of the internal audit work.

For the financial year ended 31 January 2025, the internal audit function assessed the adequacy and operating effectiveness of internal controls deployed by Management for the Group's key operations and processes, and to make appropriate recommendations thereof. The following in-scope companies and key processes were covered by the internal audit function:

In-scope companies	Key processes
Sapura Resources Berhad and its relevant subsidiaries	Aviation Revenue and Customer Relationship Management
	Investment Management
	Management of Operating Expenses

Following the completion of its work, the internal audit function reported directly to the BARC on improvement measures pertaining to internal controls, including a follow-up on the status of Management's implementation of recommendations raised in previous reports. The internal audit reports were submitted to the BARC, which reviewed the observations with Management, including Management's action plans to address the concerns raised by the internal audit function.

For more information on the Summary of work of the Internal Audit function, kindly refer to the BARC Report, as documented in this Annual Report.

Review by the external auditor

In accordance with paragraph 15.23 of the MMLR of Bursa Malaysia Securities Berhad, the external auditor, Ernst & Young PLT has reviewed this Statement for inclusion in this Annual Report of the Group for the financial year ended 31 January 2025.

The review of this Statement by the external auditor was performed in accordance with the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants in February 2018.

The external auditor reported that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Group was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate.

AAPG 3 does not require the external auditor to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The external auditor is also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remediate the problems.

Commentary on the adequacy and effectiveness of the risk management and internal control system

For the financial year under review and up to the date of this Statement, the Board is of the view that the Group's risk management and internal control system is adequate and effective to safeguard the interests of stakeholders and the Group's assets, despite a challenging business and operating environment.

There were no material weaknesses or deficiencies in the system of internal control and risk management that have directly resulted in any material loss to the Group.

The Chief Executive Officer and Chief Financial Officer have also provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively based on the risk management and internal control framework of the Group.

This statement is to be read together with disclosure of key risks faced by the group in our Management Discussion and Analysis and Sustainability Statement. This Statement is made in accordance with the resolution of the Board dated 29 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2025, and of the results of their operations and cash flows for the financial year then ended.

In preparing the audited financial statements, the Directors ensure that the Management has:

(a) Applied the appropriate and relevant accounting policies on a consistent basis;

(b) Made judgements and estimates that are reasonable and prudent;

(c) Ensured the adoption of applicable approved accounting standards; and

(d) Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the relevant regulatory requirements.

The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Utilisation of Proceeds Raised from Corporate Proposals

(a) Redeemable Convertible Secured Loan Stocks ("RCSLS")

On 27 November 2023, the Company announced to Bursa Malaysia Securities Berhad ("**Bursa Securities**") the proposal to undertake the proposed settlement by SRB of the advances owing to Jurudata Sdn. Bhd. ("**JSB**") amounting to RM168.0 million via the issuance of 373,333,333 new 9-year zero coupon RCSLS in SRB at an issue price of RM0.45 per RCSLS ("**Proposed Settlement**").

On 2 July 2024, SRB completed the Proposed Settlement following the issuance of 373,333,333 RCSLS with a nominal value of RM168,000,000 to JSB.

(b) Renounceable Rights Issue of New Ordinary Shares ("Rights Issue")

On 5 September 2024, SRB completed the listing and quotation of 119,657,142 Rights Shares on the Main Market of Bursa Securities raising gross proceeds of RM33.5 million.

As at the latest practical date, the status of the utilisation of proceeds is as below:-

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance (RM'000)	Expected time frame for utilisation of proceeds (RM'000)
Payment obligation under Master Lease Agreement and cash call pursuant to the Joint Venture Agreement (if required)	28,904	(10,317)	18,587	Within 4 years
Permata Sapura related expenses to secured tenants	1,000	-	1,000	Within 2 years
Estimated expenses in relation to Corporate Exercise	3,600	(3,362)	238	Immediate
TOTAL	**33,504**	**(13,679)**	**19,825**	

2. Audit and Non-Audit Fees

The details of the audit and non-audit fees paid/payable to the external auditors or a firm or corporation affiliated to the external auditors' firm for the financial year ended 31 January 2025 are as follows:-

	Company (RM)	Group (RM)
Fees paid/payable to Ernst & Young[1]		
• Audit	142,600	297,500
• Non-audit		
- Tax fees	49,275	119,410
- Tax advisory services	92,250	92,250
- Assurance related services[2]	276,000	276,000
Fees paid/payable to other auditors		
• Audit	30,000	30,000
• Non-audit	-	-
Grand Total	**590,125**	**815,160**

[1] Ernst & Young comprised of Ernst & Young PLT (for audit & assurance services) and Ernst & Young Tax Consultants (for taxation services).

[2] The non-audit assurance related fees included Ernst & Young PLT's fees (RM200,000) as reporting accountant for the corporate exercise disclosed in Note 39 of the audited financial statements.

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving the interests of Directors, chief executive and/or major shareholders, either still subsisting at the end of the financial year ended 31 January 2025 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The Company did not enter into nor seek mandate from its shareholder on any RRPT during the financial year ended 31 January 2025.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2025.

Principal activities

The principal activities of the Company are investment holding and property investment.

The principal activities of the subsidiaries and other information relating to the subsidiaries are described in Note 14 to the financial statements.

Holding company

The holding company is Sapura Holdings Sdn. Bhd., which is incorporated in Malaysia.

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(51,555)	(52,535)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

Dividends

The directors do not recommend the payment of any dividend in respect of the current financial year.

Issue of shares and debentures

On 2 July 2024, the Company issued 373,333,333 units of 9-year zero coupon redeemable convertible secured loan stocks ("RCSLS") with a nominal value of RM168,000,000 to Jurudata Sdn. Bhd. Details of the RCSLS are set out in Note 28 to the financial statements.

On 5 September 2024, the Company raised total proceeds of RM33,504,000 by issuance of 119,657,142 rights shares at RM0.28 per share.

DIRECTORS' REPORT

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Seri Shahril bin Shamsuddin	
Ahmad Jauhari bin Yahya	
Andrew Heng	
Dr. Yap Lang Ling	
Reza bin Abdul Rahim *	
Datuk Megat Abdul Munir bin Megat Abdullah Rafaie (Alternate to Tan Sri Dato' Seri Shahril bin Shamsuddin)	
Aiza Azreen binti Ahmad	(Appointed on 10 January 2025)
Nik Aisyah Amirah binti Mansor	(Appointed on 10 January 2025)
Dato' Shahriman bin Shamsuddin *	(Resigned on 30 October 2024)

* Directors of the Company and subsidiaries

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report are disclosed in Note 14 to the financial statements.

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than directors' remuneration as disclosed below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

	Group and Company RM'000
Directors of the Group and Company	
Executive:	
Fees	77
Salaries and other emoluments	1,995
Benefits-in-kind	63
	2,135
Non-Executive:	
Fees	396
Other emoluments	73
Other benefits	52
	521
Total	2,656

Directors' benefits (cont'd.)

The Company maintains a liability insurance for the directors and officers of the Group. The total amount of sum insured for the directors and officers of the Group for the financial year amounted to RM10,000,000.

The total amount of insurance premium effected for any director and officer of the Group during the financial year is RM18,705.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of shares			
	At 1.2.2024	**Acquired**	**Transfer**	**At 31.1.2025**
Sapura Resources Berhad - the Company				
Ordinary Shares				
Direct Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	83,250	47,650,651	-	**47,733,901**
Indirect Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	72,373,772	61,066,518	-	**133,440,290**
Sapura Holdings Sdn. Bhd. - holding company				
Ordinary Shares				
Direct Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	30,147,187	-	-	**30,147,187**
Indirect Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	11,165,626	-	-	**11,165,626**
Preference Shares (Class "A")				
Direct Interest				
Tan Sri Dato' Seri Shahril bin Shamsuddin	10,000	-	-	**10,000**

Tan Sri Dato' Seri Shahril bin Shamsuddin by virtue of his interests in shares in the holding company are also deemed interested in shares of all the holding company's subsidiaries to the extent the holding company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance for expected credit losses had been made for receivables; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts, or the amount of the allowance for expected credit losses on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year end which secures the liabilities of any other person; or

(ii) any material contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no material contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made, other than as disclosed in the financial statements.

Significant event

Details of the significant event are disclosed in Note 39 to the financial statements.

Subsequent event

Details of the subsequent event are disclosed in Note 40 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the financial year ended 31 January 2025 is as follows:

	Group	Company
In RM'000		
Audit fees		
Ernst & Young PLT	297	143
Others auditors	30	30
	327	173
Non audit service fees		
Ernst & Young PLT	276	276

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 May 2025.

Ahmad Jauhari bin Yahya

Reza bin Abdul Rahim

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Ahmad Jauhari bin Yahya and Reza bin Abdul Rahim, being two of the directors of Sapura Resources Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 95 to 175 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 May 2025.

Ahmad Jauhari bin Yahya

Reza bin Abdul Rahim

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ivan Oh Boon Wee, being the officer primarily responsible for the financial management of Sapura Resources Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 95 to 175 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act,1960.

Subscribed and solemnly declared by the
abovenamed Ivan Oh Boon Wee
at Kuala Lumpur in the Federal Territory
on 30 May 2025

Ivan Oh Boon Wee
(MIA membership no.:17911)

Before me,

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Resources Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sapura Resources Berhad, which comprise the statements of financial position as at 31 January 2025 of the Group and of the Company, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 95 to 175.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

i. Impairment assessment of investment properties, property, plant and equipment and right- of-use assets

As at 31 January 2025, the carrying amount of investment properties of the Group and the Company stood at RM456.6 million as disclosed in Note 12 to the financial statements. The carrying amount of property, plant and equipment and right-of-use assets of the Group stood at RM27.0 million and RM4.1 million respectively and the property, plant and equipment of the Company stood at RM9.2 million as disclosed in Notes 11 and 13 to the financial statements.

MFRS 136 Impairment of Assets ("MFRS 136") requires an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

The Group's market capitalisation is at RM67.4 million as at 31 January 2025 which is lower than its net assets of RM217.5 million, indicating that the carrying amounts of the investment properties, property, plant and equipment and right-of-use assets may be impaired.

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Resources Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

i Impairment assessment of investment properties, property, plant and equipment and right-of-use assets (cont'd.)

The assessment of the recoverable amount of investment properties, property, plant and equipment and right-of-use assets require judgement in assessing whether there is an indication that the asset should be impaired or there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased and in measuring any such impairment or reversal.

Recoverable amount is higher of fair value less cost of disposal ("FVLCD") or value in use ("VIU"). Recoverable amounts based on FVLCD were obtained from independent valuers appointed by management. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash-generating units ("CGU") and discounting them at an appropriate rate. Such estimations are highly subjective and accordingly, we consider this as an area of audit focus.

In determining the recoverable amount based on VIU, our procedures included amongst others, the following:

- We assessed the robustness of management's budgeting process by comparing the actual results achieved against previously forecasted budgets;
- We reviewed the key assumptions used in determination of the VIU (such as growth rate, inflation rate, occupancy rates, rental rates, ground handling rates, transient and ancillary rates as well as the related expenses to the respective revenue streams) by making comparisons to historical trends, contracts and available market information;
- We performed sensitivity analysis on the key assumptions to understand the impact that alternative assumptions would have had on the overall carrying amount;
- We assessed the rates used in discounting the future cash flows to its present value by comparing with prevailing market rates;
- We engaged with our internal specialist to evaluate the methodology and assess the key assumptions used in deriving the cash flow projections, in determining the recoverable amount; and
- We also assessed and reviewed the disclosures in the financial statements.

In determining the recoverable amount based on FVLCD, our procedures included amongst others, the following:

- We considered the objectivity, independence and expertise of the independent valuer;
- We tested the reasonableness of data used as input to the valuation model by comparing them with available industry data; and
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the properties and assessed whether such methodology is consistent with those used in the industry; and
- As part of our evaluations of the fair values of the properties, we discussed the valuation with the independent valuer to obtain an understanding of the properties and related data used as input to the valuation model.

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

ii. *Impairment assessment of investment in a subsidiary, investment in a joint venture and amounts due from subsidiaries and a joint* venture

a) Impairment assessment of investment in a subsidiary

As at 31 January 2025, the Company's investment in DNest Aviation Sdn. Bhd. amounted RM4.0 million as disclosed in Note 14 to the financial statements. The continued operating losses reported by this subsidiary is viewed as indicators that the investment may be impaired.

In addressing the area of focus on impairment of investment in a subsidiary, our procedures included amongst others, the following:

- We obtained impairment assessment from the management where the recoverable amount was determined using fair value of the net assets;
- We considered the independence, competence, capabilities and objectivity of the independent valuer;
- As part of our evaluation of the fair value of the net assets, we discussed with the management and independent valuer to obtain an understanding of the assets and related data used as input to the valuation model;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry; and
- We also assessed the adequacy of the disclosures made in the financial statements.

b) Impairment assessment of investment in a joint venture

As at 31 January 2025, the Group and the Company's investment in Impian Bebas Sdn. Bhd. amounted to approximately RM187.2 million and RM225.8 million respectively, as disclosed in Note 16 to the financial statements. The continued losses and the depleting shareholders' funds reported by this joint venture is viewed as indicators that the invesments may be impaired.

In addressing the area of focus on impairment of investment in the joint venture, we performed amongst others, the following procedures:

- We compared the carrying value of the investment with the share of net assets at fair value of the joint venture; and
- We assessed the adequacy of the disclosures made in the financial statements.

c) Impairment assessment of amounts due from subsidiaries and a joint venture

As at 31 January 2025, the Company has recorded net amounts due from subsidiaries and a joint venture of approximately RM6.7 million and RM3.7 million respectively, as disclosed in Note 18 to the financial statements. MFRS 9 Financial Instruments requires an entity to recognise a loss allowance for expected credit losses on financial assets that are measured at amortised cost, including amounts due from subsidiaries and joint venture.

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Resources Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

ii. Impairment assessment of investment in a subsidiary, investment in a joint venture and amounts due from subsidiaries and a joint venture *(cont'd.)*

c) Impairment assessment of amounts due from subsidiaries and a joint venture (cont'd.)

In addressing the area of focus on impairment of amounts due from subsidiaries and joint ventures, we performed amongst others, the following procedures:

- We obtained an understanding of the relevant processes and internal controls over the estimation of the estimated future cash flows; and
- We evaluated the key assumptions applied in the determination of the amount and timing of receipts from the subsidiaries in light of the estimation of profits and the resulting cash flows to be derived from the operations.

