RESERVOIR LINK

PIONEERING ENERGY TRANSFORMATION

Annual Report 2024

Basis of This Report

This Annual Report covers the operations of the group of companies within Reservoir Link Energy Bhd ("RLEB") for a financial year from 1 July 2023 to 30 June 2024 ("FY2024"). We offers insights into our investment rationale, accompanied by analyses of our strategic approach, business accomplishments, governance, and prospective outlook.

For more information:

Scan the QR code to view our AR online
www.reservoirlink.com

Ninth (9th) Annual General Meeting ("AGM")

Ninth (9th) Annual General Meeting ("AGM") of Reservoir Link Energy Bhd ("RLEB" or "the Company") will be conducted entirely on a fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my.

3 December 2024 **10.00 a.m.**

PIONEERING ENERGY TRANSFORMATION

To achieve a cover design which reflects the brand identity and convey the essence of the Group's view on energy transition to renewable energy, a series of sketched Reservoir Link's product and services images on the background and imprinted on the orange-blue swirl-like flare design, portrays the Group's progression in transitioning between traditional oil & gas and renewable energy in the energy landscape. Having grown from strength to strength, Reservoir Link strategic approach positions us for long-term success in a dynamically evolving energy market with a commitment to a brighter, more sustainable future for all.

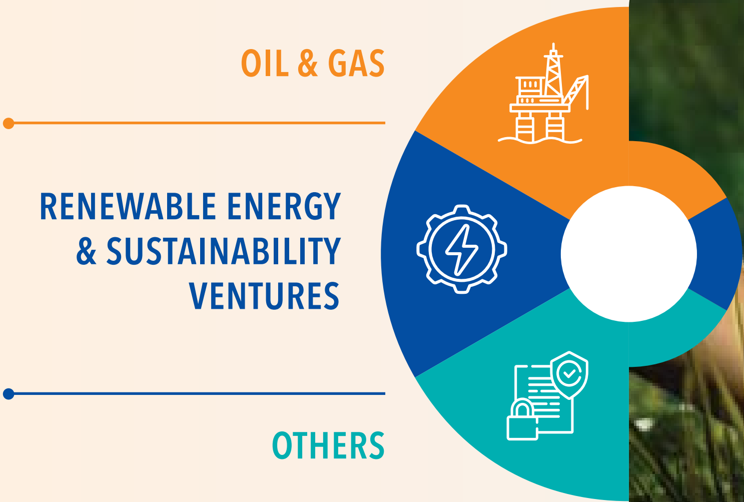
Contents

Corporate Profile

RESERVOIR LINK ENERGY BHD IS AN ENERGY RELATED SERVICES PROVIDER FOCUSING ON OIL & GAS AND RENEWABLE ENERGY & SUSTAINABILITY DIMENSION INDUSTRY.

Established in 2008, we achieved rapid growth in portfolio that covers all stages of wells suitably to be functional, perforate the well to allow the well to produce hydrocarbon, wash and cement services as part of plug and abandonment services to seal the well when it reaches the end of its useful life. Today at Reservoir Link Group, we actively provide services for well perforation, leak repair, testing, wash and cement as well as wireline services. We are also involved in providing improved oil recovery services, laboratory studies & expert interpretative services on flow assurance & formation damage, sand management solutions and manpower supply.

The Group ventures into renewable energy industry in 2021 as an engineering, procurement, construction and commissioning (EPCC) contractor and project investor for large scale solar plants and commercial & industrial properties. Our services in solar renewable energy segment includes solar energy engineering, supply and installation of Solar PV mounting structure, solar energy construction and installation, solar rooftop installation and other engineering works involving civil, structural, mechanical and electrical engineering.



Corporate Profile

Vision

To build sustainable enterprise throughout the energy sector, focussed in Malaysia with equitable International presence.

Mission

We focus on technological innovation, unparalleled customer service and providing high quality solutions to enhance value and return for our customers.

Committed in achieving sustainability goals that meet the growing energy needs in a safe, environmentally responsible, social sensitive and profitable way.

Shared Values

INTEGRITY
Work Ethics | Professionalism | Governance | Honesty

LEADERSHIP
Respect | Competency | Teamwork | Innovation

EXCELLENCE
Quality | Performance | Delivery | Efficiency | Trustworthy

SUSTAINABILITY
Profitability | Growth | Environment | Resources

Key Milestone

2008
> Incorporation of Reservoir Link Engineering Sdn Bhd and later changed to Reservoir Link Sdn Bhd ("RLSB") in 2012.

2009
> RLSB obtained Petronas licence.
> Secured our first project in Vietnam.
> Secured a total number of three contracts.

2014
> Reservoir Link Energy Bhd was incorporated as an investment holding company.

2015
> Acquisition of a 100% stake in Amsito Oilwell Services (Malaysia) Sdn Bhd, a provider of wireline services.

2018
> Reservoir Link Solutions Sdn Bhd ("RL Solutions") obtained Petronas licence and commenced its operations.

2020
> Listed on the ACE Market of Bursa Malaysia Securities Berhad on 15 July 2020.

2021
> Acquisition of a 51% stake in Founder Energy Sdn Bhd, EPCC of the Solar Photovoltaic Project.

2022
> Formed a joint venture with EDPR Sunseap.
> Transfer listing from ACE to Main Market of Bursa Securities.

2023
> Secured a Wastewater Treatment contract with PT Unilever Oleochemical Indonesia and expanded into sustainability dimension.

2024
> Acquisition of a 100% stake in SAG Renewable Sdn Bhd.
> Founder Group Limited listed on NASDAQ.

OIL & GAS

RESERVOIR LINK IS PRIMARILY A PROVIDERS OF OIL & GAS WELL SERVICES THAT SUPPORT OPERATORS IN THE UPSTREAM OF THE OIL & GAS INDUSTRY.

We emerged as a driving force in the upstream oil and gas industry through years of perseverance. Once a foreign-dominated industry, we realised that in order to be competitive, we must evolve our upstream capabilities beyond perforation solutions.

Adding new services and solutions is not enough. It needs to be well executed with accuracy and safety, two important elements in a highly complex industry.

The Group is involved in providing Oil and Gas well services, focusing on the perforation of wells to initiate oil and gas flow during the exploration, appraisal, and development stages, enhancing the output during the production stage, and sealing the well during the end-of-life stage when the well reaches its useful life or is no longer economically feasible to continue production.

Our intervention continued to improve oil recovery services, laboratory studies, expert interpretative services on flow assurance and formation damage, sand management solutions, and manpower supply.

For more information:

Scan the QR code to know more about our Oil and Gas product and services.
https://reservoirlink.com/oil-gas/

Corporate Profile

RESERVOIR LINK IS PRIMARILY A PROVIDER OF OIL & GAS WELL SERVICES THAT SUPPORT OPERATORS IN THE UPSTREAM OF THE OIL & GAS INDUSTRY.

PRODUCT & SERVICES

Production Enhancement & Flow Assurance

- Well Perforating
- Chemically Enhance Production & Flow Assurance
- Sand Management & Consultancy

Well Abandonment

- Perf, Wash & Cement
- Facilities & Decommissioning
- Subsea Wellhead Cutting & Removal
- Conductor Removal
- Well Suspension Plug

Production Services

- Modular Water Injection
- Wellhead Desander
- Pig Trap System

Well Intervention

- Wireline Services
- Data Logging & Interpretation
- Well Leak Diagnostic & Repair
- Modular Light Weight Pumping
- Wellhead Maintenance

Testing & Measurement

- Well Testing
- Metering Calibration
- Early Production System
- Tracer/Marker's Technology for Production Logging & Allocation

Well Construction

- Autonomous Inflow Control Device (AICD)
- Boron Sand Screen
- Auxiliary Cementing Accessories
- Fishing Equipment

New Technology Product & Services

- R&D Collaboration with Universities for New Technology Development
- Geochemical & CCUS Expert Advisory Solutions
- Slim Retrievable Downhole Heater for Wells

Manpower Supply

- Skilled & Professional Manpower
- Visa & Work Permit
- Project Management Team
- General Worker for General Industries

Corporate Profile

RENEWABLE ENERGY & SUSTAINABILITY VENTURES

EXPLORING PROFITABLE GROWTH OPTIONS IN LOW-CARBON BUSINESS: VENTURES INTO RENEWABLE ENERGY SPACE.

Growth potential in the renewable energy segment is huge, as the government is committed to increasing the share of renewable energy in the national installed capacity mix to 31% by 2025, which is 18,000 MW compared to the existing 8,700 MW, and 40% by 2035.

We are one of the largest solar installation company by project size in Malaysia and have a solid track record. Founder Energy, a subsidiary of the Group, previously operated as Solar Bina Engineering since 2015, with the team having more than 10 years of industry experience.

We are also a major supplier of solar PV mounting structural systems that are designed in-house and the sole supplier and implementor of ground-mounted tracking systems in Malaysia. Our ability to invest in and implement solar PV projects end-to-end promotes business synergy, increases cost efficiency and strengthens our credibility as a solar installer.

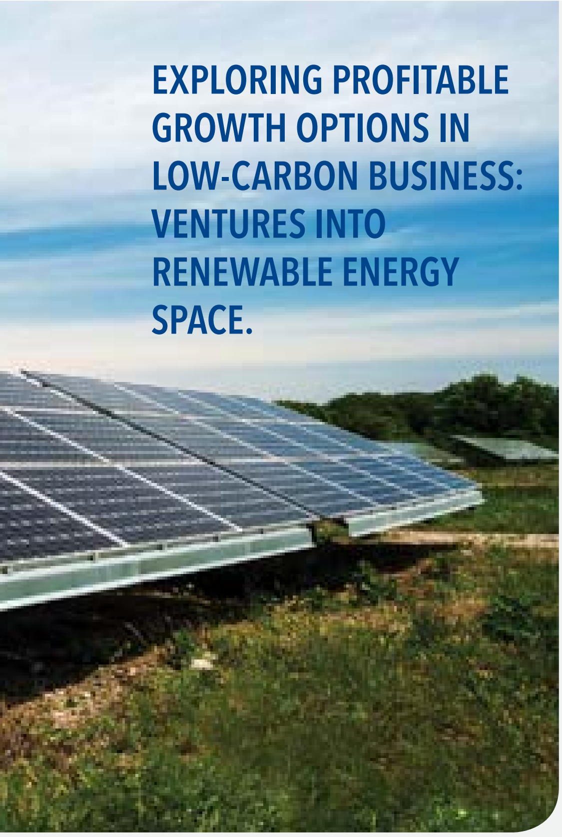
As part of our efforts to integrate environmental, social, and corporate governance (ESG) considerations into our clients' and our own businesses, we continued to pursue growth in our renewable energy segment by forming joint ventures with strategic partners.

For more information:

Scan the QR code to know more about our Renewable Energy and Sustainability Ventures product and services.
https://reservoirlink.com/renewable-energy/

Corporate Profile

EXPLORING PROFITABLE GROWTH OPTIONS IN LOW-CARBON BUSINESS: VENTURES INTO RENEWABLE ENERGY SPACE.



The Group's subsidiary, Reservoir Link Renewable, formed a joint venture, RL Sunseap Energy, with EDPR Sunseap in which Reservoir Link Renewable holding a 51% stake. EDPR Sunseap is part of EDP Renewables, one of the world's largest renewable energy producers. Through this collaboration, we will co-develop, build, own, and operate rooftop and ground- mounted solar PV projects in Malaysia.

In an effort to increase the Group's income while also diversifying our earnings base, we have expanded into wastewater treatment services as well as EPCC of wastewater treatment plants.

We also evolved our upstream capabilities to reach out to other new markets, whether in hydropower, biogas, biomass, or geothermal, to ensure the sustainability of the business.

RENEWABLE ENERGY & SUSTAINABILITY VENTURES

Solar PV EPCC

- Solar Energy Engineering
- Solar PV Mounting Structural System
- Solar Energy Construction & Installation
- Solar Rooftop Installation for Commercial & Industrial

Solar PV Investor

- Solar Rooftop Investor for Commercial & Industrial
- Corporate Green Power Programme (CGPP)
- Large Scale Solar (LSS)

Wastewater Treatment

- Build, own, operate and maintain (BOOM) model of wastewater treatment plant

Hydropower

- Hydropower plant with capacity to generate up to 12 MW

Corporate Information

BOARD OF DIRECTORS (BOD)

Datuk Tai Hee

Non-Independent Non-Executive Chairman

Thien Chiet Chai

Non-Independent Executive Deputy Chairman

Dato' Wan Hassan Bin Mohd Jamil

Group Chief Executive Officer/ Managing Director

Dato' Ahmad Rizal Bin Abdul Rahman

Independent Non-Executive Director

Siti Zurina Binti Sabarudin

Independent Non-Executive Director

Elain Binti Lockman

Independent Non-Executive Director

AUDIT COMMITTEE (AC)

Dato' Ahmad Rizal Bin Abdul Rahman **(Chairman)**
Siti Zurina Binti Sabarudin
Elain Binti Lockman

REMUNERATION AND NOMINATION COMMITTEE (RNC)

Siti Zurina Binti Sabarudin **(Chairman)**
Dato' Ahmad Rizal Bin Abdul Rahman
Elain Binti Lockman

RISK MANAGEMENT COMMITTEE (RMC)

Thien Chiet Chai **(Chairman)**
Dato' Ahmad Rizal Bin Abdul Rahman
Siti Zurina Binti Sabarudin

COMPANY SECRETARY

Wong Youn Kim (MAICSA 7018778)
(SSM Practising Certificate No. 201908000410)
Synergy Professionals Group Sdn Bhd
Unit No. EL-11-01
Amcorp Business Suite
Menara Melawangi
Pusat Perdagangan Amcorp
No. 18, Jalan Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan
Telephone No : (60) 17 622 9303
Email Address:
synergyprofgroup@gmail.com

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

E-33-01, Menara SUEZCAP 2
KL Gateway, No. 2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Wilayah Persekutuan
Kuala Lumpur
Telephone No : (603) 2711 2128
Facsimile No : (603) 2711 2120
Email Address:
investor.relation@reservoirlink.com
Website : https://reservoirlink.com

REGISTERED OFFICE

E289, 1st Floor, Block E
iCom Square, Jalan Pending
93450 Kuching, Sarawak
Telephone No : (6082) 248 491
Facsimile No : (6082) 253 857

AUDITORS

Nexia SSY PLT
UOA Business Park
Tower 3, 5th Floor, K03-05-08
1 Jalan Pengaturcara U1/51A
Section U1, 40150 Shah Alam
Selangor
Telephone No : (603) 5039 1811
Facsimile No : (603) 5039 1822

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
Telephone No : (603) 7890 4700
Facsimile No : (603) 7890 4670

PRINCIPAL BANKERS

Ambank (M) Berhad
Aminvestment Bank Berhad
Affin Hwang Asset Management Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : RL
Stock Code : 0219
Sector : Energy

Corporate Structure

RESERVOIR LINK ENERGY BHD
(Registration No.: 201401044508 (1120690-K)

Board of Directors

1
2
3
4
5
6

Elain Binti Lockman
Independent Non-Executive Director
1

Dato' Wan Hassan Bin Mohd Jamil
Group Chief Executive Officer / Managing Director
2

Dato' Ahmad Rizal Bin Abdul Rahman
Independent Non-Executive Director
3

Datuk Tai Hee
Non-Independent Non-Executive Chairman
4

Thien Chiet Chai
Non-Independent Executive Deputy Chairman
5

Siti Zurina Binti Sabarudin
Independent Non-Executive Director
6

Directors' Profile

Datuk Tai Hee

Non-Independent
Non-Executive Chairman

61 years of age | Male | Malaysian

Date Appointed to the Board:
31 May 2019

Length of Tenure:
5 years and 1 month

Datuk Tai Hee is the Group's Non-Independent Non-Executive Chairman. He obtained his Bachelor of Science (Honours) in Computer Information Systems Design from Kingston University London, United Kingdom in 1987. He joined Pansar Computer Services Sdn Bhd (a company in Pan Sarawak group of companies) in 1988 as a Division Manager of the Computer Services Division.

He held various positions from a Division Manager to the Executive Director of the Computer Services Division before being promoted to Group Executive Director in Pan Sarawak group of companies in 1996. He was subsequently promoted to the position as its Group Managing Director in 2011. He has been the Managing Director of Pansar since 2010, which is listed on the Main Market of Bursa Securities and he sits on the board of private companies. He gained extensive experience via his exposure helming the Pan Sarawak's diversified group of companies spanning wide ranging industries such as the building and construction industry, hospitality and travel, information technology, insurance agency, manufacturing of building materials, marine and industrial engineering, mechanical, electrical and civil engineering, retail mall management, shipping and timber processing, environmental waste management and oil palm plantations.

Over the past decades, he has been active in trade delegations, missions and working visits to many countries representing Malaysia, Sarawak and Pan Sarawak group of companies in various industries. He is a member of the Malaysia Japan Economic Association since 2012 and represents Malaysia as a board member in the East Asia Business Council Malaysia since 2016. He was a member of the Employers Panel of the Industrial Court representing employers from 2007 until 2012 and presently a member of Malaysia Crime Prevention Foundation Sarawak since 2007, Sarawak Tourism Board since 2012 and Sarawak Taekwondo Federation since 1997.

He served as Chairman of Sarawak United National Youth Organisation (Saberkas) Sibu District from 2003 to 2011 and Vice President of State wide Saberkas from 2006 to 2012. He is the Vice Chairman of Special Olympics Sarawak since 2004 as well as its Chairman in Sibu since 2000.

For his contributions to Sarawak and Malaysia, he was decorated with Ahli Bintang Sarawak (ABS) in 2001, Panglima Bintang Sarawak (PBS) in 2006, Johan Bintang Kenyalang (JBK) by the Governor of Sarawak in 2012 and in 2016, he was conferred the federal award of Panglima Jasa Negara (PJN) which carries the title Datuk by the Yang Di Pertuan Agong.

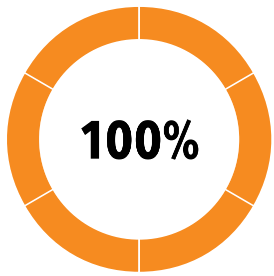
He currently serves as the Managing Director of Pansar Berhad, a company listed on the Main Market of Bursa Securities. Datuk Tai is the brother of Dato' James Tai Cheong and uncle of David Tai Wei who are the substantial shareholder of Reservoir Link.

He has no family relationship with other Directors and/or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, he has not been convicted of any offences within the past five (5) years other than traffic offences.

Membership of Board Committee:

- AC
- RNC
- RMC

Board Meetings Attended:



Total:
6/6

1
2
3
4
5
6

Directors' Profile

Thien Chiet Chai

Non-Independent Executive Deputy Chairman

57 years of age | Male | Malaysian

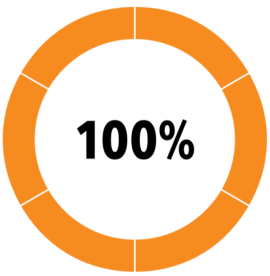
Date Appointed to the Board:
2 December 2014

Length of Tenure:
9 years and 7 months

Membership of Board Committee:

- AC
- RNC
- **RMC** (Chairman)

Board Meetings Attended:



Total:
6/6

Thien Chiet Chai is the Group's Non-Independent Executive Deputy Chairman. He started his career with Halliburton Energy Services (M) Sdn Bhd ("Halliburton") in 1989 as a trainee for cementing services. During his employment with Halliburton, he pursued part time studies to obtain his Diploma in Business and Management from SEGi College, Malaysia ("SEGi") in 2006.

He left Halliburton in 2007 as its Country Manager for South East Asia, responsible for testing tools and services, perforation services, maintaining customer contact and developing and implementing local products and services.

In 2007, he ventured into his own business by setting up Thimi Resources Sdn Bhd (formerly known as Reservoir Link Resources Sdn Bhd) ("Thimi Resources") which was involved in the trading of industrial products and contractor work. With his exposure and experience in the upstream of the O&G industry, he ceased the operations of Thimi Resources in 2008 and joined Reservoir Link Sdn Bhd as Executive Director. He is responsible for developing and implementing growth strategies and establishing the Group's vision, mission and value. He supports the Chairman of the Group and also assists in high level business development and customer relations.

He does not hold any directorship in any other public company. He has no family relationship with other Directors and/or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, he has not been convicted of any offences within the past five (5) years other than traffic offences.

Directors' Profile

Dato' Wan Hassan Bin Mohd Jamil

Group Chief Executive Officer/ Managing Director

50 years of age | Male | Malaysian

Date Appointed to the Board:
2 December 2014

Length of Tenure:
9 years and 7 months

Dato' Wan Hassan Bin Mohd Jamil is the Group's Chief Executive Officer/Managing Director. In 1997, he obtained his Bachelor's Degree in Petroleum Engineering from the University of Technology Malaysia. In the same year, he began his career in the O&G industry in Geoeast (M) Sdn Bhd as a Welltest Engineer.

He left the company to join Dimension Bid (M) Sdn Bhd ("Dimension Bid") in 1998 as a Field Engineer that kicked- off the Data Acquisition Services Department, where he rose to the position of Data Acquisition Services Manager. His experience during his tenure with Dimension Bid included bottomhole pressure survey, pressure transient analysis, production logging, multifinger caliper logging and slickline services.

He left Dimension Bid in 2003 to join Geowell Sdn Bhd as a Technical Manager, leading the company's technical division in providing slickline and data acquisition technical services where his last position was as an Operations Director.

In 2010, he joined Reservoir Link Sdn Bhd as an Executive Officer. He assumed his current position as Chief Executive Officer in 2012, where he is responsible for leading and managing the Group in accordance with the strategic direction and vision developed by the Board.

He is also an Adjunct Professor and Industrial Panel Advisor in University of Malaysia Pahang in Mechanical Engineering since February 2019.

He does not hold any directorship in any other public company. He has no family relationship with other Directors and/or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, he has not been convicted of any offences within the past five (5) years other than traffic offences.

Membership of Board Committee:

- AC
- RNC
- RMC

Board Meetings Attended:

100%

Total:
6/6

Directors' Profile

Dato' Ahmad Rizal Bin Abdul Rahman

Independent Non-Executive Director

55 years of age | Male | Malaysian

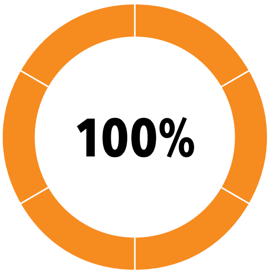
Date Appointed to the Board:
13 June 2022

Length of Tenure:
2 years and 1 month

Membership of Board Committee:

- AC (Chairman)
- RNC
- RMC

Board Meetings Attended:



Total:
6/6

Dato' Ahmad Rizal Bin Abdul Rahman is the Group's Independent Non-Executive Director. He had more than 30 years of experience under his belt, specifically in business, strategy, corporate finance and operations. An accountant by profession, he started his career as an auditor and business advisor where he was involved in creating business strategies and implementing them in various corporate sectors such as manufacturing, financial & investment services, property & development, construction, independent power plant and oil & gas.

He graduated from MARA Institute of Technology, Shah Alam with a Diploma in Accountancy in June 1990. He furthered his study in Advanced Diploma in Accountancy at MARA Institute of Technology, Shah Alam and graduated in November 1992. He completed his professional qualification with Malaysian Institute of Accountants for a Chartered Accountant in June 2001.

Additionally, in November 2014, he has done an Honorary Fellowship at International Institute of Plantation Management, Malaysia. In June 2017 he was awarded a certificate of completion for the Leaders in Development: Managing Change in a Dynamic World at John F. Kennedy School of Government at Harvard University Executive Education. He completed his professional qualification for Associate Chartered Global Management Accountant ("CIMA") in United Kingdom in May 2018. Lastly in August 2018, he received a Fellow Chartered Global Management Accountant ("CIMA").

He started his career in December 1992 as an Audit Assistant - Audit Senior for Al Jefri & Co until May 1993 and later in June 1993, he joined KPMG Peat Marwick for the same position. In October 1996 until February 1998, he furthered his career became a Corporate Finance Executive for Commerce International Merchant Bankers Berhad. Later he became an Assistant Manager, Finance at Natseven TV Sdn Bhd from March 1998 until June 1998. He was appointed as the Managing Consultant for KPMG Corporate Services Sdn Bhd from July 1998 to June 2000. From July 2000 to December 2001, he was the Head of Corporate Affairs for MSC Trustgate.com Sdn Bhd and later he joined Germanischer Lyod from January 2002 until July 2003 as a Financial Advisor.

In July 2003, he became a Freelance Consultant until December 2007 in providing consulting in Corporate Finance related activities for financing purposes to companies and few high net worth individuals including involved in compliance and Internal audit review. From February 2008 to September 2010, he has been appointed as the Chief Operating Officer for VIDA Springboard Sdn Bhd and then became a Group Chief Executive Officer for Kumpulan Perbadanan Pembangunan Pertanian Negeri Perak (Perak State GLC) in October 2010 to 30 September 2018. Later he returned as a Freelance Consultant in October 2018 until June 2021. He was a Chief Executive Officer for Mardec Berhad from July 2021 to June 2023.

He was appointed on the Board of Labtech Berhad (a company listed on the Main Market of Bursa Securities) as an Independent Non-Executive Director on 21 April 2022. He was also appointed as an Independent Non-Executive Director on the Board of Turiya Berhad on 4 July 2024. He has no family relationship with other Directors and/or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, he has not been convicted of any offences within the past five (5) years other than traffic offences.

Directors' Profile

Siti Zurina Binti Sabarudin

Independent Non-Executive Director

48 years of age | Female | Malaysian

Date Appointed to the Board:
31 May 2019

Length of Tenure:
5 years and 1 month

Siti Zurina Binti Sabarudin is the Group's Independent Non-Executive Director. In October 2000, she obtained her Bachelor of Laws from the International Islamic University of Malaysia. In January 2001, she began her career as a law lecturer at Kemayan Advance Tertiary College (ATC), Kuala Lumpur.

In December 2001, she underwent her pupillage at Messrs Azmi & Associates before being admitted as an Advocate & Solicitor of the High Court of Malaya on 13 December 2002. She continued to practice at Messrs Azmi & Associates until February 2003. In March 2003, she joined Puncak Niaga Sdn Bhd (a subsidiary of Puncak Niaga Holdings Berhad) as a legal executive, advising the operations division on matters pertaining to maintenance related services for water treatment plants. She was also involved in negotiating the concession for the operations and management of all water treatment plants in Kuala Lumpur, Selangor and Putrajaya, as well as the supply and distribution of water to consumers in the aforementioned states.

She joined Messrs Foong & Partners in June 2005 as their Legal Associate and was involved in initial public offering exercises and corporate commercial matters. In June 2006, she joined SapuraCrest Petroleum Berhad (a company listed on the Main Market of Bursa Securities) as their Legal Executive, advising on matters pertaining to tenders and operational contracts, and managing contractual disputes.

From July 2007 till October 2010, she was employed in Messrs Deol & Gill as Legal Associate, where she attended to capital market assignments including setting up of venture capital funds, delisting exercises of public listed companies and venture capital investments. From November 2010 till February 2012, she was employed in Messrs Abu Talib Shahrom as their Senior Associate and was subsequently promoted as a Partner in March 2012.

In August 2012, she joined Messrs Zul Rafique & Partners as a Partner. Subsequently, in December 2012, she joined Messrs Azmi & Associates as its Partner, notably advising on initial public offerings and take-over matters, as well as venture capital/ private equity investments.

In October 2016, she founded her own legal firm, Law Office of Zurina & Noreeta, specialising in venture capital funds, investments and fintech advisory. Whilst she was still a partner at the firm, the firm changed its name to Messrs Zurina in 2017.

In August 2019, she ceased legal practice to focus on her business that she co-founded, AFS Assist Sdn Bhd (formerly known as Aidforstartup Ventures Sdn Bhd), which connects and provides companies access to service providers such as company secretarial, accounting, taxation and legal services including venture capital firms.

In March 2020, she resumed legal practice and is currently a partner at Messrs Zurina.

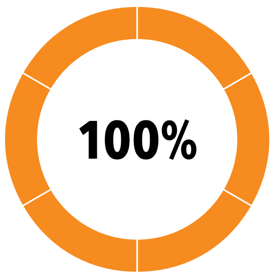
Zurina is also the Managing Director of Audra Capital Sdn Bhd, a venture capital fund that focuses on funding high growth companies.

She does not hold any directorship in any other public company. She has no family relationship with other Directors and/or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, she has not been convicted of any offences within the past five (5) years other than traffic offences.

Membership of Board Committee:

- AC
- RNC (Chairman)
- RMC

Board Meetings Attended:



Total:
6/6

Directors' Profile

Elain Binti Lockman

Independent Non-Executive Director

56 years of age | Female | Malaysian

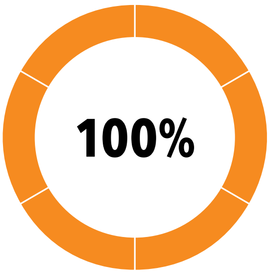
Date Appointed to the Board:
31 May 2019

Length of Tenure:
5 years and 1 month

Membership of Board Committee:

- AC ●
- RNC ●
- RMC ○

Board Meetings Attended:



Total:
6/6

Elain Binti Lockman is the Group's Independent Non-Executive Director. In 1991, she obtained a Bachelor of Science (in the field of study of Actuarial Science) and subsequently, a Master of Science in Operational Research in 1992 from The London School of Economics and Political Science.

She started her career with Petronas from 1993 till 1995 as its Petroleum Economist in the Exploration and Production Division, responsible for developing feasibility models for various oil and gas production sharing contracts as well as analysing the impact on petroleum tax on revenue and profitability. In 1995 till 1996, she was promoted as a Business Analyst where she was responsible for reviewing Petronas Carigali's selected local and international businesses and operations, strategies and planning for improvement in operational and business processes, human resource development and new business development.

From 1997 until 2015, she was employed by various organisations in senior management positions, namely Senior Manager, Business Development and International Affairs in Multimedia Development Corporation Sdn Bhd (February 1997 to August 2001), Director of e-Business Strategy in Global B2B2C.com Sdn Bhd (September 2001 to May 2012), Knowledge Management Consultant in iPerintis Sdn Bhd (July 2002 to October 2003), Vice President of the Managing Director/ Chief Executive Officer's Office in Malaysia Debt Ventures Berhad (November 2003 to February 2005), Chief Operating Officer in Gyro Venture Partners Sdn Bhd (March 2005 to March 2006), a Partner in E&E Good Works (May 2011 to December 2012), Director of Special Projects in MSC Management Services Sdn Bhd (May 2012 to October 2014) and Head of Business Development, Sales and Marketing in The Ai Group Sdn Bhd (February 2015 to June 2015).

Her exposure provided her with diverse experiences from developing sales and marketing strategies, establishing startup companies, project management, strategy development to business consulting in the areas of joint ventures, mergers and acquisitions, corporate communications strategies and planning, among others.

Between 2006 and 2011, she was engaged on retainer basis with the following companies:

a) from June 2006 to June 2011 - The Media Shoppe Bhd (a company listed on the ACE Market of Bursa Securities) (as Director of Business Development) responsible for business development;
b) from January 2007 to December 2008 - Digi Telecommunications Sdn Bhd (as Enterprise Business Senior Consultant) responsible for enterprise business marketing for new products and services;
c) from January 2009 to December 2010 - Packet One Networks (Malaysia) Sdn Bhd (as Associate Director for Business Development and Special Projects) responsible for developing concepts and strategies for the underserved communities; and
d) from November 2010 to October 2011 - Green Science Sdn Bhd (as Director) responsible for developing the carbon management business.

In May 2015, she co-founded Ata Plus Sdn Bhd, an equity crowdfunding platform regulated by and registered with the SC. She is currently the Executive Director of Ata Plus Sdn Bhd.

She was appointed on the Board of Propel Global Berhad (Previously Known as Daya Materials Berhad a company listed on the Main Market of Bursa Securities as an Independent and Non-Executive Director on 17 December 2020. She has no family relationship with other Directors and/ or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, she has not been convicted of any offences within the past five (5) years other than traffic offences.

Senior Management Team

BONG LEONG SUNG
Group Chief Financial Officer
Date of Appointment: 16 April 2021

Academic/Professional Qualifications:
- Bachelor of Accounting, University of Malaya, Malaysia
- Member of the Malaysian Institute of Accounts
- Member of the Malaysian Institute of Certified Public Accountants

Working Experience:
Joined the Group as Financial Advisor in January 2021 and later in April 2022, he assumed his current position as Chief Financial Officer for the Group. Prior to joining the Group, he was the Group Chief Financial Officer at Uzma Berhad.

50	Male	Malaysian

MAD HAIMI BIN ABU HASSAN
Chief Executive Officer - RLSB
Date of Appointment: 1 November 2008

Academic/Professional Qualifications:
- Bachelor of Engineering (Electrical), University of Malaya, Malaysia

Working Experience:
Co-founded RLSB in 2008 and worked as Technical Manager. He has held various positions in the firm, the last being Executive Director before resuming position as Chief Executive Officer.

