

MEMORANDUM OF UNDERSTANDING BETWEEN SAPURA AUTOMOTIVE INDUSTRIES SDN BHD AND MUBEA FAHRWERKSFEDERN GMBH

1. INTRODUCTION

The Board of Directors of **SAPURA INDUSTRIAL BERHAD** (“the Company” or “SIB”) wishes to announce that its wholly owned subsidiary, **SAPURA AUTOMOTIVE INDUSTRIES SDN BHD [Company Registration No. 198101002480 (68594-W)]** had on 5 December 2024 entered into a Memorandum of Understanding (“MOU”) with **MUBEA FAHRWERKSFEDERN GMBH**.

2. INFORMATION ON SAPURA AUTOMOTIVE INDUSTRIES SDN BHD

SAPURA AUTOMOTIVE INDUSTRIES SDN BHD, a wholly owned subsidiary of SIB, was incorporated in Malaysia on 19 March 1981 and having its registered office at Lot 2 & 4, Jalan P/11, Seksyen 10, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan (hereinafter referred to as “SAI”). The nature of business of SAI is manufacture, sale and assemble of components for the automotive industry.

3. INFORMATION ON MUBEA FAHRWERKSFEDERN GMBH

MUBEA FAHRWERKSFEDERN GMBH, a company incorporated in Germany with its business address at Postfach 246, 57426 Attendorn, Germany (hereinafter referred to as “MUBEA”). MUBEA is an innovative lightweight specialist for high-strength spring components and related products.

4. SALIENT TERMS OF THE MOU

4.1 Purpose of MOU

The Parties agree to enter into this MOU for the purpose of setting up a long-term technical cooperation to assist SAI in producing suspension coil springs and hollow stabilizer bars (“Products”), using MUBEA’s Technical Know-How and Technical Assistance within Malaysia (“Proposed Collaboration”). The Proposed Collaboration will be subject to the Parties negotiating and entering into definitive agreements for the licensing and use of the Technical Know-How by SAI and provision of Technical Assistance by MUBEA (“Definitive Agreements”).

4.2 Exclusivity of Negotiations

The MOU establishes an exclusivity period for the Parties' discussions, which will run from the date of execution of the MOU until 31 January 2025 (which is the deadline for entry of the Definitive Agreements).

4.3 Status of the MOU

Until the Definitive Agreements are concluded and executed by the Parties, the MOU does not create any legally binding obligations on the Parties save for clauses related to confidentiality, expenses for the preparation of the Definitive Agreements, exclusivity of negotiations, governing law and disputes.

5. RATIONALE OF THE MOU

The MOU allows the Parties to lay the foundation of negotiating the terms of the Proposed Collaboration.

6. APPROVAL REQUIRED

The execution of the MOU is not subject to the approval of the shareholders of SIB or any relevant regulatory authorities.

7. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO DIRECTORS OR MAJOR SHAREHOLDERS

None of the Directors and/or major shareholders of SIB and/or person connected with a director or major shareholder of SIB have any interest, direct or indirect in the MOU.

This announcement is dated 5 December 2024