Information other than the financial statements and auditors' report thereon

The directors of the Group and of the Company are responsible for the other information. The other information comprises the information included in the annual report and the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of Sapura Resources Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Abdul Hadi Bin Gonawan
No. 03676/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
30 May 2025

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 January 2025

	Note	Group		Company	
		2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Revenue	4	**82,928**	62,782	**55,677**	31,342
Operating expenses		**(88,076)**	(99,871)	**(58,979)**	(64,785)
(Allowance for)/reversal of expected credit losses on:					
- trade receivables		**-**	(691)	**-**	(1,675)
- other receivables		**-**	1,450	**(47)**	(8,713)
- amount due from a joint venture		**(5,362)**	-	**(5,362)**	-
(Allowance for)/reversal of impairment losses on:					
- investment in subsidiaries		**-**	-	**-**	(4,225)
- investment in a joint venture		**-**	-	**(9,357)**	(2,299)
- investment properties		**-**	46,210	**-**	46,210
Other income		**9,440**	6,443	**1,966**	3,016
(Loss)/profit from operations		**(1,070)**	16,323	**(16,102)**	(1,129)
Finance costs	5	**(37,046)**	(41,390)	**(36,433)**	(40,849)
Share of result of an associate		**2,894**	4,520	**-**	-
Share of result of joint ventures		**(16,374)**	(16,850)	**-**	-
Loss before tax from operations	6	**(51,596)**	(37,397)	**(52,535)**	(41,978)
Taxation	9	**41**	(15)	**-**	-
Loss after tax, representing total comprehensive loss for the year		**(51,555)**	(37,412)	**(52,535)**	(41,978)
Loss, representing total comprehensive loss for the attributable to:					
Owners of the parent		**(51,555)**	(37,412)	**(52,535)**	(41,978)
Non-controlling interest		**-**	-	**-**	-
		(51,555)	**(37,412)**	**(52,535)**	**(41,978)**
Loss per share attributable to the owners of the parent (sen):					
Basic/diluted	10	**(27.21)**	(26.80)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 January 2025

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000 Restated
Assets					
Non-current assets					
Property, plant and equipment	11	**27,028**	28,783	**9,191**	8,916
Investment properties	12	**456,551**	507,266	**456,551**	507,266
Right-of-use assets	13	**4,085**	4,770	**-**	-
Investment in subsidiaries	14	**-**	-	**3,985**	3,985
Investment in an associate	15	**24,566**	22,742	**12,000**	12,000
Investment in joint ventures	16	**187,221**	203,595	**225,808**	235,165
Finance lease receivables	17	**25,448**	31,733	**25,448**	27,894
Trade and other receivables	18	**8,987**	4,587	**15,498**	11,098
		733,886	803,476	**748,481**	806,324
Current assets					
Finance lease receivables	17	**2,446**	5,402	**2,446**	2,090
Trade and other receivables	18	**15,653**	19,310	**11,943**	15,167
Prepayments		**1,965**	1,403	**1,860**	945
Inventories	19	**71**	90	**-**	-
Tax recoverable		**743**	705	**621**	621
Other current financial assets	20	**20**	20	**20**	20
Cash and bank balances	21	**41,355**	38,545	**34,562**	32,894
		62,253	65,475	**51,452**	51,737
Total assets		**796,139**	868,951	**799,933**	858,061

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000 Restated
Equity and liabilities					
Current liabilities					
Trade and other payables	22	**28,986**	167,117	**21,700**	160,465
Provisions	23	**-**	9,774	**-**	-
Lease liabilities	24	**18,204**	16,306	**17,298**	13,099
		47,190	193,197	**38,998**	173,564
Net current assets/(liabilities)		**15,063**	(127,722)	**12,454**	(121,827)
Non-current liabilities					
Deferred tax liabilities	25	**21,964**	41	**21,964**	-
Trade and other payables	22	**-**	40,000	**-**	40,000
Redeemable convertible secured loan stocks - liability portion	28	**94,403**	-	**94,403**	-
Lease liabilities	24	**415,118**	453,024	**409,350**	443,074
		531,485	493,065	**525,717**	483,074
Total liabilities		**578,675**	686,262	**564,715**	656,638
Net assets		**217,464**	182,689	**235,218**	201,423
Equity					
Share capital	26	**172,731**	139,600	**172,731**	139,600
Other reserves	27	**2,581**	2,581	**1,100**	1,100
Redeemable convertible secured loan stocks - equity portion	28	**53,199**	-	**53,199**	-
(Accumulated loss)/retained profits		**(11,047)**	40,508	**8,188**	60,723
Equity attributable to owners of the parent		**217,464**	182,689	**235,218**	201,423
Non-controlling interest		**-**	-	**-**	-
Total Equity		**217,464**	182,689	**235,218**	201,423
Total equity and liabilities		**796,139**	868,951	**799,933**	858,061

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 January 2025

	Attributable to owners of the parent							
				Distributable				
	Share capital (Note 26) RM'000	Non-distributable capital reserve (Note 27) RM'000	Redeemable convertible secured loan stocks (Note 28) RM'000	General reserve (Note 27) RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Group								
At 1 February 2024	139,600	1,481	-	1,100	40,508	182,689	-	182,689
Issued during the year	33,504	-	76,394	-	-	109,898	-	109,898
Effects on deferred tax liability	-	-	(21,964)	-	-	(21,964)	-	(21,964)
Transaction costs	(373)	-	(1,231)	-	-	(1,604)	-	(1,604)
Total comprehensive loss for the year	-	-	-	-	(51,555)	(51,555)	-	(51,555)
At 31 January 2025	**172,731**	**1,481**	**53,199**	**1,100**	**(11,047)**	**217,464**	**-**	**217,464**
At 1 February 2023	139,600	1,481	-	1,100	77,920	220,101	(2,082)	218,019
Total comprehensive loss for the year	-	-	-	-	(37,412)	(37,412)	2,082	(35,330)
At 31 January 2024	139,600	1,481	-	1,100	40,508	182,689	-	182,689

	Attributable to owners of the parent		Distributable		
	Share capital (Note 26) RM'000	**Redeemable convertible secured loan stocks (Note 28) RM'000**	**General reserve (Note 27) RM'000**	**Retained profits RM'000**	**Total equity RM'000**
Company					
At 1 February 2024	139,600	-	1,100	60,723	201,423
Issued during the year	33,504	76,394	-	-	109,898
Effects on deferred tax liability	-	(21,964)	-	-	(21,964)
Transaction costs	(373)	(1,231)	-	-	(1,604)
Total comprehensive loss for the year	-	-	-	(52,535)	(52,535)
At 31 January 2025	**172,731**	**53,199**	**1,100**	**8,188**	**235,218**
At 1 February 2023	139,600	-	1,100	102,701	(243,401)
Total comprehensive loss for the year	-	-	-	(41,978)	(41,978)
At 31 January 2024	139,600	-	1,100	60,723	201,423

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 January 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Loss before tax from operations	**(51,596)**	(37,397)	**(52,535)**	(41,978)
Adjustments for:				
Interest income from short term deposits	**(463)**	(416)	**(399)**	(358)
(Reversal)/Finance costs on amount due to a related company	**(3,893)**	3,893	**(3,893)**	3,893
Finance costs on redeemable convertible secured loan stocks	**4,275**	-	**4,275**	-
Finance costs on lease liabilities	**36,664**	37,497	**36,051**	36,956
Net unrealised foreign exchange gain	**(21)**	(411)	**-**	-
Unrealised fair value gain on held for trading investment securities	**-**	(4)	**-**	(4)
Unrealised foreign exchange loss on provision	**-**	1,064	**-**	-
Gain on liquidation of a subsidiary	**-**	(3,561)	**-**	-
Gain on initial recognition of lease receivable	**-**	(882)	**-**	-
Depreciation of investment properties	**36,251**	31,695	**36,251**	31,695
Depreciation of property, plant and equipment	**5,882**	7,433	**3,318**	4,594
Depreciation of right-of-use assets	**685**	686	**-**	-
Reversal of provision	**(9,044)**	(696)	**-**	-
Net provision for/(reversal of) expected:				
- trade receivables	**-**	691	**-**	1,675
- other receivables	**-**	(1,450)	**47**	8,713
- amount due from joint venture	**5,362**	-	**5,362**	-
Net provision for/(reversal of) impairment losses on:				
- investment in joint ventures	**-**	-	**9,357**	2,299
- investment properties	**-**	(46,210)	**-**	(46,210)
- investment in subsidiaries	**-**	-	**-**	4,225
Loss on early lease termination	**1,011**	-	**-**	-
Dividend income from associate	**-**	-	**(1,070)**	**-**
Share of result of an associate	**(2,894)**	(4,520)	**-**	-
Share of result of joint ventures	**16,374**	16,850	**-**	-
Operating profit before working capital changes	**38,593**	4,262	**36,764**	5,500
Decrease/(increase) in inventories	**19**	(3)	**-**	-
Decrease/(increase) in receivables and prepayment	**(2,469)**	7,155	**1,398**	(5,016)
(Decrease)/increase in trade and other payables and provisions	**(6,968)**	6,636	**(14,658)**	13,093
Cash generated from operating activities	**29,175**	18,050	**23,504**	13,577

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash flows from operating activities (cont'd.)				
Net tax (paid)/refunded	**(38)**	1,528	**-**	591
Net cash generated from operating activities	**29,137**	19,578	**23,504**	14,168
Cash flows from investing activities				
Purchase of property, plant and equipment and investment properties	**(6,674)**	(2,733)	**(5,863)**	(2,300)
Cash call paid to a joint venture	**-**	(37,000)	**-**	(37,000)
Dividend income from associate	**1,070**	-	**1,070**	-
Interest income received from short term deposits	**463**	416	**399**	358
Net cash outflow from liquidation of a subsidiary	**-**	(1,572)	**-**	-
Net cash used in investing activities	**(5,141)**	(40,889)	**(4,394)**	(38,942)
Cash flows from financing activities				
Financial assistance from related company	**-**	128,000	**-**	128,000
Repayment of lease liabilities	**(54,317)**	(100,840)	**(50,573)**	(95,255)
Net proceeds from issuance shares	**33,131**	-	**33,131**	-
Net cash (used in)/generated from financing activities	**(21,186)**	27,160	**(17,442)**	32,745
Net increase in cash and cash equivalents	**2,810**	5,849	**1,668**	7,971
Cash and cash equivalents at beginning of the year	**38,545**	32,696	**32,894**	24,923
Cash and cash equivalents at end of year	**41,355**	38,545	**34,562**	32,894

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 January 2025

1. Corporate information

Sapura Resources Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office of the Company is located at Sapura @ Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300, Seri Kembangan, Selangor Darul Ehsan.

The holding company is Sapura Holdings Sdn. Bhd., a company incorporated in Malaysia.

The principal activities of the Company are investment holding and property investment. The principal activities of the subsidiaries are disclosed in Note 14.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 May 2025.

2. Material accounting policies information

2.1 Basis of preparation of the financial statements

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The Group and the Company incurred a net loss after tax of RM51,555,000 and RM52,535,000 respectively.

The Directors have assessed the Group's financial position, liquidity profile, and future cash flow projections, including assumptions related to the securing of additional new tenants.

While the tenancy agreement with a major tenant in one of the properties has expired subsequent to year end, the Group maintains a proactive leasing strategy and continues to receive interest from prospective tenants to fill the vacancy. As of the reporting date, the Group expects increase in rental received in the coming periods, ensuring adequate headroom to meet operational and financial obligations.

The Group has also implemented cost management initiatives and maintains the flexibility to defer capital expenditure.

The Directors are of the view that the combination of expected rental inflows and prudent cash management will enable the Group to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

2. Material accounting policies information (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except as follows:

On 1 February 2024, the Group and the Company adopted the following new and amended MFRSs:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows and MFRS 7 Disclosure of Financial Instruments - Supplier Finance Arrangements	1 January 2024

Adoption of the above amended standards did not have material effect on the financial performance or position of the Group and of the Company.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual period beginning on or after
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments - Disclosures - Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments - Disclosures - Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRSs - Volume 11:	1 January 2026
MFRS 1: Hedge accounting by a first-time adopter	
MFRS 7: Gain or loss on derecognition	
MFRS 9: Derecognition of lease liabilities and transaction price	
MFRS 10: Determination of a 'de facto agent'	
MFRS 107: Cost method	
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Investments in Associates and Joint Venture - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standards and interpretations are not expected to have material impact on the financial statements in the period of application except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

2. Material accounting policies information (cont'd.)

2.4 Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 January of each year.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Subsidiary is the entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

2.5 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. Material accounting policies information (cont'd.)

2.5 Foreign currency (cont'd.)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Buildings	1.4% - 4.0%
Hangars	3% - 20%
Office equipment, furniture and fittings	12% - 33%
Motor vehicles	20%
Renovation	10% - 20%
Work-in-progress	Not depreciated until available for use

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
31 January 2025

2. Material accounting policies information (cont'd.)

2.7 Investment properties

Investment properties are properties that are held either to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs.

Depreciation of leasehold land classified as investment properties is provided for on a straight-line basis to write off the cost of the asset to its residual value over the respective remaining lease periods of the leasehold land.

Depreciation of leasehold building and right-of-use assets classified as investment properties is provided for on a straight-line basis to write off the cost of the asset to its residual value over the shorter of its lease term period or 50 years.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

2.8 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cashgenerating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss.

Impairment losses recognised for goodwill are not reversed in subsequent periods. Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

2. Material accounting policies information (cont'd.)

2.8 Intangible assets (cont'd.)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2. Material accounting policies information (cont'd.)

2.10 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payment on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 9 *Financial Instruments* ("MFRS 9") to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Material accounting policies information (cont'd.)

2.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

(a) Recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15 *Revenue from Contract with Customers* ("MFRS 15"), are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Company commit to purchase or sell the asset.

2. Material accounting policies information (cont'd.)

2.11 Financial assets (cont'd.)

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Financial assets at amortised cost (debt instruments)

(ii) Financial assets at fair value through OCI (debt instruments)

(iii) Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost</u>

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

(i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments and short term investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. Material accounting policies information (cont'd.)

2.11 Financial assets (cont'd.)

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Group and the Company have transferred substantially all the risks and rewards of the asset, or
- The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company would required to repay.

2.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-month (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2. Material accounting policies information (cont'd.)

2.12 Impairment of financial assets (cont'd.)

The Group and the Company consider a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks, cash on hand and short-term highly liquid deposits with maturity of three months or less. For the purpose of cash flow statements, cash and cash equivalents include cash at banks, cash on hand and short term deposits with banks with an original maturity of three months or less, less restricted cash held in designated accounts on behalf of clients.

2.14 Provisions

Provisions are recognised when the Group and the Company have present obligations (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, provisions, lease liabilities and redeemable convertible secured loan stocks (RCSLS).

2. Material accounting policies information (cont'd.)

2.15 Financial liabilities (cont'd.)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2025

2. Material accounting policies information (cont'd.)

2.17 Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company.

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.18 Leases

(a) Definition of a lease

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

(b) Recognition and initial measurement

As lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective entities' incremental borrowing rate is used. Generally, the Group entities use their incremental borrowing rate as the discount rate.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities are presented separately in the statement of financial position.

2. Material accounting policies information (cont'd.)

2.18 Leases (cont'd.)

(b) Recognition and initial measurement (cont'd.)

As a lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group and the Company are an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a shortterm lease to which the Group and the Company apply the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company applies MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

(c) Subsequent measurement

As lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The useful lives of right-of-use assets are as follows:

Hangar spaces	1 - 20 years
Equipment	2 years

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group and the Company will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.

NOTES TO THE FINANCIAL STATEMENTS
31 January 2025

2. Material accounting policies information (cont'd.)

2.18 Leases (cont'd.)

(c) Subsequent measurement (cont'd.)

As lessee (cont'd.)

When the lease liability is remeasured as described in the above paragraph, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When there is lease modification due to increase in the scope of lease by adding the right-to-use one or more underlying assets, the Group and the Company assess whether the lease modification shall be accounted for as a separate lease or similar to reassessment of lease liability. The Group and the Company account for lease modification as a separate lease when the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments.

When there is lease modification due to decrease in scope, the Group and the Company decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease. The corresponding gain or loss shall be recognised in profit or loss. Lease liabilities are remeasured for all other lease modifications with corresponding adjustments to the right-of-use asset.

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9 (Note 2.12).

2.19 Revenue from contracts with customers

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group and the Company recognise revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

2. Material accounting policies information (cont'd.)

2.19 Revenue from contracts with customers (cont'd.)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The sales are mainly on credit terms of 30 days.

(a) Revenue from investment properties, other than rental income

Revenue from investment properties, other than rental income includes parking, utilities and maintenance services. The performance obligation is satisfied over time upon services being rendered to the customers.

(b) Grounds operations

The performance obligation is satisfied at a point of time when the services are rendered.

(c) Aircraft management

The performance obligation is satisfied over time upon services being rendered to the customers.

(d) Management fees

The performance obligation is satisfied over time upon services being rendered to the customers.

(e) Sale of food and beverages

The performance obligation is satisfied at a point of time when the services are rendered.

2.20 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(b) Deferred tax

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Material accounting policies information (cont'd.)

2.20 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Material accounting policies information (cont'd.)