47	Male	Malaysian

ANWARUDIN BIN SAIDU MOHAMED
Chief Executive Officer - RL Solutions
Date of Appointment: 8 August 2018

Academic/Professional Qualifications:
- Bachelor of Mechanical Engineering, Petronas University of Technology
- Master of Science in Petroleum Engineering, Imperial College London, UK
- Chairman Society of Petroleum Engineers (SPE) – Kuala Lumpur Section
- Honorary Secretary Malaysian Oil Gas & Energy Services Council

Working Experience:
Joined the Group as Chief Technology Officer in 2018. He was also an Executive Director and a substantial shareholder at RL Solutions. Prior to that, he was a General Manager at Deleum Berhad, overseeing corporate and corporate relations matters.

44	Male	Malaysian

LEE SENG CHI
Chief Executive Officer – Founder Group
Date of Appointment: 25 August 2021

Academic/Professional Qualifications:
- Bachelor of Engineering (Honours) Electronic, majored in Telecommunications, Multimedia University, Malaysia

Working Experience:
Incorporated Founder Energy in 2021, a company that undertakes solar PV projects in Malaysia. Following the acquisition of 51% of its share capital by RLEB, Founder Energy became a subsidiary of RLEB. He then joined the Group as the Chief Executive Officer of Founder Energy. Prior to that, he was the founder and Chief Executive Officer of Solar Bina Engineering Sdn Bhd, which is involved in the supply of solar mounting system and provision of services for the installation of solar mounting system.

41	Male	Malaysian

Senior Management Team

MOHD FADZLI BIN HAMIDON

Chief Executive Officer - RL ProTec

Date of Appointment: 1 June 2022

Academic/Professional Qualifications:

- Bachelor's of Electrical Engineering, University of Tennessee, USA
- Board of Engineers (BEM) Malaysia
- Member of Society of Petroleum Engineers (SPE) – Kuala Lumpur Chapter

Working Experience:

Joined RL Protec in 2022 as Chief Executive Officer and Executive Director. Prior to that, he was Head of Business Operations at WHA Oil & Gas Sdn Bhd.

55	Male	Malaysian

MOKHTAR BIN HAJI ALI

General Manager, Group Corporate Services

Date of Appointment: 7 January 2020

Academic/Professional Qualifications:

- Bachelor of Management, University of Science Malaysia

Working Experience:

Joined the Group as Senior Manager for Contract & Corporate Services in 2020. In the same year, he was redesignated to General Manager, Corporate Services. Prior to joining the Group, he was General Manager for Corporate Resources at Deleum Oilfield Services Sdn Bhd.

50	Male	Malaysian

EE HOOD LIANG

General Manager, Business Development - RL Renewable

Date of Appointment: 15 July 2022

Academic/Professional Qualifications:

- Bachelor of Management, University of Science Malaysia

Working Experience:

Joined RL Renewable as General Manager for Business Development. Prior to that, he was the founder and Business Development Director for Skyline Titan Energy Sdn Bhd.

42	Male	Malaysian

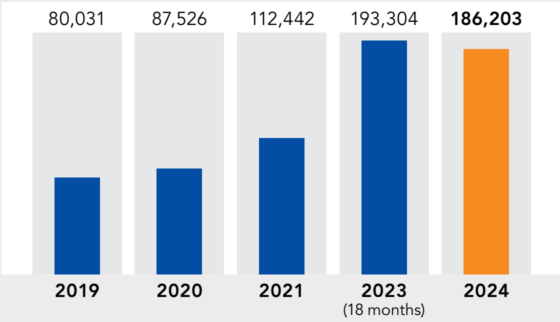
None of the Key Senior Management members above have:

- *Any directorship in public companies and listed issuers in Malaysia.*
- *Any family relationship with any Director and/or major shareholder of RLEB.*
- *Any conflict of interest with RLEB.*
- *Any conviction for offences within the past five (5) years other than traffic offences.*
- *Any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2023.*

Financial Highlights

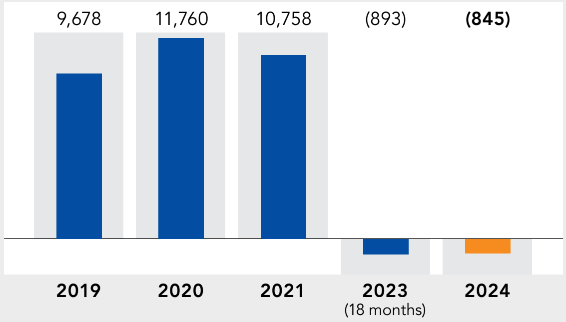
REVENUE (RM'000)

RM186,203



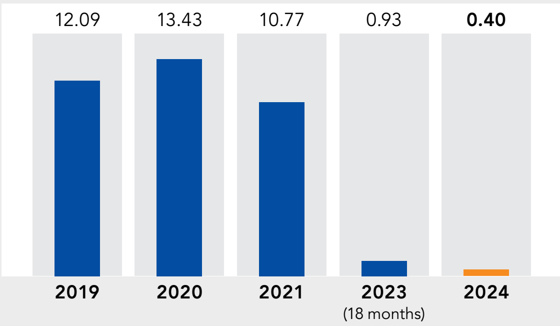
PATAMI (RM'000)

RM(845)



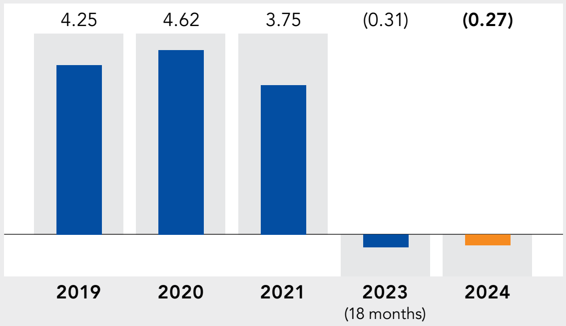
PAT MARGIN (%)

0.40%



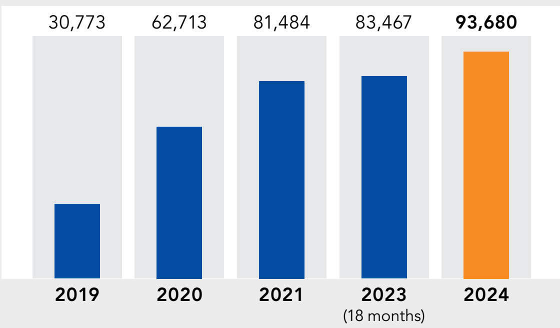
EARNING PER SHARE (CENTS)

(0.27) cents



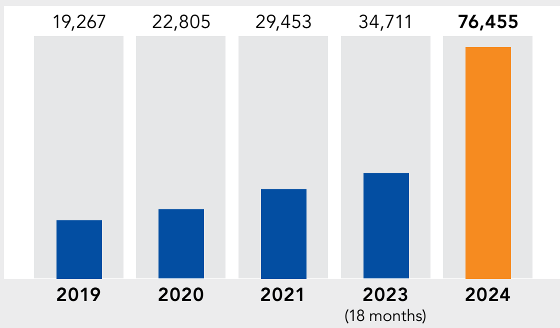
NET ASSET (RM'000)

RM93,680



PROPERTY, PLANT AND EQUIPMENT (RM'000)

RM76,455



Chairman's Statement

Dear Esteemed Shareholders,

On behalf of the Board of Reservoir Link Energy Bhd ("Reservoir Link", "the Group" or "the Company"), I am honoured to present the Annual Report and Audited Financial Statements for the financial year ended 30 June 2024 ("FY2024").

Despite facing a challenging global and domestic economic environment, we have successfully navigated through this period, demonstrating resilience, delivering a solid performance and achieving significant milestones that further position us for sustainable growth. Hence, I am honoured to share an overview of our progress during FY2024 and the strategic direction we are pursuing for the future.

DATUK TAI HEE

Non-Independent Non-Executive Chairman

Net Assets Per Share increased by

3.4% to **RM0.30**

Gearing Ratio remained at a healthy

1.3 times

Chairman's Statement

FY2024 proved a transformative year for the Group, in which we intensified our focus on renewable energy. We successfully navigated the complexities of a volatile global energy market, while also capitalising on emerging opportunities in renewable energy and sustainable infrastructure. Key among our achievements was the continued expansion of our renewable energy footprint, alongside the diversification into new areas such as wastewater treatment and hydropower. Such initiatives demonstrate our long-term vision and dedication to diversifying beyond traditional services into more sustainable concession-based ventures.

Our ability to secure several solar photovoltaic (PV) contracts further underscores our role as a key player in Malaysia's energy transition. These developments, along with our traditional oil and gas services, have fortified our foundation for long-term, sustainable growth.

A key priority for the Group in FY2024 has been the integration of Environmental, Social, and Governance ("ESG") principles into our operations. We are committed to advancing our ESG initiatives, recognising that they are not only critical to our sustainability but also essential in driving long-term value for all stakeholders.

In FY2024, our revenue of RM186.2 million showed a decrease of 3.7% resilient as compared to the 18-month financial period ending in FPE2023. Despite the decline, this result can be viewed as a commendable achievement given the circumstances of the two periods differ significantly in duration. The profit after tax decreased by 74.1% to RM0.74 million. Our ability to maintain a relatively stable revenue level reflects on our resilience and strategic focus. We remain committed to our growth initiatives and are confident in our potential to rebound and improve in the upcoming periods.

NAVIGATING CHALLENGES AND EMBRACING CHANGE

The financial period under review was characterised by a complex interplay of global and domestic challenges that significantly influenced the economic landscape. Globally, major economies like the U.S., European Union and China faced slower growth. This is further impacted by the geopolitical tensions with the ongoing Ukraine-Russia conflict, heightened further by the conflicts in the Middle East. This has created disruptions in global supply chain, and indirectly contributed to uncertainty in energy markets.

Chairman's Statement

Domestically, Malaysia grappled with weakening demand, cautious business investments, and a labour market mismatch, where the demand for skilled workers, particularly in technology and digital industries, outpaced supply. The Malaysian Ringgit experienced volatility due to external factors, including the strengthening of the U.S. dollar, further challenging the economy.

For the oil and gas sector in Malaysia, the period marked by both opportunities and challenges. While the sector remains vital for energy security and economic growth, it faces increasing pressure to align with global climate commitments. The sector is at a crossroads, balancing the need to continue traditional energy production with the race towards investment in low-carbon technologies and transition towards sustainable energy solutions. This balancing act was further complicated by fluctuating oil prices, regulatory changes, and the need to attract investment in a rapidly evolving global energy landscape.

To date, there has been considerable progress towards a sustainable energy future despite the geopolitical tensions, economic uncertainties, and the pressing need for climate action. This strategic direction has positioned the Group well while navigating the evolving energy landscape, at the same time capitalising on emerging opportunities in renewable energy segment.

FY2024'S FINANCIAL PERFORMANCE

Following the 18-month financial period ending 2023 (FPE2023), the Group has reverted to a 12-month financial period for FY2024, covering the period from 1 July 2023 until 30 June 2024.

For the FY2024, the Group recorded revenue of RM186.2 million compared to revenue of RM193.3 million for the FPE2023. This was primarily derived from the provision of oil and gas well services and renewable energy services. The oil and gas well services segment alone contributed RM73.7 million in FY2024, achieving a 20.2% increase over revenue of RM61.3 million in FPE2023. Our net assets per share increased by 3.4% to RM0.30, further strengthening our balance sheet. Additionally, the Group's gearing ratio remained at a healthy 1.3 times, ensuring that we are well-positioned to pursue new opportunities and strategic investments in the year ahead.

Our product and service diversification efforts have also paid off, with new offerings in the oil and gas sector, such as well completion and sand management, as well as in the spectrum of renewable energy. The wastewater treatment and solar assets has contributed RM3.1 million in FY2024, marking a significant milestone as these investments have begun generating recurring revenue, reinforcing the sustainability and long-term growth of our business.

To further enhance profitability and margins, we are focusing on cost efficiency, streamlining operations, improving supply chain management, and leveraging technologies that reduce operational cost.

ENHANCING SHAREHOLDERS' VALUE

Reservoir Link is dedicated to creating sustainable shareholder value through a strategic and adaptable approach. We are cognisant of the significance of dividends as a key component of our value proposition. The Board meticulously evaluates dividend distributions, considering factors such as profitability, available reserves, and working capital needs.

Beyond dividends, we actively pursue opportunities to enhance shareholder value. This includes strategic investments, operational efficiency improvements, and the adoption of innovative business practices that align with our core values and growth objectives.

STRATEGIC HIGHLIGHTS OF FY2024

Board's Goals and Objectives

In FY2024, the Board established several strategic objectives designed to drive sustainable growth and enhance the company's standing in the energy sector. A primary focus was on expanding the company's renewable energy and sustainability ventures, which was realised through the successful development of new projects in solar and wastewater

Chairman's Statement

treatment. These projects underscore our commitment to building a robust and diversified renewable energy presence.

Improving operational efficiency was another critical objective, with a focus on cost reduction and process optimisation across oil and gas, and renewable energy projects. Through meticulous planning and the implementation of best practices, we were able to enhance our profitability and overall project performance.

Strengthening our ESG and sustainability goals was also a key objective. By embedding ESG principles into our core strategies, we have made significant progress toward our sustainability goals, contributing to global efforts in combating climate change while ensuring long-term value creation for our stakeholders.

Addressing Challenges and Seizing Opportunities

FY2024 has been a pivotal year for Reservoir Link, characterised by a slower growth trajectory in the oil and gas sector due to various challenges including fluctuating commodity prices, policy dynamics and global economic uncertainties. Such obstacles often push businesses to innovate, optimise operations, and adopt new technologies to maintain or even improve their financial and operational outcomes, resulting in the achievement of significant performance milestones.

In response to the growing demand for renewable energy and our commitment to ESG principles, we have intensified our efforts to widen our renewable energy services and sustainability ventures. This includes significant growth in our solar energy projects and the successful execution of new wastewater treatment and acquisition of solar assets. These initiatives are aimed at creating stable, recurring income streams, aligning with our long-term vision of sustainable and diversified growth. Our entry into concession-based sectors, such as wastewater treatment and solar assets, has been a pivotal step toward securing long-term, stable income streams. These ventures, particularly in Indonesia, are aligned with our strategy of building a sustainable, diversified portfolio that generates consistent returns.

This is evident as the Group, through its wholly-owned subsidiary, has collaborated with a renowned global investment and renewable energy expert to become a solar power producer under the government-led Corporate Green Power Programme ("CGPP").

We strengthened our presence in the renewable energy sector, particularly in solar PV, where we secured multiple new contracts. These projects are not only commercially significant but also strategically important, as they align with Malaysia's national energy goals and global sustainability targets.

Business diversification has been a critical component of our strategy, allowing us to avoid over-reliance on a single product, service or customer segment. By diversifying into adjacent markets and persistent exploration on promising new revenue streams, we have stabilised our business performance even during economic downturns or disruptions. This approach has provided us with a more resilient business model and greater flexibility to adapt to changing market conditions.

Environmental Responsible Company

Over the past year, Reservoir Link has made substantial progress in generating significant non-financial value, which has notably deepened our relationships with stakeholders. Our commitment to environmental sustainability has been a central focus, reflected in our significant investments in renewable energy projects. To portray our commitment on this, we have invested in solar assets, serving as a concession owner in large-scale solar for commercial and industrial projects, contributing to the global climate goals.

Enhancing Employee Engagement

Recognising that our people are the cornerstone of our success, the Group has placed a strong emphasis on employee engagement and talent development. We have invested in training and development, promoted a healthy work-life balance, and offered mental health support, fostering a positive work environment.

To ensure streamlined communication and foster an effective working environment, we held a townhall session that encouraged open dialogue by allowing employees to ask questions, voice concerns, and provide feedback. Additionally, we took a proactive approach to our hiring practices by actively recruiting fresh graduates and providing them with comprehensive training to develop relevant skills in both operational and non-operational fields. This initiative not only creates job opportunities but also supports the well-being of our employees while enhancing their career growth.

Embedding Safety Culture

Our people are the heart of our operations, which is why ensuring their safety remains our utmost commitment. Aligned with the Company's zero-harm objective, we strive to embed a safe working environment as a core aspect of our culture.

Reflecting our unwavering commitment to Health, Safety, and Environment ("HSE"), we are proud to report that in FY2024, we achieved 214,151 man-hours without a Lost Time Incident ("LTI"), bringing our total to 1,451,902 LTI-free man-hours since 2009.

Chairman's Statement

This achievement underscores the effectiveness of our safety measures and strengthens our belief that a robust safety culture is essential for safeguarding our people, ensuring the reliability of our equipment, and upholding a safe working environment.

FY2024, we achieved
214,151
man-hours without a Lost Time Incident ("LTI").

CORPORATE GOVERNANCE AND STRATEGIC RISK MANAGEMENT

Advancing Good Governance Through Strategic Initiatives

In the past several years, corporate governance, ethics and integrity have increasingly taken centre stage in our agenda, reflecting the evolving expectations of our stakeholders and the complex environment in which we operate.

In FY2024, the Board has pursued this agenda proactively, underscoring our commitment to maintaining the highest standards of governance and risk management. We have prioritised the implementation of a robust anti-bribery and corruption practice, demonstrating our strong stance against unethical behaviour. This initiative is supported by both the Board and senior management, who have collectively ensured the effective implementation of an anti-bribery programme, complete with dedicated oversight and the assignment of a senior manager to spearhead these efforts.

Additionally, we have enhanced our ESG reporting, focusing on transparency in our environmental, social, and governance performance, particularly with regard to GHG emissions. This step is crucial not only for meeting regulatory requirements but also for providing our stakeholders with clear insights into our sustainability efforts.

Our commitment to financial integrity remains steadfast, as we continue to ensure that our financial disclosures and reporting are both accurate and timely, thereby reducing the risks of financial misstatements or fraud. Compliance with local and international regulations has been another key focus area, with the Board ensuring that our business practices align with the latest regulatory requirements across various domains, including competition, labour, and environmental impact.

To further strengthen our governance framework, we have implemented a comprehensive Enterprise Risk Management ("ERM") system designed to identify, assess, and mitigate risks across financial, operational, reputational, and compliance dimensions.

Sustainable Commitment

Sustainability remains a cornerstone of our business strategy. As the global energy landscape shifts towards cleaner, greener solutions, Reservoir Link is well-positioned to play a pivotal role in this transition. Our focus on expanding renewable energy capacity, coupled with a commitment to corporate governance and responsible business practices underscores our long-term commitment to creating value for our stakeholders while contributing to a more sustainable future.

ESG as a Key Driver of Long-Term Value

As the operating landscape continues to evolve, particularly with the increasing emphasis on environmental sustainability and the emergence of new risks, such as those related to climate change and ESG factors, we have set clear ESG goals and metrics, establishing key performance indicators ("KPI") to track our progress in critical areas such as carbon emissions, renewable energy usage, waste reduction, social impact, employee diversity, and ethical business practices. Additionally, in alignment with global best practices, we have adopted international ESG frameworks such as the Global Reporting Initiative ("GRI") which guide our oversight and reporting processes.

OUTLOOK AND PROSPECTS

In FY2025, the global economic outlook appears more stable and promising, which is expected to benefit Malaysia's trade-dependent economy. Increased global demand for key commodities such as electronics, palm oil, crude oil, and green energy is likely to boost our exports. Additionally, a rise in global investments is anticipated to enhance foreign direct investment in vital sectors like manufacturing and technology.

Commodity prices, including oil, are projected to stabilise by 2025 after recent volatility. As a significant exporter of these commodities, Malaysia stands to gain from more stable export revenues, which will help stabilise our current account.

The global shift toward renewable energy presents a strategic opportunity for Malaysia. Our investments in solar energy and other renewable projects could give us a competitive advantage in the global market and support our position in the green energy transition. This aligns with Malaysia's carbon-neutrality target of 2050, announced in September 2021, and the National Energy Transition Roadmap ("NETR") introduced in July 2023. The NETR outlines the industry's path towards adapting to energy transition, emphasising lower-carbon endeavours, net zero emissions, and exploration of renewable energy sources.

Chairman's Statement

The synergy between our traditional oil and gas operations and renewable energy initiatives has been crucial to our stable financial growth. As we explore further diversification, we are guided by meticulous analysis and a commitment to long-term prospects. Our expansion into wastewater treatment businesses reflect our innovative approach and dedication to creating sustainable value. This strategic diversification aligns with the growing demand for renewable energy solutions and has positioned us well to cater to a diverse customer base.

Our aim from a service-oriented model to a concession-based focus is in line with our sustainable growth objectives and our commitment to the energy transition. By strengthening our activities in both the oil and gas sector and the renewable energy domain, we are well-positioned to capitalise on evolving market trends and drive further growth.

In conclusion, as we move into FY2025, our strategic focus will continue to prioritise investments in renewable energy and sustainability ventures while maintaining our achievements in the oil and gas sector.

The Group's strategic focus on diversification, innovation, and sustainability places us in a strong position to capitalise on future opportunities. With robust financial health, a diversified portfolio, and a dedicated management team, we are well-prepared to navigate the challenges and opportunities that lie ahead in the energy sector.

We remain committed to delivering value to our shareholders through strategic investments, operational excellence, and a continued focus on sustainability. Our expansion into renewable energy and concession-based sectors will drive stable growth, while our core oil and gas services will continue to provide a solid foundation for future success.

ACKNOWLEDGEMENTS

Our journey to success has been supported by many key contributors, and it is important to recognise their invaluable roles. On behalf of the Board of Directors of Reservoir Link, I would like to express my sincere gratitude to our shareholders, customers, suppliers, financiers, contractors, and business partners for their unwavering support and commitment. Your dedication has been instrumental in our achievements, and we look forward to continuing this journey together as we drive Reservoir Link to greater heights in the coming years.

To our dedicated management and staff, I offer heartfelt thanks for your relentless commitment and excellence. Your hard work is the foundation of our success. I also wish to acknowledge my esteemed colleagues on the Board for their wise guidance and insightful contributions, which have been crucial in navigating through challenging times with integrity and foresight.

As we enter the new financial year, we remain dedicated to pushing boundaries and expanding our reach, both regionally and globally. I encourage all our stakeholders to continue their steadfast support as we tackle challenges and seize opportunities with prudence. Your confidence in our vision and collective efforts will be essential for achieving not only current success but also a promising and sustainable future.

DATUK TAI HEE
Non-Independent Non-Executive Chairman

Management Discussion and Analysis

1
2
3
4
5
6

This Management Discussion and Analysis (MD&A) report seeks to provide a comprehensive overview of Reservoir Link Energy Bhd's financial performance, operating results, and strategic initiatives for the financial year from 1 July 2023 to 30 June 2024 ("FY2024"). It also provides a broad overview on key industry trends, market conditions and its outlook.

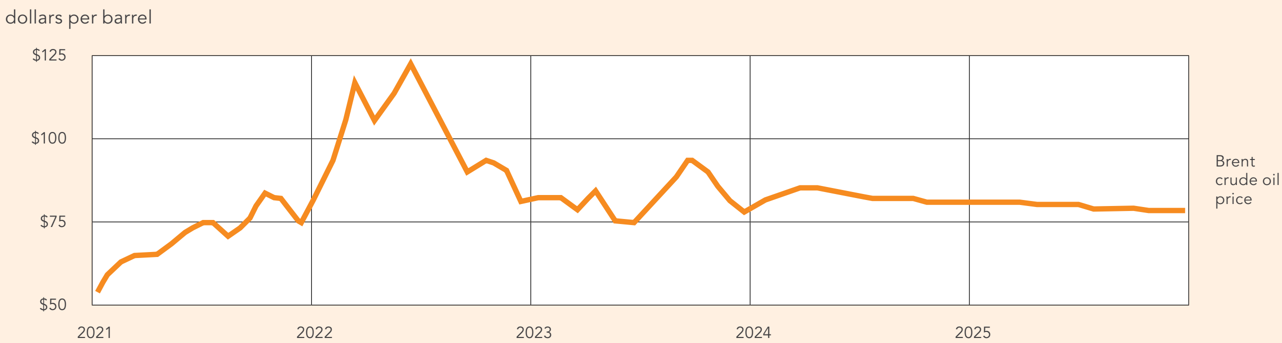
EVOLVING MARKET LANDSCAPE

Global Energy Ecosystem

While the immediate pressures of the global energy crisis have abated somewhat during the FY2024, the underlying tensions and risks remain significant. Energy markets continue to be volatile, influenced by geopolitical factors and macroeconomic conditions. The ongoing conflict in Ukraine and further instability in the Middle East pose significant threats.

The price of oil remained volatile due to supply chain disruptions, fluctuating demand, and OPEC+ production decisions. Brent crude prices started at USD80 per barrel in July 2023, reaching a high of almost USD94 before settling at USD82 in June 2024.

Monthly Brent Crude Oil Price (Jan 2021 - Dec 2025)



Data source: U.S. Energy Information Administration. *Short Term Energy Outlook*, January 2024
Data values: International Petroleum and Other Liquids Production, Consumption, and Inventories and Energy Prices

Management Discussion and Analysis

The continued push towards energy transition and decarbonisation, with the dynamics of national legal framework within the ambit of energy spectrum, placed increased pressure on oil and gas producers. Additionally, inflation and rising interest rates drove up costs across the industry, affecting both upstream and downstream operations. Many oil and gas companies struggled with skilled labour shortages, a problem exacerbated by the pandemic and subsequent recovery.

Despite these challenges, the global economy showed resilience, driven by the demand for a cleaner and more sustainable energy future. The COP28 UN Climate Change Conference in Dubai brought pressing issues to the forefront, particularly the need for accelerated climate action, increased investment in renewable energy, and the adoption of technologies to achieve net-zero emissions[1].

The financial viability of mature clean energy solutions is compelling, particularly for fuel-importing nations seeking energy security. Moreover, industrial strategies and the desire to create green jobs are fostering a rapid adoption of these technologies. Global annual renewable capacity additions increased by almost 50% to nearly 510 gigawatts (GW) in 2023, the fastest growth rate in the past two decades. The manufacturing capacity for critical components of a clean energy system, such as solar PV modules and EV batteries, is also expanding rapidly.

Domestic Energy Ecosystem

Malaysia's strong commitment in pursuing energy transition is fast gaining traction, given its recognition by the World Economic Forum as the best country in the Southeast Asia in the Energy Transition Index 2023. The index considers system performance and the country's readiness to switch to more environmentally friendly energy sources.

Malaysia has introduced various policies and initiatives to support the nation's transition to sustainable energy such as the Renewable Energy Roadmap (MyRER), in which the government has set an ambitious target of renewable energy providing 31 percent (13 gigawatts) of the nation's energy needs by 2025 and 40 percent (18 gigawatts) by 2035[2].

Malaysia's oil and gas services and equipment (OGSE) Industry Blueprint 2021-2030 comes into focus here, aiming to develop a robust, resilient and globally competitive sector, contributing to the sustainable development of national priorities[3].

According to the National Energy Policy 2022-2040 (DTN), Malaysia's energy sector contributed approximately 28% of GDP and employed 25% of the total workforce. In addition, it is a key source of national income, with petroleum-related products contributing 31% of fiscal income, and energy exports constituting 13% of total export value[4].

This is further supported by the National Energy Transition Roadmap ("NETR"), introduced in July 2023 to assist in navigating the shift from a traditional fossil fuel-based economy to a high-value green economy.

To further accelerate the NETR, the Government has further committed to increase RE capacity from 25% to 70% in 2050. Such initiatives would collectively support the national climate aspiration of achieving net zero greenhouse gas ("GHG") earliest by 2050[5].

Ongoing initiatives continue to support this agenda, one being the Corporate Green Power Programme ("CGPP"), a renewable energy initiative that allows corporate consumers to virtually purchase solar energy from solar developers. The announcement by the Energy Commission in March 2024 to increase the CGPP quota by an additional 200MW was a significant development, providing greater opportunities for companies to participate in the renewable energy market.

[1] Summary of Global Climate Action at COP 28 published by https://unfccc.int/
[2] Malaysia Renewable Energy Roadmap (MyRER) published by Sustainable Energy Development Authority (SEDA) on 30 Dec 2021
[3] 'National OGSE Industry Blueprint 2021-2030', published by Minister in the Prime Minister's Department (the Economy Planning Unit, Prime Minister's Department) on 27 April 2021
[4] 'Renewables 2023 – Analysis and Forecast to 2028', published by International Energy Agency (IEA) in Jan 2024
[5] 'National Energy Transition Roadmap : "Energising the Nation, Powering Our Future", published by Ministry of Economy on 29 August 2023

Management Discussion and Analysis

Capitalising on Opportunities in Renewable Energy

With the renewable energy sector undergoing a period of significant growth and transformation, financial institutions and investors worldwide are hence increasingly focusing on renewable energy projects, driving traditional energy companies to diversify their portfolios.

Malaysia's key policy developments and initiatives serve to collectively shape the Group's strategic direction, reinforcing our commitment to sustainability and positioning Reservoir Link to capitalise on the growing demand for renewable energy solutions in Malaysia.

With our deep-rooted expertise in solar photovoltaic (PV) solutions, we are well-positioned to play a pivotal role in shaping Malaysia's renewable energy future.

OVERVIEW OF OUR BUSINESS OPERATIONS

Expanding our Corporate Presence

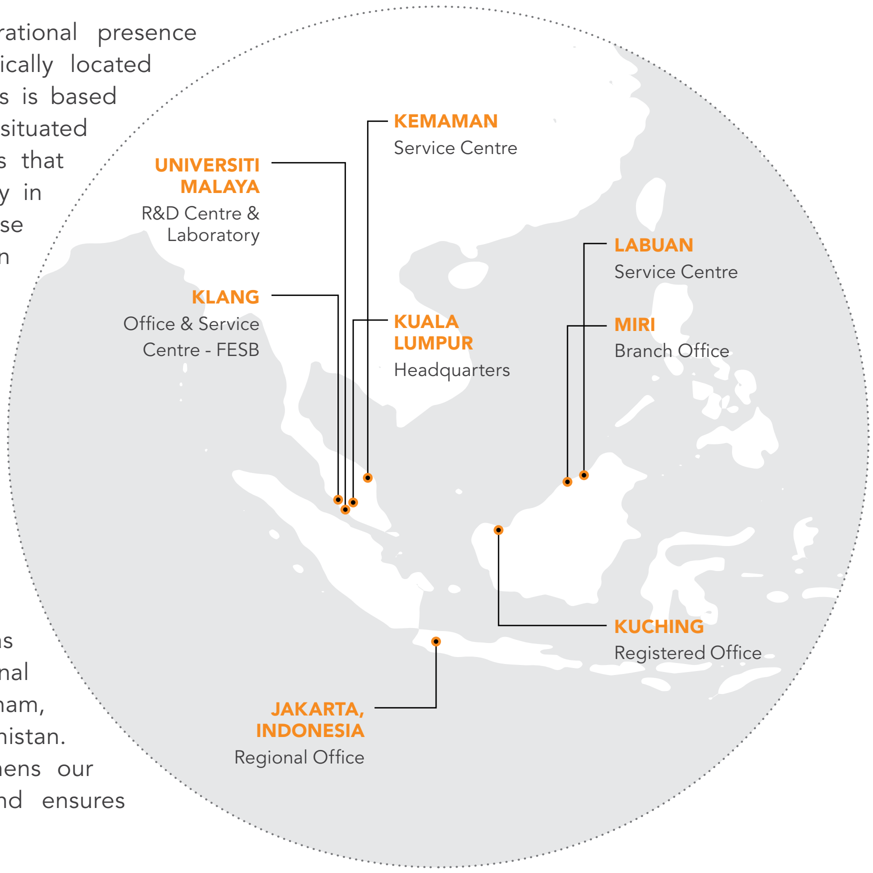
Reservoir Link Energy Bhd was incorporated in Malaysia on 2 December 2014, with its roots tracing back to 2008, operating then as Reservoir Link Engineering Sdn Bhd. The Group has since developed into a leading investment holding company, specialising in providing well services for the oil and gas industry and renewable energy solutions.

Reservoir Link achieved a major milestone on 15 July 2020 when it listed on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Securities). This achievement was followed by a successful transfer to Bursa Malaysia's Main Market on 27 June 2022, reflecting the Group's continued growth and stability.

Reservoir Link maintains a strong operational presence in Malaysia, with seven facilities strategically located throughout the country. Our headquarters is based in Kuala Lumpur, while service centres are situated at two of the main marine supply bases that support the offshore oil and gas industry in Malaysia, namely the Kemaman Supply Base in Terengganu and the Asian Supply Base in Labuan.

Our office in Miri, Sarawak and a laboratory at Universiti Malaya have strongly supported our operations. Additionally, we have an office and service centre for Founder Energy Sdn Bhd ("Founder Energy") in Klang, Selangor and a regional office at Jakarta, Indonesia for PT EnviroTech Akva Indonesia.

Beyond Malaysia, Reservoir Link has expanded its operations into international markets, including Mauritania, Vietnam, Brunei, Singapore, Indonesia and Turkmenistan. This geographical diversification strengthens our resilience against market fluctuations and ensures sustainable growth.



Management Discussion and Analysis

Established Oil and Gas Well Services

Reservoir Link has long established itself as a trusted provider of specialised well services within the complex oil and gas industry. Our core competencies include well leak repair, perforation and well testing, which are essential for maintaining optimal well functionality and maximising production.

To enhance production, Reservoir Link employs cutting-edge technologies and innovative techniques for production enhancement such as sand management systems, and specialty chemical. These solutions are designed to revitalise aging wells and extend their productive lifespan.

The increasing number of offshore oil and gas facilities nearing the end of either their designated life or economic viability could impact the environment if not managed properly. As a value-added service, Reservoir Link provides comprehensive facilities decommissioning services and well abandonment.

We are committed to ensuring that these processes are conducted safely and in compliance with strict environmental regulation, further aligning with our tenets as an environmentally responsible company.

Driving the Renewable Energy

Reservoir Link is at the forefront of Malaysia's renewable energy transition. With a strong track record as a leading solar installation company by project size, we are committed to delivering high-quality, sustainable energy solutions. Our solar energy projects, ranging from commercial to industrial scale, are designed and executed with precision to maximise efficiency and performance.

With view to enabling a synergistic outcome, we have successfully formed a joint venture (JV) with a global investment company and an industry expert to tap on the growing opportunities that the CGPP presented. Reservoir Link Renewable Sdn Bhd had on 20 March 2024 entered into a Shareholders' Agreement with Sumitomo Corporation and MAQO Engineering Sdn Bhd to form SRM Utama Selambau Sdn Bhd to undertake, develop, implement, own and operate a 29.99 MWac ground-mounted solar-photovoltaic project in Kedah, Malaysia.

Notably, we have embarked into a strategic 100% acquisition of SAG Renewable Sdn. Bhd. to acquire 13 solar assets, contributing to 2.5 MWp power generation. This, in turn, will provide Reservoir Link with additional stream of recurring income and improved earnings visibility, following its diversification into renewable energy asset ownership.

Looking ahead, Reservoir Link is expanding its focus to include other forms of renewable energy, such as hydropower, wind, biomass, biogas, and geothermal. These initiatives align with our broader vision of contributing to a cleaner and more sustainable future for both our company and the world at large.

Management Discussion and Analysis

1
2
3
4
5
6

OUR STRATEGIC BUSINESS OBJECTIVES

Reservoir Link maintains its focus on delivering high-quality services in both oil and gas and renewable energy sectors, prioritising customer satisfaction, technological innovation and responsible business practices to contribute to a sustainable future. In this endeavour, we look to the following strategic business objectives as our guiding beacon:

Oil and Gas Well Services Sector

01 Integrated Services

Reservoir Link aims to enhance our capabilities by offering integrated solutions that combine our existing services, providing greater value to our clients. Petronas has launched the Integrated Well Continuity Services (IWCS) contract aiming to tackle rising costs and market dynamics through a balanced cost and margin management approach, with a comprehensive strategy involving qualified contractors across four primary and sub-packages for well interventions, abandonment, workover, and subsea interventions to foster effective engineering collaboration. To deliver seamless integrated services, we foster cross-functional collaboration and knowledge sharing among our teams. This would enable value-added solutions that differentiate us from competitors and cater to the evolving needs of our clients.

02 R&D and Product Innovation

Reservoir Link remains committed to investing in research and development to drive innovation and stay ahead of industry trends. We believe that continuous efforts in research and development, along with the pursuit of innovation, will give us a competitive advantage in our production enhancement services.

We are increasing collaboration with partners to develop new technologies and oil recovery chemical formulas, which will enhance upstream production operations and improve cost efficiencies. This was evident when we collaborated with Universiti Teknologi Malaysia on the development of specialty chemicals for flow assurance and well integrity, aimed at enhancing the productivity of oil wells and improving the throughput of flow conduits.

03 Pioneering New Technologies and Solutions

Reservoir Link is committed to early adoption of emerging technologies that can enhance our capabilities and provide competitive advantages. We develop customised solutions that address specific client challenges and industry trends. Through strategic partnerships with technology providers, we gain access to cutting-edge solutions and expertise such as erosion-resistant through tubing sand screen.

Renewable Energy Sector

01 Expanding Renewable Energy Portfolio

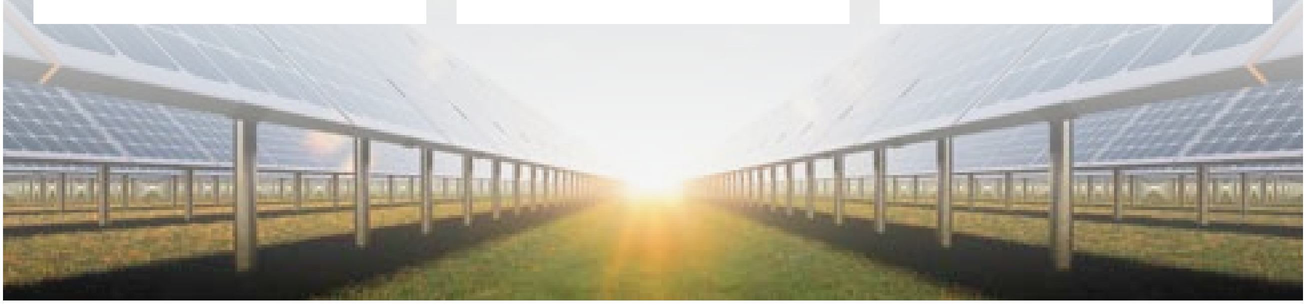
Reservoir Link is committed to achieving a significant milestone of delivering 100MW of a profitable and sustainable renewable energy mix of asset by 2025. To accomplish this, we are actively pursuing strategic alliances with expert partners to capture greater market share in Solar PV projects in Malaysia and the region.

02 Diversify Into Other Renewable Energy Segments

In addition to our solar energy focus, Reservoir Link is exploring opportunities in other renewable energy segments, such as hydropower, biomass, and geothermal energy, with a vision to expand our footprint not only Malaysia, but also as a prominent player of renewable energy in the international markets. These ventures align with our commitment to sustainable growth and diversification.

03 Strategic Acquisitions and Partnerships

In the renewable energy business where technology is fast-changing, Reservoir Link seeks to accelerate regional market access and entry into new renewable energy areas beyond solar energy through mergers and acquisitions.



By implementing these strategies, Reservoir Link aims to strengthen its position as a leading player in the renewable energy sector and contribute to a sustainable future.

OUR GUIDING PRINCIPLES AND SHARED VALUES

Integrity	Leadership	Excellence	Sustainability
Work Ethics	Respect	Quality	Profitability
Professionalism	Competency	Performance	Growth
Governance	Teamwork	Delivery	Environment
Honesty	Innovation	Efficiency	Resources
		Trustworthy	

Management Discussion and Analysis

1
2
3
4
5
6

The Group's Integral Six-Pillar Strategy

Diversification	Investment in ESG	Digital Transformation	Technology-Driven	Cost and Cash Management	Human Capital Development
We aim to expand our portfolio by developing new products and services and entering new market.	Economic, Environmental, and Social sustainability are integral to our business model and impact all our operations.	The integration of digital technologies is changing how we operate and deliver value, enhancing efficiency and customer satisfaction.	We actively seek technology-based diversification through collaborations, partnerships, mergers, and acquisitions.	A focus on maintaining positive cash flow and prudent operational expense management supports our growth and sustains the business.	Leadership development, succession planning, and talent management are key to fostering a culture of innovation and adaptability.

Our Strategic Approach Thus Far

Advancements in Oil and Gas Technologies

In the realm of oil and gas, Reservoir Link is not merely a participant but a vanguard in technological innovation. Through our strategic collaborations in research and development ("R&D") with esteemed universities, we have positioned ourselves at the pinnacle of technological advancement.

Continuously Pursuing Technological Innovation

Our acquisition of new well-testing equipment, in collaboration with our suppliers, has empowered our workforce to master emerging technologies. This not only augments our existing expertise but also diversifies our service offerings to Petroleum Arrangement Contractors ("PACs"). Our commitment to quality is evidenced by our ISO/TS 29001:2010 and ISO 9001:2015 certifications from DNV-GL, which we have diligently maintained since the year 2013.

Bolstering Our Renewable Energy Capability

Our acquisition of a 51% equity stake in Founder Energy, the engineering, procurement, construction, and commissioning ("EPCC") player for large-scale solar installations in Malaysia, solidifies our position in the nation's rapidly expanding renewable energy sector. Significant contract acquisitions strategically position us for exponential growth.

Scientific Research for Operational Excellence

Our research collaboration with Universiti Teknologi Malaysia ("UTM") is focused on the development of chemical formulations that will enhance well integrity and flow assurance. This research is anticipated to improve upstream production operations and cost efficiencies, thereby positioning our subsidiary, RL Solutions Sdn Bhd, to own proprietary technologies that may be commercialised in both domestic and international markets in the foreseeable future.

OUR KEY VALUE PROPOSITIONS

Reservoir Link's success is driven by our team's exceptional expertise and innovative approach. These key value propositions differentiate us in the competitive energy landscape and provide a solid foundation for future growth.

Oil & Gas Segment

Expertise in Well Services

Accelerating forward from our first project in 2009, Reservoir Link has established a strong reputation as a leading provider of specialised well services. Our range of expertise extends to various well types and applications across multiple countries, including Malaysia, Vietnam, Brunei, Mauritania and Turkmenistan.

Proven Track Record

With 15 years of experience in well perforation and a growing track record in other services such as well leak repair, well testing and production enhancement, we have successfully served a diverse client base, including prominent players in the oil and gas industry, both domestically and internationally.

Strong Endorsement

As a Petroliam Nasional Berhad (PETRONAS) licensed company, we are authorised to operate within Malaysia's oil and gas sector. Our 78 Standard Work Equipment Codes (SWEC) license ensures our ability to deliver high-quality services and sustain our business growth.

Holistic Lifecycle Services

Reservoir Link offers a comprehensive range of well services, covering the entire lifecycle. Tracing back to our roots in 2008, we experienced rapid growth, building a portfolio that covers all stages of well development. This includes making wells functional, perforating them to allow hydrocarbon production, and providing wash and cement services as part of plug and abandonment operations to seal the wells when they reach the end of their useful life.

Today, at Reservoir Link Group, we actively provide services such as well perforation, leak repair, testing, wash and cement, and wireline services. We are also involved in offering improved oil recovery services, laboratory studies, and expert interpretative services on flow assurance and formation damage, as well as sand management solutions.

Sound Management Leadership

Under the guidance of our experienced management team in the oil and gas industry, Reservoir Link is well-positioned for continued growth and expansion in the years to come.

Management Discussion and Analysis

Renewable Energy Segment

Leading Force in Solar Installation

Reservoir Link is a prominent solar installation company in Malaysia, renowned for our large-scale project capabilities. With a legacy dating back to Solar Bina Engineering Sdn Bhd, our team brings over a decade of expertise in solar energy engineering, construction, installation, and the supply of solar PV mounting systems.

Holistic Business Model

At Reservoir Link, we have adopted a unique business model that synergises our strategic pursuit of asset ownership with our capability to deliver turnkey projects.

Strategic Alliances for Growth

We have strengthened our capabilities and expanded our market reach with a joint venture with Sunseap Energy (Malaysia) Sdn Bhd, a subsidiary of EDP Renewables APAC, one of the world's largest renewable energy producers. This collaboration brings a wealth of experience and widens our presence in the Asia Pacific region.

Skilled Team of Professionals

Our team is comprised of highly skilled professionals with extensive experience in developing renewable energy businesses. This expertise enhances our competitive advantage and reinforces our dedication to quality, customer satisfaction, and strategic positioning in the dynamic energy landscape.

GROUP FINANCIAL PERFORMANCE

Our strategic diversification and focus on key growth areas have resulted in a commendable financial performance. Outlined below are the Group's key financial indicators for the 12-month financial year ended 30 June 2024 (FY2024), compared against the preceding 18-month financial period ending 30 June 2023 (FPE2023). Hence, direct comparison of the differing financial period should not be made in an absolute manner.

FINANCIAL REVIEW: GROUP PERFORMANCE

(In RM'000 unless otherwise stated)

Indicator	FY2024 (12 months)	Restated FPE2023 (18 months)	Variance (%)
Revenue	186,203	193,304	(3.67%)
EBITDA	12,995	13,439	(3.30%)
Profit Before Tax	4,093	4,407	(7.13%)
Profit After Tax	737	2,844	(74.08%)
Gross Profit Margin	15%	15%	0%
Profit Before Tax Margin	2%	2%	0%

Management Discussion and Analysis

In the FY2024, the Group secured revenue of RM186.2 million, representing a decrease of 4% over revenue of RM193.3 million in the FPE2023. The revenue in FY2024 was contributed by the renewable energy segment amounting to 60% with the balance 40% coming from the oil and gas well services segment.

The Group registered a gross profit of RM29.1 million in the FY2024, a marginal reduction of 1% over the FPE2023 of RM29.5 million. This was attributable to the reduction in cost of sales of RM6.7 million or 4.1% over the respective financial periods.

The Group registered a lower profit before tax ("PBT") of RM4.1 million compared to RM4.4 million in FPE2023, representing a 7.1% decrease over the respective financial periods. This was largely attributable to the higher financing cost.

No dividends were paid, declared or proposed since the end of the previous financial period.

FINANCIAL REVIEW: BUSINESS SEGMENTS

The financial period revenue broken down by business segments is summarised in the table below:

(In RM'000 unless otherwise stated)

	FY2024 (12 months)		FYE2023 (18 months)	
Business Segments	RM'000	%	RM'000	%
A. O&G Well Services	73,721	40%	61,312	32%
B. Renewable Energy & Sustainable Ventures	112,482	60%	131,935	68%
C. Other Services	-	-	56	-
Total	186,203	100%	193,304	100%

Oil and Gas

All segments in O&G, namely well perforation, well leak repair, well testing, wireline, well completion, wash and cement, production enhancement increased in revenue from previous year FPE2023. Additionally, the Gross Profit also recorded an increase in well perforation, and production enhancement. The financial year under review also registered new income stream from well completion and sand management.

Renewable Energy: Solar PV, EPCC, Solar Assets, Hydropower and Wastewater Treatment

In FY2024, revenue for Solar PV-EPCC for large-scale solar projects registered a drop due to the completion of LSS4 project, and the CGPP project has yet to commence. Nonetheless, there was an increment in commercial and industrial solar rooftop project and trading activities (supply material).

Revenue in FY2024 was supported by solar assets with RM875,000 and wastewater treatment with RM2.3 million, whilst the hydropower project has yet to commence.

1
2
3
4
5
6

FINANCIAL REVIEW: NET CASH FLOW

(In RM'000 unless otherwise stated)

Net Cash Flow	FY2024 (RM'000)	FPE2023 (RM'000)
Net Cash (for)/from Operating Activities	(6,821)	(16,642)
Net Cash (for)/from Investing Activities	(45,328)	(15,314)
Net Cash from/(for) Financing Activities	58,281	19,877
Net (Decrease)/Increase in Cash and Cash Equivalent	6,132	(12,079)
Foreign Exchange Translation	(189)	199
Opening Balance of Cash and Cash Equivalents	1,611	13,491
Cash and Cash Equivalents at the End of the Financial Year	**7,554**	**1,611**

In FY2024, the Group's net cash and cash equivalents stood at RM7.6 million, marking a significant increase of 369% compared to the RM1.6 million recorded in FPE2023. This growth was driven by improved working capital and increased in financing.

As of 30 June 2024, the net cash used in operating activities registered RM6.8 million, a decrease of RM9.8 million or 59.0% over the RM16.6 million in FPE2023. This is largely due to improvement in working capital.

In FY2024, the net cash used in investing activities amounted to RM45.3 million, an increase of RM30.0 million or 196% from the RM15.3 million in FPE2023. This was due to cost incurred for the construction of water treatment plant for project in Indonesia.

As at FY2024, net cash from financing activities stood at RM58.3 million, attributable to drawdown of term loans and issuance of ordinary shares.

Issue of Shares

In FY2024, the Company increased its total number of issued and paid-up share capital from 290.4 million shares to 316.8 million shares, amounting to RM48.0 million and RM55.8 million respectively. The private placement exercise was for the development cost for the wastewater treatment plant, renewable projects and working capital.

Management Discussion and Analysis

Utilisation of Proceeds Raised from the Private Placement

The gross proceeds raised from the Private Placement* of RM25.21 million are intended to be utilised in the following manner:

No.	Purpose	Proposed Utilisation (RM'000)	Actual Amount Raised (RM'000)	Actual Utilisation up to 30 June 2024 (RM'000)	Balance Unutilised (RM'000)	Estimated Timeframe for Utilisation
1.	Development cost for the wastewater treatment plant	10,000	8,365	8,365	-	Within 12 months
2.	Renewable Energy projects	14,000	-	-	-	Within 24 months
3.	Working Capital	807	807	807	-	Within 12 months
4.	Estimated expenses for the Proposals	340	340	340	-	Immediate
Total		**25,147**	**9,512**	**9,512**	**-**	

* The utilisation of proceeds as disclosed above should be read in conjunction with the circular dated 25 May 2023.

As at the reporting date, we have placed out 31,708,000 shares and we have raised a total of RM9,512,400 through to the following tranches:

(i) On 2 August 2023, we placed out first tranche of 11,511,000 units of shares for RM3.4 million.
(ii) On 25 September 2023, we placed out second tranche of 14,867,000 units of shares for RM4.5 million.
(iii) On 30 July 2024, we placed out third tranche of 5,330,000 units of shares for RM1.6 million.

1
2
3
4
5
6

STRATEGIC CONTRACT ACQUISITIONS

Reservoir Link continues to expand its business footprint by securing a diverse range of contracts within the oil and gas and renewable energy sectors.

The following highlights our ongoing contract acquisitions and those completed in financial year under review:

Oil and Gas Contracts Secured

1. **PETRONAS**: A significant five-year umbrella contract, effective from 11 December 2020 to 10 December 2025, for the provision of new technology equipment and services. This contract positions us as a primary supplier for cutting-edge technology solutions in the oil and gas sector.

2. **PETRONAS Carigali Sdn Bhd ("PCSB"):** A three-year contract, effective from 22 March 2021 to 22 March 2024, for specialised well leak repair equipment and services. The contract includes comprehensive maintenance and operational support, ensuring the integrity of well structures.

3. **ROC Oil (Sarawak) Sdn Bhd:** A two-year contract, effective from 13 August 2021 to 12 August 2023, for perforation services related to the D35, D21, and J4 drilling and production phases. The contract also includes an option for a one year extension, providing flexibility for future operations.

4. **Sarawak Shell Berhad / Sabah Shell Petroleum Company Limited:** A three-year contract, effective from 3 September 2021 to 2 September 2024, for the provision of slickline equipment and services for well completion activities (rig assisted). Additionally, we are serving as a back-up contractor for slickline equipment and services for well intervention (non-rig assisted).

5. **ExxonMobil Exploration and Production Malaysia Inc:** A five-year contract, effective from 7 March 2022 to 6 March 2027, for annulus wash and cement placement equipment and services. This contract involves specialised equipment for wellbore cleaning and cement placement, ensuring long-term well integrity.

6. **PETRONAS:** Appointed as an umbrella contractor for a three-year period to provide comprehensive support services for PACs, effective from 6 April 2022 to 5 April 2025. This contract involves comprehensive well testing services, including tubing conveyed perforations.

7. **SEA Hibiscus Sdn Bhd:** A contract for the provision of pumping services and the supply of speciality chemicals for well operations, for a three-year period effective from 18 April 2022 to 17 April 2025.

8. **PCSB:** A one-year contract for the provision of new Boron EaziGoFlo technology equipment and services for enhanced oil recovery, effective 1 August 2022 to 31 July 2023. (contract completed).

9. **PCSB:** A two-year contract for the provision of light weight well testing services for the offshore operations of Malaysian Assets, effective 18 August 2022 to 17 August 2023. (Contract completed).

10. **Hibiscus Oil & Gas Malaysia Limited:** A three-year contract for the provision of slickline perforation and specialised well intervention services, effective from 3 July 2023 to 2 July 2026.

11. **PCSB:** A contract for annulus wash and cement assurance ("AWCA") equipment and specialised services for the M1 and Anding campaigns, effective from 11 July 2023. The AWCA works are estimated to be completed within an 18-month period.

Renewable Energy Projects Secured

1. **Atlantic Blue Sdn Bhd:** Our 51% owned subsidiary, Founder Energy, secured a contract for the development of a 10.95 MW largescale solar PV plant in Kerian, Perak, effective from 10 March 2022. This contract involves engineering, construction, and commissioning of the solar plant.

2. **Osram Opto Semiconductors (Malaysia) Sdn Bhd:** A contract to develop solar rooftops as well as building integrated photovoltaic ("BIPV") power generation facilities on rooftops, existing covered carparks and BIPV carparks located in Kulim, Kedah. The BIPV contract entails developing a combined installed capacity of 2,820.67 kWp effective from 1 October 2022.

3. **Atlantic Blue Sdn Bhd:** A contract for the turnkey construction and commissioning of a 13 MWac large-scale solar PV plant in Kuala Selangor, effective from 30 August 2022. This contract involves the complete construction and commissioning of a solar PV plant.

4. **Savelite Engineering Sdn Bhd:** This contract involves the turnkey construction and commissioning of a 25 MWac large-scale solar PV plant in Manjung, Perak.

5. **Atlantic Blue Sdn Bhd:** A contract for engineering, procurement, construction and commissioning works on an interconnection facility related to the development of a 50.0 MWac large-scale solar PV plant in Bukit Selambau, Kedah.

6. **Fabulous Sunview Sdn Bhd:** A contract for the supply of mounting structures for large-scale solar PV plant development in Malaysia, effective from 26 January 2023.

RISK MANAGEMENT FRAMEWORK

Reservoir Link operates in a challenging and ever-evolving market, exposed to various risks that could potentially affect our financial performance and operational stability. Cognisant that some of these risks are beyond our control, we have implemented proactive strategies to mitigate their impact. This overview outlines the key risks faced by the Group in the oil and gas and renewable energy sectors, their potential consequences, and the measures we have taken to address them.

TOP FIVE GROUP RISKS

Key Risks	Potential Consequences	Mitigation Strategies
Project Delay	There is a concern whereby the project is unable to commence or be completed within the planned timeline. Two out of the 18 projects faced delays in completion, primarily due to postponed approvals from local authorities and unfavorable weather conditions that hindered specific work activities.	i) **Pre-Job Meeting:** A pre-job meeting is conducted before the project commences to ensure clear communication, alignment of objectives, and coordination among all stakeholders involved. ii) **Revised Financial Planning:** Project financial arrangements are re-evaluated and re-planned to ensure resources are properly allocated according to the updated project timeline. iii) **Timely Procurement:** Materials and equipment are procured and supplied promptly to align with the revised schedule, minimising any further delays.

Management Discussion and Analysis

1
2
3
4
5
6

Key Risks	Potential Consequences	Mitigation Strategies
Over-reliance on key customers	Losing major clients could negatively affect our operating results due to their substantial contribution to our revenue.	The Group has implemented key strategies, including diversifying our services and solutions, and identifying new business opportunities. These efforts aim to reduce dependency on a few clients and promote sustainable growth.
Loss of operational license	Non-renewal of operational license results in revenue loss and inability of the Company to continue its operations.	A monitoring process is in place to track license expiry and renewal dates, ensuring timely compliance with all relevant licensing requirements. This proactive approach helps prevent operational disruptions due to licensing issues.
Health, safety and environmental risk	In November 2022, a near-miss incident occurred during a well-testing operation, involving a minor spill. Reservoir Link management responded by implementing necessary controls and is actively monitoring the effectiveness to prevent future occurrences.	Reservoir Link performs pre-mobilisation audits and inspections, including System Integration Tests, Factory Acceptance Tests, and Site Acceptance Tests, to ensure all safety measures are in place before project commencement.
Liquidity risk	The risk may arise due to the Group's active involvement in mergers and acquisitions within the renewable energy sector, and challenges from the post-pandemic landscape, potentially impacting the Group's cash flow.	The Group prepares detailed cash flow forecasts to ensure sufficient liquidity is available to support operations and investments. Cost variance analysis is conducted to identify discrepancies between budgeted and actual spending, allowing for timely adjustments and control of financial resources.

Reservoir Link is committed to proactively addressing the risks inherent in our operations. By implementing strategies focused on key areas such as quality enhancement and financial prudence, we are better equipped to steer past these challenges and achieve sustainable growth. These measures not only mitigate risks but also contribute to a financially healthier company, maintaining our focus on protecting our stakeholders' interests.

PROSPECTS AND OUTLOOK

Globally, the outlook is positive, looking at the economy rebounding in a post-pandemic recovery era. Digital transformation is riding on the impetus of the pandemic period, accelerating with artificial intelligence (AI), alongside automation and green technology, and industry demand for data centres. This is bolstered by conducive monetary and fiscal policies to stimulate economic growth.

Furthermore, there is renewed vigour to address the global threat of climate change and sustainability as a shared responsibility.

Domestically, there is growing optimism on the economy with stronger GDP growth of 5.9%, headline inflation edging higher to 1.9% and the appreciation of the Ringgit against the US Dollar. There is indication of the local labour market conditions showing signs of improving in the year ahead.

Reservoir Link is cognisant the uncertainty in the energy market will continue and this necessitates industry players to be agile in responding to the changing in the energy landscape and embrace innovation as well as new solutions toward a lower-carbon future.

Management Discussion and Analysis

The PETRONAS Activity Outlook 2024-2026 outlines a commitment for decommissioning activities, involving plugging and abandonment of about 130 wells and the abandonment of about 50 facilities over the next 3 years. Given our deep knowledge of well services and maintenance, Reservoir Link is well-positioned to capitalise on this opportunity.

Another milestone is the selection of the consortium of Reservoir Link Renewable Sdn Bhd, Sumitomo Corporation and MAQO Engineering Sdn Bhd on 7 August 2023 as the solar power producer by the Energy Commission under the Corporate Green Power Programme ("CGPP"), set to commence in FY2025.

The Group's 51% owned subsidiary, Founder Group Limited's ("FGL") was listed on the NASDAQ stock exchange on 23 October 2024 (Eastern Time). This will offer enhanced financial flexibility through a new fundraising platform to accelerate the expansion and growth trajectory of its solar renewable business. In addition, FGL would gain on enhanced corporate image and visibility to penetrate into a wider market, thereby broadening both its existing client and investor base.

The Group continues to actively participate in tenders for oil and gas and renewal energy projects. In addition, the Group will implement its business strategies cautiously to sustain its growth in order to deliver a satisfactory performance in the financial years ahead.

Despite the fast-evolving market changes, we are nonetheless confident of our earnings becoming more stable in FY2025 and beyond. As of June 2024, the Group's order book for both the oil and gas and renewable energy sectors registers RM223.5 million, while our tender book records this at RM653.4 million. This will undoubtedly make a positive contribution to the Group's revenue streams in the coming years.

Reservoir Link's business resilience and agility in the face of a fast-evolving market demands enables us to be better positioned for success in FY2025 and beyond. Our focus on traditional and renewable energy sectors besides the oil and gas sector is a visionary move to enable Reservoir Link to help navigate a clear path around challenges and to optimise on opportunities ahead.

Sustainability Statement

Reservoir Link Energy Bhd ("Reservoir Link" or "the Company"), and its subsidiaries, (collectively referred to as "the Group" or "we" or "our"), has established itself as a leading service provider in the upstream oil and gas well services sector. Over the past few years, we have significantly evolved our business strategy by diversifying into the renewable energy and sustainability sectors. Sustainability has become a key pillar of our corporate philosophy, shaping and guiding our business activities.

OUR COMMITMENT TO BUSINESS SUSTAINABILITY

Reservoir Link Energy Bhd ("Reservoir Link" or "the Company"), and its subsidiaries, (collectively referred to as "the Group" or "we" or "our"), has established itself as a leading service provider in the upstream oil and gas well services sector. Over the past few years, we have significantly evolved our business strategy by diversifying into the renewable energy and sustainability sectors. Sustainability has become a key pillar of our corporate philosophy, shaping and guiding our business activities.

This is our fourth year of reporting on sustainability, and we remain committed to report our initiatives in a transparent and purposeful manner, in line with Bursa Malaysia's effort to improve the disclosures it provides about sustainability.

This annual Sustainability Statement ("the Statement") outlines our journey towards integrating environmental, social, and economic considerations into our business operations. We strive to be recognised for our dedication to sustainability. Additionally, this report details the management's strategy for prioritising information on sustainability programs.

REPORTING SCOPE AND PERIOD

This Sustainability Statement focuses on the sustainability activities and performance of Reservoir Link and its subsidiaries for the 12 months financial period from 1 July 2023 to 30 June 2024 ("FY2024").

Sustainability Statement

The reporting scope of this Statement comprises of Reservoir Link and its subsidiaries as follows:

Reservoir Link Sdn Bhd
Providing well leak repair; perforation; well testing; perforate wash and cement and wireline services

Amsito Oilwell Services (Malaysia) Sdn Bhd
Providing wireline and related services

Reservoir Link Renewable Sdn Bhd
Investment holding for renewable energy

Reservoir Link Solutions Sdn Bhd
Developing and providing oil and gas production enhancement services and sand management solutions

Founder Energy Sdn Bhd
Provision and implementation of solar PV projects

REPORTING STANDARDS

We have been guided by the following best practice guidelines, standards and frameworks when preparing for the Statement:

Suruhanjaya Sekuriti
Securities Comission
Malaysia

- Malaysia Code of Corporate Governance, Updated April 2021

BURSA MALAYSIA

- Practice Note 9 of the Main Market Listing Requirements
- Sustainability Reporting Guide, 3rd Edition ("SRG")

GRI

- Global Reporting Initiative ("GRI"), 2021

Our Group recognises the importance of aligning with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Therefore, following TCFD recommendations, we remain committed to transparent by reporting on Scopes 1, 2, and 3 emissions and adhering to the standards set by the International Sustainability Standards Board (ISSB). This detailed approach to sharing our environmental impact underscores our commitment to climate-related financial transparency and accountability.

FEEDBACK

We value your feedback on this Report and any matters described herein. Inquiries, comments and suggestions regarding the content of this Report may be emailed to us to investor.relation@reservoirlink.com.

Sustainability Statement

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The Group is committed to achieve sustainable development through effective implementation and integration of sustainability initiatives. We will continuously review and improvise our governance framework to deliver our promise to create value for all stakeholders through sustainable practices.

Sustainability matters are discussed through monthly management meeting and Board meeting on quarterly basis. The key functions for sustainability governance are carried out as follows:

BOARD OF DIRECTORS ("BOARD")

- Comprises of three (3) Independent Non-Executive Director, a Non-Independent Non-Executive Chairman, a Non-Independent Executive Deputy Chairman and Group CEO/MD.
- Oversee the overall sustainability strategy, setting our sustainability strategy and for overseeing the implementation of that strategy.
- Receives regular reports on our sustainability performance and reviews our progress towards our sustainability goals.

SENIOR MANAGEMENT ("SM")

- Consists of CFO, CEOs, General Manager of Group Corporate Services and Business Development.
- Responsible in developing and implementing sustainability strategy throughout the organisation.

OPERATIONAL MANAGEMENT ("OM")

- Represented by various Heads of Departments.
- Cross-functional alignment, transparent end-to-end management, and the execution of agreed-upon sustainability goals by operational management in their operational activities.

SUSTAINABILITY POLICY

The Sustainability Policy, revised and approved by the Board on 25 August 2023, outlines the Group's dedication to ethical business practices. It establishes clear targets for minimising our environmental impact, enhancing social responsibility, and ensuring economic sustainability.

The Policy aims to achieve the following objectives:

01 Endeavour to integrate the principles of sustainability into the Group's strategies, policies and procedures.

02 Facilitate the involvement, cooperation and oversight of the Company's Board of Directors ("Board"), the Senior Management and sustainability working teams in the implementation of the Policy, as well as the setting and monitoring of EES performance targets.

03 Fostering a sustainability culture within the Group and the community by developing a comprehensive set of sustainable practices within the Economic, Environment, and Social ("EES") principles.

Sustainability Statement

GOVERNANCE EXCELLENCE POLICIES AND GUIDELINES

Our well-established Policies have provided us a clear direction and standard to guide us moving forward, and to uphold our commitment towards sustainability in every aspect of our business. These include, but are not limited to:

- Human Rights Policy
- Code of Business Conduct
- Whistleblowing Policy
- Sexual Harassment Policy
- Anti-Bribery and Corruption Policy

STAKEHOLDER ENGAGEMENT

We acknowledge that the significant of understanding and addressing stakeholders' expectation affects the development of a long-term business. Thus, we keenly engage with our key stakeholders throughout our operations, gathering insights which shape our strategic direction. The table below summarises Reservoir Link's approach to stakeholder engagement.

	Engagement & Communication Platform			
Stakeholder Group	Ongoing	Annual	As Needed	Areas of Concern
Shareholders/ Investors/Board of Directors	• Company website • Press release	• General meetings • Annual reports	• Financial and Bursa Malaysia announcements • Investor relation email contact	• Growth in company performance and value creation
Customers	• Company website	-	• Surveys • Operational and commercial meetings • Corporate events	• Products and services reliability • New product and service development and innovation
Supplier, Subcontractors and Vendors	-	-	• Meetings • Site visit • Presentations and negotiations	• Long-term viability of the company • Safety and regulatory compliance • Quality of products and services
Local Authorities/ Regulators/ Government Ministries	• Seminars • Forum and conferences	-	• Meetings • Site visits • Tenders	• Governance and regulatory compliance • Ethical business practices • Health, safety & environment
Employees	• Newsletter • Intranet • Internal memo	• Townhall session • Employee appraisal sessions • Employee Satisfaction Survey	• Social events and activities • Workshops and Seminar • Training sessions	• Benefits design • Talent engagement • Health, safety & environment
Local Communities	• Company website	-	• Participation and collaboration in community projects • Community activities	• Community needs • Social and environmental impact

Sustainability Statement

MATERIALITY MATTERS

Our sustainability journey adheres to the material matters which consist of economic, environmental, and social factors that may impact our ability to create value for both our business and stakeholders.