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Fair value measurements

The Group and the Company measure non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS
31 January 2025

2. Material accounting policies information (cont'd.)

2.23 Fair value measurements (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group and the Company determine the policies and procedures for investment properties. External valuers are involved for valuation of significant assets, such as properties and available-for-sale financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.24 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilute potential ordinary shares, which comprise convertible notes and share options granted to employees.

2.25 Redeemable convertible secured loan stocks

RCSLS are regarded as compound instruments which consist of an equity component and a liability component.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

(a) Significant judgements and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Management consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Management first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment, investment properties and right-of-use assets

The Group and the Company review the carrying amounts of the non-financial assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of fair value less costs of disposal ("FVLCD") or value in use ("VIU").

Where assessment of the recoverable amount of CGU or groups of CGU is determined on the basis of FVLCD, the Group and the Company had amongst others, based the FVLCD on valuations by independent professional valuers. The valuation methods used in determining the valuations are the investment method, residual method and comparison method.

In estimating the recoverable amount using VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

NOTES TO THE FINANCIAL STATEMENTS
31 January 2025

3. Significant accounting judgements and estimates

3.2 Key sources of estimation uncertainty (cont'd.)

(a) Impairment of property, plant and equipment, investment properties and right-of-use assets (cont'd.)

The estimation of the recoverable amounts involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

The accumulated impairment of property, plant and equipment, investment properties and right-of-use assets as at the reporting date is disclosed in Note 11, 12 and 13 respectively.

(b) Impairment of investment in subsidiaries and investment in joint ventures

The management determines whether the carrying amount of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

The carrying amounts of investment in subsidiaries and investment in joint ventures as at the reporting date are disclosed in Note 14 and 16 respectively.

(c) Impairment of trade and other receivables including amount due from subsidiaries

The Group and the Company use simplified approach to calculate ECL for trade and other receivables including amount due from subsidiaries. The provision rates are based on various historical observed default rates.

The Group and the Company will consider and assess the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of receivables' actual default in the future. The information about the ECLs on the Group's and the Company's trade and other receivables are disclosed in Note 18.

4. Revenue

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Type of goods or services				
Revenue from investment properties, other than rental income	**2,122**	1,892	**2,122**	1,892
Grounds operations	**11,853**	13,555	**-**	-
Aircraft management	**5,700**	10,765	**-**	-
Sale of food and beverages	**2,820**	1,928	**-**	-
Total revenue from contracts with customers	**22,495**	28,140	**2,122**	1,892
Rental income from investment properties	**51,302**	26,676	**51,302**	27,042
Rental of hangar and offices	**6,680**	5,215	**-**	-
Finance income on lease receivables	**2,451**	2,751	**2,253**	2,408
Total revenue from other sources	**60,433**	34,642	**53,555**	29,450
	82,928	62,782	**55,677**	31,342
Geographical markets				
Malaysia	**22,495**	28,140	**2,122**	1,892
Total revenue from contracts with customers	**22,495**	28,140	**2,122**	1,892
Total revenue from other sources	**60,433**	34,642	**53,555**	29,450
	82,928	62,782	**55,677**	31,342
Timing of revenue recognition				
At a point of time	**14,673**	15,483	**-**	-
Over time	**7,822**	12,657	**2,122**	1,892
Total revenue from contracts with customers	**22,495**	28,140	**2,122**	1,892
Total revenue from other sources	**60,433**	34,642	**53,555**	29,450
	82,928	62,782	**55,677**	31,342

Information on the performance obligations are disclosed in Note 2.19.

The payment is due between 7 to 30 days (2024: 7 to 30 days) from the invoice date.

There are no unfulfilled performance obligations as at year end.

NOTES TO THE FINANCIAL STATEMENTS
31 January 2025

5. Finance costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Reversal of)/interest expense on:				
Amount due to a related company	**(3,893)**	3,893	**(3,893)**	3,893
RCSLS (Note 28)	**4,275**	-	**4,275**	-
Lease liabilities (Note 24)	**36,664**	37,497	**36,051**	36,956
	37,046	41,390	**36,433**	40,849

6. Loss before tax from operations

The following items have been included in arriving at loss before tax from operations:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Employee benefits expense (Note 7)	**17,662**	21,206	**10,445**	13,986
Non-executive directors' remuneration				
- excluding benefits-in-kind (Note 8)	**469**	551	**469**	551
Direct operating expense arising from investment properties	**5,759**	5,005	**5,759**	5,005
Fees for statutory audits:				
- Ernst & Young PLT	**297**	280	**143**	132
- other auditors	**30**	30	**30**	30
Fees for non-audit services				
- Ernst & Young PLT	**276**	209	**276**	209
- Ernst & Young Tax Consultants Sdn. Bhd.	**211**	98	**141**	30
Depreciation of:				
- property, plant and equipment (Note 11)	**5,882**	7,433	**3,318**	4,594
- investment properties (Note 12)	**36,251**	31,695	**36,251**	31,695
- right-of-use assets (Note 13)	**685**	686	**-**	-
Dividend income from associate	**-**	-	**1,070**	-
Allowance for/(reversal of) expected credit losses on:				
- trade receivables (Note 18(a))	**-**	691	**-**	1,675
- other receivables (Note 18(b))	**-**	(1,450)	**47**	8,713
- amount due from joint venture (Note 18(b))	**5,362**	-	**5,362**	-
(Reversal of)/allowance for impairment losses on:				
- investment properties (Note 12)	**-**	(46,210)	**-**	(46,210)
- investment in subsidiaries (Note 14)	**-**	-	**-**	4,225
- investment in a joint venture (Note 16)	**-**	-	**9,357**	2,299

6. Loss before tax from operations (cont'd.)

The following items have been included in arriving at loss before tax from operations: (cont'd.)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Reversal of provision for indemnity (Note 23)	**(9,044)**	(696)	**-**	-
Net unrealised foreign exchange gain	**(21)**	(411)	**-**	-
Net realised foreign exchange loss/(gain)	**836**	(2)	**-**	-
Rental expenses of low value and short term leases (Note 24)				
- parking	**149**	168	**149**	168
- equipment	**102**	44	**56**	21
Unrealised fair value loss on held for trading investment securities	**-**	(4)	**-**	(4)
Unrealised foreign exchange gain on provision (Note 23)	**-**	1,064	**-**	-
Loss on early lease termination	**1,011**	-	**-**	-
Interests income from short term deposits	**(463)**	(416)	**(399)**	(358)
Gain on liquidation of a subsidiary (Note 33)	**-**	(3,561)	**-**	-
Gain on initial recognition of lease receivable	**-**	(882)	**-**	-

7. Employee benefits expense

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Wages and salaries	**13,585**	15,821	**8,482**	10,520
Social security contributions	**160**	168	**68**	79
Contributions to defined contribution plan	**1,519**	1,733	**964**	1,165
Other benefits	**2,398**	3,484	**931**	2,222
	17,662	21,206	**10,445**	13,986

Included in employee benefits expense of the Group and of the Company are executive director remuneration, excluding benefits-in-kind amounting to RM2,072,000 (2024: RM2,237,000) as disclosed in Note 8.

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31 January 2025

8. Directors' remuneration

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
Executive:				
Fees	**77**	59	**77**	59
Salaries and other emolument	**1,995**	2,178	**1,995**	2,178
Benefits-in-kind	**63**	38	**63**	38
	2,135	2,275	**2,135**	2,275
Non-Executive:				
Fees	**396**	491	**396**	491
Other emoluments	**73**	60	**73**	60
Benefits-in-kind	**52**	42	**52**	42
	521	593	**521**	593
Total	**2,656**	2,868	**2,656**	2,868
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	**2,072**	2,237	**2,072**	2,237
Total non-executive directors' remuneration	**469**	551	**469**	551
Total directors' remuneration	**2,541**	2,788	**2,541**	2,788

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2025	2024
Executive:		
RM400,000 - RM450,000	**1**	-
RM1,700,000 - RM1,750,000	**1**	-
RM2,200,001 - RM2,250,000	**-**	1
Non-executive:		
Below RM100,000	**4**	4
RM100,001 - RM150,000	**3**	3

9. Taxation

Major components of income tax expense

The major components of taxation for the years ended 31 January 2025 and 2024 are:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Statement of comprehensive income:				
Deferred tax (Note 25):				
(Over)/under provision in prior years	**(41)**	15	**-**	-
	(41)	15	**-**	-
Taxation	**(41)**	15	**-**	-

Domestic income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

A reconciliation of taxation applicable to loss after taxation at the statutory income tax rate to taxation at the effective income tax rate of the Group and of the Company are as follows:

	2025 RM'000	**2024 RM'000**
Group		
Loss before tax	**(51,596)**	(37,397)
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	**(12,383)**	(8,975)
Non-deductible expenses	**4,531**	2,405
Share of result of associates and joint ventures	**3,235**	2,959
Deferred tax assets not recognised	**4,617**	3,611
(Over)/under provision of deferred tax in prior years	**(41)**	15
Taxation	**(41)**	15
Company		
Loss before tax	**(52,535)**	(41,978)
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	**(12,608)**	(10,075)
Income not subject to tax	**(257)**	-
Non-deductible expenses	**6,069**	7,037
Deferred tax assets not recognised	**6,796**	3,038
Taxation	**-**	-

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10. Loss per share

(a) Basic:

Basic loss per share amounts are calculated by dividing loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issued during the financial year.

	2025	2024
Loss attributable to owners of the parent (RM'000)	**(51,555)**	(37,412)
Weighted average number of ordinary shares issued ('000)	**189,457**	139,600
Basic, loss per share (sen)	**(27.21)**	(26.80)

(b) Diluted:

The Company has issued 373,333,333 units of RCSLS during the financial year. As at the end of the financial year, no RCSLS were converted into ordinary shares of the Company which has not been included in the calculation of diluted loss per share because they are antidilutive for the financial year.

11. Property, plant and equipment

Group	Hangars RM'000	Office equipment, renovation, furniture and fittings RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
At 31 January 2025					
Cost					
At 1 February 2024	**50,868**	**100,354**	**2,564**	**2,520**	**156,306**
Additions	**-**	**4,404**	**-**	**-**	**4,404**
Adjustments*	**-**	**-**	**-**	**(277)**	**(277)**
At 31 January 2025	**50,868**	**104,758**	**2,564**	**2,243**	**160,433**
Accumulated depreciation and impairment					
At 1 February 2024	**31,374**	**91,535**	**2,371**	**2,243**	**127,523**
Depreciation charge for the year (Note 6)	**2,440**	**3,420**	**22**	**-**	**5,882**
At 31 January 2025	**33,814**	**94,955**	**2,393**	**2,243**	**133,405**
Net carrying amount	**17,054**	**9,803**	**171**	**-**	**27,028**

* Adjustment pertains to over accrual of work-in-progress

11. Property, plant and equipment (cont'd.)

Group	Hangars RM'000	Office equipment, renovation, furniture and fittings RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
At 31 January 2024					
Cost					
At 1 February 2023	50,698	98,316	2,564	2,395	153,973
Additions	-	2,386	-	321	2,707
Transfer	170	26	-	(196)	-
Disposals	-	(374)	-	-	(374)
At 31 January 2024	50,868	100,354	2,564	2,520	156,306
Accumulated depreciation and impairment					
At 1 February 2023	28,898	86,974	2,349	2,243	120,464
Depreciation charge for the year (Note 6)	2,476	4,935	22	-	7,433
Disposals	-	(374)	-	-	(374)
At 31 January 2024	31,374	91,535	2,371	2,243	127,523
Net carrying amount	19,494	8,819	193	277	28,783

Company	Office equipment, renovation, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
At 31 January 2025			
Cost			
At 1 February 2024	73,391	66	73,457
Additions	3,593	-	3,593
At 31 January 2025	**76,984**	**66**	**77,050**
Accumulated depreciation			
At 1 February 2024	64,477	64	64,541
Depreciation charge for the year (Note 6)	3,318	-	3,318
At 31 January 2025	**67,795**	**64**	**67,859**
Net carrying amount	**9,189**	**2**	**9,191**

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11. Property, plant and equipment (cont'd.)

Company	Office equipment, renovation, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
At 31 January 2024			
Cost			
At 1 February 2023	71,117	66	71,183
Additions	2,274	-	2,274
At 31 January 2024	73,391	66	73,457
Accumulated depreciation			
At 1 February 2023	59,883	64	59,947
Depreciation charge for the year (Note 6)	4,594	-	4,594
At 31 January 2024	64,477	64	64,541
Net carrying amount	8,914	2	8,916

(a) Included in property, plant and equipment of the Group and the Company are the following cost of fully depreciated assets which are still in use:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Office equipment, renovation, furniture and fittings	**71,957**	66,242	**61,594**	57,640
Motor vehicles	**1,013**	1,013	**64**	64
	72,970	67,255	**61,658**	57,704

(b) Included in the Group's accumulated depreciation and impairment of property, plant and equipment are impairment losses carried forward of RM21.2 million (2024: RM21.2 million) as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Hangars	**7,495**	7,495	**-**	-
Work-in-progress	**2,243**	2,243	**-**	-
Motor vehicles	**201**	201	**-**	-
Office equipment, renovation, furniture and fittings	**11,231**	11,231	**-**	-
	21,170	21,170	**-**	-

Should the discount rate increased by 1.00% with all other variables held constant, the carrying amount of the property, plant and equipment allocated to the aviation segment is expected to be impaired by approximately RM0.6 million.

12. Investment properties

	Leasehold land RM'000	Buildings and renovation RM'000	Total RM'000
Group/Company			
At 31 January 2025			
Cost			
At 1 February 2024	**44,280**	**642,884**	**687,164**
Addition	**-**	**2,270**	**2,270**
Remeasurement (Note 24)	**-**	**(16,734)**	**(16,734)**
At 31 January 2025	**44,280**	**628,420**	**672,700**
Accumulated depreciation and impairment			
At 1 February 2024	**12,952**	**166,946**	**179,898**
Depreciation charge for the year (Note 6)	**1,040**	**35,211**	**36,251**
At 31 January 2025	**13,992**	**202,157**	**216,149**
Net carrying amount	**30,288**	**426,263**	**456,551**
Group/Company			
At 31 January 2024			
Cost			
At 1 February 2023	44,280	642,858	687,138
Addition	-	26	26
At 31 January 2024	44,280	642,884	687,164
Accumulated depreciation and impairment			
At 1 February 2023	11,912	182,501	194,413
Depreciation charge for the year (Note 6)	1,040	30,655	31,695
Reversal of impairment (Note 6)	-	(46,210)	(46,210)
At 31 January 2024	12,952	166,946	179,898
Net carrying amount	31,328	475,938	507,266

The investment properties were valued on 31 January 2025 by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent professional valuer. The total market value of the investment properties is RM583,807,000 (2024: RM592,568,000) using the comparison and investment methods.

Fair value disclosed in the financial statements are categorised within the Level 3 fair value hierarchy which is described as inputs for the assets or liabilities that are based on unobservable market data.