Materiality Assessment Process

The diagram below summarises the key activities undertaken prior to identification and evaluating the relevancy of the material matters to the business and stakeholders.

IDENTIFICATION

Identification of materiality matters

PRIORITISATION

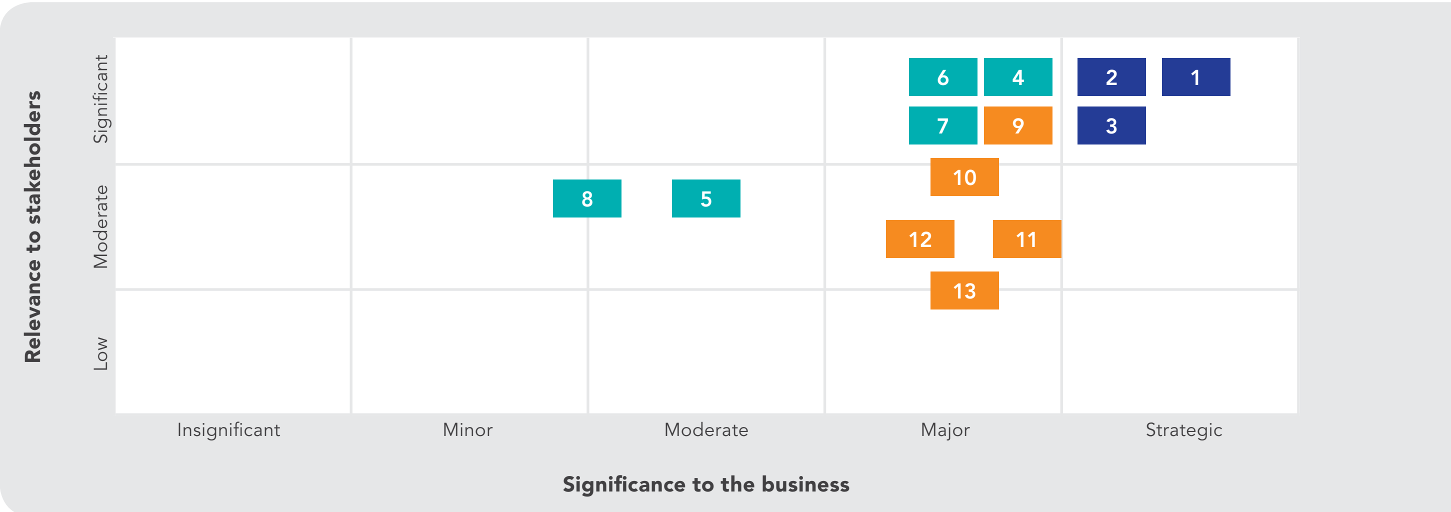
Prioritisation of the materiality matters

REVIEW AND VALIDATION

Review and validation of materiality matters

Materiality Matrix FY2024

Our goal is to conduct a comprehensive materiality assessment annually. In FY2024, we reviewed the identified ESG factors to ensure they remain relevant to our daily operations and current sustainability trends. The Senior Management and the Board reviewed the materiality assessment process. As a result, the material matters have been updated and adjusted as reflected in the materiality matrix below.



Economic

1. Economic Presence & Sustainability Profitability
2. Establishment of Responsible Business Practices
3. Supply Chain Management

Environment

4. Environmental Compliance
5. Waste Management
6. Emissions Management
7. Energy Management
8. Water Management

Social

9. Occupational Health & Safety
10. Training & Development
11. Diversity & Equal Opportunities
12. Engagement with Local Communities
13. Data Privacy & Security

RISKS, OPPORTUNITIES AND MANAGEMENT APPROACHES

The material assessment was instrumental in pinpointing key sustainability challenges, arranging actions in order of priority, mitigating risks, seizing opportunities, and generating enduring value for stakeholders. All these efforts contribute to sustainable development, enabling the achievement of its objectives and ensuring long-term development.

Materiality Matters	Risks & Opportunities	Management Approach
ECONOMIC PRESENCE AND SUSTAINABILITY PROFITABILITY		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Supplier, Subcontractors and Vendors • Employees	**Risk** • Liquidity risk **Opportunities** • Market expansion • Enhanced reputation	• Perform an effective working capital management by ensuring optimal level of current assets and liabilities • Conduct cash flow forecasting where expected cash inflows and outflows are estimated over a specific period
ANTI-CORRUPTION		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Customers • Supplier, Subcontractors and Vendors • Employees	**Risk** • Corruption risk **Opportunities** • Enhance trust and credibility of stakeholders • Strengthen the corporate governance practices in the organisation	• Awareness training and/or communication on anti-bribery and corruption for employees and business associates • Embed effectiveness corporate governance practices in business operations • Due Diligence on Business Associates • Guidelines and procedures are established for gifts, entertainment, hospitality and travel
PROCUREMENT PRACTICES		
Affected Key Stakeholders • Supplier, Subcontractors and Vendors • Customers	**Risk** • Non-performing vendors • High reliance on key suppliers/ contractors **Opportunities** • Improved supplier and vendor relationship • Able to meet and maintain standards towards ESG aspects	• Schedule regular audit on vendors and suppliers • Establish contracts and agreements with vendors outlining organisation needs • Establish negotiation techniques, vendor selection methods • Continuously source for other alternatives when it comes to vendors and suppliers • Vendor Integrity Pledge
ENVIRONMENTAL COMPLIANCE		
Affected Key Stakeholders • Customers • Supplier, Subcontractors and Vendors • Local Authorities/Regulators/ Government Ministries • Local Communities	**Risk** • Health, safety & environmental risk • Operational disruption **Opportunities** • Enhanced trust and credibility of stakeholders	• Conduct safety awareness and induction training to relevant staff • Conduct regular inspections check to ensure the compliance with relevant regulatory requirements • Perform process safety review for certain projects
WASTE MANAGEMENT		
Affected Key Stakeholders • Customers • Local Communities • Employees	**Risk** • Health, safety & environmental risk • Non-compliance to local business/ statutory/regulatory requirements **Opportunities** • Minimise waste generation • Reduce the use of non-renewable sources • Cost saving benefits	• Management of generated wastes are outsourced to a third-party contractor • Implementation of 3R programme across the Group • Conduct awareness sessions relating to 3R programme initiative in Reservoir Link • Exploring practical and holistic approaches to be embedded in the 3R programme to align with circular economy principles

Sustainability Statement

Materiality Matters	Risks & Opportunities	Management Approach
EMISSIONS MANAGEMENT		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Employees • Customers • Supplier, Subcontractors and Vendors • Local Authorities/Regulators/ Government Ministries	**Risk** • Health, safety & environmental risk **Opportunities** • Minimise emissions generation	• Invest in renewable energy and sustainability ventures business • Establish a baseline calculating the total carbon footprint • Set emission reduction targets aligned with global climate goals • Energy efficient practices in production, transportation and facility management • Foster a culture of sustainability in emission reduction efforts and energy saving practices
ENERGY MANAGEMENT		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Employees • Customers • Supplier, Subcontractors and Vendors • Local Authorities/Regulators/ Government Ministries	**Risk** • Environmental risk **Opportunities** • Encourage innovation in energy-efficient technologies and practices • Cost saving benefits	• Monthly monitoring of energy bills • Upgrading to LED-saving lights • Awareness campaigns to promote energy saving behaviours in daily operations
WATER MANAGEMENT		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Employees • Customers • Supplier, Subcontractors and Vendors • Local Authorities/Regulators/ Government Ministries	**Risk** • Pollution/environmental risk **Opportunities** • Water conservation	• Employee awareness to help create a culture of water conservation within the Group • Set up water conservation projects
OCCUPATIONAL HEALTH & SAFETY		
Affected Key Stakeholders • Customers • Supplier, Subcontractors and Vendors • Local Authorities/Regulators/ Government Ministries • Employees	**Risk** • Health, safety & environmental risk • Non-compliance to local business/ statutory/regulatory requirements **Opportunities** • Positive workplace culture • Reduce Non-Productive Time (NPT)	• Regular meeting conducted by OSH Committee members discussing on matters pertaining to health and safety of the employees at the workplace • Conduct health and safety awareness trainings for the employees • Mental health survey • Regular workplace OSH inspection • Regular review of OSH processes • Engage with Local Authorities
TRAINING AND DEVELOPMENT		
Affected Key Stakeholders • Employees	**Risk** • Lack of competent/skilled employees **Opportunities** • Talent retention • Improved productivity and employees' performance	• Conduct training need analysis and provide required trainings for the employees on an annual basis • Develop Talent Management Framework • Yearly staff appraisal and KPI setting

Materiality Matters	Risks & Opportunities	Management Approach
DIVERSITY AND EQUAL OPPORTUNITIES		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Employees	**Risk** • Lack of competent/skilled employees • Challenge to attract talent from diverse background **Opportunities** • Ability to contribute diverse ideas, improving quality of decisions	• Incorporate a zero-tolerance policy against discrimination in any form and provide equal opportunities regardless of race, religion or gender • Implementation of inclusive hiring practices that attract diverse talent during recruitment process • Sexual harassment campaign
DATA PRIVACY & SECURITY		
Affected Key Stakeholders • Shareholders/Investors/Board of Directors • Employees • Customers • Supplier, Subcontractors and Vendors	**Risk** • Leakage/Loss of confidential information • Cybersecurity risk • Non-compliance to local business/ statutory/regulatory requirements **Opportunities** • Enhanced customer trust • Improved operational efficiency and streamline data management process	• Provide awareness to employees when managing confidential information • Implementation of access control measures
ENGAGEMENT WITH LOCAL COMMUNITIES		
Affected Key Stakeholders • Local Communities	**Risk** • Non-compliance to rules and regulations **Opportunities** • Ability to build strong relationship with local communities	• Provide financial assistance and contribution to the surrounding communities

FY2024 KEY SUSTAINABILITY HIGHLIGHTS

Achieved
ZERO
bribery and corruption case reported

Achieved
ZERO
cases of non-compliance and penalties imposed related to environment

Achieved
ZERO
fatality cases

Reduced
59%
of paper usage

Contributed
RM64K
to our communities

Sustainability Statement

KEY PERFORMANCE INDICATORS ("KPIs")

We have established a set of sustainability targets and Key Performance Indicators ("KPIs") for both the Board and Management, organised around three sustainability pillars. To achieve these KPIs, we have implemented several supporting initiatives, detailed in the table below.

Target and KPI for Board

ESG Areas	Sustainability Target	FY2024 Performance
Increase Revenue Associate to Sustainability Dimension	• Percentage (%) increase in revenue from investment in environmental protection	• RM-19.8 million (15% decrease)
Increased Use of Renewable Sources	• At least 50% of company revenue from renewable source activities • Investment in solar panel/solar projects	• 66% of the Group revenue from renewable energy segment • 278.46 MWdc of power was generated contributed by our solar projects
Reduce Superfluous Resources Consumption	• Energy used per man-hours • Average water consumption	• 1.23 KWh energy used per man-hours • RM230.53 average of water bill per month
Stakeholders' Relationship	• Employee working environment and satisfaction level – more than 80% • Average customer rating results – average 75% achievement	• 70% employee satisfaction rate • 83% yearly customer satisfaction rate

Target and KPI for Management

ESG Areas	Sustainability Target	FY2024 Performance
Economic Presence and Sustainability Profitability	• Target revenue other than Oil & Gas	• 59% of revenue contribution from other segments • 66 proposals participated • Success rate of 15% and 35% for Oil & Gas and Renewable Energy respectively
Anti-Corruption	• Zero cases on bribery and corruption • Awareness sessions annually	• Zero cases on bribery & corruption • One (1) awareness session conducted in FY2024
Environmental Compliance	• Zero penalties/fines by authorities	• Zero cases of non-compliances and penalties imposed
Waste Management	• Roll out waste recycling initiatives/ awareness on recyclable waste • Awareness initiatives to employees (reduce, reuse, recycle)	• 0.56 metric tonnes of waste generated • Establishment of 3R Framework • One (1) awareness session conducted in relation to 3R's of sustainability • Reduction of 59% paper usage • RM9,519 printing cost
Occupational Health & Safety	• Zero non-compliance OHS regulatory • Zero lost time accidents • Zero fatalities	• Zero non-compliances • One (1) case of accident • Zero case of fatalities
Training and Development	• Number of training hours • Average training hours per employees	• 2,084 hours of training • 13 hours of average training conducted per employee
Employee Turnover, Retention and Hiring	• Employee happiness survey rating • Low employee turnover	• 70% of happiness survey rating • 12.99% of employee turnover rate
Diversity and Equal Opportunities	• Percentage of staff gender diversity – male to female	• 78:22 of male to female staff ratio • 33% of Board members comprises of female directors • Zero case of sexual harassment reported
Engagement with Employee	• Number of activities carried out with employees • Townhall session	• 6 activities carried out with employees • One (1) townhall session conducted
Engagement with Local Communities	• Percentage contribution to local communities (total expenditure)	• RM64,249 spent on charity • Sponsored/Donated to 15 events • 18 interns hired in FY2024

OUR SUSTAINABILITY PROGRESS

ECONOMIC

ECONOMIC PRESENCE & SUSTAINABLE PROFITABILITY

At Reservoir Link, we are committed to practicing long-term economic development in addition to focusing on generating financial value. We believe that balancing between economic growth and managing the environmental, social, and cultural aspects, could lead us moving towards economic sustainable.

Our Performance

Our economic performance in FY2024 reflects the nature of our industry and our commitment to sustainable growth. We experienced a decrease in revenue of 4.0% as compared to FPE June 2023 (18 months), primarily due to previous FPE2024 being 18 months compared to 12 months for FY2024. Further the Renewable Energy division has contributed lower revenue due to delayed implementation of the Corporate Green Power Programme ("CGPP") and completion of Large-Scale Solar ("LSS4") projects. The revenue in the next financial year is expected to be robust from Renewable Energy division due to the execution of CGPP projects and the award of LSS-Energy Transition SuRiA ("LSS5") with a total capacity of 2,000 MWac.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Revenue	RM207,576	RM'000	RM112,442	RM193,304	RM186,203

Oil & Gas Division

Our Oil and Gas Well Services division is deeply committed to responsible resource stewardship within the global energy landscape. We recognise that our industry's pivotal role in worldwide energy production and consumption carries with it a profound obligation. With this significant role comes the duty to manage economic resources wisely and support the long-term economic prosperity of the areas where we operate.

In FY2024, our division secured additional two (2) umbrella contracts and thirteen (13) call-off contracts for a range of services including well testing, well perforation, well leak repair, well intervention, production enhancement and sand management. Concurrently, we are also still actively engaged in research collaborations with several universities, including UTM (Johor), UTP (Perak), and UM (Kuala Lumpur), focusing on the advancement of specialty chemical and production enhancement. These strategic partnerships are essential for expanding our business offerings and enhancing our competitive advantage in the industry. By fostering these collaborations, we are well-positioned for sustained growth and success, paving the way for securing additional contracts in the future.

Renewable Energy Division

We recognise our responsibility to contribute to the renewable energy transition and support the journey towards net-zero goals. We firmly believe that the demand for cleaner energy will maintain its momentum, and investment in renewable energy solutions will continue to grow. In FY2024, the division completed 8 Large Scale Solar ("LSS") projects and 9 Commercial & Industrial ("C&I") projects.

Looking forward, we are dedicated to boosting our competitiveness in the renewable energy sector by investigating energy storage solutions to solidify our market position.

The details of the Group's financial performance can be found in Management Discussion and Analysis of Annual Report.

Sustainability Statement

ESTABLISHMENT OF RESPONSIBLE BUSINESS PRACTICES

We understand that responsible business practices not only minimise negative impacts but also foster greater trust and strengthen relationships with our stakeholders and the communities we serve. Therefore, we strictly comply with all established rules and regulations to conduct our business and promote a culture of responsibility throughout our organisation.

The frameworks and policies that governs the responsible business practices in the Group are shown in the table below.

FRAMEWORK/POLICIES	DESCRIPTION
Code of Business Conduct ("COBC")/ Employees' Handbook	In accordance with our Employee Handbook, we maintain a COBC where it applies to all employees, including permanent, part-time, contract, and temporary staff. Our commitment to ethical standards underscores economic sustainability and promotes high ethical practices across all operations. There were no reports of employee non-compliance or violations of the COBC for the FY2024.
Anti-Bribery and Corruption ("ABC") Policy/ Anti-Bribery Management System ("ABMS")	The Group has zero-tolerance on bribery and corruption; hence we are dedicated to upholding integrity and ensuring strict adherence to relevant laws, including the Malaysian Anti-Corruption Commission Act ("MACC"). Our commitment is outlined in our Anti-Bribery Management System ("ABMS") policy & guidelines. The Standard Operating Procedures and guidelines under AMBS as follows: • Guideline on Declaring Conflict of Interest • Guideline on Providing and Receiving of Gifts, Entertainment, Hospitality and Travel • Guideline on Granting of Donations and Sponsorships • Guideline on Due Diligence on Employees and Business Associates • Guideline on Training and Communication The Group organised a training session and provide virtual training on corporate liability to all employees including Directors and Senior Management in order to raise awareness of the ABC policy. In FY2024, there are no instances of corruption or bribery have been reported. The ABC Policy is available on our corporate website at https://reservoirlink.com.
Whistleblowing Policy	We maintain a Whistleblowing Policy that empowers stakeholders to report any concerns related to suspected or known misconduct, corruption, fraud, waste, or abuse. This policy also safeguards whistleblowers under the Whistleblower Protection Act 2010 ("WPA"), ensuring protection against reprisals for their disclosures while maintaining the confidentiality of reporting individuals. Any concerns shall be reported to Chairman of Audit Committee or Chairman of Reservoir Link as follows: a. Report via email to whistleblowing@reservoirlink.com; or b. Letter/Documents/Report marked "STRICTLY PRIVATE AND CONFIDENTIAL TO BE OPENED BY THE ADDRESSEE ONLY" addressed to the Chairman of Audit Committee. The Whistle-Blowing Policy is available on our corporate website at https://reservoirlink.com. No whistleblowing incidents were reported in FY2024.
Risk Management Policy	Our strategic planning and decision-making process incorporates proactive, transparent, and responsive risk management which ensures our Group's resilience and adaptability, allowing us to navigate challenges and seize opportunities in a dynamic business landscape. Our commitment to effective risk management underscores our dedication to safeguarding the interests of all stakeholders.

Our Performance

There was no case of misconduct reported in relation to bribery and corruption in FY2024. Training and awareness programme on the anti-bribery and corruption shall form part of the induction process for all new employees and directors. Training for existing employees and directors shall be provided on a yearly basis, in accordance with the level of bribery and corruption risk related to the position.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Corruption case reported and action taken	Zero cases on bribery and corruption	Number	0	0	0
Awareness training session	Awareness sessions annually	Number	4	1	1

PROCUREMENT PRACTICES

We established a robust Procurement Policy that outlines the ethical standards to be followed throughout the procurement process. From the initial request for quotation (RFQ) or tendering phase to the final award of purchase orders (POs) or contracts, our policy ensures adherence to fair and transparent evaluation criteria. These criteria take into account factors such as product quality, pricing, delivery timeliness, and service levels. Additionally, we maintain rigorous ethical expectations for our suppliers, requiring their compliance with all relevant laws and regulations.

Transporting equipment to and from offshore location and other facilities presents a significant challenge for the industry. We are actively researching environmentally friendly transport solutions to reduce carbon emissions.

We are in the process of gathering relevant data and defining performance measurement targets. Our goal is to enhance the sustainability of our entire supply chain by setting these measurable targets, thereby minimising its environmental and social impact.

Our Performance

We are committed to working with a diverse array of local and international suppliers. In FY2024, our local suppliers consist of 60%, while the remaining 40% are international suppliers. Although we acknowledge the importance and benefits of partnering with local suppliers, our industry's nature presents certain limitations. Nonetheless, we strive to collaborate with international suppliers who uphold ethical business practices, respect human rights, and demonstrate a commitment to sustainability.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Proportion of spending on local suppliers	60%	Percentage	-	37.10	60
Proportion of spending on international suppliers	40%	Percentage	-	62.90	60

Sustainability Statement

ENVIRONMENT

EMISSIONS MANAGEMENT

As a leading energy company, the emissions management has become a crucial responsibility for our Group. We actively advocate for measures to steadily reduce global emissions, with the goal of limiting the world's temperature increase to 1.5°C above pre-industrial levels.

We are dedicated to advancing renewable energy and sustainability initiatives. Currently, we have invested in 15 to 17 solar rooftop assets, which operate under Power Purchase Agreements. These investments not only contribute to the generation of clean energy but also support our commitment to reducing carbon emissions. Additionally, we are actively engaged in a sustainability venture in Indonesia, focusing on the development of a wastewater treatment plant.

Our Performance

In FY2024, we continued our commitment to transparency in emissions reporting by disclosing Scope 1 and Scope 2 emissions, as done in FPE2023, and took a significant step forward by also including Scope 3 emissions in its reporting. Scope 1 emissions cover the direct emissions generated from company-owned vehicles. Scope 2 emissions account for indirect emissions resulting from electricity consumption. For the first time, we expanded our disclosure to include Scope 3 emissions, which encompass indirect emissions associated with business travel, employee commuting and upstream leased assets specifically forklifts and cranes. By broadening the scope of its emissions reporting, we aim to enhance understanding of carbon footprint and drive more effective sustainability initiatives.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Scope 1	To reduce Scope 1 to 12 tCO_2e (5% reduction)	Tonnes of CO_2e	-	-	12.98
Scope 2	To reduce Scope 1 to 121 tCO_2e (5% reduction)	Tonnes of CO_2e	-	114.06	127.80
Scope 3	To reduce Scope 1 to 310 tCO_2e (5% reduction)	Tonnes of CO_2e	-	4.62	326.05
Total Emissions	To reduce Scope 1 to 443 tCO_2e (5% reduction)	Tonnes of CO_2e	-	118.67	466.83

In our FPE2023 sustainability statement, we initially reported Scope 1 emissions as 7,451.89 tCO_2e. Upon review, it has been determined that this figure should have been categorised under Scope 3 emissions related to upstream leased assets. The reported emissions were derived from our leased forklifts and cranes, which align with the Scope 3 classification according to the Greenhouse Gas Protocol. We are committed to maintaining accuracy in our emissions reporting and continuously improving our sustainability practices.

We are currently in the process of collecting pertinent data and defining sustainability target aimed to enhance emission management efforts. By setting specific, measurable targets, we are dedicated to reducing our emissions.

ENVIRONMENTAL COMPLIANCE

Ensuring legal and regulatory compliance is integral to our sustainability strategy. It demonstrates our commitment to ethical practices, social responsibility, and environmental stewardship by aligning our operations with required standards and best practices.

Sustainability Statement

Our Performance

We are committed to protecting the environment, minimising our impact, and contributing to a sustainable future by adhering to environmental regulations set by authorities such as the Department of Environment (DOE), Construction Industry Development Board (CIDB), Atomic Energy Licensing Board (AELB), Department of Occupational Safety and Health (DOSH), and others. In FY2024, the Group did not incur any fines or penalties for non-compliance with these environmental regulations.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Number of non-compliances to non-environmental regulations	Zero non-compliances to non-environmental regulations	Number	0	0	0
Amount of fines imposed by authorities	Zero fines imposed by authorities	Number	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero complaints from customer	Number	0	0	0

Certification

Beyond our environmental commitment, we have obtained several important certifications, such as ISO 9001:2023 for Quality Management, ISO/TS 29001:2010 for Quality Management specific to the petroleum, petrochemical, and natural gas industries, and ISO 45001:2018 for Occupational Health and Safety Management. These certifications highlight our proactive measures to maintain strict control over our equipment, personnel, and operational processes. Additionally, they underscore our dedication to ensuring a safe working environment for our employees.

WASTE MANAGEMENT

At Reservoir Link, we prioritise proper waste management to reduce our environmental impact on surrounding communities, especially in our business operations. We implement efficient waste management not only for the purpose of minimising environmental harm but also contributing to cost efficiency, regulatory compliance and positive community relations. Simultaneously, we have collaborated with a third-party contractor approved by the Department of Environment ("DOE") to manage hazardous waste.

3Rs of Sustainability

The principles of "reduce, reuse, and recycle" (3Rs) are central to our strategy for managing resources sustainably. In FY2024, our focus on these principles and related awareness sessions has significantly advanced our sustainability efforts. Notably, we achieved a 59% reduction in paper consumption, leading to cost savings. This demonstrates that sustainability not only helps the environment but also brings tangible benefits to our business.

Cost and Process Savings Initiatives

Our dedication to reducing our environmental impact and optimising cost-effective processes is evident through our cost and process savings initiatives. These efforts include appointing a dedicated 3Rs coordinator and forming a 3Rs team to spearhead our sustainability initiatives.

Waste audit management is conducted yearly to identify areas where we can minimise waste and improve resource utilisation. Our approach involves continuously exploring opportunities to reduce, reuse, and recycle materials and resources, thereby cultivating a culture of sustainability within our Group.

Sustainability Statement

We consistently monitor, assess, and implement necessary enhancements to ensure the effectiveness of our 3Rs programme. Additionally, we extend our commitment to sustainability beyond the Group by conducting 3Rs initiatives in partnership with local communities.

In FY2024, we launched an environmental initiative called the "Beach Cleaning Program" at Luak Bay Esplanade Miri, aimed at raising awareness about the importance of combating environmental pollution and reducing litter on our beaches. During this event, nearly 100kg of litter was collected. This campaign reflects Reservoir Link's commitment to environmental stewardship and aims to strengthen the relationship between Reservoir Link and our clients.

Our Performance

Our wastes categories encompass oil waste, used gloves, seal maker, lithium batteries, etc. In FY2024, we managed a total waste of 0.5594 metric tonnes (FPE June 2023: 4.86 metric tonnes). We do not receive any report on scheduled waste incidents or fines from the local authorities (FPE June 2023: Nil).

The following represents the total waste generated:

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Total waste diverted from disposal	Recycle 30% of waste generated	Metric tonnes	1.4	4.86	0.56

ENERGY MANAGEMENT

We recognise that energy saving contributes to significant cost savings and build up a reputation of energy-friendly which can reduce our carbon footprint and promote sustainability. Energy reducing initiatives have been practising to ensure we are aligning with our carbon reduction actions.

We have implemented *RL Earth Hour* for one hour from 12.30pm to 1.30pm by switching off non-essential lights, air conditioning and electrical devices breaks. We actively reduce our overall energy consumption, showcasing our dedication to minimising our environmental footprint. Our efforts to explore and promote responsible electricity use demonstrate a proactive approach to sustainability. This not only conserves resources but also encourages a culture of environmental awareness among employees.

Our Performance

In our commitment to reducing our environmental footprint, we are actively focused on enhancing energy efficiency. For the fiscal year 2024, we monitored our energy consumption, which totalled 168,605 kWh, which is an approximate decrease of 12.05% compared to previous year. The Company has implemented several initiatives to reduce energy consumption, such as replacing fluorescent lights with energy-efficient LEDs, installing motion detectors in offices to automatically switch off lights when rooms are unoccupied, and conducting awareness programs for employees on energy-saving practices, including turning off computers and air conditioners when not in use.

Unplug - All standby devices not in use/fully charged (mobile chargers, coffee machines, laptops, PCs etc). Even when not in use, these devices continue to draw energy if left plugged in.

Switch Off - All the lights and AC before leaving the room (unoccupied areas, meeting rooms and common areas). Also please ensure that you only have the lights & AC on at your respective area or workstation when working alone or during non-working hours.

+1° on AC - Because AC is the most energy consuming device. Be mindful of heating and cooling setting in your workspace. Set the AC temperature not less than 22 degree.

Power Savings Features - Take advantage of power-saving features on computers, monitors, printers and other office equipment.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Total energy consumption	160,000	kWh	-	230,408	168,605
Electricity consumption	Reduce electricity consumption by 10%	Percentage	-	-	26.82%

Notes:
a – Figure has been reinstated due to recalculation.

WATER MANAGEMENT

Water is a vital resource, and we are committed to prioritising effective water management to prevent waste. We have implemented various water-saving initiatives aimed at reducing consumption while ensuring the productivity of our daily operations remains unaffected.

Our commitment to sustainability is deeply rooted in responsible water management. In fiscal year 2024, we implemented significant measures to reduce water consumption across our offices, demonstrating our dedication to minimising our impact on local water resources and promoting sustainable water practices. Our approach encompasses several key aspects such as rainwater harvesting, low-flow faucets system and educating employees on water conservation methods.

Additionally, we recognise the importance of cultivating a culture of water conservation among our employees. To promote awareness and encourage sustainable practices, we implement regular communication strategies, including emails and posters that serve as reminders about the significance of water conservation. By fostering a sense of responsibility and engagement, we aim to empower our workforce to make conscious decisions that contribute to our overall sustainability goals and help preserve this vital resource.

Our Performance

Our water consumption was monitored and reported a total cost of RM2,766 as in FY2024.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2021	FPE June 2023	FY2024
Water consumption	2,500	RM	-	3,183	2,768

Sustainability Statement

SOCIAL

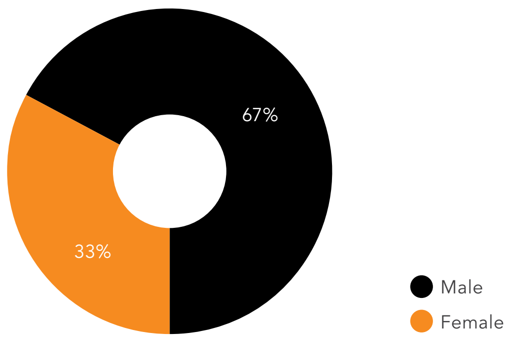
DIVERSITY AND EQUAL OPPORTUNITY

At Reservoir Link, we are dedicated to embedding diversity and equal opportunities into the core of our sustainability strategy. We understand that a diverse workforce, representing a wide range of backgrounds, experiences, and perspectives, drives innovation and enriches our organisational culture. Our commitment is evident in our proactive recruitment practices and continuous education efforts aimed at eliminating bias and fostering an environment where every employee feels respected and valued.

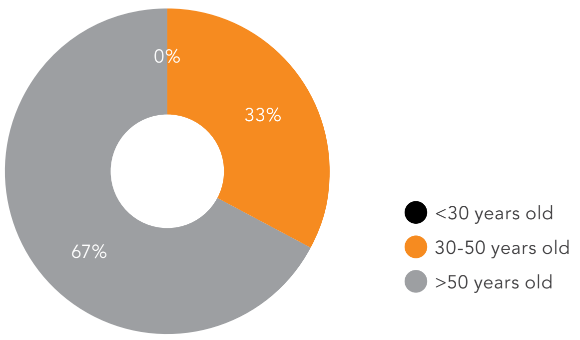
Board Diversity

Board Composition by Gender and Age

Board of Directors by Gender



Board of Directors by Age



We are committed to aligning with the MCCG practices, which mandate a 30% female representation at the board level. As illustrated in the accompanying diagram, the board of Reservoir Link comprises 4 male and 2 female members, representing 67% and 33% respectively. This composition underscores our commitment to gender diversity and ensuring adherence to this standard.

Notably, 67% of our Board members are over 50 years old, reflecting a wealth of experience and seasoned leadership, while the remaining 33% are aged between 30 and 50, fostering a balanced generational perspective. This mix of gender and age enriches our decision-making processes with varied viewpoints and experiences, enhancing the overall effectiveness and representation within Reservoir Link.

Employee Diversity

Employee Composition by Gender

	Management		Executive		Non-Executive		
Year	Male	Female	Male	Female	Male	Female	Total
FY2021	17	5	59	23	7	1	112
FPE June 2023	25	8	73	28	27	3	164
FY2024	37	10	85	27	16	2	177

Sustainability Statement

Total Number and Percentage of Employees by Gender	Units	FY2024	FPE June 2023	FY2021
Male	Number	138	125	83
	Percentage	78%	76%	74%
Female	Number	39	39	29
	Percentage	22%	24%	26%

Employee Composition by Age

Age Group	Employee Category	FY2024	FPE June 2023	FY2021
		Number	Number	Number
<30 years old	Management	1	0	0
	Executive	63	50	23
	Non-executive	7	5	2
30-50 years old	Management	38	38	22
	Executive	56	59	51
	Non-executive	9	8	5
>50 years old	Management	2	3	3
	Executive	1	1	5
	Non-executive	0	0	1

Our total workforce strength in FY2024, comprising of Male: 78% and Female: 22% respectively and comprises of diverse people with different background, experience and skillsets as well as gender, age groups, ethnicities, cultures and geographies who come together to generate transformative ideas, deliver sustained environmental, economic and social impact for ourselves and our communities at large. However, we continue to face challenges to achieve within company level as result of women's low participation in the oil and gas industry, but Reservoir Link is committed to achieving it and welcome them to join us.

LABOUR PRACTICES AND STANDARDS

We deeply value the dedication and contributions of our employees, firmly believing that "labour is not a commodity". Consequently, we are unwavering in our commitment to upholding fair labour practices and fostering a supportive work environment. By prioritising our employees' well-being and professional development, we strive to enhance each individual's focus on improving their well-being.

Reservoir Link Group exemplifies its dedication to ethical labour practices through rigorous adherence to employment laws, thereby ensuring compliance and bolstering our positive reputation. To date, we have recorded zero non-compliance cases related to employment law and have received zero complaints concerning human rights violations, underscoring our steadfast commitment to maintaining a respectful and equitable workplace.

Sustainability Statement

Talent Attraction and Retention

We are dedicated to creating an environment which foster employees' loyalty and encourage them to stay with us for long period. Besides, developing local talents is essential to help us building up talent pool for drive sustainable economic growth and development.

In FY2024, we hired a total of 17 employees. However, the employee turnover rate was at 13.0% in FY2024 attributed to received better job opportunity and higher compensation. To address this, we review our staff benefits and compensation package annually to improve retention.

New Hires

Employee Category	FY2024	FPE June 2023	FY2021
Management	2	6	2
Executive	7	35	16
Non-executive	8	14	1
Total	17	55	19

Contract vs Permanent

Employee Category	Units	FY2024	FPE June 2023
Permanent staff	Number	101	150
	Percentage	95.3%	85%
Contract/Temporary	Number	5	26
	Percentage	4.7%	15%

Employee Turnover Rate

Year	Turnover Rate
FY2021	12.3%
FPE June 2023	29.9%
FY2024	13.0%

Number of Employee Turnover by Employee Category

Year	Management	Executive	Non-executive
FY2021	1	11	0
FPE June 2023	2	40	10
FY2024	1	16	6

Internship Programmes

Our internship programme is a cornerstone of our corporate social responsibility, allowing us to make a meaningful contribution to society. This initiative reflects our commitment to fostering the next generation of professionals by partnering with local universities and colleges to provide valuable work experience opportunities at Reservoir Link. In FY2024, we proudly welcomed 18 interns, and we are pleased to report that 3 of these talented individuals have transitioned into permanent roles within our organisation. This not only supports the professional growth of young talents but also strengthens our workforce with fresh perspectives and innovative ideas. Through this programme, we are dedicated to nurturing talent, enhancing career prospects, and reinforcing our role as a responsible and forward-thinking employer.

Sustainability Statement

Employees Engagement

During FY2024, Reservoir Link implemented a range of employee engagement initiatives, utilising both formal and informal channels to foster open communication, deepen engagement, and strengthen the sense of belonging across the organisation. Our commitment to nurturing a connected and inclusive work environment was exemplified through a variety of activities, including our annual town hall session, where we provided valuable updates on the Group's achievements and strategic vision for the future. This proactive approach ensured that our employees remained informed, involved, and aligned with our collective goals.

The results of our Job Satisfaction Feedback Survey, conducted in 2022, showed an impressive score of 4.82 out of 5. This invaluable feedback informs our ongoing efforts to improve the workplace experience, address specific concerns and optimise employee engagement strategies across a range of areas, including training and rewards.

Compensation and Benefits

We have implemented a comprehensive remuneration and reward system designed to ensure our employees are competitively compensated. Our salary structures are regularly assessed and benchmarked against the local market to maintain alignment with industry standards. Additionally, all employees undergo performance reviews that evaluate both business outcomes and individual achievements, based on pre-established objectives agreed upon with their supervisors.

For our full-time and permanent employees, the compensation and benefits package include:

Medical	Insurance	Allowance
Medical Benefits	Group Health & Outpatient Plan	Mobile Phone
Maternity Subsidy	Dental Treatment	Work Site
	Personal Accident	Overstay, Offshore
	Hospitalisation & Surgical	

Leaves		Others
Annual	Pilgrimage	Club Membership
Sick	Examination	Professional Membership Benefits
Hospitalisation	Marriage	Vehicle
In-lieu Saturday	Paternity	Transfer/Relocation Benefits

Training & Development

We recognise that training and development are pivotal to both individual and organisational success. Investing in these areas not only enhances employees' skills and competencies but also aligns their growth with the company's strategic objectives, fostering a culture of continuous improvement and innovation.

We understand that a well-trained workforce is crucial for maintaining competitive advantage and operational excellence. Therefore, we implement a comprehensive training and development program that addresses diverse needs, from technical skills and leadership capabilities to personal growth and career advancement. Our initiatives include structured onboarding processes, ongoing professional development opportunities, and tailored learning experiences designed to keep our employees at the forefront of industry trends and best practices.

Sustainability Statement

Average Training Hours Per Employee

Year	Average Training Hours Per Employee
FY2021	20
FPE June 2023	24
FY2024	13

Training Hours Per Employee Category

Year	Management (Training hours)	Executive (Training hours)	Non-executive (Training hours)
FY2021	32	2,218	-
FPE June 2023	96	3,736	-
FY2024	404	1,680	-

OCCUPATIONAL HEALTH AND SAFETY

We fully recognise that prioritising employee well-being and safety is not just a regulatory obligation but a fundamental aspect of our operational excellence and organisational success. The health and safety of our employees have profound implications for our daily operations, productivity, and overall business performance. Ensuring a secure and supportive work environment is critical to preventing workplace accidents and health issues, which can otherwise lead to significant disruptions and impact employee morale.

Our safety motto, "SAFETY IS THE PRIORITY, QUALITY IS THE STANDARD", exemplifies our dedication to integrating HSE excellence into every facet of our operations. It underscores our belief that maintaining a safe work environment is essential for upholding the integrity of our work, fostering a culture of respect, and ensuring long-term success.

Throughout FY2024, our HSE Committee played a pivotal role in reinforcing our safety standards by holding four (4) meetings focused on critical health and safety matters. These sessions were instrumental in reviewing HSE performance, implementing updates, enhancing emergency preparedness, and refining risk management strategies. Our proactive stance in these areas ensures that we are continuously improving and adapting to emerging safety challenges.

We are pleased to report that, in FY2024, we achieved 214,151 man-hours without a Lost Time Incident (LTI), resulting in a total of 1,451,902 LTI-free man hours since 2009. This achievement highlights our effective safety measures and reinforces our belief that a strong safety culture is integral to protecting our people, maintaining equipment functionality, and sustaining a safe working environment.

Additionally, our commitment to health and safety has been recognised through various awards from our clients and ISO certification. These accolades reflect our adherence to rigorous international standards and our dedication to creating an exemplary safety culture. We are honoured to have received these recognitions, which further validate our efforts and underscore our commitment to excellence. By prioritising health and safety, we not only safeguard our employees but also bolster our company's reputation and success. These achievements affirm our commitment to maintaining a robust, secure, and productive workplace, demonstrating that a focus on safety contributes significantly to our overall operational effectiveness and organisational success.

Sustainability Statement

Health & Safety Training

Sustainability Indicator	FY2024	FPE June 2023	FY2021
Number of employees trained on health and safety standards	30	50	15

Work-related Injuries

Sustainability Indicator	FY2024	FPE June 2023	FY2021
Total man-hour worked	214,151	310,928	207,588
Lost time incident rate	NIL	NIL	NIL
Number of work-related fatalities	NIL	NIL	NIL

Health and Safety ISO Certifications and Awards Recognition

No.	Awards	Year	Client
1.	Given in recognition of your dedication to accident prevention in SKA QEM Operations for 3,000,000 Man-hours without LTI on August 2023	2023	PCSB SKA QEM
2.	HSE Excellence and Outstanding Efforts in achieving incident free operation D35 & J4 Workover Project on July 2023 from ROC Oil	2023	ROC OIL
3.	1st Runner Up Toolbox Talk Short Video	2023	PCSB PMA
4.	Certification of Appreciation for contributing to the achievement towards 13 years Lost Time Injury (LTI) Free on 4th September 2020 & 7 years Total Recordable Incident (TRI) Free on 8th September 2023	2023	HIBISCUS MALAYSIA
5.	Safe Result for 2023 Seligi HWU Campaign in October 2023 from Enquest	2023	ENQUEST MALAYSIA
6.	Given in recognition of your dedication to accident prevention in SKA QEM Operations for 3,000,000 Man-hours without LTI on August 2023	2023	PCSB SKA QEM
7.	HSE Excellence and Outstanding Efforts in achieving incident free operation D35 & J4 Workover Project on July 2023 from ROC Oil	2023	ROC OIL
8.	1st Runner Up Toolbox Talk Short Video	2023	PCSB PMA
9.	Contributing 13 years of LTI free in September 2023 from Hibiscus Malaysia	2023	HIBISCUS MALAYSIA
10.	Safe Result for 2023 Seligi HWU Campaign in October 2023 from Enquest	2024	ENQUEST MALAYSIA
11.	Achieving zero incidents which contributed to 2 million manhours achievement	2024	PCSB PMA
12.	QHSE Excellence Award, Recognizing QHSE Excellence and Outstanding Efforts, in achieving incident free operations, D21 Phase 3 Well Campaign 2024	2024	ROC OIL
13.	SHELL Malaysia Safety Awards 2023	2024	SHELL MALAYSIA

Sustainability Statement

ZERO TOLERANCE FOR HARASSMENT

We prioritise creating a safe and respectful work environment, firmly establishing a zero-tolerance stance against all forms of harassment and discrimination. This includes, but is not limited to, verbal and physical harassment, sexual harassment, and any type of discriminatory behaviour.

All incidents of harassment are addressed in strict adherence to our Code of Business Conduct, Human Rights Policy, Sexual Harassment Policy, and other pertinent human resources guidelines. We are proud to report that, in FY2024, we recorded zero cases of harassment. This reflects our unwavering commitment to maintaining a workplace where respect and integrity are paramount.

DATA PRIVACY & SECURITY

We adhere to the guidelines set forth in the Personal Data Protection Act 2010 to safeguard data. We understand the critical importance of data security, as it not only protects personal integrity but also fosters trust in digital interactions and upholds individuals' fundamental rights.

To ensure robust protection of customer data, we have implemented stringent security measures, including advanced anti-virus applications and regular system updates. Our Group maintains a comprehensive IT policy that establishes clear protocols for access management, network security, and the proper use of IT equipment by all employees.

Additionally, we are actively engaged in compiling relevant data and setting measurable targets to evaluate and enhance our performance in managing data privacy and security. This ongoing commitment underscores our dedication to maintaining the highest standards of data protection and ensuring the trust placed in us by our customers.

We are pleased to report that we did not receive any complaints relating to data breaches in FY2024.

LOCAL COMMUNITY

We believe that giving back to the society is the responsibility as a leading oil and gas company, which helps to build a more sustainable and stable future for everyone. Engaging with the communities not only helping them but helping us to create positive impacts.

In FY2024, a total of RM64,249 comprises of sponsorships and donations to various parties such as charitable organisation, non-profitable organisation and schools. Some of the notable sponsorships and donations by Reservoir Link included:

- Events Sponsorship
- Sponsorship Hadiah Kecemerlangan Project Graduan Kejuruteraan Kimia
- Donation To Rumah Kebajikan Anak-Anak Yatim Al-Hijrah
- Donation For Fund Raising Towards Building an Inclusive Society and Sustainable Environment

Local Community Engagement	FY2024	FPE June 2023	FY2021
Total amount of contribution	RM64,249	RM45,312	RM69,450
Total number of beneficiaries	15	19	7

Sustainability Statement

Highlights of Sponsorships & Donations

Sponsorship

Royale Oilmen KLSSPE Charity Golf 2023

Kejohanan Bolasepak Terbuka U12 Piala Ketua Menteri Pulau Pinang


Majlis Anugerah Kecemerlangan Graduan UPM Sesi 2022/2023

Design Village Solar System Launching Event

Youth Empowerment Charity Fundraising Gala Dinner 2024

Donation

Majlis Apresiasi 20 Tahun SMK Bukit Jelutong

Ramadhan CSR 2024 – Rumah Kebajikan Anak-Anak Yatim Al-Hijrah

Program Perkhemahan Peringkat Kebangsaan SK Bukit Anak Dara, Kemaman

MOVING FORWARD/INITIATIVES FOR FY2025

As we look ahead to FY2025, we are determined to drive positive change and sustainability across the Group. Our initiatives for the coming year cover several key areas:

TCFD Disclosure	In line with our commitment to climate action, we're committed to disclose our standalone TCFD report in FY2025.
FTSE4Good Bursa Malaysia Index	We aim to be recognised as one of the constituents of the FTSE4Good Bursa Malaysia Index.
Green Technologies	Leverage and promote green technology solutions, especially in project tenders and technology ownership include renewable energy systems, energy-efficient designs, or carbon capture technologies.
Net-Zero Roadmap	Develop and communicate a roadmap toward net-zero emissions. This may involve adopting renewable energy, improving energy efficiency, or investing in carbon offset projects.
Sustainability Training	Provide company-wide sustainability and ESG training to ensure employees understand how their roles contribute to the company's sustainability goals.
Collaborative Partnerships	Foster partnerships with companies and other industry leaders focused on green innovation, offering joint ventures on projects aimed at improving environmental impact.

ASSURANCE STATEMENT

Currently, our Sustainability Statement does not include an Assurance Statement, as we have yet to engage in any internal or external assurance processes. However, we recognise the importance of verifying and enhancing the credibility of our sustainability disclosures. As such, we are actively exploring options to engage with assurance providers and are committed to incorporating an Assurance Statement into our Sustainability Statement by FY2025.

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	FY2021	FPE June 2023	FY2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	37	60
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100	100	100
Executive	Percentage	100	100	100
Non-executive	Percentage	100	100	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	NA	NA	NA
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	-	230.40	168.05
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	-	-	12.98
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	-	114.06	127.80
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	4.62	326.05
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	-	RM3,183	RM2,768
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	1.4	4.86	0.56
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	NA	NA	NA
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	NA	NA	NA
Bursa C5(c) Number of employees trained on health and safety standards	Number	15	50	30
Bursa (Employee Management)				
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	1	2	1
Executive	Number	11	40	16
Non-executive	Number	0	10	6
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0	0	0.9
Management Between 30-50	Percentage	19.6	33.9	33.9
Management Above 50	Percentage	2.7	2.7	1.8

Sustainability Statement

Indicator	Measurement Unit	FY2021	FPE June 2023	FY2024
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Under 30	Percentage	20.5	44.6	56.3
Executive Between 30-50	Percentage	45.5	52.7	50.0
Executive Above 50	Percentage	4.5	0.9	0.9
Non-executive Under 30	Percentage	1.8	4.5	6.2
Non-executive Between 30-50	Percentage	4.5	7.1	8.0
Non-executive Above 50	Percentage	0.9	0	0
Gender Group by Employee Category				
Management Male	Percentage	15.2	15.2	20.9
Management Female	Percentage	4.5	4.9	5.6
Executive Male	Percentage	52.7	48.0	44.5
Executive Female	Percentage	17.1	20.5	18.3
Non-executive Male	Percentage	16.5	6.3	9.0
Non-executive Female	Percentage	0.9	1.1	1.8
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	74.1	76.2	78.0
Female	Percentage	25.9	23.8	22.0
Under 30	Percentage	22.3	33.5	40.1
Between 30-50	Percentage	69.6	64.0	58.2
Above 50	Percentage	8.0	2.4	1.7
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	9	26
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	NA	NA	NA

Indicator	Measurement Unit	FY2021	FPE June 2023	FY2024
Bursa (Training and Development)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	32	96	404
Executive	Hours	3,736	2,218	1,680
Non-executive	Hours	-	-	-
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	69,450	45,312	64,249
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7	15	19
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	NA	NA	NA

GRI CONTENT INDEX

Statement of use: Reservoir Link Energy Bhd has reported information cited in this GRI content index for the period of 1 July 2023 to 30 June 2024 in accordance with the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

Gri Standard/ Other Source	Disclosure Item	Reference Page(s) in Annual Report
GRI 2: General Disclosures 2021		
1. The organisation and its reporting practice		
2-1	Organisation details	Page 43
2-2	Entities included in the organisation's sustainability reporting	Page 43
2-3	Reporting period, frequency and contact point	Page 42
2-4	Restatement of information	Page 42
2-5	External assurance	Page 66
2. The organisation and its reporting practice		
2-6	Activities, value chain and other business relationship	Page 45
2-7	Employees	Page 42
2-8	Workers who are not employees	Page 60
3. Governance		
2-9	Governance structure and composition	Pages 44-45
2-10	Nomination and selection of highest governance body	Page 77
2-11	Chair of the highest governance body	Page 8
2-12	Role of the highest governance body in overseeing the management of impacts	Page 77
2-13	Delegation of responsibility for managing impacts	Pages 44, 76
2-14	Role of the highest governance body in sustainability reporting	Page 44
2-15	Conflict of interest	Page 52
2-16	Communication of critical concerns	Page 52
2-17	Collective knowledge of the highest governance body	Page 78
2-18	Evaluation of the performance of the highest governance body	Page 77
2-19	Remuneration policies	Page 77
2-20	Process to determine remuneration	Pages 78-79
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 24
2-26	Mechanism for seeking advice and raise concerns	Pages 52, 76, 86
2-27	Compliance with laws and regulations	Pages 52, 53, 59, 86
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Page 45

Sustainability Statement

Gri Standard/ Other Source	Disclosure Item	Reference Page(s) in Annual Report
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Page 46
3-2	List of material topics	Page 46
3-3	Management of material topics	Page 46
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Page 51
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Page 53
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Page 53
205-3	Confirmed incidents of corruption and actions taken	Page 53
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Page 57
GRI 303: Water and Effluents 2016		
303-5	Water consumption	Page 57
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Page 56
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Page 60
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	Page 61
401-3	Parental leave	Page 61
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Page 62
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 62
404-2	Programs for upgrading employee skills and transition assistance programs	Page 61
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Pages 58-59

Audit Committee Report

INTRODUCTION

The Board of Directors ("Board") of Reservoir Link Energy Bhd ("RLEB" or "the Company") is pleased to present this Audit Committee ("AC") Report for the financial year end from 1 July 2023 to 30 June 2024 ("FYE2024").

OBJECTIVE

The AC was established by the Board of Directors on 7 February 2020. The primary objectives of the AC are to assist the Board in discharging its duties and responsibilities relating to corporate governance, internal control systems, management, and financial reporting practices of the Company and to ensure proper disclosure to the shareholders of the Company.

COMPOSITION OF THE AUDIT COMMITTEE

The composition of the AC are as follows:

AC Members	Designation	Directorship
Dato' Ahmad Rizal Bin Abdul Rahman	Chairman	Independent Non-Executive Director
Siti Zurina Binti Sabarudin	Member	Independent Non-Executive Director
Elain Binti Lockman	Member	Independent Non-Executive Director

The Company has complied with Para 15.09 and 15.10 of the Main Market Listing Requirement of Bursa Securities ("MMLR") which requires all the AC members to be Non-Executive Directors, with a majority of whom being Independent Directors. The Company has also complied with the Step Up Practice of 9.4 under the Malaysian Code of Corporate Governance ("MCCG") that the AC should comprise solely of Independent Non-Executive Directors.

Details of the members of the AC are contained in the Profile of Directors as set out on pages 14 to 16 of this Annual Report.

MEETINGS AND ATTENDANCE

During the FYE2024, the AC convened a total of five (5) meetings and the details of attendance of each member of the Committee were as follows:

Name of AC Members	No. of the Meeting Attended	Percentage
Dato' Ahmad Rizal Bin Abdul Rahman (Chairman)	5 of 5	100%
Siti Zurina Binti Sabarudin	5 of 5	100%
Elain Binti Lockman	5 of 5	100%

The minutes of each AC meeting was recorded by the secretary and submitted at the next AC meeting for confirmation, and thereafter presented to the Board for notation.

TERM OF REFERENCE

The AC is guided by its Terms of Reference ("TOR"), which is available on the Company's website at www.reservoirlink.com. The TOR was approved by the Board on 7 February 2020 subsequently reviewed and amended on 23 March 2022 and 26 August 2022 and it shall be assessed, reviewed, and updated where necessary.

Audit Committee Report

1
2
3
4
5
6

SUMMARY OF WORK OF THE AC

During the FYE2024, the works carried out by the AC are summarised as follows:

Risk Management & Internal Control
- Reviewed the functions related to Risk Management and recommended to be embedded in an independent Risk Management Committee ("RMC"), which should report directly to the Board.
- Reviewed and approved the TOR of AC aligned with the developments of MMLR and MCCG.
- Reviewed the AC Report and Statement on Risk Management and Internal Control Report prior to submission to the Board for inclusion in the Annual Report.

Financial Reporting
- Reviewed the Group's unaudited quarterly financial statements including the announcement with management pertaining thereto prior to recommending to the Board for approval and release to Bursa Malaysia.
- Reviewed the Group's audited financial statements for FYE2024 prior to recommending to the Board for consideration and approval, to ensure that statements and disclosures presented gives a true and fair view of the Group's financial performance in accordance with the Malaysian Financial Reporting Standards as well as the applicable disclosure provisions of MMLR and Companies Act 2016.
- Received and reviewed regular updates from management on the status and implication of major accounting policies and financial reporting standards of the Group. There were no new or revised MFRS in FYE2024 that had a material effect on the financial performance or position of the Group.

External Auditors
- Reviewed the external audit plan with the External Auditors, audit strategy and scope of works.
- Discussed and reviewed with the External Auditors on fraud consideration and the impact of the new MACC Act issued by the Malaysian Anti-Corruption Commission.
- Reviewed the competency, efficiency and independence of External Auditors prior to the recommendation to the Board for approval on the reappointment of the External Auditors and their audit fees of the Group.

Internal Audit Function
- Review the appointment of the outsourced professional services firm as Internal Auditor of the Company.
- Reviewed the internal audit plans, and adequacy of scope and coverage on the activities of the Group, taking into consideration the assessment of the key risk areas, which were included and addressed accordingly.
- Reviewed the internal audit reports presented by the Internal Auditor with respect to system and control weaknesses and management's responses and ensured that appropriate actions are taken on the recommendations raised by the Internal Auditors.
- Reviewed the provision of audit services by the Internal Auditor and evaluated their suitability and independence on their reappointment.

Related Party Transactions
- Reviewed the related party transaction ("RPT") policy prior to submission to the Board for consideration and approval.
- Reviewed related party transactions that occurred within the Group to ensure that the transactions entered into were at arm's length basis every quarter.

AUDIT COMMITTEE PERFORMANCE REVIEW

For FYE2024, the performance and effectiveness of the AC were reviewed and assessed by the Board through its Remuneration and Nomination Committee ("RNC"). The Board was satisfied that the AC has effectively discharged its duties, functions and responsibilities in accordance with the TOR.

Audit Committee Report

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional service firm, Tricor Axcelasia Sdn Bhd. The Engagement Directors are Mr. Chang Ming Chew and Ms. Noor Lilah Wati Binti Abdul Majid. Mr. Chang Ming Chew is a member of Malaysian Institute of Accountants and professional member with the Institute of Internal Auditors of Malaysia ("IIAM") and later replaced by Ms. Noor Lilah Wati Binti Abdul Majid who is an Associate Member of IIAM and has a Bachelor's Degree in Economics and Social Studies, from the University of Wales, Aberystwyth, United Kingdom.

The number of staff deployed by Tricor Axcelasia for internal audit ranges from 2 to 5 staff per visit including the Engagement Director. The staff involved in internal audit holds professional qualifications and/or a university degrees. Most of them are also members of the IIAM. They are free from any relationships or conflicts of interest which could impair their objectivity and independence in conducting internal audit for the Group.

The internal auditors report directly to the AC and assist the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control system. The establishment of an affective system of internal controls is the primary responsibility of the Board and Management, including the on-going monitoring of its effectiveness and continuous improvement in responding to risks.

During the FYE2024, the internal auditors performed its work in accordance with the internal audit plan approved by the AC. The results of the internal audit activities were reviewed and its recommendations were presented to the AC covering, amongst others, the following areas:

1. Project Management of Founder Energy Sdn Bhd ("FESB")
   - Project feasibility study/project planning
   - Tendering procedures
   - Pre-qualification of contractors/consultants
   - Project Management – Monitoring of project schedule and costing, project progress, quality, inspections, progress billings and collection management

2. Resource Management of Reservoir Link Energy Bhd ("RLEB")
   - Workforce requirement analysis and monitoring
   - Talent acquisition management including recruitment and onboarding processes
   - Compensation and benefits
   - Employee engagement and satisfaction
   - Talent retention
   - Competency assessments
   - Performance management system
   - Development and training
   - Succession planning

The outcome of the internal audits were discussed with Senior Management and the Internal Auditors follows-up with the implementation progress of recommendations made to ensure all findings and control concerns have been addressed by the Management in a timely manner. Based on the internal audits performed, none of the weaknesses have resulted in any material losses or contingencies that would require additional disclosure in this Annual Report.

The cost incurred for the internal audit function for the FYE2024 under review was approximately RM33,000 excluding Sales and Service Tax and out-of-pocket expenses.

Further details of the internal audit function of the Company are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors ("Board") of Reservoir Link Energy Bhd ("RLEB" or "the Company") and its subsidiaries (collectively referred to as "the Group") are committed to ensuring that the highest standards of corporate governance are deeply ingrained throughout the Group as a fundamental part of discharging their duties to enhance long-term value for shareholders while also taking into account the best interests of the stakeholders of the Company.

As part of this commitment, the Board is pleased to present this Corporate Governance Overview Statement ("this Statement") to provide shareholders and stakeholders an overview of the Company's Corporate Governance practices for the financial year ended from 1 July 2023 to 30 June 2024 ("FYE2024").

This Statement is made pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read together with the Corporate Governance Report 2024 ("CG Report") which is available at the Company's website at www.reservoirlink.com. The detailed applications of the Company's Practices of the Malaysian Code on Corporate Governance ("MCCG") can be found in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board's Role

The Board plays a central role in enhancing shareholder value and providing effective leadership to the Group. The Board is primarily responsible for developing the Group's overall corporate governance, and strategic plans, overseeing business operations, managing risks and planning for succession within the Group. Moreover, the Board is responsible for implementing investor relations programmes and ensuring the effectiveness of internal controls and the management information system.

The Board maintains a profound awareness of its stewardship over the Group. Therefore, the Board is committed to striking a harmonious balance between fostering a prosperous business without compromising the highest standards of corporate governance, all with the aim of pursuing and safeguarding sustainable long-term shareholder value.

In this regard, the Board has established the Board Charter which serves as a guiding document for the Board. The Board has defined in its Board Charter by setting out the roles, duties and responsibilities of the Board, as well as the principles and practices of corporate governance to be followed, together with the key matters reserved for the Board.

The Board Charter was approved on 7 February 2020 and subsequently reviewed and amended on 23 March 2022 and 16 November 2023 to ensure that it remains relevant and consistent with the MMLR and the MCCG. The Board Charter is published and made available at the Company's website at www.reservoirlink.com.

Board Committees

To ensure the Board discharges its duties and responsibilities effectively, the Board has established three (3) Board Committees as follows:

a) Audit Committee ("AC")
b) Remuneration and Nomination Committee ("RNC")
c) Risk Management Committee ("RMC")
Thereafter refer to as ("Committees")

The roles, responsibilities and functions of these Committees are set out in their respective Terms of Reference. These Committees operate within their approved Terms of Reference but the ultimate responsibility for the final decisions rests with the Board, taking into account the findings and recommendations brought forward by these committees, except for specific matters delegated by the Board to these Committees.

Corporate Governance Overview Statement

These Committees support the Board in making well-informed decisions through the reports of findings and recommendations on matters within their respective areas of responsibility. To further enhance good governance, the Independent Non-Executive Directors on these Committees are responsible for providing independent advice, bringing impartiality and scrutiny to Board deliberations and decision-making.

Board Leadership

The Chairman of the Board has been entrusted with the responsibility of instilling good governance practices and leadership in the Board whilst the Executive Deputy Chairman supports the Chairman of the Board and assist in high level business development and customer relations. Group Chief Executive Officer/Managing Director (GCEO/MD) is the head of management with overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The roles of the Chairman, Executive Deputy Chairman and the GCEO/MD are separated and held by different individuals to ensure that there is a balance of power and authority. The clear division of these responsibilities is expressly set out in the Board Charter.

In line with the recommendation of MCCG, the Board has also adopted in its Board Charter that the Chairman of the Board should not be a member of any Board Committees.

Company Secretary

The Board is supported by a Company Secretary, who is qualified to act as Company Secretary under the Companies Act 2016. The Company Secretary is a Chartered Secretary/Chartered Governance Professional who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary besides performing her statutory duties under the Companies Act 2016, also provides the Board with guidance on matters relating to good corporate governance practices affecting the Company. All Board Members have unrestricted access to the advice and services of the Company Secretary.

Board & Committee Meetings

The Company Secretary manages all the Board and committee meetings' logistics and attends and records the minutes of the meetings. The notice and agenda were circulated to all Directors at least seven (7) days in advance, while the Board papers were circulated at least three (3) days before the date of the meetings. All pertinent issues discussed and decisions made at the Board Meetings were recorded by the Company Secretary. The Chairman of the meetings signed on the minutes upon confirmation by the Board and Board Committees at the next Board Meeting.

During the FYE2024, the Board had six (6) Board Meetings, the Board and its Committee meeting attendance are outlined below for the FYE2024:

Directors	BOD Meeting	AC Meeting	RMC Meeting	RNC Meeting
Datuk Tai Hee	6/6	-	-	-
Dato' Wan Hassan Bin Mohd Jamil	6/6	-	-	-
Thien Chiet Chai	6/6	-	1/1	-
Dato' Ahmad Rizal Bin Abdul Rahman	6/6	5/5	1/1	2/2
Siti Zurina Binti Sabarudin	6/6	5/5	1/1	2/2
Elain Binti Lockman	6/6	5/5	-	2/2

Good Business Conduct

The Board has put in place a Code of Business Conduct ("COBC") which applies to all directors and employees of the Group to promote a safe working environment, good business conduct, and maintain a healthy corporate culture that engenders integrity, transparency and fairness.

Corporate Governance Overview Statement

With the implementation of Section 17A of the Malaysia Anti-Corruption Commission Act 2009, the Group formalized the Anti-Bribery and Corruption Policy ("ABC Policy") and Whistleblowing Policy on 28 May 2020 to ensure that the Group's business is conducted in a socially ethical manner and provides an avenue for stakeholders to report any genuine concerns relating to the Group's activities.

The COBC, ABC Policy and the Whistleblowing Policy are published on the Company's website at www.reservoirlink.com. These policies will be reviewed periodically and may be amended as and when necessary to ensure their relevance and effectiveness.

Sustainability Governance

The Board, together with the Management, acknowledges their responsibility for promoting sustainability in areas covering the environment, social and governance ("ESG") while creating value to shareholders. The commitment to sustainability starts with the Board of Directors and senior management and is then reinforced at all levels.

The Board is committed to take accountable action to ensure they are always abreast with the Company's sustainability issues. Material sustainability issues are reviewed annually in line with the GRI standards for sustainability reporting by the Board. The review is done with insights from previous assessments to persevere into new possible topics or improvements in sustainability. Topics as such are then validated with professional in-depth discussion.

The RNC also recommends the necessary climate-related training programmes for the Board to ensure that the Group maintains a leading role in sustainability governance and practices aligned with its business.

Details on sustainability governance are discussed in the Sustainability Statement section on page 44 of this Annual Report.

II. BOARD COMPOSITION

Board Composition and Diversity

The Board comprises six (6) members: one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Executive Deputy Chairman, one (1) GCEO/MD, and three (3) Independent Non-Executive Directors who meet the criteria of one-third (1/3) independent directorship as set out in the MMLR and that half of the Board comprises of Independent Directors which is in line with Practice 5.2 of the MCCG.

The Board of Directors comprises individuals with a wealth of diverse experiences and backgrounds, encompassing fields such as petroleum engineering, business administration, accounting/finance, legal and economics. The current Board composition is deemed suitable in terms of its size, the depth of skills and expertise it encompasses and the diversity of age among its members. The Board's composition enriches the Group by promoting a wider spectrum of perspectives and thereby enhancing the quality of decision-making.

The Board currently comprises two (2) women Independent Non-Executive Directors, accounting for 33.33% of the Board's composition. The Board has complied and is supportive of the MCCG's practice recommendation of having a minimum of 30% women directors on the Board. However, mindful of the MCCG's practice recommendation, the Board recognises that for the best interests of shareholders and the long-term sustainability of the Group's business, the selection of potential directors and employees should be based solely on merit, skills and experience, without any bias towards cultural background or gender. As such, the Board upholds the responsibility to ensure that all director appointments and employee hiring processes are free from any form of discrimination.

In furtherance, the Board is mindful of the tenure limit for Independent Directors. Upon reaching the nine (9) year limit, the Independent Director may be re-designated as a Non-Independent Director. If the Board intends to retain them as Independent Directors, they must justify this decision and seek shareholders' approval through a two-tier voting process at the AGM. Furthermore, any Independent Director who has exceeded the 12-year period must either resign as an Independent Director or be re-designated as a Non-Independent Director. Currently, no Independent Directors of the Company have served on the Board for more than nine (9) years.