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12. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
			The estimated fair value would increase/(decrease) if:
- land & building Sapura @ Mines, No 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.	Comparison method	(a) A stratified 12-storey office building at Petaling Jaya was transacted on 5 September 2023 for RM52,000,000. (b) A 22-storey office building with 3-levels of basement car park located at Petaling Jaya was transacted on 14 April 2022 for RM62,000,000. (c) A stratified 16-storey office building with a lower ground floor located at Kota Damansara was transacted on 19 November 2021 for RM49,000,000.	- Transacted price were higher/(lower)
- building Sapura @ Mines, No 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.	Investment method	(a) Rental of similar office buildings located within Klang Valley ranges from RM2.65 to RM9.50 per square feet. (b) Net yield from comparable buildings ranges from 5.00% to 6.40%. (c) 10% allowance for void to account for vacancy period in between tenancies, rent- free period and risk of uncertainty.	- rental per square feet were higher/(lower) - net yield were lower/(higher) - void rate were lower/(higher)
- land & building Lot 5, Jalan 219, Lebuhraya Persekutuan, 46100 Petaling Jaya, Selangor Darul Ehsan.	Comparison method	(a) A double-storey office cum showroom with single storey car service centre at Lot No PT 9, Town of Petaling Jaya, with a land area of approximately 75,361 square feet was transacted on 15 June 2022 for RM29,999,999. (b) A detached factory with 2/3-storey office at Lot No. 21, Town of Petaling Jaya, with a land area of approximately 43,560 square feet was transacted on 1 April 2022 for RM19,000,000.	- Transacted price were higher/(lower)

12. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
			The estimated fair value would increase/(decrease) if (cont'd.):
- land & building (cont'd.) Lot 5, Jalan 219, Lebuhraya Persekutuan, 46100 Petaling Jaya, Selangor Darul Ehsan.	Comparison method	(c) An idustrial premise at Section 51A, Town of Petaling Jaya, with a land area of approximately 43,637 square feet was transacted on 14 April 2023 for RM16,800,000. (d) An industrial premise at Jalan 51A/241, Town of Petaling Jaya, with a land area of approximately 42,904 square feet was transacted on 11August 2022 for RM12,500,000. (e) An industrial premise at Section 51A, Town of Petaling Jaya, with a land area of approximately 63,543 square feet was transacted on 2 July 2024 for RM22,300,000.	
- land & building Lot No 10, Jalan Tandang Seksyen 28, 46050 Petaling Jaya, Selangor Darul Ehsan.	Comparison method	(a) An industrial premise at Section 51A, Town of Petaling Jaya, with a land area of approximately 63,543 square feet was transacted on 2 July 2024 for RM22,300,000. (b) An industrial premise at Lot No.12, Section 51, Town of Petaling Jaya, with a land area of approximately 330,553 square feet was transacted on 27 September 2023 for RM66,000,000. (c) An industrial premise at Lot No 6, Section 51,Town of Petaling Jaya, with a land area of approximately 87,125 square feet was transacted on 8 April 2022 for RM19,995,000. (d) An industrial premise at Lot No 16, Section 51A,Town of Petaling Jaya, with a land area of approximately 91,429 square feet was transacted on 16 May 2024 for RM34,000,000.	- Transacted price were higher/(lower)

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12. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
			The estimated fair value would increase/(decrease) if (cont'd.):
- 70% of office building through Master Lease Agreement Permata Sapura Kuala Lumpur City Centre, Jalan Kia Peng, 50450 Kuala Lumpur.	Investment method	(a) Rental of similar office buildings located within Kuala Lumpur City Centre ranges from RM8.50 to RM18.00 per square feet. (b) Void rate of similar office buildings located within Kuala Lumpur City Centre ranges from 2.5% - 15.0% to account for vacancy period in between tenancies, rent-free period and risk of uncertainty.	- rental per square feet were higher/(lower) - void rate were lower/(higher)

The Group has performed a review of the recoverable amount on the investment properties using FVLCD. Consequently, the Group recognised a reversal of impairment loss on the investment properties amounting to RM46,209,634 in previous year following the increase in occupancy rates of investment properties and positive outlook of office properties.

Included in the Group's accumulated depreciation and impairment of investment properties are impairment losses carried forward of Nil (2024: Nil).

Comparison method

Entails analysing recent transactions of similar properties in the vicinity or within similar localities for comparison purposes to derive the market value with adjustments made for differences in location, physical characteristics and time element to arrive at the market value.

Investment method

Entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income. The annual income is capitalised using a rate of interest to arrive at the capital value of the property.

The fair value of the investment property is at its highest and current best use.

13. Right-of-use assets

The Group has lease contracts for various items of hangar and other equipment used in its operations. Leases of hangar generally have lease terms of 20 years, while other equipment generally have lease terms between 2 and 3 years.

The Group also has certain leases of office equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Hangar spaces RM'000	Equipment RM'000	Total RM'000
Group			
At 31 January 2025			
Cost			
At 1 February 2024/31 January 2025	**18,230**	**1,205**	**19,435**
Accumulated depreciation and impairment			
At 1 February 2024	**13,828**	**837**	**14,665**
Depreciation charge (Note 6)	**580**	**105**	**685**
At 31 January 2025	**14,408**	**942**	**15,350**
Net carrying amount	**3,822**	**263**	**4,085**
At 31 January 2024			
Cost			
At 1 February 2023/At 31 January 2024	18,230	1,205	19,435
Accumulated depreciation and impairment			
At 1 February 2023	13,247	732	13,979
Depreciation charge (Note 6)	581	105	686
At 31 January 2024	13,828	837	14,665
Net carrying amount	4,402	368	4,770

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13. Right-of-use assets (cont'd.)

The Group has lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties and hangars. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 3 years. Most leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Future minimum lease receivables:				
Not later than 1 year	**47,212**	48,962	**46,607**	44,212
Later than 1 year and not later than 5 years	**39,993**	42,976	**39,766**	41,340
	87,205	91,938	**86,373**	85,552

14. Investment in subsidiaries

	Company	
	2025 RM'000	**2024 RM'000**
Unquoted shares in Malaysia, at cost	**88,891**	88,891
Less: Accumulated impairment losses	**(84,906)**	(84,906)
	3,985	3,985

Movement in accumulated impairment losses are as follows:

	Company	
	2025 RM'000	**2024 RM'000**
At the beginning of year	**84,906**	80,681
Charge for the year (Note 6)	**-**	4,225
At the end of year	**84,906**	84,906

In the previous year, DNest Aviation Sdn. Bhd. reported continued losses and depleting shareholders' funds. These are indicators that the investment may be impaired. The Company performed an impairment assessment and this resulted in impairment loss of RM4,225,372 based on fair value of the net assets. In the current year, the Company has also performed an impairment assessment and this does not result in any additional impairment nor reversal.

14. Investment in subsidiaries (cont'd.)

Details of the subsidiaries, all of which are incorporated in Malaysia and audited by Ernst & Young PLT Malaysia are as follows:

Name of subsidiaries	Name of Directors	Principal activities	Country of incorporation and principal place of business	Proportion of interest 2025 %	Proportion of interest 2024 %
Held by the Company					
SRB Ventures Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 21 November 2024, resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Sale of food and beverages; To provide trainings and consultation services; Event management; Facilities management services; General management, administrative and support service activities.	Malaysia	**100**	100
DNest Aviation Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 21 November 2024, resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Investment holding.	Malaysia	**100**	100
Sapura Aero Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 21 November 2024, resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Investment holding.	Malaysia	**100**	100
Mercu Sapura Sdn. Bhd.	Amilia binti Sabtu (resigned on 24 July 2024) Mai Eliza binti Mior Mohamad Zubir (Appointed w.e.f 24 July 2024) Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 21 November 2024, resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Carry out property development transactions and investment holding.	Malaysia	**100**	100

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14. Investment in subsidiaries (cont'd.)

Details of the subsidiaries, all of which are incorporated in Malaysia and audited by Ernst & Young PLT Malaysia are as follows: (cont'd.)

Name of subsidiaries	Name of Directors	Principal activities	Country of incorporation and principal place of business	Proportion of interest 2025 %	2024 %
Held by the Company (cont'd.)					
Sapura Auto Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 21 November 2024, resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Sale of vehicles, provision of aftersales services & repair, sale of spare parts & accessories & provision of motor-related services. The Company has ceased its operations with effect from 28 August 2010.	Malaysia	**100**	100
SRB One Sdn. Bhd.	Reza bin Abdul Rahim (Appointed w.e.f 29 October 2024) Dato' Shahriman bin Shamsuddin (Resigned w.e.f 29 October 2024) Dato' Wan Shaharuddin bin Wan Mahmood (Resigned w.e.f 28 July 2024)	Investment holding.	Malaysia	**100**	100
Held by DNest Aviation Sdn. Bhd.					
AeroDome Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 28 August2024) (Resigned w.e.f 7 April 2025) Rasaletchumi A/P Ratnasingam (Appointed w.e.f 28 August 2024) (Resigned w.e.f 31 January 2025) Dato' Shahriman bin Shamsuddin (Resigned w.e.f 28 October 2024)	Hangarage and other aviation related services.	Malaysia	**100**	100
Held by Sapura Aero Sdn. Bhd.					
Aerohandlers Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir (Appointed w.e.f 28 October 2024) Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 28 October 2024, resigned w.e.f 7 April 2025) Dato' Shahriman bin Shamsuddin (Resigned w.e.f 28 October 2024) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Carry out transactions of aviation related business activities.	Malaysia	**100**	100

14. Investment in subsidiaries (cont'd.)

Details of the subsidiaries, all of which are incorporated in Malaysia and audited by Ernst & Young PLT Malaysia are as follows: (cont'd.)

Name of subsidiaries	Name of Directors	Principal activities	Country of incorporation and principal place of business	Proportion of interest 2025 %	Proportion of interest 2024 %
Held by Sapura Aero Sdn. Bhd. (cont'd.)					
Aerodome Services Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Dato' Shahriman bin Shamsuddin (Resigned w.e.f 28 October 2024) Azian binti Abdul Aziz (Appointed w.e.f 28 August2024) (Resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Hangarage, ground handling and other aviation related business activities.	Malaysia	**100**	100
Aeromanager Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 21 November 2024, resigned w.e.f 7 April 2025) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	Provide chartering services and act as brokerage for aircraft. The Company has ceased its operations with effect from 1 June 2019.	Malaysia	**100**	100
Aerodome Fife Sdn. Bhd.	Mai Eliza binti Mior Mohamad Zubir (Appointed w.e.f 28 October 2024) Ivan Oh Boon Wee (Appointed w.e.f 8 April 2025) Azian binti Abdul Aziz (Appointed w.e.f 28 October 2024, resigned w.e.f 7 April 2025) Dato' Shahriman bin Shamsuddin (Resigned w.e.f 4 November 2024) Azzaddin bin Abdullah (Resigned w.e.f 28 October 2024)	To design, fabricate and construct aircraft hangars, workshops and offices either inside hangar or as a lean including the installation of aerial or aeronautical facilities and to do all such the civil works, maintenance, servicing and repairs in relation there to and leasing out of hangar.	Malaysia	**100**	100

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15. Investment in an associate

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Unquoted shares at cost	**12,000**	12,000	**12,000**	12,000
Share of post-acquisition reserves	**12,566**	10,742	**-**	-
	24,566	22,742	**12,000**	12,000

Details of the associate is as follows:

Name of associates	Country of incorporation	Principal activities	Proportion of interest 2025 %	Proportion of interest 2024 %
Held by the Company				
Tenaga Cable Industries Sdn. Bhd. *	Malaysia	Manufacture and distribution of power and general cables, aluminium rods, other electronic and electric wires, cables and related activities.	**24**	24

The Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of the associate by way of representation on the board.

* Company is audited by firms of auditors other than Ernst & Young PLT.

The following table illustrates the summarised financial information of the Group's investment in associate:

	2025 RM'000	**2024 RM'000**
Current assets	**105,615**	151,886
Non-current assets	**57,764**	50,507
Total assets	**163,379**	202,393
Current liabilities	**59,332**	105,980
Non-current liabilities	**1,687**	1,654
Total liabilities	**61,019**	107,634
Total net assets	**102,360**	94,759

15. Investment in an associate (cont'd.)

	2025 RM'000	2024 RM'000
Results:		
Revenue	**460,270**	401,119
Profit for the year representing total comprehensive income for the year	**12,058**	18,833
Group's share of profit for the year	**2,894**	4,520
Reconciliation of net carrying amount		
At 1 February 2024/2023	**22,742**	18,222
Share of profit for the year	**2,894**	4,520
less: Dividend received	**(1,070)**	-
Group's share of net assets	**24,566**	22,742

16. Investment in joint ventures

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares at cost:				
In Malaysia	**282,011**	282,011	**257,011**	257,011
Share of post-acquisition reserves	**(94,790)**	(78,416)	**-**	-
Less: Accumulated impairment losses	**-**	-	**(31,203)**	(21,846)
	187,221	203,595	**225,808**	235,165

The movement of the provision for impairment losses are as follows:

	Company	
	2025 RM'000	2024 RM'000
At 1 February 2024/2023	**(21,846)**	(19,547)
Charged during the year (Note 6)	**(9,357)**	(2,299)
At 31 January	**(31,203)**	(21,846)

As at 31 January 2025, Impian Bebas Sdn. Bhd. has reported continuing operating losses and depleting shareholders' funds. These are indicators that the investment may be impaired. The Company has performed an impairment assessment and this resulted in impairment loss of RM9,356,769 (2024: RM2,299,122) based on share of fair value less costs to sell of the underlying net assets. The fair value measurement is categorised as Level 3 fair value as defined in Note 2.23.

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16. Investment in joint ventures (cont'd.)

The joint arrangements are structured via separate entities and provided the Group with the rights to the net assets of the entities under the arrangements. Therefore, these entities are classified as joint ventures of the Group. Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	2025 %	2024 %
Held by Sapura Resources Berhad				
Impian Bebas Sdn. Bhd.	Malaysia	Property investment.	**50**	50
Held by Sapura Aero Sdn. Bhd.				
Invation Aero Sdn. Bhd.	Malaysia	Sale of rotary wing and fixed wing aircraft; supply and provision of maintenance, repair and overhaul services in relation to aircraft and helicopters; and provision of programs such as leasing of aircraft and helicopters.	**50**	50
Held by SRB One Sdn. Bhd.				
MTU Power Systems Sdn. Bhd	Malaysia	Provision of engineering services, repair and maintenance of industrial machinery and equipment, wholesales of industrial machinery and equipment and supplies.	**51**	51

(a) Impian Bebas Sdn. Bhd.

Impian Bebas Sdn. Bhd. ("IBSB") is a joint venture company between the Company and KLCC (Holdings) Sdn. Bhd. ("KLCCH") to construct an office tower together with a convention centre and a retail podium. The Company has the following commitments towards the joint venture company:

(i) Shareholder's advances

The Company is required to contribute as shareholders' advances in proportion of its equity stake in the joint venture company as and when required.

(ii) Master Lease Agreement ("MLA")

Pursuant to the Company's joint venture agreement with KLCCH, the Company has guaranteed and underwritten the lease of 70% of the net lettable area of the office tower for 15 years based on predetermined rates (the "MLA"). In addition, the Company has issued a Letter of Undertaking to IBSB's financiers to guarantee and underwrite the MLA and not to vary or amend any terms of the joint venture agreement which may in any way adversely affect the interests of the financiers.

(b) MTU Power Systems Sdn. Bhd.

MTU Power Systems Sdn. Bhd. ("MPS") is a joint venture company between the subsidiary of the Company, SRB One Sdn. Bhd. and MTU Asia Pte. Ltd. to undertake the sale and service of "original equipment packaging solutions" in marine, rail, construction and industrial, mining, agriculture oil and gas, and power generation market sectors in Malaysia and such other businesses as may be mutually agreed from time to time.

16. Investment in joint ventures (cont'd.)

(b) MTU Power Systems Sdn. Bhd. (cont'd.)

Pursuant to the Subscription and Joint Venture Agreement, the Group has the commitment to subscribe a total of 25,000,000 Class B shares at the total subscription of RM25,000,000. As at 31 January 2025, the Group had subscribed 10,208,164 Class B shares for a cash consideration of RM10,208,164 (2024: RM10,208,164).

The Group regards Impian Bebas Sdn Bhd ("IBSB") as material joint venture and MTU Power Systems Sdn Bhd ("MPS") as individual immaterial joint venture. The summarised financial information of the joint ventures, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	IBSB		MPS	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current assets	**38,810**	120,992	**17,841**	17,817
Non-current assets	**1,428,777**	1,440,415	**2,733**	4,691
Total assets	**1,467,587**	1,561,407	**20,574**	22,508
Current liabilities	**32,652**	80,235	**45,586**	54,423
Non-current liabilities	**1,060,493**	1,073,982	**-**	-
Total liabilities	**1,093,145**	1,154,217	**45,586**	54,423
Total net assets	**374,442**	407,190	**(25,012)**	**(31,915)**
Results:				
Revenue	**111,817**	110,882	**49,526**	49,210
Depreciation and amortisation	**(27,874)**	(27,874)	**(2,453)**	(11,087)
(Loss)/profit for the year representing total comprehensive (loss)/income for the year	**(32,748)**	(33,700)	**6,982**	(19,427)
Group's share of loss for the year	**(16,374)**	(16,850)	**-**	-
Group's share of net assets:				
Cost of investment	**257,011**	257,011	**10,208**	10,208
Bargain purchase gain	**14,292**	14,292	**-**	-
Share of results	**(84,082)**	(67,708)	**(10,208)**	(10,208)
	187,221	203,595	**-**	-
	187,221	203,595	**-**	-

The Group has discontinued the recognition of its share of losses of MPS because the share of losses of the joint venture has exceeded the Group's interest in the joint venture. As at the reporting date, the Group's cumulative unrecognised share of losses in the joint venture amounted to RM7,093,000 (2024: RM10,654,000), which exceeded the Group's interest in the joint venture.

The RCSLS are secured by the first party first charge over all the Impian Bebas Sdn. Bhd. shares held by the Company in favour of Jurudata Sdn. Bhd. to secure the redemption of the RCSLS.

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17. Finance lease receivables

Finance lease receivables represent lease rental and interest receivable due from customers in relation to the lease of investment property and hangar by the Group and the Company.

Finance lease receivables are presented in the statement of financial position as follow:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current	**2,446**	5,402	**2,446**	2,090
Non-current	**25,448**	31,733	**25,448**	27,894
	27,894	37,135	**27,894**	29,984

Movement of finance lease receivables are as follow:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At the beginning of the year	**37,135**	41,841	**29,984**	31,919
Finance income on lease receivables (Note 4)	**2,451**	2,751	**2,253**	2,408
Payment received	**(7,329)**	(7,457)	**(4,343)**	(4,343)
Termination	**(4,363)**	-	**-**	-
At the end of the year	**27,894**	37,135	**27,894**	29,984

The maturity analysis of lease receivables, including undiscounted lease payment to be received after the reporting date.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within one year	**4,528**	8,047	**4,528**	4,343
After one year but not more than five years	**19,489**	22,829	**19,489**	18,990
More than five years	**13,237**	18,262	**13,237**	18,263
Total undiscounted lease payments	**37,254**	49,138	**37,254**	41,596
Unearned interest income	**(9,360)**	(12,003)	**(9,360)**	(11,612)
Net investment in lease	**27,894**	37,135	**27,894**	29,984

17. Finance lease receivables (cont'd.)

The maturity analysis of lease receivables, including discounted lease payment to be received after the reporting date.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within one year	**2,446**	5,402	**2,446**	2,090
After one year but not more than five years	**13,502**	15,854	**13,502**	12,015
More than five years	**11,946**	15,879	**11,946**	15,879
	27,894	37,135	**27,894**	29,984
Analysed as:				
Due within 12 months	**2,446**	5,402	**2,446**	2,090
Due after 12 months	**25,448**	31,733	**25,448**	27,894
	27,894	37,135	**27,894**	29,984

The effective interest rate of the Group's and the Company's finance lease receivables is 7.8% (2024: between 3.6% to 7.8%).

18. Trade and other receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets				
Other receivables				
Amounts due from subsidiaries	-	-	**16,774**	16,774
Amounts due from joint venture	**9,036**	-	**9,036**	-
Deposits	**5,313**	4,587	**5,313**	4,587
	14,349	4,587	**31,123**	21,361
Less: Allowance for expected credit losses				
Amounts due from subsidiaries	**-**	-	**(10,263)**	(10,263)
Amounts due from joint venture	**(5,362)**	-	**(5,362)**	-
Other receivables, net	**8,987**	4,587	**15,498**	11,098

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18. Trade and other receivables (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current assets				
Trade receivables				
Third parties	**2,660**	8,293	**107**	4,589
Amount due from related companies	**4,311**	2,920	**4,172**	2,919
Total billed receivables	**6,971**	11,213	**4,279**	7,508
Accrued rental income	**8,482**	3,764	**8,468**	3,764
Total trade receivables	**15,453**	14,977	**12,747**	11,272
Less: Allowance for expected credit losses				
Third parties	**(277)**	(282)	**(51)**	(51)
Amount due from related companies	**(1,834)**	(2,101)	**(1,834)**	(2,025)
	(2,111)	(2,383)	**(1,885)**	(2,076)
Trade receivables, net	**13,342**	12,594	**10,862**	9,196
Other receivables				
Amounts due from:				
Subsidiaries	**-**	-	**55,488**	57,181
Joint venture companies	**1,251**	4,575	**-**	3,325
	1,251	4,575	**55,488**	60,506
Deposits	**2,087**	3,232	**654**	643
Sundry receivables	**224**	160	**194**	30
	3,562	7,967	**56,336**	61,179
Less: Allowance for expected credit losses				
Amount due from subsidiaries	**-**	-	**(55,255)**	(55,208)
Amount due from a joint venture company	**(1,251)**	(1,251)	**-**	-
	(1,251)	(1,251)	**(55,255)**	(55,208)
Other receivables, net	**2,311**	6,716	**1,081**	5,971
Total current trade and other receivables	**15,653**	19,310	**11,943**	15,167
Total trade and other receivables	**24,640**	23,897	**27,441**	26,265
Financial asset				
Total trade and other receivables	**24,640**	23,897	**27,441**	26,265
Add: Cash and bank balances (Note 21)	**41,355**	38,545	**34,562**	32,894
Add: Finance lease receivable (Note 17)	**27,894**	37,135	**27,894**	29,984
Less: Accrued rental income	**(8,482)**	(3,764)	**(8,468)**	(3,764)
Total financial assets at amortised cost	**85,407**	95,813	**81,429**	85,379

18. Trade and other receivables (cont'd.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables for the financial year are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Neither past due nor impaired	**1,981**	6,075	**1,626**	4,308
1 to 30 days past due not impaired	**515**	1,071	**40**	629
31 to 60 days past due not impaired	**610**	1,000	**234**	301
61 to 90 days past due not impaired	**103**	62	**31**	43
More than 90 days past due not impaired	**1,651**	622	**463**	151
	2,879	2,755	**768**	1,124
Impaired	**2,111**	2,383	**1,885**	2,076
	6,971	11,213	**4,279**	7,508

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Individually impaired:				
Trade receivables - nominal amounts	**2,111**	2,383	**1,885**	2,076
Less: Allowance for expected credit losses	**(2,111)**	(2,383)	**(1,885)**	(2,076)
	-	-	**-**	-

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18. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Receivables that are impaired (cont'd.)

Movement in allowance for expected credit losses:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At the beginning of the year	**2,383**	1,692	**2,076**	401
Charge during the year (Note 6)	**-**	691	**-**	1,675
Bad debts written off	**(272)**	-	**(191)**	-
At the end of the year	**2,111**	2,383	**1,885**	2,076

(b) Other receivables

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance for expected credit losses used to record the impairment are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Individually impaired:				
Amount due from subsidiaries	**-**	-	**65,518**	65,471
Amount due from a joint venture company	**6,613**	1,251	**5,362**	-
Less: Allowance for expected credit losses	**(6,613)**	(1,251)	**(70,880)**	(65,471)
	-	-	**-**	-
Movement in allowance for expected credit losses:				
At the beginning of the year	**1,251**	2,701	**65,471**	86,358
Charged/(reversal) during the year (Note 6)	**5,362**	(1,450)	**5,409**	8,713
Liquidation of a subsidiary	-	-	**-**	(29,600)
At the end of the year	**6,613**	1,251	**70,880**	65,471

(c) Related companies

Related companies refer to companies in the Sapura Holdings Sdn. Bhd. group of companies.

The amounts due from related companies are unsecured, non-interest bearing and are repayable upon demand.

18. Trade and other receivables (cont'd.)

(d) Amount due from subsidiaries

Amounts due from subsidiaries arose under normal course of business.

The amounts are unsecured, non-interest bearing and are repayable upon demand.

(e) Amount due from joint venture companies

Amounts due from joint venture companies arose under normal course of business.

The amounts are unsecured, non-interest bearing and are repayable upon demand.

19. Inventories

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At cost				
Consumables	**71**	90	**-**	-

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM1,368,135 (2024: RM997,255).

20. Other current financial assets

	Group/Company	
	2025 RM'000	**2024 RM'000**
Held for trading investments		
Quoted equity shares	**20**	20
Total financial assets at fair value through profit or loss	**20**	20

21. Cash and bank balances

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash in hand and banks	**19,755**	22,273	**14,562**	19,224
Short-term deposits	**21,600**	16,272	**20,000**	13,670
Total cash and bank balances	**41,355**	38,545	**34,562**	32,894
Cash and cash equivalents	**41,355**	38,545	**34,562**	32,894

Cash at banks earn interest at floating rates based on daily bank deposit rates. The weighted average effective interest rates applicable to the short-term deposits with licensed banks of the Group and the Company is 2.65% (2024: 2.65%) per annum with a maturity of 30 to 90 days (2024: 90 days).

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22. Trade and other payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current liabilities				
Other payables				
Related company	-	40,000	-	40,000
Current liabilities				
Trade payables				
Third parties	**2,119**	2,834	**366**	397
Other payables				
Amounts due to:				
Holding company	**35**	10	**35**	10
Related companies	**886**	133,641	**874**	133,641
	921	133,651	**909**	133,651
Deposits	**18,825**	18,434	**16,753**	16,620
Accruals	**3,139**	4,664	**2,802**	3,509
Other payables	**3,982**	7,534	**870**	6,288
Total current trade and other payables	**28,986**	167,117	**21,700**	160,465
Total trade and other payables	**28,986**	207,117	**21,700**	200,465
Add: Lease liabilities (Note 24)	**433,322**	469,330	**426,648**	456,173
Add: RCSLS (Note 28)	**94,403**	-	**94,403**	-
Total financial liabilities at amortised cost	**556,711**	676,447	**542,751**	656,638

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 (2024: 30 to 60) days terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 (2024: 90) days.

(c) Related companies

Related companies refer to companies in the Sapura Holdings Sdn. Bhd. group of companies.

In prior year, included in amount due to related companies are financial assistance of RM128 million which is non interest bearing and RM40 million which bear interest of 7.3% and repayable in 5 years. The financial assistances were secured against certain investment properties of the Group and the Company.

In current year, both amounts has been converted into RCSLS as disclosed in Note 28.

(d) Amount due to holding company

The amount due to holding company is unsecured, non-interest bearing and repayable upon demand.

23. Provisions

	Group	
	2025	**2024**
	RM'000	**RM'000**
Provisions		
At the beginning of year	**9,774**	9,406
Utilisation of provision	**(1,566)**	-
Reversal of provision (Note 6)	**(9,044)**	(696)
Exchange difference (Note 6)	**836**	1,064
At the end of year	**-**	9,774

The Group has made provision in relation to a claim from a previous customer, among others, claiming for compensation for the loss of market value of an aircraft and loss of use of aircraft amouting to RM9.6 million and RM1 million respectively. Upon the acceptance of the settlement agreement amounting to RM1.6 million, the Group has reversed RM9.0 million during the year. Further information as disclosed in Note 38.

24. Lease liabilities

Group as a lessee

The Group has lease contracts for various items of hangar, office, warehouse spaces and other equipment used in its operations. Leases of hangar, office and warehouse spaces generally have lease terms between 2 and 15 years, while other equipment generally have lease terms between 2 and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Details of the carrying amounts of investment properties and right-of-use assets recognised and the movements during the year are disclosed in Note 12 and Note 13 respectively to the financial statements.

The carrying amounts of lease liabilities recognised and the reconciliation of net movement of lease liabilities is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		**Restated**
At 1 February	**469,330**	532,673	**456,173**	514,472
Additions	**1,731**	-	**1,731**	-
Remeasurement (Note 12)	**(16,734)**	-	**(16,734)**	-
Termination	**(3,352)**	-	**-**	-
Finance cost (Note 5)	**36,664**	37,497	**36,051**	36,956
Payments	**(54,317)**	(100,840)	**(50,573)**	(95,255)
At 31 January	**433,322**	469,330	**426,648**	456,173
Current	**18,204**	16,306	**17,298**	13,099
Non-current	**415,118**	453,024	**409,350**	443,074
	433,322	469,330	**426,648**	456,173

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24. Lease liabilities (cont'd.)

The remaining maturities of the lease liabilities are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000 Restated**	**2025 RM'000**	**2024 RM'000 Restated**
On demand or within 1 year	**18,204**	16,306	**17,298**	13,099
More than 1 year and less than 2 years	**20,546**	40,925	**19,246**	35,998
More than 2 years and less than 5 years	**81,213**	82,018	**77,648**	78,389
More than 5 years	**313,359**	330,081	**312,456**	328,687
	433,322	469,330	**426,648**	456,173

The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Depreciation on right-of-use assets (Note 13)	**685**	686	**-**	-
Finance cost on lease liabilities (Note 5)	**36,664**	37,497	**36,051**	36,956
Expense relating to short-term leases (Note 6)	**149**	168	**149**	168
Expense relating to leases of low-value assets (Note 6)	**102**	44	**56**	21
Total amount recognised in profit or loss	**37,600**	38,395	**36,256**	37,145

Total cash outflows for leases comprising of payment of lease liabilities and interest paid in relation to lease liabilities, short-term leases and low value leases for Group and Company amounting to RM57,920,000 (2024: RM101,052,000) and RM50,778,000 (2024: RM95,444,000) respectively.

25. Deferred tax liabilities

	Liabilities		Assets		Net	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Group						
Accelerated capital allowances	**1,959**	7,012	**-**	-	**1,959**	7,012
Tax losses and unabsorbed capital allowances	**-**	-	**(1,129)**	(2,108)	**(1,129)**	(2,108)
Provisions and lease liabilities	**-**	-	**(100,947)**	(111,253)	**(100,947)**	(111,253)
Trade receivables and lease assets	**100,117**	106,390	**-**	-	**100,117**	106,390
RCSLS	**21,964**	-	**-**	-	**21,964**	-
Tax liabilities/(assets)	**124,040**	113,402	**(102,076)**	(113,361)	**21,964**	41
Set-off of tax	**(102,076)**	(113,361)	**102,076**	113,361	**-**	-
Net tax liabilities	**21,964**	41	**-**	-	**21,964**	41
Company						
Accelerated capital allowances	**1,896**	603	**-**	-	**1,896**	603
Provisions and lease liabilities	**-**	-	**(99,128)**	(105,648)	**(99,128)**	(105,648)
Trade receivables and lease assets	**97,232**	105,045	**-**	-	**97,232**	105,045
RCSLS	**21,964**	-	**-**	-	**21,964**	-
Tax liabilities/(assets)	**121,092**	105,648	**(99,128)**	(105,648)	**21,964**	-
Set-off of tax	**(99,128)**	(105,648)	**99,128**	105,648	**-**	-
Net tax liabilities	**21,964**	-	**-**	-	**21,964**	-

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At the beginning of year	**41**	26	**-**	-
Recognised in profit or loss (Note 9)	**(41)**	15	**-**	-
Recognised in equity	**21,964**	-	**21,964**	-
Deferred tax liabilities	**21,964**	41	**21,964**	-

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25. Deferred tax liabilities (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM'000	Provisions and lease liabilities RM'000	Trade receivables and lease assets RM'000	Total RM'000
At 31 January 2023	(2,108)	(3,334)	(57)	(5,499)
Recognised in profit or loss	-	(107,919)	57	(107,862)
At 31 January 2024	(2,108)	(111,253)	-	(113,361)
Recognised in profit or loss	979	10,306	-	11,285
At 31 January 2025	**(1,129)**	**(100,947)**	**-**	**(102,076)**

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Trade receivables and lease assets RM'000	Redeemable convertible secured loan stocks RM'000	Total RM'000
At 31 January 2023	5,525	-	-	5,525
Recognised in profit or loss	1,487	106,390	-	107,877
At 31 January 2024	7,012	106,390	-	113,402
Recognised in profit or loss	(5,053)	(6,273)	-	(11,326)
Recognised in equity	-	-	21,964	21,964
At 31 January 2025	**1,959**	**100,117**	**21,964**	**124,040**

25. Deferred tax liabilities (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax assets of the Company:

	Tax losses and unabsorbed capital allowances RM'000	Provisions and lease liabilities RM'000	Trade receivables and lease assets RM'000	Total RM'000
At 31 January 2023	(1,336)	(3,335)	(15)	(4,686)
Recognised in profit or loss	1,336	(102,313)	15	(100,962)
At 31 January 2024	-	(105,648)	-	(105,648)
Recognised in profit or loss	-	6,520 -		6,520
At 31 January 2025	**-**	**(99,128)**	**-**	**(99,128)**

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000	Trade receivables and lease assets RM'000	Redeemable convertible secured loan stocks RM'000	Total RM'000
At 31 January 2023	4,686	-	-	4,686
Recognised in profit or loss	(4,083)	105,045	-	100,962
At 31 January 2024	603	105,045	-	105,648
Recognised in profit or loss	1,293	(7,813)	-	(6,520)
Recognised in equity	-	-	21,964	21,964
At 31 January 2025	**1,896**	**97,232**	**21,964**	**121,092**

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Unused tax losses	**123,400**	114,691	**94,597**	80,894
Unabsorbed capital allowances	**6,022**	5,036	**5,633**	4,815
Others	**32,640**	23,099	**32,326**	18,529
	162,062	142,826	**132,556**	104,238

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25. Deferred tax liabilities (cont'd.)