Corporate Governance Overview Statement

Remuneration and Nomination Committee

The Remuneration and Nomination Committee ("RNC") is chaired by an Independent Non-Executive Director, Ms Siti Zurina Binti Sabarudin, the Board has established a formal and transparent procedure on the appointment, re-election and assessment of Directors and the Board Committees.

During the FYE2024, the RNC had carried out the following key activities:-

- reviewed the required size, mix of skills, experiences and other qualities of the Board Members;
- evaluated the effectiveness of the Board and the Committees of the Board;
- reviewed the terms of office and performance of the Audit Committee;
- reviewed the re-election of Directors due for retirement by rotation;
- reviewed the remuneration package of Senior Management of the Group;
- reviewed the remuneration package of the Executive Directors;
- reviewed and recommended the Remuneration Policy for Directors and Senior Management prior to Board's approval;
- reviewed the Directors' Fees for the FYE2024;
- recommended the other benefits payable to Directors for the FYE2025; and
- recommended the training or workshop for the Directors.

Based on the evaluation results performed by RNC on 21 October 2024 and the Board on 22 October 2024 was satisfied with the performance of each individual Director and its Board Committees. All Independent Non-Executive Directors have fulfilled the independence standards prescribed under the MMLR.

According to the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting of the Company after their appointment. Thereon, an election of Directors shall take place every year where one-third (1/3) of the Directors for the time being or, if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall retire but shall be eligible for re-election; provided always that all Directors shall retire from office at least once in every three (3) years.

Furthermore, the appointment of new Directors is considered and decided by the Board based on the recommendation of the RNC. The RNC shall consider the required mix of skills, experience, character, ability to dedicate sufficient time to fulfil his/her responsibilities as a member of the Board, and the core competencies which the new Director can bring to the Board.

In this regard, the RNC is guided by the Fit and Proper Policy to ensure that any person to be appointed or elected/ re- elected as a Director of the Group must meet the criteria set out in the Policy. The execution of the Policy is delegated to the RNC and will be reviewed and updated periodically by the Board, or at any time when the Board deems proper. The Fit and Proper Policy is available on the Company's website.

Gender Policy

The Company has no specific policy on gender, age or ethnicity for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

The Nomination Committee will however continue to take steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme PART I prescribed by Bursa Malaysia. During the FYE2024, the Directors attended the following training programmes to ensure that they keep abreast of various issues faced in the challenging business environment within which the Group operates:

Corporate Governance Overview Statement

Directors	Seminars, Workshops, Conferences and Course Attended	Date
Datuk Tai Hee	Corporate Training on Environmental, Social, Governance ("ESG"), Task Force on Climate-related Financial Disclosure ("TCFD") and Sustainability Training.	21 March 2024
Dato' Wan Hassan Bin Mohd Jamil	National OGSE Sustainability Forum 2023.	23 November 2023
	Offshore Technology Conference Asia (OTC Asia) 2024.	27 February - 1 March 2024
	Understand Greenhouse Gas ("GHG") Emission.	27 September 2024
Mr. Thien Chiet Chai	Offshore Technology Conference Asia (OTC Asia) 2024.	27 February - 1 March 2024
	Understand Greenhouse Gas ("GHG") Emission.	27 September 2024
Dato' Ahmad Rizal Bin Abdul Rahman	Remuneration Committee Beyond Box Ticking Enhancing Effectiveness" by Asia School of Business; Kuala Lumpur.	7 August 2023
	Sustainability In the Digital Age"; by Asia School of Business; Kuala Lumpur.	14 September 2023
	Anti Bribery & Anti Corruption Training"; by AI Smart Learning Sdn Bhd, Kuala Lumpur.	16 October 2023
	Budget 2024 Tax Seminar"; by KPMG Malaysia, Petaling Jaya.	2 November 2023
	Sonny Bill Williams-Rugby, Life & Leadership Journey" By Asia School of Business and Malay College Old Boys Association, Kuala Lumpur.	3 February 2024
	Mandatory Accreditation Program II – Leading for Impact"; by Institute Corporate Directors of Malaysia, Kuala Lumpur.	25-27 February 2024
	Being Sued as INED" by Institute of Corporate Directors of Malaysia, Kuala Lumpur.	10 May 2024
Ms. Siti Zurina Binti Sabarudin	Beyond Box – Ticking : Essentials for Effective Remuneration Committee Organised by Asia School of Business, Kuala Lumpur	7 August 2023
	Board's Role in Value Creation Organised by Asia School of Business, Kuala Lumpur	8 August 2023
	Mandatory Accreditation Program II – Leading for Impact"; by Institute Corporate Directors of Malaysia, Kuala Lumpur.	25-27 February 2024
Ms. Elain Binti Lockman	Mandatory Accreditation Program II – Leading for Impact"; by Institute Corporate Directors of Malaysia, Kuala Lumpur.	25-27 February 2024

III. REMUNERATION

The remuneration of Executive Directors is aligned to individuals' and corporate performance appropriate to their scale of responsibilities and performance. The RNC makes recommendations to the Board on all elements of their remuneration, terms of employment, reward structure and other benefits which are subject to the approval of the Board.

It is stipulated in the Board Charter that the Board determines the remuneration of the Non-Executive Directors which is subject to the approval of the shareholders at the Annual General Meeting ("AGM"). Non-Executive Directors are paid a fee and meeting allowances for discharging their responsibilities and for the Board and Committee Meetings they attend.

The Directors' remuneration is determined at levels that enable the Company to attract and retain Directors with relevant calibre and skills to manage the operations and business of the Group effectively and competently.

On 22 October 2024, the RNC reviewed and recommended the remuneration package and directors' fee to the Board.

A summary remuneration of the Directors for the FYE2024 distinguishing between Executive and Non-Executive Directors in aggregate received/receivable from the Company and the Group, with categorization into appropriate components are set out in the CG Report 2024 of the Company.

Corporate Governance Overview Statement

Group Level

	Director Fees (RM')	Salaries & Bonuses (RM)	Meeting Allowances (RM)	Other Emoluments (RM)	Benefit-in-kind (RM)	Total (RM)
Executive Directors						
Dato' Wan Hassan Bin Mohd Jamil	24,000	489,720	-	188,530	7,200	709,450
Thien Chiet Chai	24,000	489,720	-	188,530	7,200	709,450
Non-Executive Directors						
Datuk Tai Hee	60,000	-	6,000	-	-	66,000
Dato' Ahmad Rizal Bin Abdul Rahman	60,000	-	14,000	-	-	74,000
Siti Zurina Binti Sabarudin	48,000	-	13,000	13,940	-	74,940
Elain Binti Lockman	48,000	-	14,000	-	-	62,000
TOTAL (RM)	**264,000**	**979,440**	**47,000**	**391,000**	**14,400**	**1,695,840**

Company Level

	Director Fees (RM)	Salaries & Bonuses (RM)	Meeting Allowances (RM)	Other Emoluments (RM)	Benefit-in-kind (RM)	Total (RM)
Executive Directors						
Dato' Wan Hassan Bin Mohd Jamil	24,000	489,720	-	188,530	7,200	709,450
Thien Chiet Chai	24,000	489,720	-	188,530	7,200	709,450
Non-Executive Directors						
Datuk Tai Hee	60,000	-	6,000	-	-	66,000
Dato' Ahmad Rizal Bin Abdul Rahman	60,000	-	14,000	-	-	74,000
Siti Zurina Binti Sabarudin	48,000	-	13,000	13,940	-	74,940
Elain Binti Lockman	48,000	-	14,000	-	-	62,000
TOTAL (RM)	**264,000**	**979,440**	**47,000**	**391,000**	**14,400**	**1,695,840**

- The Company's director fees are subject to the shareholders' approval at the Annual General Meeting, as set out in the Notice of AGM.
- Meeting attendance allowance has been approved during the previous Annual General Meeting held on 30 November 2023.

The top five (5) Key Senior Management personnel's remuneration received during the FYE2024 is categorised within the band as follows:

Remuneration Band (RM)	Number of Key Senior Management
300,001 - 350,000	1
450,001 - 500,000	2
500,001 - 550,000	1
650,001 - 700,000	1

The Board is of the opinion that the disclosure of the Senior Management Personnel names and the remuneration component including salary and bonus, benefits in-kind and other emoluments would be unfavourable to the Group due to the intense competition, scarcity for talents and to safeguard its Senior Management retention efforts.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

A B C

I. AUDIT COMMITTEE

The Audit Committee composition comprises three (3) members, who are all Independent Non-Executive Directors, as below:

- Dato' Ahmad Rizal Bin Abdul Rahman (Chairman) – Independent Non-Executive
- Ms Siti Zurina Binti Sabarudin – Independent Non-Executive
- Ms Elain Binti Lockman – Independent Non-Executive

The positions of Board Chairman and AC Chairman are different individuals and hence allow the Board to review the AC's findings and recommendations objectively.

The profile of the AC Chairman is set out in the Profile of Directors in this Annual Report. Accordingly, the Company complies with Para 15.09 (1)(c)(i) of the MMLR.

During the financial period, five (5) meetings were carried out with attendance as follows:-

Name of AC Members	No. of the Meeting Attended	Percentage
Dato' Ahmad Rizal Bin Abdul Rahman (Chairman)	5 of 5	100%
Siti Zurina Binti Sabarudin	5 of 5	100%
Elain Binti Lockman	5 of 5	100%

Oversight of External Auditors

The Board, through its Audit Committee maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the Audit Committee for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations. The Audit Committee ensured that the External Auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process. The Audit Committee assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.

The External Auditors also confirmed to the Audit Committee that they had been independent throughout the audit engagement in respect of the financial under review.

Details of the audit and non-audit fees paid to the External Auditor for the FYE2024 are as follows:-

	The Group RM	The Company RM
Statutory audit fees paid to the External Auditor	368,637	100,103
Non-audit fees paid to the External Auditor	-	-
Total	**368,637**	**100,103**

Details of activities carried out by the AC in FYE2024 are disclosed on page 72 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is assisted by the Audit Committee and Risk Management Committee in discharging its responsibility for maintaining sound internal control and risk management systems within the group, including reviewing their adequacy and effectiveness, to protect shareholders' investments and the assets of the Group.

The Risk Management Committee has been tasked to review the ongoing enterprise risk management process i.e., identify, evaluate, and manage significant risks of the Group and report to Board on a yearly basis.

Meanwhile, an outsourced independent professional service provider was appointed to assist the Audit Committee and the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control system established by the Management.

The Statement on Risk Management and Internal Control set out on pages 83 to 86 of this Annual Report provides further details of risk management activities and internal audit functions within the Group.

Internal Audit Function

The Group's internal audit function is outsourced to an independent professional service provider, which adopts the International Professional Practices Framework of the Institute of Internal Auditors, an international professional association of internal auditors, in carrying out internal audit assignments on the Group.

During the FYE2024, the AC reviewed the work of the internal audit function, its observations, and recommendations to ensure that the AC obtained the necessary level of assurance with respect to the adequacy and operating effectiveness of the system of internal control. A follow-up visit is to be performed to monitor the implementation progress of audit recommendations to ensure all audit findings and control concerns have been addressed by the management in a timely manner.

Further information on the internal audit function is disclosed in the Statement on Risk Management and Internal Control set out on page 85 of the Annual Report 2024.

An outsourced independent professional service provider, Tricor Axcelasia Sdn Bhd was appointed to assist the AC and the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control system established by the management.

The Engagement Directors are Mr. Chang Ming Chew and Ms. Noor Lilah Wati Binti Abdul Majid. Mr. Chang Ming Chew is a member of Malaysian Institute of Accountants and professional member with the Institute of Internal Auditors of Malaysia ("IIAM") and later replaced by Ms Noor Lilah Wati Binti Abdul Majid who is an Associate Member of IIAM and has a Bachelor's Degree in Economics and Social Studies, from the University of Wales, Aberystwyth, United Kingdom.

The number of staff deployed by Tricor Axcelasia Sdn Bhd for the internal audit ranges from three (3) to four (4) staff per visit including the Engagement Director. The staff involved in the internal audit hold professional qualifications and/or a university degree. Most of them are also the members of the IIAM. They are free from any relationships or conflicts of interest which could impair their objectivity and independence in conducting internal audits for the Group.

The internal audits were conducted in accordance with an approved risk-based internal audit plan and were guided by the International Professional Practice Framework.

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

A B C

The Group is committed to ensuring effective and timely disclosure of corporate information to its stakeholders and established a Corporate Disclosure Policy on 23 November 2020. The policy outlines the approach towards the determination and dissemination of material information, to maintain the confidentiality of information, and disclosure to Bursa Securities. It also covers monitoring and responding to market rumours, leaks and inadvertent disclosures and restrictions on insider trading.

Corporate Governance Overview Statement

I. ENGAGEMENT WITH STAKEHOLDERS

The Company's corporate website at https://reservoirlink.com serves as one of the convenient ways for shareholders and stakeholders to gain access to corporate information, news, and events relating to the Group. Under the Investors section on the Company's corporate website, it provides relevant links to the Company's announcements including corporate information, corporate governance, financial information, stock information, investor centre & reports and investor resources. It serves as a platform for timely information and accurate disclosure of all material information to the stakeholders of the Company.

In addition to the disclosures and announcements made to Bursa Malaysia i.e., quarterly financial reports, the Annual Report, and media releases, any inquiry regarding the Group may be directed to this email address investor.relation@reservoirlink.com.

The Company's AGM will also serve as the principal forum for dialogue and interaction among shareholders. Shareholders are welcome to participate in the question & answer session.

Details on relevant focused areas, engagement approach and frequency of engagement with the stakeholders are discussed in the Sustainability Statement section on page 45 of this Annual Report.

Corporate Disclosure Policy

The Group established a Corporate Disclosure Policy on 23 November 2020 and subsequently reviewed and amended it on 29 August 2022. This policy outlines the approach towards the determination and dissemination of material information, to maintain confidentiality of information, and disclosure to Bursa Malaysia. It also covers monitoring and responding to market rumours, leaks, inadvertent disclosures and restrictions on insider trading.

Integrated Reporting

The nature and pace of change in businesses today have evolved over time, and stakeholders are now placing greater emphasis on a Company's future performance and non-financial information. In tandem with the growing demand, the Company's would consider adopting integrated reporting in the near future, as such integrated reporting is still new in the current market. The Company will adopt integrated reporting based on a globally recognised framework in the near future.

II. CONDUCT OF GENERAL MEETING

The Company's General Meetings remain the main channel of communication with the Company's shareholders. The Chairman and Chair of all Board Committees are fully aware of their responsibilities and would commit themselves to attend all General Meetings to respond to shareholders' questions that fall within their respective scope of responsibilities.

The Annual General Meeting ("AGM") will be conducted on a virtual basis through live streaming. Notice for the upcoming AGM is to be provided 28 days in advance for the shareholders to make necessary arrangements to attend the general meetings and exercise their rights.

COMPLIANCE STATEMENT

The Board is satisfied that the Group has substantially complied with the majority of the practices of the Malaysian Code on Corporate Governance throughout the financial period. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors on 22 October 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (the "Board") of Reservoir Link Energy Bhd ("Reservoir Link" or "the Group") is pleased to present its Statement on Risk Management and Internal Control ("SORMIC") for financial year ended 30 June 2024 ("FY2024"), which has been prepared in accordance to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Practices 10.1 and 10.2 of Malaysia Code on Corporate Governance ("MCCG"), and by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). The following statement outlines the nature and scope of the Group's system of internal control and risk management in FY2024.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility of the Group's system of risk management and internal control and is dedicated to put in place an ongoing process for reviewing its adequacy and integrity in order to safeguard shareholders' investment and the Group's assets.

The Board has delegated the responsibilities to the Audit Committee ("AC") and Risk Management Committee ("RMC") to provide oversight on the Group's risk management and internal control systems. AC and RMC are tasked to support the Board in fulfilling its fiduciary responsibilities by evaluating the adequacy, effectiveness, and integrity of the Group's risk management and internal control systems. The adequacy and effectiveness of internal controls were reviewed by the AC in relation to the audits conducted by Internal Audit ("IA") during the year while the Board through the RMC, is responsible for reviewing the Group's risk management report and relaying any risk-related concerns to the Management. The responsibility for approving the Group's risk management framework, which outlines the objectives, principles, activities, and areas of responsibility for risk management, rests with the Board.

Additionally, the Group's Board is responsible for overseeing the effectiveness of the framework and delegating the responsibility for implementing the associated policies and procedures to Management.

The Board, through the RMC, is responsible for reviewing the Group's risk management report and relaying any risk-related concerns to the Management. The responsibility for approving the Group's risk management framework, which outlines the objectives, principles, activities, and areas of responsibility for risk management, rests with the Board. Additionally, the Group's Board is responsible for overseeing the effectiveness of the framework and delegating the responsibility for implementing the associated policies and procedures to Management.

RISK MANAGEMENT FRAMEWORK

Reservoir Link acknowledges that risk management contributes to effective management practices and strong corporate governance by improving decision-making, enhancing outcomes, and promoting accountability. The Group has adopted the ISO 31000:2018 principles and general guidelines on risk management, which assist in identifying, assessing, managing, and monitoring significant risks, ensuring that its risk management process aligns with industry best practices.

ENTERPRISE-WIDE RISK MANAGEMENT ("ERM")

The design and implementation of the Group's ERM are vital elements that facilitate Reservoir Link to proactively manage business risks and build resilience throughout the organisation. The risk governance structure outlined below shows how Reservoir Link consistently communicates its risk management policies, procedures, and key principles:

The Risk Management Report ("RMR"), prepared by Senior Management, delivers regular updates to the Risk Management Committee ("RMC") about risks that could potentially harm the Group's performance. The report also outlines information on mitigating measures and key indicators that evaluate the severity of these risks. The RMC reviews the RMR, offers feedback and input, and continuously monitors the mitigating actions and risk indicators.

Statement on Risk Management and Internal Control

1
2
3
4
5
6

The Senior Management also maintains a risk register that includes both strategic and operational risks, as well as financial and compliance risks associated with the business. The document is formally reviewed on an annual basis, with emerging risks incorporated as they arise. The key risk register is discussed in Management committee meetings as required and reported annually to the Board through the RMC. The seven steps for managing risks identified in the risk register are as follows:

1. Identifying the risks to achieving strategic and operational objectives
2. Determining the owner of the risk
3. Assessing the impact and likelihood of the risk before taking account of any existing controls to derive the gross risk
4. Determining and identifying the existing controls in place
5. Determining the effectiveness of existing controls in managing the impact and likelihood of the risk
6. Assessing the impact and likelihood of the risk after taking account of existing controls to derive the residual/net risk
7. Determining additional control improvements/ management actions to further manage the risk

The Group consistently reviews and monitors the implementation and effectiveness of its risk management process, ensuring the cultivation of a strong risk management culture throughout the organisation.

Top Five (5) Group Risks

In FY2024, risk assessment exercise was carried out to demonstrating our commitment to proactive risk management. The results of this assessment were reviewed by the RMC as part of our thorough governance process and subsequently presented to the Board for approval on 25 August 2023. The Group's top five (5) identified risks are summarised below, along with a brief explanation of the corresponding mitigation actions:

RISK 1 Project delay

There is a concern whereby the project is not being able to commence or to be completed within the planned timeline. Two (2) out of the 18 projects faced delays in completion, primarily due to postponed approvals from local authorities and unfavorable weather conditions that hindered specific work activities.

Mitigation:

i) Pre-Job Meeting: A pre-job meeting is conducted before the project commences to ensure clear communication, alignment of objectives, and coordination among all stakeholders involved.
ii) Revised Financial Planning: Project financial arrangements are re-evaluated and re-planned to ensure resources are properly allocated according to the updated project timeline.
iii) Timely Procurement: Materials and equipment are procured and supplied promptly to align with the revised schedule, minimising any further delays.

RISK 2 Over-reliance on key customers

Losing major clients could negatively affect our operating results due to their substantial contribution to our revenue.

Mitigation:

The Group has implemented key strategies, including diversifying our services and solutions, and identifying new business opportunities. These efforts aim to reduce dependency on a few clients and promote sustainable growth.

RISK 3 Loss of operational license

Non-renewal of operational license to revenue loss and inability of the Company to continue its operations.

Mitigation:

A monitoring process is in place to track license expiry and renewal dates, ensuring timely compliance with all relevant licensing requirements. This proactive approach helps prevent operational disruptions due to licensing issues.

RISK 4 Health, safety & environmental risk

In November 2022, a near-miss incident occurred during a well-testing operation, involving a minor spill. Reservoir Link management responded by implementing necessary controls and is actively monitoring the effectiveness to prevent future occurrences.

Statement on Risk Management and Internal Control

Mitigation:
Reservoir Link perform pre-mobilisation audits and inspections, including System Integration Tests, Factory Acceptance Tests, and Site Acceptance Tests, to ensure all safety measures are in place before project commencement.

RISK 5 Liquidity risk

The risk may arise due to the Group's active involvement in mergers and acquisitions within the renewable energy sector, and challenges from the post-pandemic landscape, potentially impacting the Group's cash flow.

Mitigation:
The Group prepares detailed cash flow forecasts to ensure sufficient liquidity is available to support operations and investments. Cost variance analysis is conducted to identify discrepancies between budgeted and actual spending, allowing for timely adjustments and control of financial resources.

The Group's risk management practices, as outlined above, constitute an ongoing process for identifying, evaluating, and managing significant risks from the review year through to the approval date of this Statement. The Board will continue to assess and refine the Group's risk management process to ensure it remains aligned with the Group's evolving needs.

INTERNAL AUDIT

The Group's internal audit function is outsourced to an independent audit service provider, Tricor Axcelasia, responsible for conducting an objective assessment of the adequacy, effectiveness, and integrity of the Group's risk management and internal control systems. All personnel assigned by Tricor Axcelasia to this engagement are free from any relationships or conflicts of interest that could compromise their objectivity and independence throughout the internal audit process.

In performing its duties, the internal audit function had unrestricted access to the Group's relevant records, personnel, and physical assets. The internal audit review was conducted and completed based on an approved risk-based audit plan and in compliance to the International Professional Practice Framework.

The results of the internal audit reviews and the associated recommendations for improvement are presented to the Board through the Audit Committee. Following these reviews, the Board believes that none of the identified control weaknesses pose a risk of material loss or significant adverse impact on the Group that would necessitate separate disclosure in the Annual Report. For areas requiring attention, measures have been and continue to be implemented to ensure the ongoing adequacy and effectiveness of internal controls, thereby safeguarding shareholders' investments and the Group's assets. In FYE2024, the Board reviewed internal audit reports on 16 November 2023 and 16 May 2024. Two (2) audit cycles were conducted during the financial year, with the internal audit function costing approximately RM33,000, excluding Sales and Service Tax and out-of-pocket expenses.

Further details of the internal audit function are outlined in the Audit Committee Report on page 73 of this Annual Report.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The following outlines additional key components of the Group's risk management and internal control systems, further demonstrating our commitment to robust corporate governance.

Components	Key Internal Control Elements
Organisation Structure and Authorisation Procedures	The Group has implemented organisational structure that includes a clearly defined limits of authority, delegation of responsibility and reporting lines to facilitate effective and efficient decision-making processes. The Board committees that have been established including Audit Committee, Remuneration and Nomination Committee and Risk Management Committee which further enhance governance oversight and contribute to the Group's overall strategic direction.

Statement on Risk Management and Internal Control

Components	Key Internal Control Elements
Monitoring and Review	The Management Committee convenes monthly to discuss and review business and financial performance, Health, Safety & Environment (HSE) issues, Anti-Bribery and Corruption (ABC) updates, sustainability matters, business development, operational activities, and other departmental updates. The meetings include participation from the Executive Deputy Chairman, Group Chief Executive Officer/Managing Director (GCEO/MD), Chief Executive Officers, Chief Financial Officer, Senior Management, and/or Heads of Department. The Management regularly updates the Audit Committee, Remuneration and Nomination Committee, Risk Management Committee, and the Board on performance, either quarterly or as necessary. This reporting system keeps the Board informed about key issues related to internal controls, risk management, and regulatory compliance. Through this ongoing communication, the Board ensures that business goals are achieved and that Management implements timely corrective actions as required.
Group Policies and Procedures	Internal policies, procedures, and guidelines are regularly maintained and reviewed to ensure they effectively guide operations in compliance with applicable laws, regulations, and internal control standards.
ISO Certification	The Group is committed to fulfilling customer expectations and maintaining high standards of quality, while ensuring compliance with relevant oil and gas regulations and prioritising worker health and safety. To support these goals, our operations are certified under ISO 9001:2015 (Quality Management System), ISO/TS 29001:2010 (Quality Management System), and ISO 45001:2018 (Occupational Health and Safety Management System).
Integrity and Ethical Conduct	Acknowledging the vital influence of leadership in fostering a positive organisational culture, the Board highlights the importance of establishing a strong "tone from the top." To support this approach, the Board has adopted the Code of Business Conduct ("COBC") and the Anti-Bribery Management System ("ABMS"). These frameworks embed crucial ethical principles that Directors, Management, employees, and business partners are expected to uphold, promoting a culture of ethical business practices throughout the Group.
Whistleblowing Policy	The Whistleblowing Policy was implemented to offer stakeholders a safe and confidential means for reporting any improper behavior within the Group. It outlines the oversight responsibilities, reporting procedures, and protections for whistleblowers to ensure a transparent and secure process.

REVIEW BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement on Risk Management and Internal Control for incorporation into the Annual Report for the FY2024. This review complies with paragraph 15.23 of Bursa Malaysia Securities Bhd's Main Market Listing Requirements and follows the guidelines set by the Malaysian Institute of Accountants (MIA).

The external auditors have informed the Board that they have not identified any issues suggesting that this Statement is not prepared in accordance with the requirements outlined in paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

CONCLUSION

The Board acknowledges that while our risk management and internal control systems are designed to mitigate risks, they cannot provide absolute assurance against the occurrence of any material misstatements, losses, or fraud. Nevertheless, the Board and the AC and RMC are committed to maintaining a robust system of risk management and internal control that aligns with our evolving business needs and supports our strategic goals.

The Executive Deputy Chairman and Chief Financial Officer have assured the Board that our risk management and internal control systems were operating effectively in all material respects for FY2024 and up to the date of this statement.

This Statement on Risk Management and Internal Control was approved by Board of Directors dated 22 October 2024.

Additional Information

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

Details of statutory audit and non-audit fees paid/payable to the external auditors for the FY2024 are set out as below;

	The Group RM	The Company RM
Audit services	368,637	100,103
Non audit services	-	-
Total	**368,637**	**100,103**

MATERIAL CONTRACTS OR LOANS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

During the FY2024, there were no material contracts or loan entered by the Company and its subsidiaries involving Directors and major shareholder's interest.

UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENTS

The gross proceeds raised from the Private Placement* of RM25.21 million are intended to be utilised in the following manner:

No.	Purpose	Proposed Utilisation (RM'000)	Actual Amount Raised (RM'000)	Actual Utilisation up to 30 June 2024 (RM'000)	Balance Unutilised (RM'000)	Estimated Timeframe for Utilisation
1.	Development cost for the wastewater treatment plant	10,000	8,365	8,365	-	Within 12 months
2.	Renewable Energy projects	14,000	-	-	-	Within 24 months
3.	Working Capital	807	807	807	-	Within 12 months
4.	Estimated expenses for the Proposals	340	340	340	-	Immediate
Total		**25,147**	**9,512**	**9,512**	**-**	

* The utilisation of proceeds as disclosed above should be read in conjunction with the circular dated 25 May 2023.

As at the reporting date, we have placed out 31,708,000 shares and we have raised a total of RM9,512,400 through to the following tranches:

(i) On 2 August 2023, we placed out first tranche of 11,511,000 units of shares for RM3.4 million.
(ii) On 25 September 2023, we placed out second tranche of 14,867,000 units of shares for RM4.5 million.
(iii) On 30 July 2024, we placed out third tranche of 5,330,000 units of shares for RM1.6 million.

Additional Information

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

During the FY2023, the Group has one (1) ESOS in existence and the said ESOS is governed by the By-Laws approved by the shareholders during the Meeting of Members held on 1 April 2021. On 26 May 2023, a total of 43,356,750 ESOS options under the ESOS scheme was offered to the eligible directors and employees at RM0.2756 per share.

The information in relation to the ESOS as at 30 June 2024 is as follows:-

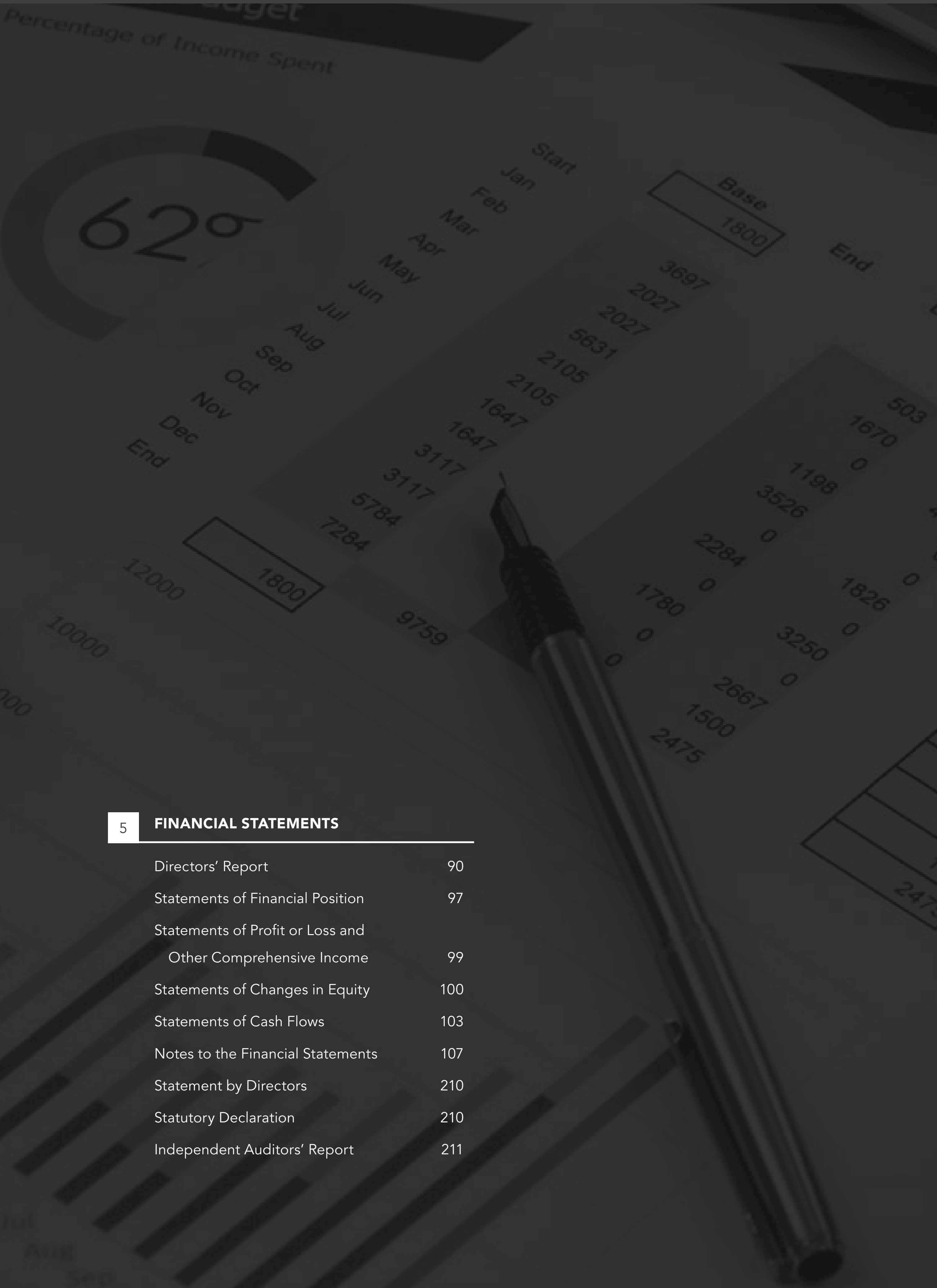
	Total Number	Aggregate for Directors*
Granted	4,934,700	200,000
Exercised	-	-
Expired/Lapse	151,200	-
Total options or shares outstanding as at 30 June 2024	**4,783,500**	**200,000**

The option offered to the Executive Directors are open-ended and valid as of 30 June 2024.

Name of Non-Executive Directors	Amount of Option Offered	Amount of Option Accepted	Amount of Option Exercised
Dato' Wan Hassan Bin Mohd Jamil	4,335,675	-	-
Thien Chiet Chai	4,335,675	-	-
Mad Haimi Bin Abu Hassan	4,335,675	-	-

There were new options granted pursuant to ESOS during the FY2024 to the Non-Executive Directors. The breakdown of the options exercised by the Non-Executive Directors pursuant to the ESOS was as follows:-

Name of Non-Executive Directors	Amount of Option Offered	Amount of Option Accepted	Amount of Option Exercised
Datuk Tai Hee	3,000,000	-	-
Dato' Ahmad Rizal Bin Abdul Rahman	200,000	-	-
Elain Binti Lockman	200,000	-	-
Siti Zurina Binti Sabaruddin	200,000	200,000	-



5 FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 30 June 2024

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(loss) for the year, net of tax	736,973	(3,334,074)
Profit/(loss) attributable to:		
Owners of the Company	(844,798)	(3,334,074)
Non-controlling interests	1,581,771	-
	736,973	(3,334,074)

DIVIDENDS

No dividends were paid, declared or proposed since the end of the previous financial period.