Tax losses for which the tax effects have not been recognised in the financial statements:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unused tax losses:				
- Expiring in 2028	**24,978**	24,978	**-**	-
- Expiring in 2029	**237**	237	**-**	-
- Expiring in 2030	**107**	108	**-**	-
- Expiring in 2031	**1,300**	1,300	**-**	-
- Expiring in 2032	**1,916**	1,916	**-**	-
- Expiring in 2033	**1,164**	1,164	**-**	-
- Expiring in 2034	**84,988**	84,988	**80,894**	80,894
- Expiring in 2035	**8,710**	-	**13,703**	-
	123,400	114,691	**94,597**	80,894

In accordance with the Ministry of Finance via Finance Bill 2021, the unused tax losses are available for utilisation in the next ten years, with effect from year assessment 2019, for which, any excess at the end of the tenth year will be disregarded. Deferred tax assets have not been recognised in respect of the above items due to history of losses of the Group and the Company and it is not probable that future taxable profits will be available against which they may be utilised.

26. Share capital

	No. of Shares		Group/Company Amount	
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
Issued and fully paid at no par value:				
At beginning of financial year	**139,600**	139,600	**139,600**	139,600
Issuance during financial year	**119,657**	-	**33,504**	-
Transaction cost	**-**	-	**(373)**	-
At end of financial year	**259,257**	139,600	**172,731**	139,600

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

On 5 September 2024, the Company raised total proceeds of RM33,504,000 by issuance of 119,657,142 rights shares at RM0.28 per share.

27. Other reserves

	2025 RM'000	2024 RM'000
Group		
Capital reserve	**1,481**	1,481
General reserve	**1,100**	1,100
	2,581	2,581
Company		
General reserve	**1,100**	1,100

The nature and purpose of each category of reserve are as follows:

(a) Capital reserve

This reserve represents the Group's share of the share premium of the associate.

(b) General reserve

This reserve represents the Company's appropriation of profits in prior years.

28. Redeemable convertible secured loan stocks

	Group/Company	
	2025 RM'000	**2024 RM'000**
Equity component	**53,199**	-
Liability component	**94,403**	-

On 2 July 2024, 373,333,333 units of RCSLS were issued with a nominal value of RM168,000,000 to Jurudata Sdn. Bhd as part of the settlement of the advances provided. The main features of the rededeemable convertible secured loan stocks are as follows:

(i) Jurudata Sdn. Bhd. shall have the right to convert all or any amount of the RCSLS held by it into ordinary shares of the Company during the period from 2 July 2024 to maturity date on 1 July 2033 at the conversion price of RM0.45 each for every 1 new share of the Company;

(ii) any outstanding RCSLS on the 1 July 2033 shall be automatically redeemed by the Company at 109.00% of the nominal value of the outstanding RCSLS;

(iii) the RCSLS shall not be transferrable and shall only be held by Jurudata Sdn. Bhd.;

(iv) the RCSLS shall not be listed, quoted or traded on Bursa Securities or any other stock exchange; and

(v) the RCSLS are secured by the first party first charge over all the Impian Bebas Sdn. Bhd. shares held by the Company in favour of Jurudata Sdn. Bhd. to secure the redemption of the RCSLS.

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28. Redeemable convertible secured loan stocks (cont'd.)

During the current financial year, no RCSLS were converted into ordinary shares of the Company.

The outstanding of the RCSLS as at 31 January 2025 was 373,333,333 units at the Group and the Company levels.

Equity component movement

	Group/Company 2025 RM'000
At the beginning of the financial year	-
Issued during the financial year	76,394
Transaction cost	(1,231)
Deferred tax impact on issuance (Note 25)	(21,964)
At the end of the financial year	53,199

Liability component movement

	Group/Company 2025 RM'000
At the beginning of the financial year	-
Issued during the financial year	91,606
Accrual of interest (Note 5)	4,275
Transaction cost	(1,478)
At the end of the financial year	94,403

29. Dividends

The directors do not recommend the payment of any dividend in respect of the current financial year.

30. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expense/(Income)				
Holding company				
Corporate service fee	215	210	215	210
Rental income	(15)	(15)	(15)	(15)
Subsidiaries				
Management fee	-	-	-	25
Recovery of electricity charges	-	-	14	-
Rental of office	-	-	12	5

30. Related party disclosures (cont'd.)

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year: (cont'd.)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Expense/(Income) (cont'd.)				
Joint venture				
Impian Bebas Sdn. Bhd.				
Lease payment including service charge	**50,764**	95,446	**50,764**	95,446
Late payment penalties	**-**	1,646	**-**	1,646
Cash call	**-**	(37,000)	**-**	(37,000)
Related companies				
Sapura Energy Berhad				
Rental income	**(12,907)**	(12,907)	**(12,907)**	(12,907)
Revenue from investment properties, other than rental income	**(1,444)**	(1,766)	**(1,444)**	(1,766)
Jurudata Sdn. Bhd.				
Financial assistance from related company	**-**	128,000	**-**	128,000
Interest expense on amount due to related company	**(3,893)**	3,893	**(3,893)**	3,893
Facilitation fee charges	**-**	220	**-**	220
Sapura Technology Sdn. Bhd. and its subsidiaries				
Rental income	**(5,932)**	(5,591)	**(5,932)**	(5,591)
Information technology outsourcing services	**264**	526	**255**	386
Sapura Technology Sdn. Bhd. and its subsidiariess				
Rental income	**(131)**	(178)	**(131)**	(178)
Revenue from investment properties, other than rental income	**(47)**	(22)	**(47)**	(22)
MTU Power Systems Sdn. Bhd.				
Net cash advances	**(9,036)**	(1,370)	**(9,036)**	(1,370)
Directors' related companies				
Rental of hangar and office	**(244)**	(342)	**(33)**	(39)
Ground handling and other aviation related services	**(624)**	(1,510)	**-**	-

31. Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director of the entity.

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Short-term employee benefit	**3,854**	4,161	**3,424**	4,161

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32. Capital commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital expenditure				
Approved and contracted for:				
Property, plant and equipment	**2,240**	2,354	**1,134**	2,226
Approved but not contracted for:				
Property, plant and equipment	**3,138**	5,501	**2,443**	5,368
Share of capital commitment in joint venture	**14,610**	14,610	**14,610**	14,610
	19,989	22,465	**18,187**	22,204

33. Liquidation of a subsidiary

On 28 February 2023, the Group announced that Sapura Technics Sdn. Bhd. ("STSB"), a joint venture company between Mercu Sapura Sdn. Bhd. ("MSSB") (95%) and Dilog Training & Services Sdn. Bhd. ("DTSSB") (5%), whereby MSSB is a wholly-owned subsidiary of the Group received a sealed Order namely Companies (Winding-up) Petition No: BA-28NCC-640- 11/2022 dated 20th February 2023 from the High Court of Malaya at Shah Alam, Selangor ("the Court"). As at 31 January 2024, the Group has loss control over STSB.

The results of STSB for the year are presented below:

	Group 2024 RM'000
Assets	
Property, plant and equipment	145
Trade and other receivables	38
Cash and bank balances	1,572
	1,755
Liabilities	
Trade and other payables	7,398
Equity	
Equity attributable to owners of the parent	
Non-controlling interest	2,082
Gain on liquidation	3,561

34. Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current portion of lease liabilities are reasonable approximate of their fair values due to the relatively short-term nature of these financial instruments.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The equity shares of the Group and the Company amounting to RM19,565 (2024: RM19,565) are measured as Level 1 hierarchy based on unadjusted quoted prices in active market for identical financial instrument.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, market risk and interest rate risk.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including short-term investment and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

<u>Credit risk concentration profile</u>

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. As at the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from 2 (2024: 3) debtor representing 31% (2024: 59%) of the total net receivables.

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35. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 18. Investment in unit trust and investment securities that are neither past due nor impaired are entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between cashflows for operation and future investment.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2025			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Financial liabilities:				
Group				
Trade and other payables	28,986	-	-	28,986
RCSLS	-	-	185,917	185,917
Lease liabilities	52,844	219,869	408,064	680,777
Total undiscounted financial liabilities	81,830	219,869	593,981	895,680
Company				
Trade and other payables	21,700	-	-	21,700
RCSLS	-	-	185,917	185,917
Lease liabilities	51,227	213,840	405,697	670,764
Total undiscounted financial liabilities	72,927	213,840	591,614	878,381

35. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	2024			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Financial liabilities:				
Group				
Trade and other payables	167,117	-	54,600	221,717
Lease liabilities	53,676	282,351	430,802	766,829
Total undiscounted financial liabilities	220,793	282,351	485,402	988,546
Company				
Trade and other payables	160,465	-	54,600	215,065
Lease liabilities	47,678	263,996	485,378	797,052
Total undiscounted financial liabilities	208,143	263,996	539,978	1,012,117

(c) Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments in Malaysia which are listed on the Bursa Malaysia and short-term investment. Short-term investment is investment in fund with a financial institution of which the fund is invested into a portfolio the financial institution's assets which have lower risk as compared to equity and commodity investment. These instruments are classified as held for trading financial assets. The Group does not have direct exposure to commodity price risk.

At the reporting date, the exposure to listed equity securities was RM20,000 (2024: RM20,000). An increase or decrease of 10% on the market index of listed equity securities could have an impact of approximately RM2,000 (2024: RM2,000) on the profit or loss of the Group.

35. Financial risk management objectives and policies (cont'd.)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has a minimal exposure to the risk of changes in market interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on carrying amount as at reporting date is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fixed rate instruments				
Financial assets	**27,894**	37,135	**27,894**	29,984
Financial liabilities	**(527,725)**	(509,330)	**(521,051)**	(496,173)
	(499,831)	(472,195)	**(493,157)**	(466,189)
Floating rate instruments				
Financial assets	**41,355**	38,545	**34,562**	32,894

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2025 and 2024.

36. Capital management (cont'd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an acceptable level. The Group includes within net debt, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent, less non-distributable reserves.

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities	24	**433,322**	469,330	**426,648**	456,173
RCSLS	28	**94,403**	-	**94,403**	-
Trade and other payables	22	**28,986**	207,117	**21,700**	200,465
Less: Cash and bank balances	21	**(41,355)**	(38,545)	**(34,562)**	(32,894)
Net debt		**515,356**	637,902	**508,189**	623,744
Equity attributable to the owners of the parent		**217,464**	182,689	**235,218**	201,423
Less: Non-distributable reserves	27	**(1,481)**	(1,481)	**-**	-
Total capital		**215,983**	181,208	**235,218**	201,4231
Capital and net debt		**731,339**	819,110	**743,407**	825,167
Gearing ratio		**70%**	78%	**68%**	76%

37. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Investment holding - Equity investment, including group-level corporate services and business development functions.

(ii) Property investment - Rental of investment properties.

(iii) Business Aviation - Provision of hangarage services, ground handling, aircraft management, engineering services and other aviation related services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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37. Segment information (cont'd.)

At 31 January 2025	Investment holdings RM'000	Property investment RM'000	Aviation RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
Revenue:							
External customers	-	55,677	24,431	2,820	-		82,928
Results:							
Interests income from short term deposits	463	-	-	-	-		463
Depreciation of investment properties	-	(36,251)	-	-	-		(36,251)
Depreciation of property, plant and equipment	-	(2,989)	(2,890)	(3)	-		(5,882)
Depreciation of right-of-use assets	-	-	(685)	-	-		(685)
Share of results of an associate	2,894	-	-	-	-		2,894
Share of results of a joint venture	(16,374)	-	-	-	-		(16,374)
Dividend income from associate	1,070	-	-	-	(1,070)		-
Other non-cash (expenses)/income	(5,362)	-	8,054	-	-	A	2,692
Finance costs	(382)	(36,051)	(613)	-	-		(37,046)
Segment (loss)/profit before tax	(26,728)	(28,201)	5,714	192	(2,573)		(51,596)
Assets:							
Investment in associates	24,566	-	-	-	-		24,566
Investment in joint venture	187,221	-	-	-	-		187,221
Additions to non-current assets	-	6,674	-	-	-	B	6,674
Segment assets	241,793	558,140	49,694	992	(54,480)	C	796,139
Segment liabilities	116,367	448,348	78,317	21,102	(85,459)	D	578,675

37. Segment information (cont'd.)

At 31 January 2024	Investment holdings RM'000	Property investment RM'000	Aviation RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
Revenue:							
External customers	-	31,342	29,392	2,048	-		62,782
Results:							
Interests income from short term deposits	416	-	-	-	-		416
Depreciation of investment properties	-	(31,695)	-	-	-		(31,695)
Depreciation of property, plant and equipment	-	(4,584)	(2,849)	-	-		(7,433)
Depreciation of right-of-use assets	-	-	(686)	-	-		(686)
Share of results of an associate	4,520	-	-	-	-		4,520
Share of results of joint venture	(16,850)	-	-	-	-		(16,850)
Other non-cash (expenses)/income	4,324	47,092	43	-	-	A	51,459
Finance costs	(3,893)	(36,956)	(541)	-	-		(41,390)
Segment (loss)/profit before tax	(28,941)	(2,993)	(3,667)	161	(1,957)		(37,397)
Assets:							
Investment in associates	22,742	-	-	-	-		22,742
Investment in joint venture	203,595	-	-	-	-		203,595
Additions to non-current assets	-	2,733	-	-	-	B	2,733
Segment assets	251,150	606,911	61,014	339	(50,463)	C	868,951
Segment liabilities	168,000	488,638	82,887	20,641	(73,904)	D	686,262

NOTES TO THE FINANCIAL STATEMENTS
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37. Segment information (cont'd.)