The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2024.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its total number of issued and paid-up share capital from 290,445,000 ordinary shares amounting to RM47,967,910 to 316,823,000 ordinary shares amounting to RM55,763,117, by way of:

(a) issuance of 11,511,000 new ordinary shares through private placement exercise at an issue price of RM0.30 per ordinary share on 31 July 2023; and

(b) issuance of 14,867,000 new ordinary shares through private placement exercise at an issue price of RM0.30 per ordinary share on 26 September 2023.

The above are the first and second tranches of the private placement announced on 8 May 2023. The private placement exercise was for the development of wastewater treatment plant and renewable projects, and working capital. An amount of RM6,766,000 from the proceeds raised in Tranche 1 and 2 has been utilised for the development of wastewater treatment plant.

ISSUE OF SHARES AND DEBENTURES (CONTINUED)

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issuance of debentures by the Company during the financial year.

TREASURY SHARES

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 30 June 2024, the Company held a total of 1,400,000 treasury shares which were repurchased in the previous financial period and are held at a carrying amount of RM504,964. Details of treasury shares are disclosed in Note 29 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company is governed by the ESOS By-Laws and was approved by shareholders at the Extraordinary General Meeting on 1 April 2021. The ESOS was first implemented on 28 July 2021 and was in force for a period of 5 years from the date of implementation.

Pursuant to Paragraph 9.19(51) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, on 26 May 2023, the Board of Directors of the Company announced that 43,356,750 of options have been offered to the eligible persons to subscribe for new shares in the Company with an exercise price of RM0.2756 under the ESOS.

Movement of the Company's ESOS granted during the current financial year is as follows:

	Number of options granted over ordinary shares					
	At 1.7.2023	Granted	Exercised	Forfeited	At 30.6.2024	Expiry date
ESOS	-	4,934,700	-	(151,200)	4,783,500	27 July 2026

Details on the exercise price, exercise period, basis upon which the share options may be exercised and other information about the ESOS of the Company are set out in Note 31 to the financial statements.

WARRANTS

Pursuant to a Deed Poll dated 12 April 2021 ("Deed Poll"), the Company issued 71,250,000 free Warrants to the entitled shareholders of the Company pursuant to the Bonus Issue of Warrants on the basis of one warrant for every four existing shares held.

The salient features of the Warrants as stated in the Deed Poll are as follows:

(a) The Warrants were issued in registered form and constituted by the Deed Poll;

(b) Each Warrant entitles the registered holder to subscribe for one ordinary share at an exercise price of RM0.63 per ordinary share;

(c) The Warrants may be exercised at any time within the period commencing from the date of issue of the Warrants;

(d) The exercise period is approximately 5 years from the date of issue;

Directors' Report

For the financial year ended 30 June 2024

WARRANTS (CONTINUED)

The salient features of the Warrants as stated in the Deed Poll are as follows (continued):

(e) Any Warrants which have not then been exercised will lapse and every statutory Warrant not exercised by then will cease to be valid for any purpose;

(f) The New Shares to be issued arising from the exercise of the Exercise Rights represented by the Warrants, shall upon allotment and issuance rank equally in all respects with the then existing Company's Shares, save and except that the New Shares will not be entitled to any dividend, right, allotment and/or any other forms of distribution where the entitlement date of such dividend, right, allotment and/or any other forms of distribution precedes the relevant date of allotment and issuance of the New Shares; and

(g) Where a resolution has been passed by the Company for a members' voluntary winding-up or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies then;

    (i) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders or some persons designated by them for such purposes by special resolution, are to be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants holders; and

    (ii) in any other case, every Warrant holder shall be entitled at any time within 6 weeks after the passing of such resolution or 6 weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrants together with payment of the relevant Exercise Price monies, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such Warrants, to the extent specified in the exercise notice and be entitled to receive out of the assets of the Company (which would be available in liquidation) if he had on such date been a holder of the Company Shares, to which he would have become entitled pursuant to such exercise; and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all Exercise Rights shall lapse and cease to be valid for any purpose.

The number of unexercised Warrants at the end of the reporting year is 71,249,995 (30.6.2023: 71,249,995).

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Tai Hee
Dato' Wan Hassan Bin Mohd Jamil
Thien Chiet Chai
Siti Zurina Binti Sabarudin
Elain Binti Lockman
Dato' Ahmad Rizal Bin Abdul Rahman

DIRECTORS (CONTINUED)

The directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report, not including those Directors mentioned above, are:

Mad Haimi Bin Abu Hassan	
Anwarudin Bin Saidu Mohamed	
Lee Seng Chi	
Mohd Fadzil Bin Hamidun	
Venkata Ramana Chary Prathapuram	
Omar Rami Nazzal	
Wong Kin Hoong	(Appointed on 16.10.2023)
Chang Lih Herng	(Appointed on 16.10.2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests in the shares, ESOS and warrants of the Company and its related corporations during the financial year of those Directors who held office at the end of the financial year were as follows:

	Number of ordinary shares in the Company			
	At 1.7.2023	Additions	Disposals	At 30.6.2024
Direct interest:				
Datuk Tai Hee	500,000	-	-	500,000
Dato' Wan Hassan Bin Mohd Jamil	6,913,205	-	(257,000)	6,656,205
Thien Chiet Chai	18,190,035	-	-	18,190,035
Indirect interest:				
Datuk Tai Hee *	29,333,503	-	-	29,333,503
Dato' Wan Hassan Bin Mohd Jamil #	65,210,000	-	-	65,210,000
Thien Chiet Chai #	65,210,000	-	-	65,210,000

Directors' Report
For the financial year ended 30 June 2024

DIRECTORS' INTERESTS (CONTINUED)

According to the Register of Directors' Shareholdings, particulars of interests in the shares, ESOS and warrants of the Company and its related corporations during the financial year of those Directors who held office at the end of the financial year were as follows (continued):

	Number of ESOS in the Company			
	At 1.7.2023	Granted	Exercised	At 30.6.2024
Direct interest:				
Siti Zurina Binti Sabarudin	-	200,000	-	200,000

	Number of warrants in the Company			
	At 1.7.2023	Granted	Disposals	At 30.6.2024
Direct interest:				
Datuk Tai Hee	125,000	-	-	125,000
Dato' Wan Hassan Bin Mohd Jamil	15,000	-	-	15,000
Thien Chiet Chai	1,200,058	-	(1,000,000)	200,058
Indirect interest:				
Datuk Tai Hee *	7,330,875	-	-	7,330,875

* Deemed interested by virtue of his indirect substantial shareholdings in Pansar Berhad and his spouse.
# Deemed interested by virtue of his direct substantial shareholdings in Reservoir Link Holdings Sdn. Bhd..

By virtue of their interest in the shares of the Company, Datuk Tai Hee, Dato' Wan Hassan Bin Mohd Jamil and Thien Chiet Chai are deemed to have interests in the shares in its related corporations during the financial year to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year held any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

In respect of the Director or past Directors of the Company, no fees and other benefits distinguished separately, have been paid to or receivable by them as remuneration for their services to the Company and its related corporations, other than Directors' remuneration, as disclosed in Note 43 to the financial statements.

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the 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 the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the share options granted under the ESOS and warrants.

INDEMNITY AND INSURANCE COSTS FOR DIRECTORS, OFFICERS AND AUDITORS

(a) Directors and Officers

The Directors and Officers of the Group and the Company are covered by Directors' and Officers' Liability Insurance ("DOL Insurance") basis for the purpose of Section 289 of the Companies Act 2016. During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company are RM10,000,000 and RM23,500 respectively.

(b) Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. To the extent permitted by law, the Company has agreed to indemnify its auditors, Nexia SSY PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Nexia SSY PLT during the financial year and up to the date of this report.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) 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 to which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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; or

(d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) no contingent or other liability of the Group and of the Company 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 and of the Company to meet their obligations when they fall due, except as disclosed in the financial statements.

Directors' Report

For the financial year ended 30 June 2024

OTHER STATUTORY INFORMATION (CONTINUED)

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Group and of the Company which secures the liability of any other person nor has any contingent liability arisen in the Group and in the Company.

SIGNIFICANT AND SUBSEQUENT EVENTS

The details of significant and subsequent events are disclosed in Note 54 to the financial statements.

AUDITORS

The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 42 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 22 October 2024.

Thien Chiet Chai
Executive Deputy Chairman

Dato' Wan Hassan Bin Mohd Jamil
Managing Director

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

		Group		Company	
	Note	30.6.2024 RM	Restated 30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	76,455,335	34,710,552	166,715	254,820
Investment properties	7	4,757,253	4,873,995	-	-
Right-of-use assets	8	181,931	404,406	281,691	279,228
Intangible assets	9	3,226,739	-	-	-
Investment in subsidiaries	10	-	-	38,395,586	39,204,706
Investment in an associate	11	290,000	-	-	-
Investment in joint ventures	12	1,134,193	1,160,270	51,000	51,000
Deferred tax assets	13	542,274	1,099,138	-	-
Goodwill	14	13,972,961	13,972,961	-	-
		100,560,686	56,221,322	38,894,992	39,789,754
Current assets					
Inventories	15	8,820,878	9,327,032	-	-
Contract cost assets	16	-	959,005	-	-
Contract assets	17	33,388,726	28,173,457	-	-
Trade receivables	18	42,139,078	36,095,092	-	-
Other receivables, deposits and prepayments	19	18,446,493	14,545,738	534,411	62,890
Amount owing by subsidiaries	20	-	-	12,756,548	10,349,900
Amount owing by an associate	21	45,898	-	-	-
Amount owing by joint ventures	22	869,056	911,312	-	-
Amount owing by related parties	23	392,696	-	138,170	-
Short-term investments	24	1,020,970	693,230	1,020,970	686,375
Current tax assets		2,866,123	2,068,485	336,187	214,588
Derivative financial assets	25	3,565	-	-	-
Fixed deposits with licensed banks	26	9,676,772	7,139,481	-	-
Cash and bank balances	27	13,482,607	6,070,518	242,628	213,244
		131,152,862	105,983,350	15,028,914	11,526,997
TOTAL ASSETS		231,713,548	162,204,672	53,923,906	51,316,751

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 June 2024

	Note	Group Restated 30.6.2024 RM	Group 30.6.2023 RM	Company 30.6.2024 RM	Company 30.6.2023 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	28	55,763,117	47,967,910	55,763,117	47,967,910
Treasury shares	29	(504,964)	(504,964)	(504,964)	(504,964)
Merger deficit	30	(15,779,300)	(15,779,300)	-	-
Share option reserve	31	319,470	-	319,470	-
Foreign exchange translation reserve	30	889,101	1,051,195	-	-
Contingent consideration	32	4,410,119	3,910,119	3,910,119	3,910,119
Retained earnings/(accumulated losses)	30	40,681,461	41,526,259	(7,762,974)	(4,428,900)
Equity attributable to owners of the Company		85,779,004	78,171,219	51,724,768	46,944,165
Non-controlling interests		7,900,991	6,346,459	-	-
TOTAL EQUITY		93,679,995	84,517,678	51,724,768	46,944,165
Non-current liabilities					
Borrowings	33	37,444,198	9,754,880	-	-
Lease liabilities	34	1,502,815	168,636	95,162	95,162
		38,947,013	9,923,516	95,162	95,162
Current liabilities					
Trade payables	35	41,618,736	41,791,660	-	-
Other payables and accruals	36	7,810,116	5,364,051	685,754	2,681,294
Contract liabilities	17	2,315,843	943,061	-	-
Amount owing to directors of subsidiaries	37	502,000	-	-	-
Amount owing to subsidiaries	20	-	-	180,092	1,403,372
Amount owing to joint ventures	22	1	-	-	-
Amount owing to related parties	23	1,172,135	-	-	-
Borrowings	33	43,436,894	18,793,315	1,050,336	4,964
Lease liabilities	34	312,206	241,162	187,794	187,794
Current tax liabilities		1,918,609	630,229	-	-
		99,086,540	67,763,478	2,103,976	4,277,424
TOTAL LIABILITIES		138,033,553	77,686,994	2,199,138	4,372,586
TOTAL EQUITY AND LIABILITIES		231,713,548	162,204,672	53,923,906	51,316,751

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	Group		Company	
		Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Revenue	38	186,202,799	193,303,996	3,501,834	4,869,497
Cost of sales		(157,077,198)	(163,809,140)	-	-
Gross profit		29,125,601	29,494,856	3,501,834	4,869,497
Other income	39	1,701,805	1,483,856	1,077,921	764,381
Administrative expenses		(22,321,248)	(23,490,661)	(7,945,638)	(9,308,318)
Finance costs	40	(3,627,947)	(1,995,698)	(63,891)	(83,274)
(Allowance for)/reversal of impairment losses on financial assets and contract assets	41	(759,238)	(919,565)	95,700	(652,690)
Share of loss of equity accounted for joint ventures		(26,078)	(165,730)	-	-
Profit/(loss) before taxation	42	4,092,895	4,407,058	(3,334,074)	(4,410,404)
Taxation	44	(3,355,922)	(1,562,839)	-	(87,119)
Profit/(loss) for the year/period		736,973	2,844,219	(3,334,074)	(4,497,523)
Other comprehensive (expenses)/ income					
Items that will be reclassified subsequently to Profit or Loss					
Foreign currency translation differences		(189,333)	198,579	-	-
Total comprehensive income/(expenses) for the year/period		547,640	3,042,798	(3,334,074)	(4,497,523)
(Loss)/profit for the year/period attributable to:					
Owners of the Company		(844,798)	(357,837)	(3,334,074)	(4,497,523)
Non-controlling interests		1,581,771	3,202,056	-	-
		736,973	2,844,219	(3,334,074)	(4,497,523)
Total comprehensive (expenses)/income attributable to:					
Owners of the Company		(1,006,892)	(192,718)	(3,334,074)	(4,497,523)
Non-controlling interests		1,554,532	3,235,516	-	-
		547,640	3,042,798	(3,334,074)	(4,497,523)
Losses per share (sen)					
- Basic	45	(0.27)	(0.12)		
- Diluted	45	(0.27)	(0.12)		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

		Non-distributable						Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Share option reserve RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group											
At 1 July 2023 (Restated)		47,967,910	(504,964)	(15,779,300)	-	1,051,195	3,910,119	41,526,259	78,171,219	6,346,459	84,517,678
(Loss)/profit for the year		-	-	-	-	-	-	(844,798)	(844,798)	1,581,771	736,973
Other comprehensive expenses for the year:											
- Foreign currency translation difference		-	-	-	-	(162,094)	-	-	(162,094)	(27,239)	(189,333)
Total comprehensive (expenses)/income for the year		-	-	-	-	(162,094)	-	(844,798)	(1,006,892)	1,554,532	547,640
Balance carried forward		47,967,910	(504,964)	(15,779,300)	-	889,101	3,910,119	40,681,461	77,164,327	7,900,991	85,065,318
Contributions by and distributions to owners of the Company:											
- Issuance of ordinary shares via private placement	28	7,795,207	-	-	-	-	-	-	7,795,207	-	7,795,207
- Share option granted under ESOS	31	-	-	-	319,470	-	-	-	319,470	-	319,470
- Acquisition of a subsidiary	32	-	-	-	-	-	500,000	-	500,000	-	500,000
Total transactions with owners		7,795,207	-	-	319,470	-	500,000	-	8,614,677	-	8,614,677
At 30 June 2024		55,763,117	(504,964)	(15,779,300)	319,470	889,101	4,410,119	40,681,461	85,779,004	7,900,991	93,679,995

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 30 June 2024

		Non-distributable					Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group										
At 1 January 2022		47,967,910	-	(15,779,300)	886,076	3,910,119	41,884,096	78,868,901	2,614,675	81,483,576
(Loss)/profit for the period (Restated)		-	-	-	-	-	(357,837)	(357,837)	3,202,056	2,844,219
Other comprehensive income for the period:										
- Foreign currency translation difference		-	-	-	165,119	-	-	165,119	33,460	198,579
Total comprehensive (expenses)/ income for the period		-	-	-	165,119	-	(357,837)	(192,718)	3,235,516	3,042,798
Balance carried forward		47,967,910	-	(15,779,300)	1,051,195	3,910,119	41,526,259	78,676,183	5,850,191	84,526,374
Contributions by and distributions to owners of the Company:										
- Issue of shares pursuant to incorporation of subsidiaries		-	-	-	-	-	-	-	496,268	496,268
- Purchase of treasury shares	29	-	(504,964)	-	-	-	-	(504,964)	-	(504,964)
Total transactions with owners		-	(504,964)	-	-	-	-	(504,964)	496,268	(8,696)
At 30 June 2023 (Restated)		47,967,910	(504,964)	(15,779,300)	1,051,195	3,910,119	41,526,259	78,171,219	6,346,459	84,517,678

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 30 June 2024

	Note	Share capital RM	Treasury shares RM	Share option reserve RM	Contingent consideration RM	(Accumulated losses)/ retained earnings RM	Total equity RM
		Non-distributable					
Company							
At 1 July 2023		47,967,910	(504,964)	-	3,910,119	(4,428,900)	46,944,165
Loss for the year		-	-	-	-	(3,334,074)	(3,334,074)
Contributions by and distributions to owners of the Company:							
- Issuance of ordinary shares via private placement	28	7,795,207	-	-	-	-	7,795,207
- Share option granted under ESOS	31	-	-	319,470	-	-	319,470
		7,795,207	-	319,470	-	-	8,114,677
At 30 June 2024		55,763,117	(504,964)	319,470	3,910,119	(7,762,974)	51,724,768
At 1 January 2022		47,967,910	-	-	3,910,119	68,623	51,946,652
Loss for the period		-	-	-	-	(4,497,523)	(4,497,523)
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	29	-	(504,964)	-	-	-	(504,964)
		-	(504,964)	-	-	-	(504,964)
At 30 June 2023		47,967,910	(504,964)	-	3,910,119	(4,428,900)	46,944,165

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024

	Note	Group		Company	
		Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Cash flows from operating activities					
Profit/(loss) before taxation		4,092,895	4,407,058	(3,334,074)	(4,410,404)
Adjustments for:					
Allowance for obsolete inventories		265,111	-	-	-
Amortisation of intangible assets		54,691	-	-	-
Bad debts written-off		3,450	134,251	-	-
Depreciation of investment properties		116,742	175,114	-	-
Depreciation of property, plant and equipment		4,897,883	6,170,126	129,648	99,039
Depreciation of right-of-use assets		259,415	691,365	185,331	274,303
Fair value gain on derivative		(3,565)	-	-	-
Fair value loss on short-term investments		200,589	120,000	200,589	120,000
Finance cost		3,627,947	1,995,698	63,891	83,274
Gain on lease modification		(3,188)	(4,691)	-	(4,991)
Gain on disposal of property, plant and equipment		-	(166,930)	-	-
Gain on disposal of short-term investment		(1,179)	(19,898)	(1,179)	(19,898)
Allowance for/(reversal of) impairment losses on:					
- trade receivables		770,025	622,789	-	-
- contract assets		(10,787)	296,776	-	-
- amount owing by subsidiaries		-	-	(95,700)	652,690
- investment in subsidiaries		-	-	1,000,000	100,514
Interest income		(251,359)	(255,649)	(1,040,721)	(730,384)
Property, plant and equipment written-off		32,782	225,645	2	2,520
Unrealised foreign exchange loss/(gain)		1,584,682	(57,806)	(1,188)	(9,026)
Share options granted under ESOS		319,470	-	128,590	-
Share of loss on joint ventures		26,078	165,730	-	-
Operating profit/(loss) before working capital changes		15,981,682	14,499,578	(2,764,811)	(3,842,363)
Decrease/(increase) in inventories		241,043	(1,692,653)	-	-
Decrease/(increase) in contract cost assets		959,005	(959,005)	-	-
Increase/(decrease) in receivables		(10,745,466)	(35,589,340)	(471,521)	1,148,323
(Decrease)/increase in payables		(4,766,730)	35,581,178	(1,995,540)	2,088,117
Increase in contract assets		(3,831,700)	(24,737,123)	-	-
Increase in amount owing by subsidiaries		-	-	(2,309,760)	(4,171,442)
Balance carried forward		(2,162,166)	(12,897,365)	(7,541,632)	(4,777,365)

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
For the financial year ended 30 June 2024

1
2
3
4
5
6

	Note	Group Financial year from 1.7.2023 to 30.6.2024 RM	Group Restated Financial period from 1.1.2022 to 30.6.2023 RM	Company Financial year from 1.7.2023 to 30.6.2024 RM	Company Financial period from 1.1.2022 to 30.6.2023 RM
Cash flows from operating activities (continued)					
Balance brought forward		(2,162,166)	(12,897,365)	(7,541,632)	(4,777,365)
Increase in amount owing by an associate		(45,898)	-	-	-
Decrease/(increase) in amount owing by joint ventures		42,256	(911,312)	-	-
Increase in amount owing by related parties		(392,696)	-	(138,170)	-
Increase in amount owing to directors of subsidiaries		502,000	-	-	-
(Decrease)/increase in amount owing to subsidiaries		-	-	(1,223,280)	1,366,019
Increase in amount owing to joint ventures		1	-	-	-
Increase in amount owing to related parties		1,172,135	3,261,520	-	-
Cash used in operations		(884,368)	(10,547,157)	(8,903,082)	(3,411,346)
Interest paid		(3,627,947)	(1,995,698)	(63,891)	(83,274)
Income tax paid		(2,308,316)	(4,874,615)	(121,599)	(384,543)
Income tax refunded		-	775,432	-	-
Net cash used in operating activities		(6,820,631)	(16,642,038)	(9,088,572)	(3,879,163)
Cash flows from investing activities					
Acquisition of joint ventures	12	(1)	(1,326,000)	-	(51,000)
Acquisition of subsidiaries	10(a)	(3,466,055)	-	-	-
Increase in pledged fixed deposits		(2,537,291)	(3,509,166)	-	-
Investment in an associate	11	(290,000)	-	-	-
Incorporation of subsidiaries		-	-	-	(520)
Interest income received		251,359	255,649	1,040,721	730,384
Proceeds from disposal of property, plant and equipment		-	174,939	-	-
Proceeds from disposal of short-term investment		176,079	9,237,368	176,079	8,934,736
Purchase of property, plant and equipment	46(b)	(38,758,935)	(15,147,063)	(41,545)	(282,820)
Purchase of short-term investments	24	(703,229)	(5,000,000)	(710,084)	(5,000,000)
Net cash (used in)/generated from investing activities		(45,328,073)	(15,314,273)	465,171	4,330,780

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 30 June 2024

		Group		Company	
	Note	Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Cash flows from financing activities					
Acquisition of non-controlling interests		-	496,268	-	-
Drawdown of bankers' acceptance	46(a)	23,428,648	22,087,714	-	-
Drawdown of factoring payables	46(a)	20,933,551	11,781,151	-	-
Drawdown of invoice financing	46(a)	46,658,957	15,771,318	-	-
Drawdown of margin financing	46(a)	1,045,372	4,964	1,045,372	4,964
Drawdown of revolving credit	46(a)	-	4,000,000	-	-
Drawdown of terms loans	46(a)	37,252,860	6,000,000	-	-
Grant received to facilitate purchase of property, plant and equipment		-	3,486,030	-	-
Purchase of treasury shares		-	(504,964)	-	(504,964)
Proceeds from issuance of ordinary shares		7,795,207	-	7,795,207	-
Net increase in credit card facility		45,255	-	-	-
Repayment of bankers' acceptance	46(a)	(16,052,557)	(21,105,214)	-	-
Repayment of factoring payables	46(a)	(21,649,508)	(8,542,086)	-	-
Repayment of invoice financing	46(a)	(34,900,819)	(10,336,660)	-	-
Repayment of revolving credit	46(a)	(871,000)	(1,072,000)	-	-
Repayment of term loans	46(a)	(5,026,615)	(1,483,072)	-	-
Repayment of lease liabilities	46(a)	(378,667)	(706,277)	(187,794)	(270,575)
Net cash generated from/(used in) financing activities		58,280,684	19,877,172	8,652,785	(770,575)
Net increase/(decrease) in cash and cash equivalents		6,131,980	(12,079,139)	29,384	(318,958)
Effects of foreign exchange translation		(188,644)	198,579	-	-
Cash and cash equivalents at beginning of the year/period		1,610,570	13,491,130	213,244	532,202
Cash and cash equivalents at end of the year/period		7,553,906	1,610,570	242,628	213,244

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 30 June 2024

	Note	Group		Company	
		Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Cash and cash equivalents reconciliations:					
Fixed deposits with licensed banks	26	9,676,772	7,139,481	-	-
Cash and bank balances	27	13,482,607	6,070,518	242,628	213,244
		23,159,379	13,209,999	242,628	213,244
Less:					
Bank overdrafts	33	(5,928,701)	(4,459,948)	-	-
Fixed deposits pledged to a licensed bank	26	(9,676,772)	(7,139,481)	-	-
		(15,605,473)	(11,599,429)	-	-
		7,553,906	1,610,570	242,628	213,244

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at E289, 1st Floor, Block E, iCom Square, Jalan Pending, 93450 Kuching, Sarawak. The principal place of business of the Company is located at E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2 Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 10. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 October 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information (Note 3).

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's functional currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting year.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, 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 only when such rights are substantive. The Company also 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.

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

Notes to the Financial Statements

For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Basis of consolidation (continued)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Merger accounting for common control business combination

A business combination involving entities under common control is a business combination in which all the combining entities are ultimately controlled by the same party and parties both before and after the business combination and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results, of the subsidiaries are presented as if the merger had been affected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The merger deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that laws or statues do not prohibit the use of such reserves. The results of the subsidiaries being merged are included for the full financial period.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Company at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Basis of consolidation (continued)

Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in the equity of the Company.

Loss of control

Upon the loss of control of a subsidiary, the Group and the Company recognise any gain or loss on disposal in profit or loss which is calculated as the difference between:-

i the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

ii the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9: Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.2 Financial instruments

Financial instruments carried on the statements of financial position include cash and bank balances, deposits with financial institutions, investments, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to financial instruments classified as assets or liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements
For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments (continued)

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

i Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

ii Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments (continued)

Financial assets (continued)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

ii Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

1
2
3
4
5
6

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. Costs includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use, and the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. Repairs and maintenance are charged to profit or loss as incurred.

No depreciation is provided for capital work-in-progress until the assets are ready for their intended use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2%
Equipment and tools	10% - 20%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	25% - 40%
Plant and machineries	20%
Portable cabin	10%
Portable workshop	10%
Renovation	10%
Signboard	20%
Solar assets	4% - 5%
Wireline equipment	20%

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 values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. When significant parts of an items of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the year the property, plant and equipment is derecognised.

3.4 Investment properties

Investment properties are properties which are owned or are right-to-use assets held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.4 Investment properties (continued)

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract, that meets the definition of an investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

3.5 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest methods and by reducing the carrying amount to reflect the lease payments made).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases (continued)

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment loss.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137: Provisions, Contingent Liabilities and Contingent Assets.

To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies MFRS 136: Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

3.6 Intangible assets

Intangible assets acquired as part of business combinations are initially recognised at fair value on the acquisition date. After initial recognition, these intangible assets are measured at cost, less accumulated amortisation (for assets with finite useful lives) and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation expense is recognised in the income statement within the appropriate expense category.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually or more frequently if indications of impairment exist.

The useful life of intangible assets with indefinite useful lives is reviewed annually to assess whether the indefinite life classification remains appropriate.

Any gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount, and are recognised in profit or loss at the time of derecognition.

Goodwill arising from consolidation is also an intangible asset, and is disclosed separately in Note 3.10.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 Investment in subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, 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.

In the Company's separate financial statements, investment in subsidiaries which are eliminated on consolidation are stated at cost less impairment loss, unless the investment is held for sale.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

3.8 Investment in associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.9 Investment in joint ventures

Joint ventures are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns, and has rights only to the net assets of the arrangements.

Investment in joint ventures are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in joint ventures are stated at cost in the statements of financial position of the Group and of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

1
2
3
4
5
6

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Investment in joint ventures (continued)

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2024. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interest that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gain on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9: Financial Instruments. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss when appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

3.10 Goodwill or reserve arising from consolidation

Goodwill is measured at cost less accumulated impairment loss, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted joint-venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint-venture.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 Inventories

Inventories are stated at the lower of cost (determined on the weighted average cost method) and net realisable value. Cost of finished goods and work-in-progress include cost of raw material, direct labour, other direct costs and appropriate production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and costs to be incurred in selling expenses.

3.12 Contract cost assets

Costs to fulfil a contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and on a progressive basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract costs assets exceeds revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract costs assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

3.13 Contract assets and contract liabilities

A contract asset is recognised when the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirement of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

3.15 Equity instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

i Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 Equity instruments (continued)

ii Treasury shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity, Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

3.16 Interest bearing loans and borrowings

Borrowings are recognised initially at fair value net of transaction cost incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in the profit or loss over the period of the borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are capitalised and amortised over the period of the facility to which it relates. All other borrowing costs are charged to profit or loss. Borrowings are derecognised from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that have been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred and liabilities assumed, is recognised in profit or loss. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3.17 Provision for liabilities

Provisions are recognised when the Group has a present obligation (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 financial year end 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 finance cost.

3.18 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 in accordance with the original or modified terms of a debt instrument.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.18 Financial guarantee contracts (continued)

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 in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a 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 amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

3.19 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

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 for, using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end 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 is measured at the tax rates that are expected to apply in the period 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 financial year end.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.20 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. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or construction obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, the Group makes contributions to the statutory provident fund, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the period as incurred.

iii Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the financial year end are discounted to present value.

3.21 Revenue recognition

The Group recognises revenue from contracts with customers for the sale of goods and provision of services based on the five-step model as set out below:

i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

iii Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.21 Revenue recognition (continued)

iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

v Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

i Does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to-date; or

ii Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

iii Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue

a. Sale of goods

Revenue is recognised at a point in time when the goods have been delivered to the customer and upon its acceptance, and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the goods sold.

b. Rendering of services

Revenue from providing products and services in relation to the oil and gas services industry is recognised over time in the period in which the services are rendered. As a practical expedient, the Group recognises revenue to the extent of the expenses incurred that are recoverable.

The Group involves in the renewable energy and contracts with customers. Under the terms of the contracts, control is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. The progress toward complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date over to the estimated total construction costs (an input method).

Notes to the Financial Statements

For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.21 Revenue recognition (continued)

i Revenue (continued)

b. Rendering of services (continued)

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when an invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then the Group recognises a contract liability for the difference.

c. Sales of electricity through solar energy generation

The Group sells electricity generated through its self-constructed solar plant to the contract customers, under power purchase agreements ranging from 15 to 20 years. Revenue is recognised upon delivery of electricity by kilowatt-hour to the contract customer's grid and acceptance.

ii Other income

a. Interest income

Interest income is recognised on an accrual basis (taking into account the effective yield on the asset) unless its collectability is in doubt.

b. Rendering of management services

Revenue from providing management services is recognised over time in the period in which the services are rendered.

c. Dividend income

Dividend income represents dividend received from investments, and is recognised when the right to receive payment is established.

d. Rental income

Rental income from investment properties is accounted for on a straight-line method over the lease term.

3.22 Foreign currencies transactions

i 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 Group's functional currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.22 Foreign currencies transactions (continued)

ii Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

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.

The principal closing rates used in translation of foreign currency amounts are as follows:

	30.6.2024 RM	30.6.2023 RM
1 United States Dollar (USD)	4.7195	4.6650
1 Indonesian Rupiah (IDR)	0.0003	0.0003
1 Singapore Dollar (SGD)	3.4783	3.4379
1 Chinese Yuan (CNY)	Not applicable	0.6420

Notes to the Financial Statements

For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.22 Foreign currencies transactions (continued)

iii Foreign operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from 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 end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in a joint arrangement that includes a foreign operation while retaining joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

3.23 Impairment of financial assets

At the end of each financial year, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group uses external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.23 Impairment of financial assets (continued)

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Group and all the cash flows that the Group expects to receive.

The Group measures the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group measures the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group reverts the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group applies the simplified approach in accordance with MFRS 9: Financial Instruments and measure the allowance for impairment loss based on lifetime expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

3.24 Impairment of non-financial assets

The Group assesses at each financial year end 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.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

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 (i.e. CGUs). 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 loss 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.24 Impairment of non-financial assets (continued)

Impairment loss are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment loss may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, 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, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.25 Fair value measurement

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 in the principal market for the asset or liability or 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 by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group uses 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines 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 financial period end.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.26 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 manager reports directly to the management of the Company who regularly review the segments 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 50, including the factors used to identify the reportable segments and measurement basis of segment information.

3.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

i it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.28 Earnings per share

i Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

ii Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements
For the financial year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.29 Warrants

The Group issued Warrants 2021/2026 at no cost. Each warrant is convertible into one new ordinary share at the adjusted exercise price of RM0.63 per share during the exercise period and will only be recognised as equity instruments upon conversion.