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2025 RM'000	2024 RM'000
Unrealised foreign exchange loss on provision	6	**-**	1,064
Unrealised fair value gain on held for trading investment securities	6	**-**	(4)
Alowance for expected credit losses on:			
- trade receivables	6	**-**	691
- other receivables	6	**-**	(1,450)
- amount due from joint venture	6	**5,362**	-
Reversal of impairment of investment properties	6	**-**	(46,210)
Reversal of provision	6	**(9,044)**	(696)
Net unrealised foreign exchange loss/(gain)	6	**(21)**	(411)
Loss on early lease termination	6	**1,011**	-
Gain on liquidation of a subsidiary	6	**-**	(3,561)
Gain on initial recognition of lease	6	**-**	(882)
		(2,692)	(51,459)

B Additions to non-current assets consist of:

	2025 RM'000	2024 RM'000
Investment properties	**2,270**	26
Property, plant and equipment	**4,404**	2,707
	6,674	2,733

C The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2025 RM'000	2024 RM'000
Inter-segment assets	**(54,480)**	(50,463)

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2025 RM'000	2024 RM'000
Inter-segment liabilities	**(85,459)**	(73,904)

38. Material litigation

(i) Aerodome Sdn. Bhd.

Details of the circumtances leading to the filing of Writ of Summons against Aerodome

Aerodome Sdn. Bhd. ("Aerodome") a 100%-owned subsidiary of DNest Aviation Sdn. Bhd. ("DNest"), which in turn is a wholly-owned subsidiary of Sapura Resources Berhad (the "Company").

Aerodome has signed an Aircraft Management and Maintenance Agreement dated 6 July 2012 ("AMMA") with Pan Asia Property Management Sdn. Bhd. ("Pan-Asia"). During defueling at Aerodome's hangar by Execujet MRO Services Sdn.Bhd. (formerly known as Execujet Malaysia Sdn. Bhd.) ("Execujet") or its agent or contractor, the tail of an aircraft ("Aircraft") tipped downwards and struck the raised concrete of the apron at Aerodome's hangar ("Incident"). Due to the Incident, the Aircraft sustained damage to the aft lower fuselage in its access door area, including to, inter alia, its lower frame and skin at fuselage FS731, aft equipment bay door, LH EQPT bay door frame and RH EQPT bay door frame ("Aircraft Damage").

There are 2 civil suits related to this matter. The first is on the loss of use of the Aircraft and the second is on the loss of value.

Details of the Writ of Summons on Loss of Use ("Loss of Use Suit")

On 10 October 2019 Aerodome received a Writ of Summons together with a Statement of Claim dated 30 September 2019 filed by (1) Best Perfection Holdings Limited (2) Pan Asia Property Management Sdn. Bhd. (3) Allianz Global Corporate & Specialty ("Plaintiffs") through its solicitor Messrs. Joseph & Partners acting on behalf of the Plaintiffs while the Defendants are (1) Aerodome and (2) Execujet.

The Plaintiffs claimed for the following:

- Loss of use of the Aircraft due to the Aircraft Damage in the sum of USD203,090.00 (equivalent to MYR850,340.37 at the Central Bank Malaysia rate of exchange of USD1=MYR4.187 as at 30 September 2019);
- Pre-judgment interest, pursuant to Section 11 of the Civil Law Act 1956 at the rate of 5% per annum on the sum of USD203,090.00 from 1 November 2015 until the date of Judgment;
- Post-judgment interest at the rate of 5% per annum on the sum of USD203,090.00 from the date of Judgment until full realization thereof;
- Costs on a solicitor client basis; and
- Any or other Order or further relief as the Court may deem fit and expedient.

Additionally, Aerodome had on 9 January 2020 received a Writ of Summons dated 5 January 2020 together with a Statement of Claim dated 3 January 2020 filed by (1) TVPX ARS INC. (2) Best Perfection Holdings Limited and (3) Pan Asia Property Management Sdn. Bhd. ("Plaintiffs") through its solicitor Messrs. Song & Partners acting on behalf of the Plaintiffs while the Defendants are (1) Aerodome and (2) Execujet.

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38. Material litigation (cont'd.)

(i) Aerodome Sdn. Bhd. (cont'd.)

Details of the Writ of Summons on Loss of Use ("Loss of Use Suit") (cont'd.)

The 2nd Plaintiff is claiming for the following:

- Compensation or damages or indemnity in the sum of USD2,010,000.00 for the loss of market value of the Aircraft due to the Aircraft Damage and resulting damage history;
- Interest at the rate of 5% per annum on the aforesaid sum from 2 November 2015 till the date of judgment;
- Costs;
- Interest at the rate of 5% per annum on the aforesaid sums from the date of judgment till full satisfaction; and
- Such further, ancillary or other relief as the Court may deem fit.

The Plaintiffs are claiming that as a result of the Aircraft damage and the resulting damage history, the Aircraft had depreciated in its fair market value by approximately USD2,010,000.00 as at or about 28 April 2016 notwithstanding the repair works that had been carried out.

Status of the Court proceedings

Loss of Use Suit

The Loss of Use Suit was concluded following a Consent Judgment recorded on 27 March 2024, with a Settlement Agreement dated 7 June 2024, requiring Aerodome to pay USD56,000.00. The payment was made on 26 June 2024 and subsequently, the matter was officially closed on 15 August 2024.

Loss of Value Suit

The Loss of Value Suit was concluded pursuant to a Consent Judgment recorded on 3 March 2025, requiring Aerodome to pay a sum of USD306,500.00 in Ringgit Malaysia. The payment was completed on 18 April 2025, upon which the matter was officially closed.

(ii) Sapura Resources Berhad

The Company, together with its wholly owned subsidiaries, Sapura Aero Sdn. Bhd. ("2nd Plaintiff") and Aerodome Fife Sdn. Bhd. ("3rd Plaintiff"), have on 10 April 2025, commenced legal action via the filing of a Generally Endorsed Writ of Summons at the High Court of Malaya at Kuala Lumpur against Dato' Shahriman Bin Shamsuddin ("DSS" or the "1st Defendant"), the former Managing Director/Director of SRB, Syed Haroon bin Omar Alshatrie ("2nd Defendant"), Syed Muhammad bin Hasan Alsagoff ("3rd Defendant"), and Explorer Group Sdn. Bhd. ("4th Defendant") (collectively referred to as "the Defendants").

38. Material litigation (cont'd.)

(ii) Sapura Resources Berhad (cont'd.)

Particulars of Claims Under the Writ of Summons

The relief sought in the Writ of Summons are as follows:-

- A declaration that the 1st Defendant, as the then Director of the 1st Plaintiff had breached his fiduciary and/or statutory and/or common law and/or equitable duties and/or trust obligations to the 1st Plaintiff.
- A declaration that the 1st Defendant, as the then Managing Director of the 1st Plaintiff had breached his fiduciary and/or statutory and/or common law and/or equitable duties and/or contractual and/or trust obligations to the 1st Plaintiff.
- A declaration that the 2nd Defendant, as the then employee of the 1st Plaintiff pursuant to the Contract of Employment dated 10.1.2019 had breached his fiduciary and/or common law and/or equitable duties and/or contractual and/or trust obligations to the 1st Plaintiff.
- A declaration that the 2nd Defendant, as the then consultant of the 1st Plaintiff and/or the 2nd Plaintiff, had breached his fiduciary and/or common law and/or equitable duties and/or contractual and/or trust obligations to the 1st Plaintiff and/or 2nd Plaintiff.
- A declaration that the 3rd Defendant, as the then employee of the 1st Plaintiff and/or 2nd Plaintiff pursuant to the Contract of Employment dated 8.5.2019 and the Contract of Employment dated 19.10.2023 respectively had breached his fiduciary and/or common law and/or equitable duties and/or contractual and/or trust obligations to the 1st Plaintiff and/or 2nd Plaintiff.
- A declaration that the 3rd Defendant, as the then consultant of the 1st Plaintiff and/or the 2nd Plaintiff had breached his fiduciary and/or common law and/or equitable duties and/or contractual and/or trust obligations to the 1st Plaintiff and/or the 2nd Plaintiff.
- A declaration that 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant had conspired to injure the 1st Plaintiff and/or 2nd Plaintiff and/or 3rd Plaintiff, whether by lawful and/or unlawful means.
- A declaration that the 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, had aided and abetted and/or was an accessory to and/or dishonestly and/or knowingly assisted the 1st Defendant's breaches of his duties and/or trust obligations as aforesaid;
- Damages in the sum of RM150,000.00 in favour of the 2nd Plaintiff and/or 3rd Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the deposit paid to Malaysia Airports Holdings Berhad.
- Damages in the sum of RM500,000.00 in favour of the 2nd Plaintiff and/or 3rd Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the additional deposit paid to Malaysia Airports Holdings Berhad.

38. Material litigation (cont'd.)

(ii) Sapura Resources Berhad (cont'd.)

Particulars of Claims Under the Writ of Summons (cont'd.)

The relief sought in the Writ of Summons are as follows:- (cont'd.)

- Damages in the sum of RM539,209.68 in favour of the 1st Plaintiff as against the 1st Defendant and/or 2nd Defendant, jointly and severally, in relation to the payment made to the 2nd Defendant under the mutual separation scheme in 2023.
- Damages in the sum of RM403,654.35 in favour of the 1st Plaintiff as against the 1st Defendant and/or 3rd Defendant, jointly and severally, in relation to the payment made to the 3rd Defendant under the mutual separation scheme in 2023.
- Damages in the sum of RM240,612.90 in favour of the 1st Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the consultancy fees paid to the 2nd Defendant.
- Damages in the sum of RM452,290.32 in favour of the 2nd Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the consultancy fees paid to the 2nd Defendant.
- Damages in the sum of RM63,225.81 in favour of the 1st Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the consultancy fees paid to the 3rd Defendant.
- Damages in the sum of RM77,454.84 in favour of the 2nd Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the consultancy fees paid to the 3rd Defendant.
- Damages in the sum of RM388,838.29 in favour of the 1st Plaintiff as against the 1st Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the salaries paid to the 3rd Defendant.
- Damages in the sum of RM17,582.63 in favour of the 2nd Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the claim and expenses paid to the 3rd Defendant for the trip to Abu Dhabi in January 2024.
- Damages in the sum of RM5,278.42 in favour of the 1st Plaintiff as against the 1st Defendant and/or 4th Defendant, jointly and severally, in relation to the salary paid to Zurina binti Said.
- Damages in the sum of RM53,000.00 in favour of the 1st Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the fees paid to Quantephi Sdn Bhd.
- Damages in the sum of RM330,024.46 in favour of the 1st Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, in relation to the legal expenses incurred, for purposes of legal review and/or opinion, prior to the commencement of this claim.

38. Material litigation (cont'd.)

(ii) Sapura Resources Berhad (cont'd.)

Particulars of Claims Under the Writ of Summons (cont'd.)

The relief sought in the Writ of Summons are as follows:- (cont'd.)

- Damages, whether general and/or aggravated and/or equitable compensation, to be assessed by this Honourable Court in favour of the 1st Plaintiff and/or 2nd Plaintiff and/or 3rd Plaintiff as against the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant, jointly and severally, for losses in relation to (but not limited to) the loss of business opportunities (including an initial public offering estimated valuation of RM82.1 million) and/or profit or such other sum as may be assessed and ordered by this Honourable Court.
- Interest at such rate and for such period as this Honourable Court deems fit and/or otherwise appropriate in relation to the damages assessed and awarded.
- An Order that the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant do, jointly and severally, pay the 1st Plaintiff and/or 2nd Plaintiff and/or 3rd Plaintiff such damages and interest, as assessed and awarded herein.
- An Order that the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant do render to the Plaintiffs' solicitors an account verified by affidavit within eight (8) days from the date of the Order herein of all gains, benefits, enrichment or otherwise having arisen, accrued or been derived either directly or indirectly by reason of their said breaches of the duties and/or trust obligations aforesaid and/or their accessory liabilities thereto.
- An Order for inquiry to enable 1st Plaintiff and/or 2nd Plaintiff and/or 3rd Plaintiff to trace and recover any or all gains, benefits, enrichment or otherwise having arisen, accrued or been derived either directly or indirectly by reason of the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant's breaches of the duties and/or trust obligations aforesaid and/or their accessory liabilities thereto.
- An Order that the 1st Defendant and/or 2nd Defendant and/or 3rd Defendant and/or 4th Defendant do disgorge to the 1st Plaintiff and/or 2nd Plaintiff and/or 3rd Plaintiff within eight (8) days from the date of the Order herein of all such gains, benefits, enrichment or otherwise and do and/or cause to be done all acts necessary to be done and/or otherwise facilitate such disgorgement.
- Costs on an indemnity basis or otherwise.
- Interest on such costs awarded at such rate and for such period as this Honourable Court deems fit and just.
- Such further and/or other relief which this Honourable Court deems fit and just.

The Statement of Claim has been filed on 19 May 2025 in accordance with the prescribed Rules of Court, 2012.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2025

38. Material litigation (cont'd.)

(ii) Sapura Resources Berhad

Industrial Court Case – Former Employee v Sapura Resources Berhad

The Company received a Statement of Case dated 14 May 2024 from a former employee, who has initiated proceedings at the Industrial Court of Kuala Lumpur, alleging constructive dismissal. The individual was employed within the Group from 15 April 2010 until his resignation on 31 October 2023.

The claimant is seeking, among others:

- Reinstatement or compensation in lieu thereof;
- Back wages from the date of alleged dismissal; and
- Contractual entitlements including allowances, bonuses, incentives, and EPF contributions.

The Company disputes the allegations and maintains that there was no constructive dismissal, as the individual had voluntarily resigned or abandoned his employment.

Status Update

Following unsuccessful settlement attempts, a mediation session has been scheduled for 25 June 2025. The Court has vacated earlier trial dates, and the trial is now expected to commence in November and December 2025, pending further directions. No provision has been made for the claim since the legal opinion maintains that the Company has a good chance of defending against the claim.

39. Significant event

On 27 November 2023, the Company announced the following corporate exercises:

i. Proposed Settlement

The Proposed Settlement entails the settlement of the financial assistance from a related company amounting to RM168,000,000 in aggregate via the issuance of RM168,000,000 nominal value of 373,333,333 Redeemable Convertible Secured Loan Stocks ("RCSLS") at 100% of its nominal value of RM0.45 each; and

ii. Proposed Rights Issue

The Proposed Rights Issue aims to raise gross proceeds of up to approximately RM33.50 million.

The Proposed Settlement and Proposed Rights Issue are intended to set the Company in a better financial standing by relieving the Company from the immediate financial commitments of RM168 million and raising funds to meet the Company's commitments under the Master Lease Agreement.

On 29 April 2024, Bursa Malaysia Securities Berhad approved the following:

- The listing and quotation of up to 428,315,271 new ordinary shares in the Company to be issued pursuant to the conversion of the RCSLS; and
- The listing and quotation of up to 139,600,000 rights shares to be issued pursuant to the Proposed Rights Issue.

The Proposed Settlement and Proposed Rights Issue were subsequently approved by the shareholders during an Extraordinary General Meeting held on 21 June 2024.

39. Significant event (cont'd.)

Following this, the Company entered into the Issuance Agreement, Put Option Agreement and Share Charge Agreement with Jurudata Sdn. Bhd. ("JSB") in connection with the Proposed Settlement. The Proposed Settlement was completed on 2 July 2024 following the issuance of 373,333,333 RCSLS with a nominal value of RM168,000,000 to JSB.

On 5 September 2024, the Proposed Rights Issue was completed upon the listing and quotation of 119,657,142 rights shares on the Main Market of Bursa Securities at RM0.28 per share, raising gross proceeds of RM33,504,000.

40. Subsequent event

On 10 April 2025, the Company, together with its wholly owned subsidiaries, Sapura Aero Sdn. Bhd. and Aerodome Fife Sdn. Bhd. commenced legal action via the filing of a Generally Endorsed Writ of Summons at the High Court of Malaya at Kuala Lumpur against Dato' Shahriman Bin Shamsuddin, the former Managing Director/Director, Syed Haroon bin Omar Alshatrie, Syed Muhammad bin Hasan Alsagof, and Explorer Group Sdn. Bhd.

41. Comparative figures

The lease liabilities in the prior year has been restated to reflect the correct classification between current and non current.

	As previously restated RM'000	Reclassified RM'000	As restated RM'000
Group			
Current liabilities			
Lease liabilities	47,268	(30,962)	16,306
Non-current liabilities			
Lease liabilities	422,062	30,962	453,024
Company			
Current liabilities			
Lease liabilities	44,061	(30,962)	13,099
Non-current liabilities			
Lease liabilities	412,112	30,962	443,074

42. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2025 were authorised for issue in accordance with a resolution of the directors on 30 May 2025.

PARTICULARS OF PROPERTIES

As at 31 January 2025

Address	Description/ Existing Use	Land Area (in square meter)	Lease Expiry Date	Approximate Age of Building (years)	Net Book Value (RM'000)/Date of Acquisition/ Revaluation/ Remeasurement
Lot No. 10 Jalan Tandang Seksyen 28 46050 Petaling Jaya Selangor Darul Ehsan	Warehouse, office and store	49,927	20.06.2033	34 - 64	*27,894/ 06.05.1988
P.T. No. 10A Jalan Tandang Seksyen 28 46050 Petaling Jaya Selangor Darul Ehsan	Warehouse, office and store	5,681	03.01.2057	48	2,440/ 06.05.1988
Lot 5, Jalan 219 Lebuhraya Persekutuan 46100 Petaling Jaya Selangor Darul Ehsan	Commercial Building	4,047	16.03.2068	43	1,616/ 13.09.1988
No. 7, Jalan Tasik The Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan	Office Building	22,379	20.03.2091	26	91,990/ 16.12.1999
70% of office building through Master Lease Agreement Permata Sapura Lot 91, Jalan Kia Peng 50450 Kuala Lumpur	Office Building	41,708	30.09.2036	4	360,504/ 31.01.2025

* This is the carrying value reflected as Finance Lease Receivables in Note 17 of the audited financial statements.

ANALYSIS OF SHAREHOLDINGS

As at 30 April 2025

Total Number of Issued Shares : 259,257,142 ordinary shares
Class of Shares : Ordinary Shares
Voting rights : One vote per ordinary share
No. of shareholders : 5,179

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
Less than 100	676	13.05	5,874	0.00
100 - 1,000	2,066	39.89	1,643,453	0.63
1,001 - 10,000	1,815	35.05	7,311,761	2.82
10,001 - 100,000	501	9.67	16,098,873	6.21
100,001 to less than 5%	119	2.30	54,152,490	20.89
5% and above of issued shares	2	0.04	180,044,691	69.45
Total	**5,179**	**100.00**	**259,257,142**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2025

Name of Directors	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Shahril bin Shamsuddin	47,733,901	18.41	133,440,290*	51.47
Ahmad Jauhari bin Yahya	-	-	-	-
Andrew Heng	-	-	-	-
Dr. Yap Lang Ling	-	-	-	-
Reza Bin Abdul Rahim	-	-	-	-
Datuk Megat Abdul Munir Bin Megat Abdullah Rafaie (Alternate Director to Tan Sri Dato' Seri Shahril bin Shamsuddin)	-	-	-	-
Nik Aisyah Amirah Binti Mansor	-	-	-	-
Aiza Azreen Ahmad	-	-	-	-

* Deemed interested by virtue of his direct and indirect interests in Sapura Holdings Sdn. Bhd. and its wholly-owned subsidiaries, namely Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd. (as the case may be) pursuant to Section 8 of the Companies Act 2016 ("**the Act**").

SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2025

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Sapura Holdings Sdn. Bhd.	132,310,790	51.03	1,129,500 (1)	0.44
Tan Sri Dato' Seri Shahril bin Shamsuddin	47,733,901	18.41	133,440,290 (2)	51.47
Dato' Shahriman bin Shamsuddin	83,250	0.03	133,440,290 (2)	51.47
Brothers Capital Sdn. Bhd..	-	-	133,440,290 (3)	51.47

(1) Deemed interested by virtue of its direct interests in its wholly-owned subsidiaries, being Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd. pursuant to Section 8 of the Act.
(2) Deemed interested by virtue of his direct and indirect interests in Sapura Holdings Sdn. Bhd. and its wholly-owned subsidiaries, namely Sapura Capital Sdn. Bhd., Indera Permai Sdn. Bhd. and Jurudata Sdn. Bhd. (as the case may be) pursuant to Section 8 of the Act.
(3) Deemed interested by virtue of its direct interest in Sapura Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS

As at 30 April 2025

THIRTY (30) LARGEST SHAREHOLDERS BASED ON RECORD OF DEPOSITORS AS AT 30 APRIL 2025

No.	Name of Shareholders	No. of Shares	%
1.	Sapura Holdings Sdn. Bhd.	132,310,790	51.04
2.	Shahril bin Shamsuddin	47,733,901	18.41
3.	Native Ventures Sdn. Bhd.	5,437,900	2.10
4.	Ng Hoon Ho	2,962,750	1.14
5.	Lim Boon Liat	2,294,000	0.89
6.	Choot Ewe Hin	2,034,500	0.79
7.	Tan Yee Kong	1,858,000	0.72
8.	Tan Yee Seng	1,486,000	0.57
9.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank LTD (SFS)	1,391,200	0.54
10.	Ong Seow En	1,345,000	0.52
11.	Leong Hon Wah	1,300,000	0.50
12.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Low Mei Wan (D'Wangsa-CL)	1,130,000	0.44
13.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tam Seng @ Tam Seng Sen (E-PTS)	1,100,000	0.42
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Sapura Capital Sdn. Bhd. (PB)	1,098,500	0.42
15.	Low Ah Soi @ Low Cheong Meng	1,034,900	0.40
16.	Tan Boon Leong	1,011,600	0.39
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kian Aik	1,000,701	0.39
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mary Anne Woon Lai Kheng	955,100	0.37
19.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chow Soon Fong (E-MLB/JPP)	810,000	0.31
20.	Yow Wang Yip	750,000	0.29
21.	Tan Seow Cheng	741,000	0.29
22.	Lam Pun Ying	727,100	0.28
23.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chow Soon Meng (E-MLB/JPP)	700,000	0.27
24.	Lee Kim Seng	655,000	0.25
25.	Ahmad Ridwan Bin Abdullah	573,100	0.22
26.	Tan Tiong Hua	560,000	0.22
27.	Phan Choon Lean	558,000	0.22
28.	Yong Siew Yoon	480,000	0.19
29.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Chin Chai	432,500	0.17
30.	Peh Sew Chong	430,000	0.17

ADMINISTRATIVE DETAILS

For Shareholders/Proxies Attending The Sixty Eighth Annual General Meeting ("68th AGM")

DATE, TIME AND VENUE OF AGM

DATE : Thursday, 26 June 2025

TIME : 10.00 a.m.

Venue : Multi-Purpose Hall, Ground Floor, Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan

REGISTRATION

(a) The registration will commence at 8:00 am and will end at a time as directed by the Chairman of the AGM. At the closure thereof, no person will be allowed to register for the AGM and to enter the meeting venue and no identification tag (as referred to under item (f) hereinafter) will be allocated.

(b) Please read the signage to ascertain the registration counter to register yourself for the AGM and join the queue accordingly.

(c) Please produce your original identity card ("**IC**")/passport to the Share Registrar for verification. Kindly make sure you collect your IC/passport thereafter.

(d) After the verification, you are required to write your name and sign on the Attendance List placed at the registration counter.

(e) No person will be allowed to register on behalf of another person even with the original IC/Passport of that person.

(f) You will be given an identification tag upon verification and registration. Strictly only person with the identification tag and above the age of 18 will be allowed to enter the meeting venue. There will be no replacement in the event that you lose or misplace the identification tag.

(g) If you have any questions, please proceed to Help Desk Counter.

SEATING ARRANGEMENTS FOR THE AGM

(a) Shareholders and proxies are free to sit anywhere they please.

(b) Shareholders and proxies will be allowed to enter the meeting venue upon registration.

(c) All shareholders and proxies are encouraged to be seated at least ten (10) minutes before the commencement of the AGM.

MOBILE DEVICES

Kindly switch off or turn to silent mode all mobile devices (i.e. phones/pagers/other sound emitting devices) during the AGM to ensure smooth proceedings.

PERSONAL BELONGINGS

Kindly take care of your personal belongings. The organiser will not be held responsible for any loss of items.

PARKING

Outdoor parking is available all around the Sapura Building. The Security Guards on duty will guide you on your parking. Kindly park at your conveniences.

ADMINISTRATIVE DETAILS

For Shareholders/Proxies Attending The Sixty Eighth Annual General Meeting ("68th AGM")

NO DISTRIBUTION DOOR GIFTS

For the upcoming AGM, there will be no distribution of door gifts for Members/Proxies who participate in the AGM.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

REFRESHMENTS

Pre-packed food can be redeemed at the food counter, located next to the registration counter from 8:00 a.m. to 11:00 a.m.

VOTING PROCEDURE

The voting at the AGM will be conducted by way of poll.

ENQUIRIES

If you have any enquiries prior to the AGM, please contact the following persons during office hours from Monday to Friday (8:30 a.m. - 5:30 p.m.):-

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Email : BSR.Helpdesk@boardroomlimited.com

Sapura Resources Berhad

Puan Zalifah Zambrose/Encik Huzaifah Hibatur Rahman
Telephone No. : +603 8949 7000
Fax No. : +603 8949 7046

FORM OF PROXY

No. of Shares Held	
CDS Account No	
Telephone No.	

SAPURA RESOURCES BERHAD
[195701000235 (3136-D)]
(Incorporated in Malaysia)

I/We ____ (NRIC/Passport No.) ____________________
(Full name as per NRIC/Certificate of incorporation in CAPITAL letters)

of ____
(Full Address)

being a member of **SAPURA RESOURCES BERHAD**, hereby appoint ______________________________

____ (NRIC/Passport No.) ____________________
(Full name as per NRIC in CAPITAL letters)

of ____

and or failing *him/her ______________________________ (NRIC/Passport No.) ____________________
(Full name as per NRIC in CAPITAL letters)

of ____

or failing *him/her, the *Chairman of the Meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Sixty-Eighth ("**68th**") Annual General Meeting ("**AGM**") of Sapura Resources Berhad to be held at Multi-Purpose Hall, Ground Floor, Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Thursday, 26 June 2025 at 10:00 a.m., and any adjournment thereof and to vote as indicated below:

Resolution No.	Resolutions	For	Against
Ordinary Business:			
Ordinary Resolution 1	To approve the payment of Directors' fees of RM121,715.07 payable to Encik Ahmad Jauhari bin Yahya, Independent Non-Executive Chairman, for the financial year ended 31 January 2025.		
Ordinary Resolution 2	To approve the payment of Directors' fees of RM59,000 payable to Tan Sri Dato' Seri Shahril bin Shamsuddin, Non-Independent Non-Executive Director, for the financial year ended 31 January 2025.		
Ordinary Resolution 3	To approve the payment of Directors' fees of RM105,138.08 payable to Mr. Andrew Heng, Senior Independent Non-Executive Director, for the financial year ended 31 January 2025.		
Ordinary Resolution 4	To approve the payment of Directors' fees of RM101,000.00 payable to Dr. Yap Lang Ling, Independent Non-Executive Director, for the financial year ended 31 January 2025.		
Ordinary Resolution 5	To approve the payment of Directors' fees of RM77,235.63 payable to Encik Reza bin Abdul Rahim for his service as a Non-Independent Non-Executive Director during the period from 1 February 2024 to 9 October 2024.		
Ordinary Resolution 6	To approve the payment of Directors' fees of RM4,775.34 payable to Puan Nik Aisyah Amirah binti Mansor, Non-Independent Non-Executive Director, during the period from 10 January 2025 (date of appointment) to 31 January 2025.		
Ordinary Resolution 7	To approve the payment of Directors' fees of RM4,084.93 payable to Puan Aiza Azreen binti Ahmad, Independent Non-Executive Director, during the period from 10 January 2025 (date of appointment) to 31 January 2025.		
Ordinary Resolution 8	To approve the payment of Directors' benefits payable up to an amount of RM91,000.00 from 27 June 2025 until the date of the next AGM of the Company to be held in 2026.		
Ordinary Resolution 9	To re-elect Mr. Andrew Heng, who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers himself for re-election.		
Ordinary Resolution 10	To re-elect Dr. Yap Lang Ling, who retires by rotation in accordance with Clause 116 of the Company's Constitution and, being eligible, offers herself for re-election.		
Ordinary Resolution 11	To re-elect Puan Nik Aisyah Amirah binti Mansor, who retires in accordance with Clause 115 of the Company's Constitution and, being eligible, offers herself for re-election.		
Ordinary Resolution 12	To re-elect Puan Aiza Azreen binti Ahmad, who retires in accordance with Clause 115 of the Company's Constitution and, being eligible, offers herself for re-election.		
Ordinary Resolution 13	To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
Special Business:			
Ordinary Resolution 14	Retention of Encik Ahmad Jauhari bin Yahya as Independent Non-Executive Chairman.		
Ordinary Resolution 15	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Please indicate with an "X" in the space above how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

Dated this ______________ day of______________ 2025

____

Signature / Common Seal of Shareholder

** Strike out whichever is not applicable*

For appointment of two proxies, the percentage of shareholdings to be represented by the proxies:

	No of Shares	Percentage
Proxy 1		
Proxy 2		
Total		**100%**

Notes:

1. This is a physical AGM. Shareholders and/or proxies are invited to attend **in-person** only.
2. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 19 June 2025 (General Meeting Record of Depositors) shall be entitled to participate, speak and vote at this Meeting.
3. A member of the Company who is entitled to participate and vote at the meeting, shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy in relation to a meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid..
4. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to participate, speak and vote at the meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. Publication of Notice of 68th AGM on corporate website

   Pursuant to Section 320(2) of the Companies Act 2016 ("**the Act**"), a copy of this Notice together with the proxy form and Administrative Guide, are available at the corporate website of the Company at http://www.sapura-resources.com.
8. Appointment of Proxy(ies)

   The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. of 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e., not later than 24 June 2025 at 10:00 a.m. or adjournment thereof.
9. Alternatively, the proxy form can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com to login and deposit your proxy form electronically not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.

   The lodging of the Proxy Form does not preclude any shareholder from participating and voting at the meeting should any shareholder subsequently wish to do so, provided that a Notice of Termination of Authority to act as Proxy is given to the Company and deposited at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time stipulated for holding the meeting or any adjournment thereof.

   All resolutions set out in the Notice of the Meeting are to be voted by poll voting as per paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities via the RPV facilities.
10. Corporate Representatives

    As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to attend the 68th AGM pursuant to Section 333 of the Act. For this purpose and pursuant to Section 333(5) of the Act, the corporate member shall be provided a certificate under its common seal as prima facie evidence of the appointment of the corporate representative.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PLACE
STAMP HERE

The Share Registrar
BOARDROOM SHARE REGISTRARS SDN. BHD.
(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Fold here

Sapura Resources

SAPURA@MINES EVENT SPACES

Grand Hall

Host unforgettable events in our versatile multipurpose hall, accommodating up to 1,500 pax. Perfect for conferences, exhibitions, launches, or gala dinners, the hall offers a spacious layout, advanced AV systems, and customizable setups to suit any occasion. Make a grand impression with a venue built for scale and impact. Book now to bring your vision to life!

Training Room

Host impactful events in our spacious training room, designed to accommodate up to 150 pax comfortably. Perfect for seminars, workshops, and corporate sessions, the space offers modern AV equipment, flexible seating arrangements, and a professional ambiance. Elevate your training experience in a venue tailored for engagement, learning, and success. Book now to secure your ideal date!

Boardroom / Meeting Room

Elevate your meetings in our professional boardroom, ideal for executive discussions, presentations, and team collaborations. Designed for comfort and productivity, the space features modern AV tools, sleek furnishings, and a private, distraction-free environment. Perfect to impress your clients and inspire teams—book your meeting room today!

CONTACT US :

Email : CRMSRB@sapura.com.my
Web : https://sapuraproperty.com.my

Sapura Resources Berhad 195701000235 (3136-D)

ANNUAL REPORT **2025**

Sapura
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