3.30 Related parties

Parties are considered to be related to the Group or to the Company if the Group or to the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

3.31 Share-based payments

Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 31.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share option reserve.

3.32 Derivatives

The Group uses interest swap contracts to hedge the exposure of floating interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

4. ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") AND INTERPRETATIONS ("MFRSS")

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income Taxes	1 January 2023

(b) MFRSs that have been issued but only effective for financial period beginning on 1 January 2024 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9:	Financial Instruments	1 January 2026
Amendments to MFRS 10:	Consolidated Financial Statements	1 January 2026
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2026
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:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

Notes to the Financial Statements
For the financial year ended 30 June 2024

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Depreciation of property, plant and equipment

The Group depreciates property, plant and equipment over their estimated useful lives after taking into account their estimated residual values, using the straight-line method. The estimated useful lives applied by the Group as disclosed in Note 3.3 reflect the Directors' estimates of the periods that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of property, plant and equipment

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit (CGU) to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of investment properties

The Group determines whether an item of its investment properties is impaired evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

(d) Impairment of right-of-use assets

The Group determines whether an item of its right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subjected to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

(e) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(f) Impairment of goodwill and intangible assets

Goodwill and intangible assets is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill and intangible assets is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applies in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

(g) Impairment of investment in subsidiaries, associates and joint ventures

The investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Group and the Company carry out the impairment test based on a variety of estimations including value-in-use of the CGUs to which the investment in subsidiaries, associates and joint ventures are allocated to. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(h) Write-down of inventories to the lower of cost and net realisable value

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(i) Impairment of trade receivables and contract assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables of the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward looking information. If the expectation is different from the estimation, such a difference will impact the carrying value of trade receivables and contract assets.

(j) Impairment of non-trade receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

Notes to the Financial Statements

For the financial year ended 30 June 2024

1
2
3
4
5
6

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(k) Revenue recognition for construction contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certifies by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgment to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

(l) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(m) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that future taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(n) Purchase price allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expenses and impairment tests.

6. PROPERTY, PLANT AND EQUIPMENT

Group	Building RM	Equipment and tools RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Balance carried forward RM
Cost						
At 1 July 2023	10,000,000	29,205,235	383,899	427,486	2,034,641	42,051,261
Acquisition of a subsidiary (Note 10)	-	-	-	-	-	-
Additions	-	1,268,365	3,500	-	155,769	1,427,634
Reclassifications	-	-	-	-	187,300	187,300
Write-offs	-	(570)	(3,930)	-	(26,364)	(30,864)
At 30 June 2024	10,000,000	30,473,030	383,469	427,486	2,351,346	43,635,331
Accumulated depreciation						
At 1 July 2023	(766,667)	(12,627,421)	(186,705)	(369,911)	(1,676,755)	(15,627,459)
Acquisition of a subsidiary (Note 10)	-	-	-	-	-	-
Charge for the financial year	(200,000)	(3,649,922)	(33,791)	(15,159)	(304,944)	(4,203,816)
Write-offs	-	570	852	-	26,362	27,784
At 30 June 2024	(966,667)	(16,276,773)	(219,644)	(385,070)	(1,955,337)	(19,803,491)
Accumulated impairment loss						
At 1 July 2023/30 June 2024	-	-	-	-	-	-
Carrying amount						
At 30 June 2024	9,033,333	14,196,257	163,825	42,416	396,009	23,831,840

Notes to the Financial Statements

For the financial year ended 30 June 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance brought forward RM	Plant and machineries RM	Portable cabin RM	Portable workshop RM	Renovation RM	Balance carried forward RM
Cost						
At 1 July 2023	42,051,261	491,136	1,462,839	181,400	492,161	44,678,797
Acquisition of a subsidiary (Note 10)	-	-	-	-	-	-
Additions	1,427,634	14,382	-	-	2,500	1,444,516
Reclassifications	187,300	-	-	-	-	187,300
Write-offs	(30,864)	-	-	-	(41,500)	(72,364)
At 30 June 2024	43,635,331	505,518	1,462,839	181,400	453,161	46,238,249
Accumulated depreciation						
At 1 July 2023	(15,627,459)	(227,735)	(911,807)	(177,270)	(213,475)	(17,157,746)
Acquisition of a subsidiary (Note 10)	-	-	-	-	-	-
Charge for the financial year	(4,203,816)	(88,065)	(103,368)	(2,360)	(55,638)	(4,453,247)
Write-offs	27,784	-	-	-	14,792	42,576
At 30 June 2024	(19,803,491)	(315,800)	(1,015,175)	(179,630)	(254,321)	(21,568,417)
Accumulated impairment loss						
At 1 July 2023/30 June 2024	-	-	-	-	-	-
Carrying amount						
At 30 June 2024	23,831,840	189,718	447,664	1,770	198,840	24,669,832

6. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Group	Balance brought forward RM	Signboard RM	Solar assets RM	Wireline equipment RM	Capital work-in-progress RM	Total RM
Cost						
At 1 July 2023	44,678,797	20,765	879,479	22,619,260	5,648,787	73,847,088
Acquisition of a subsidiary (Note 10)	-	250	6,326,266	-	-	6,326,516
Additions	1,444,516	680	835,690	92,674	38,135,513	40,509,073
Reclassifications	187,300	-	1,926,054	-	(2,113,354)	-
Write-offs	(72,364)	(7,180)	-	(520,897)	-	(600,441)
At 30 June 2024	46,238,249	14,515	9,967,489	22,191,037	41,670,946	120,082,236
Accumulated depreciation						
At 1 July 2023	(17,157,746)	(13,839)	(13,446)	(19,567,148)	-	(36,752,179)
Acquisition of a subsidiary (Note 10)	-	(46)	(160,095)	-	-	(160,141)
Charge for the financial year	(4,453,247)	(2,769)	(203,303)	(238,564)	-	(4,897,883)
Write-offs	42,576	4,188	-	520,895	-	567,659
At 30 June 2024	(21,568,417)	(12,466)	(376,844)	(19,284,817)	-	(41,242,544)
Accumulated impairment loss						
At 1 July 2023/30 June 2024	-	-	-	(2,384,357)	-	(2,384,357)
Carrying amount						
At 30 June 2024	24,669,832	2,049	9,590,645	521,863	41,670,946	76,455,335

Notes to the Financial Statements
For the financial year ended 30 June 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Building RM	Equipment and tools RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Balance carried forward RM
Cost						
At 1 January 2022	10,000,000	20,908,590	356,608	362,486	1,739,164	33,366,848
Additions	-	5,919,134	27,291	65,000	314,054	6,325,479
Reclassifications	-	6,251,685	-	-	-	6,251,685
Disposals	-	(18,430)	-	-	(13,537)	(31,967)
Write-offs	-	(369,714)	-	-	(5,040)	(374,754)
Grant received	-	(3,486,030)	-	-	-	(3,486,030)
At 30 June 2023	10,000,000	29,205,235	383,899	427,486	2,034,641	42,051,261
Accumulated depreciation						
At 1 January 2022	(466,667)	(8,409,732)	(137,255)	(352,589)	(1,243,977)	(10,610,220)
Charge for the financial period	(300,000)	(4,568,729)	(49,450)	(17,322)	(445,234)	(5,380,735)
Disposals	-	14,022	-	-	9,936	23,958
Write-offs	-	337,018	-	-	2,520	339,538
At 30 June 2023	(766,667)	(12,627,421)	(186,705)	(369,911)	(1,676,755)	(15,627,459)
Accumulated impairment loss						
At 1 January 2022/30 June 2023	-	-	-	-	-	-
Carrying amount						
At 30 June 2023	9,233,333	16,577,814	197,194	57,575	357,886	26,423,802

Notes to the Financial Statements

For the financial year ended 30 June 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance brought forward RM	Plant and machineries RM	Portable cabin RM	Portable workshop RM	Renovation RM	Balance carried forward RM
Cost						
At 1 January 2022	33,366,848	491,136	1,252,519	181,400	544,845	35,836,748
Additions	6,325,479	-	239,020	-	65,348	6,629,847
Reclassifications	6,251,685	-	-	-	-	6,251,685
Disposals	(31,967)	-	-	-	-	(31,967)
Write-offs	(374,754)	-	(28,700)	-	(118,032)	(521,486)
Grant received	(3,486,030)	-	-	-	-	(3,486,030)
At 30 June 2023	42,051,261	491,136	1,462,839	181,400	492,161	44,678,797
Accumulated depreciation						
At 1 January 2022	(10,610,220)	(99,594)	(800,464)	(173,730)	(210,281)	(11,894,289)
Charge for the financial period	(5,380,735)	(128,141)	(136,934)	(3,540)	(84,824)	(5,734,174)
Disposals	23,958	-	-	-	-	23,958
Write-offs	339,538	-	25,591	-	81,630	446,759
At 30 June 2023	(15,627,459)	(227,735)	(911,807)	(177,270)	(213,475)	(17,157,746)
Accumulated impairment loss						
At 1 January 2022/30 June 2023	-	-	-	-	-	-
Carrying amount						
At 30 June 2023	26,423,802	263,401	551,032	4,130	278,686	27,521,051

Notes to the Financial Statements
For the financial year ended 30 June 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance brought forward RM	Signboard RM	Solar assets RM	Wireline equipment RM	Equipment work-in-progress RM	Capital work-in-progress RM	Total RM
Cost							
At 1 January 2022	35,836,748	12,128	-	24,435,099	4,954,902	-	65,238,877
Additions	6,629,847	8,637	879,479	504,092	1,476,221	5,648,787	15,147,063
Reclassifications	6,251,685	-	-	133,043	(6,384,728)	-	-
Disposals	(31,967)	-	-	-	-	-	(31,967)
Write-offs	(521,486)	-	-	(2,452,974)	(46,395)	-	(3,020,855)
Grant received	(3,486,030)	-	-	-	-	-	(3,486,030)
At 30 June 2023	44,678,797	20,765	879,479	22,619,260	-	5,648,787	73,847,088
Accumulated depreciation							
At 1 January 2022	(11,894,289)	(9,609)	-	(21,497,323)	-	-	(33,401,221)
Charge for the financial period	(5,734,174)	(4,230)	(13,446)	(418,276)	-	-	(6,170,126)
Disposals	23,958	-	-	-	-	-	23,958
Write-offs	446,759	-	-	2,348,451	-	-	2,795,210
At 30 June 2023	(17,157,746)	(13,839)	(13,446)	(19,567,148)	-	-	(36,752,179)
Accumulated impairment loss							
At 1 January 2022/30 June 2023	-	-	-	(2,384,357)	-	-	(2,384,357)
Carrying amount							
At 30 June 2023	27,521,051	6,926	866,033	667,755	-	5,648,787	34,710,552

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment RM	Capital work-in-progress RM	Total RM
Cost			
At 1 July 2023	203,441	187,300	390,741
Additions	41,545	-	41,545
Reclassifications	187,300	(187,300)	-
Write-offs	(21,676)	-	(21,676)
At 30 June 2024	410,610	-	410,610
Accumulated depreciation			
At 1 July 2023	(135,921)	-	(135,921)
Charge for the financial year	(129,648)	-	(129,648)
Write-offs	21,674	-	21,674
At 30 June 2024	(243,895)	-	(243,895)
Carrying amount			
At 30 June 2024	166,715	-	166,715
Cost			
At 1 January 2022	112,961	-	112,961
Additions	95,520	187,300	282,820
Write-offs	(5,040)	-	(5,040)
At 30 June 2023	203,441	187,300	390,741
Accumulated depreciation			
At 1 January 2022	(39,402)	-	(39,402)
Charge for the financial period	(99,039)	-	(99,039)
Write-offs	2,520	-	2,520
At 30 June 2023	(135,921)	-	(135,921)
Carrying amount			
At 30 June 2023	67,520	187,300	254,820

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Included in the carrying amount of Group's solar asset as at the financial year/period end are right-of-use assets are as follows:

	Group	
	30.6.2024 RM	30.6.2023 RM
Solar assets	1,572,039	-

(b) The building of the Group with a carrying amount of RM9,033,333 (30.6.2023: RM9,233,333) has been pledged to a licensed bank as security for banking facilities granted to the Group, as disclosed in Note 33.

7. INVESTMENT PROPERTIES

Group	Buildings RM	Total RM
Cost		
At 1 July 2023/30 June 2024	5,837,120	5,837,120
Accumulated depreciation		
At 1 July 2023	(963,125)	(963,125)
Charge for the financial year	(116,742)	(116,742)
At 30 June 2024	(1,079,867)	(1,079,867)
Cost		
At 1 January 2022/30 June 2023	5,837,120	5,837,120
Accumulated depreciation		
At 1 January 2022	(788,011)	(788,011)
Charge for the financial period	(175,114)	(175,114)
At 30 June 2023	(963,125)	(963,125)
Carrying amount		
At 30 June 2024	4,757,253	4,757,253
At 30 June 2023	4,873,995	4,873,995

	Group	
	30.6.2024 RM	30.6.2023 RM
Fair value	5,000,000	5,000,000

7. INVESTMENT PROPERTIES (CONTINUED)

(a) The building has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 33.

(b) The fair value of the investment properties categorised under Level 2 of the fair value hierarchy, was estimated at RM5,000,000 (30.6.2023: RM5,000,000) based on the valuation on 9 August 2023 by Hartamas Valuation & Consultancy Sdn. Bhd. (Registration Number: 905432-D) an independent and professionally qualified valuer. Valuations were based on open market basis by making references to observable prices in an active market or recent market transactions on arm's length terms. However, the Directors have agreed that the investment properties need not be revalued as at the end of the financial year as there is no indication of impairment loss, which is in accordance with the Group's policy.

(c) Direct operating expenses arising from investment properties of the Group were RM49,715 (30.6.2023: RM91,063). Rental income arising from investment properties of the Company was RM160,092 (30.6.2023: RM397,638).

8. RIGHT-OF-USE ASSETS

Group	Buildings RM	Laboratory RM	Total RM
Cost			
At 1 July 2023	1,605,287	99,500	1,704,787
Additions	67,606	111,840	179,446
Adjustments due to lease modifications	(285,014)	-	(285,014)
At 30 June 2024	1,387,879	211,340	1,599,219
Accumulated depreciation			
At 1 July 2023	(1,217,464)	(82,917)	(1,300,381)
Charge for the financial year	(223,849)	(35,566)	(259,415)
Adjustments due to lease modifications	142,508	-	142,508
At 30 June 2024	(1,298,805)	(118,483)	(1,417,288)
Carrying amount			
At 30 June 2024	89,074	92,857	181,931
Cost (restated)			
At 1 January 2022	1,361,653	99,500	1,461,153
Additions	526,779	-	526,779
Adjustments due to lease modifications	(283,145)	-	(283,145)
At 30 June 2023	1,605,287	99,500	1,704,787

Notes to the Financial Statements

For the financial year ended 30 June 2024

8. RIGHT-OF-USE ASSETS (CONTINUED)

Group	Buildings RM	Laboratory RM	Total RM
Accumulated depreciation (restated)			
At 1 January 2022	(764,612)	(33,167)	(797,779)
Charge for the financial period	(641,615)	(49,750)	(691,365)
Adjustments due to lease modifications	188,763	-	188,763
At 30 June 2023	(1,217,464)	(82,917)	(1,300,381)
Carrying amount			
At 30 June 2023	387,823	16,583	404,406

Company	Buildings RM	Total RM
Cost		
At 1 July 2023	553,531	553,531
Additions	187,794	187,794
At 30 June 2024	741,325	741,325
Accumulated depreciation		
At 1 July 2023	(274,303)	(274,303)
Charge for the financial year	(185,331)	(185,331)
At 30 June 2024	(459,634)	(459,634)
Carrying amount		
At 30 June 2024	281,691	281,691
Cost		
At 1 January 2022	370,618	370,618
Additions	553,531	553,531
Adjustments due to lease modifications	(370,618)	(370,618)
At 30 June 2023	553,531	553,531
Accumulated depreciation		
At 1 January 2022	(185,309)	(185,309)
Charge for the financial period	(274,303)	(274,303)
Adjustments due to lease modifications	185,309	185,309
At 30 June 2023	(274,303)	(274,303)
Carrying amount		
At 30 June 2023	279,228	279,228

8. RIGHT-OF-USE ASSETS (CONTINUED)

The Group and the Company lease various office buildings and laboratory and the leasing activities are summarised below:

(i) Office buildings: The Group and the Company leased buildings for 1 year (30.6.2023: 1 year), with an option to renew the lease of 2 years (30.6.2023: 2 years) after that date. Lease payments are contracts for buildings used in its operations with lease terms of 3 years (30.6.2023: 3 years).

(ii) Laboratory: The Group has leased laboratory for 2 years (30.6.2023: 2 years), with an option to renew the lease of 1 year (30.6.2023: 1 year) after that date. Lease payments are contracts for laboratory used in its operations with lease terms of 3 years (30.6.2023: 3 years).

9. INTANGIBLE ASSETS

	Group	
	30.6.2024 RM	**30.6.2023 RM**
Cost		
At beginning of the year/period	-	-
Acquisition of a subsidiary (Note 10)	3,281,430	-
At end of the year/period	3,281,430	-
Accumulated amortisation		
At beginning of the year/period	-	-
Amortisation charged	(54,691)	-
At end of the year/period	(54,691)	-
Carrying amount		
At end of the year/period	3,226,739	-

The intangible assets identified and recognised as part of the business combination of SAG Renewables Sdn. Bhd. is subject to amortisation over their useful lives. The amortisation is calculated on a straight-line basis, reflecting the expected pattern of benefits derived from the assets.

Notes to the Financial Statements

For the financial year ended 30 June 2024

10. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2024 RM	30.6.2023 RM
Unquoted shares, at cost		
At beginning of the year/period	39,414,226	39,376,353
Additions	190,880	37,873
At end of the year/period	39,605,106	39,414,226
Less: Accumulated impairment loss		
At beginning of the year/period	(209,520)	(109,006)
Impairment loss charged	(1,000,000)	(100,514)
At end of the year/period	(1,209,520)	(209,520)
Carrying amount	38,395,586	39,204,706

The Group has implemented an Employee Share Option Scheme ("ESOS") that grants eligible employees the option to subscribe to shares in the Company. As part of the scheme, the Company's subsidiaries are also involved in facilitating the share-based payments to their employees. During the financial year, RM190,880 (30.6.2023: RMNil) has been allocated for subsidiaries share options and recorded as additional investment in subsidiaries.

The details of subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Equity interest held		Principal activities
		30.6.2024	30.6.2023	
Subsidiaries of the Company				
Reservoir Link Sdn. Bhd. ^	Malaysia	100%	100%	Business dealing with products and services in relation to oil and gas field services industry
Amsito Oilwell Services (Malaysia) Sdn. Bhd. ^	Malaysia	100%	100%	Trading in petroleum driling equipment and the provision of related engineering services
Reservoir Link (Labuan) Ltd. @	Labuan, Malaysia	100%	100%	Provision of well perforation and well leak repair services
Reservoir Link Solutions Sdn. Bhd. ^	Malaysia	60%	60%	Developing and providing oil and gas production enhancement services and sand management solutions
Reservoir Link Renewable Sdn. Bhd. ^	Malaysia	100%	100%	Investment holding and renewable energy activities
RL Bina Sdn. Bhd. (formerly known as RL Healthcare Sdn. Bhd.) ^	Malaysia	100%	100%	Dormant
RL Protec Sdn. Bhd. ^	Malaysia	52%	52%	Oil and gas extraction service activities provided on a fee or contract basis
Founder Group Limited @ #	British Virgin Islands	51%	51%	Investment holding

Notes to the Financial Statements
For the financial year ended 30 June 2024

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of company	Principal place of business/ country of incorporation	Equity interest held 30.6.2024	Equity interest held 30.6.2023	Principal activities
Subsidiaries of Reservoir Link Sdn. Bhd.				
Agensi Pekerjaan RL Sdn. Bhd. ^	Malaysia	100%	100%	Dormant
Subsidiaries of Reservoir Link Renewable Sdn. Bhd.				
RL Hydro Assets Sdn. Bhd. ^	Malaysia	100%	100%	Dormant
RL Sigma Engineering Sdn. Bhd. ^	Malaysia	100%	100%	Dormant
SAG Renewables Sdn. Bhd. @ #	Malaysia	100%	-	Installer of non-electric solar energy collectors
RL Venture Pte. Ltd. (formerly known as RL Renewable Pte. Ltd. and ABV Merchant Pte. Ltd.) *	Singapore	100%	-	Dormant
Subsidiaries of Founder Group Limited				
Founder Energy Sdn. Bhd. ^	Malaysia	100%	100%	Providing renewable energy activities and related business and investment holding
Subsidiaries of RL Sigma Engineering Sdn. Bhd.				
PT EnviroTech Akva Indonesia @	Indonesia	85%	85%	Providing wastewater treatment
Subsidiaries of RL Venture Pte. Ltd. (formerly known as RL Renewable Pte. Ltd. and ABV Merchant Pte. Ltd.)				
Renewa Ventures Pte. Ltd. *	Singapore	100%	-	Dormant
Subsidiaries of Founder Energy Sdn. Bhd.				
Founder Energy (Singapore) Pte. Ltd. *	Singapore	100%	100%	Dormant
Founder Assets Sdn. Bhd. ^	Malaysia	100%	100%	Operates generation facilities that produce electricity energy and related services. The entity has commenced operation during the year

^ *Audited by Nexia SSY PLT, a member of Nexia International.*
@ *Audited by other firms of chartered accountants.*
# *Last audited report on 31 December 2023.*
* *Dormant and statutory audit is not required in its jurisdiction where it was incorporated.*

Notes to the Financial Statements

For the financial year ended 30 June 2024

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

During the current and previous financial year/period, the Group and the Company have completed the following acquisitions:

(i) On 31 May 2022, the Company's subsidiary, Reservoir Link Sdn. Bhd. incorporated Agensi Pekerjaan RL Sdn. Bhd. ("APR") as a wholly-owned subsidiary with an issued and paid-up share capital of RM100,000 comprising 100,000 ordinary shares. On 25 July 2022, the Company subscribed an additional 150,000 ordinary shares in APR for a total cash consideration of RM150,000.

(ii) On 27 May 2022 and 21 September 2022, the Company's subsidiary, Founder Energy Sdn. Bhd. incorporated Founder Energy (Singapore) Pte. Ltd. for a cash consideration of RM96,022 and Founder Assets Sdn. Bhd. for a cash consideration of RM100, respectively. On 24 February 2023, the Company subscribed an additional 999,900 ordinary shares in Founder Assets Sdn. Bhd. for a total cash consideration of RM999,900.

(iii) On 9 June 2022, the Company subscribed 520 ordinary shares in RL Protec Sdn. Bhd., ("RLP") representing 52% equity interest of the issued and paid-up share capital of RLP for a total consideration of RM520. RLP became a subsidiary of the Company.

(iv) On 11 October 2022, the Company's subsidiary, RL Sigma Engineering Sdn. Bhd. ("RL Sigma") subscribed 8,925 ordinary shares in PT EnviroTech Akva Indonesia ("PTEAI"), representing 85% equity interest of the issued and paid-up share capital of PTEAI for a cash consideration of IDR8,925,000,000 equivalent to RM2,606,100. PTEAI became a subsidiary of RL Sigma. On 16 July 2024, RL Sigma subscribed an additional 33,575 ordinary shares in PTEAI for a cash consideration of IDR33,575,000,000 equivalent to RM9,703,175. The percentage of shareholdings remains the same.

(v) On 18 May 2023, the Company incorporated Founder Group Limited ("FGL") as a 51% owned subsidiary with an issued and paid-up share capital of USD15,700 comprising 15,700,000 ordinary shares. The Company's 51% equity interest in Founder Energy Sdn. Bhd. was restructured to be held under FGL.

(vi) On 18 August 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR") acquired 1,000 ordinary shares in RL Venture Pte. Ltd. (formerly known as RL Renewable Pte. Ltd. and ABV Merchant Pte. Ltd.) ("RLV"), representing 100% shareholdings for a total consideration of SGD1 equivalent to RM3. RLV became a subsidiary of RLR.

(vii) On 16 October 2023, RLR's subsidiary, RL Venture Pte. Ltd. incorporated Renewa Ventures Pte. Ltd. as a wholly-owned subsidiary with an issued and paid-up share capital of SGD1 equivalent to RM3 comprising 1 ordinary share.

(viii) On 14 November 2023, RLR entered into a Share Sale Agreement with SAG Green Tech Sdn. Bhd. to acquire 1,000,000 ordinary shares in SAG Renewables Sdn. Bhd. ("SAGR"), representing 100% shareholdings for a total consideration of RM4,000,000. The transaction was completed on 8 March 2024, SAGR became a subsidiary of RLR, as disclosed in Note 10(a).

(a) Acquisition of a subsidiary

On 14 November 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR"), entered into a Share Sale Agreement ("SSA") with SAG Green Tech Sdn. Bhd. ("SGT") for the acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn. Bhd. ("SAGR"), for a total purchase consideration of RM4,500,000. The Company is required to provide a corporate guarantee of RM6,000,000 upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of a subsidiary (continued)

Subject to the terms and conditions of the SSA, the purchase consideration shall be satisfied by RLR (the "Purchaser") to SGT (the "Vendor") by way of cheque, inter-bank transfer, telegraphic transfer to the SGT's designated bank account, or any other means agreed upon by the Parties, at the following times and in the following manner:

(i) Within three (3) Business Days upon execution of this Agreement, the Purchaser shall pay the Vendor the sum of Ringgit Malaysia RM1,000,000, being the refundable earnest deposit ("Refundable Earnest Deposit"). The Refundable Earnest Deposit shall form part payment of the Purchase Consideration upon Completion ("1st Tranche Purchase Consideration");

(ii) Within The sum of Ringgit Malaysia RM2,500,000 shall be paid by the Purchaser to the Vendor within three (3) Business Days from the Unconditional Date and upon the successful transfer of the Sale Shares from the Vendor to the Purchaser free from any Security Interest ("2nd Tranche Purchase Consideration");

(iii) The sum of RM500,000 shall be paid by the Purchaser to the Vendor ("3rd Tranche Purchase Consideration"), subject to the achievement of the Performance Guarantee by the SAGR within the first three months of the Guarantee Period ("1st Guarantee Period"), to the satisfaction of the Purchaser. The 3rd Tranche Purchase Consideration shall be payable within fourteen (14) days from the date the Purchaser certifies that the Performance Guarantee for the 1st Guarantee Period has been met; and

(iv) The remaining balance of RM500,000 shall be paid by the Purchaser to the Vendor ("4th Tranche Purchase Consideration"), subject to the achievement of the Performance Guarantee by SAGR within the final three months of the Guarantee Period ("2nd Guarantee Period"), to the satisfaction of the Purchaser. The 4th Tranche Purchase Consideration shall be payable within fourteen (14) days from the date the Purchaser certifies that the Performance Guarantee for the 2nd Guarantee Period has been met.

The payment terms outlined in (iii) have not been fulfilled as the Performance Guarantee was not met. As a result, the total fair value of the purchase consideration is reduced to RM4,000,000, which comprise the aggregate amounts of items (i), (ii) and (iv) above.

On 30 January 2024, RLR agreed to extend the expiration of the extended cut-off date from 30 January 2024 to 29 February 2024, allowing SGT additional time to meet the obligations under the Conditions Precedent.

The acquisition was completed on 8 March 2024.

As at end of the financial year, the total consideration paid amounted to RM3,500,000, with the remaining RM500,000 treated as contingent consideration, as disclosed in Note 32.

As per discharge letter dated 7 August 2024, SAGR has failed to meet the Performance Guarantee for the 2nd Guarantee Period, therefore, RLR is fully discharged from any obligation to make payment of the balance purchase consideration of RM500,000.

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of a subsidiary (continued)

The fair value of purchase consideration and identifiable assets and liabilities assumed are as follows:

	30.6.2024 RM
Property, plant and equipment (Note 6)	6,166,375
Other receivables	10,935
Cash and bank balances	33,945
Trade payables	(5,483,268)
Other payables	(9,417)
Net identifiable assets acquired	718,570
Intangible assets (Note 9)	3,281,430
	4,000,000
Total purchase consideration	4,000,000
Less:	
Contingent consideration (Note 32)	(500,000)
Cash and bank balances of the subsidiary acquired	(33,945)
Net cash outflow from the acquisition of the subsidiary	3,466,055

(b) Non-controlling interests

The non-controlling interests at the end of the reporting period comprise the following:-

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to Non-controlling interests		Total equity/ (capital deficiency) of non-controlling interests	
	30.6.2024 %	30.6.2023 %	30.6.2024 RM	Restated 30.6.2023 RM	30.6.2024 RM	Restated 30.6.2023 RM
Reservoir Link Solutions Sdn. Bhd.	40	40	35,170	(349,999)	561,416	526,246
RL Protec Sdn. Bhd.	48	48	(44,872)	(95,566)	(139,958)	(95,086)
Founder Group Limited and its subsidiaries	49	49	1,744,021	3,683,010	7,171,424	5,427,403
PT EnviroTech Akva Indonesia	15	15	(179,787)	(1,929)	308,109	487,896
			1,554,532	3,235,516	7,900,991	6,346,459

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows:

	Reservoir Link Solutions Sdn. Bhd.	
	30.6.2024 RM	30.6.2023 RM
At 30 June		
Non-current assets	2,949,033	3,333,789
Current assets	5,108,923	3,682,760
Non-current liabilities	(1,051,893)	(1,240,639)
Current liabilities	(5,602,525)	(4,460,294)
Net assets	1,403,538	1,315,616
Equity attributable to:		
Owners of the Company	842,122	789,370
Non-controlling interest	561,416	526,246
	1,403,538	1,315,616
For the financial year/period ended 30 June		
Revenue	10,107,123	9,881,335
Profit/(loss) for the financial year/period	87,923	(874,996)
Total comprehensive income/(expense) for the financial year/period	87,923	(874,996)
Profit/(loss) attributable to:		
Owners of the Company	52,753	(524,997)
Non-controlling interest	35,170	(349,999)
	87,923	(874,996)
Net cash flows generated from operating activities	1,835,982	972,159
Net cash flows used in investing activities	(820,535)	(2,192,734)
Net cash flows (used in)/generated from financing activities	(416,808)	1,204,778

Notes to the Financial Statements

For the financial year ended 30 June 2024

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows (continued):

	RL Protec Sdn. Bhd. 30.6.2024 RM	RL Protec Sdn. Bhd. 30.6.2023 RM
At 30 June		
Non-current assets	69,679	6,059
Current assets	4,510,688	609,565
Current liabilities	(4,871,947)	(813,720)
Net liabilities	(291,580)	(198,096)
Capital deficiency attributable to:		
Owners of the Company	(151,622)	(103,010)
Non-controlling interest	(139,958)	(95,086)
	(291,580)	(198,096)
For the financial year/period ended 30 June		
Revenue	3,917,402	1,405,563
Loss for the financial year/period	(93,484)	(199,096)
Total comprehensive expenses for the financial year/period	(93,484)	(199,096)
Loss attributable to:		
Owners of the Company	(48,612)	(103,530)
Non-controlling interest	(44,872)	(95,566)
	(93,484)	(199,096)
Net cash flows (used in)/generated from operating activities	(1,662,920)	27,092
Net cash flows used in investing activities	(51,668)	(10,593)
Net cash flows generated from financing activities	1,870,052	1,000

	Founder Group Limited and its subsidiaries 30.6.2024 RM	Founder Group Limited and its subsidiaries Restated 30.6.2023 RM
At 30 June		
Non-current assets	5,452,990	1,905,552
Current assets	70,913,938	61,410,801
Non-current liabilities	(2,017,876)	(581,104)
Current liabilities	(59,713,926)	(51,658,917)
Net assets	14,635,126	11,076,332

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows (continued):

	Founder Group Limited and its subsidiaries	
	30.6.2024 RM	Restated 30.6.2023 RM
Equity attributable to:		
Owners of the Company	7,463,702	5,648,929
Non-controlling interest	7,171,424	5,427,403
	14,635,126	11,076,332
For the financial year/period ended 30 June		
Revenue	110,488,119	132,240,882
Profit for the financial year/period	3,557,198	9,657,932
Total comprehensive income for the financial year/period	3,559,234	7,455,274
Profit attributable to:		
Owners of the Company	1,815,213	3,772,264
Non-controlling interest	1,744,021	3,683,010
	3,559,234	7,455,274
Net cash flows used in operating activities	(7,773,711)	(6,212,708)
Net cash flows used in investing activities	(6,589,060)	(3,774,776)
Net cash flows generated from/(used in) financing activities	18,051,883	(9,991,801)

	PT EnviroTech Akva Indonesia	
	30.6.2024 RM	30.6.2023 RM
At 30 June		
Non-current assets	37,942,200	4,133,268
Current assets	5,718,710	6,208,096
Non-current liabilities	(26,086,068)	-
Current liabilities	(15,520,783)	(7,088,723)
Net assets	2,054,059	3,252,641
Equity attributable to:		
Owners of the Company	1,745,950	2,764,745
Non-controlling interest	308,109	487,896
	2,054,059	3,252,641

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows (continued):

	PT EnviroTech Akva Indonesia	
	30.6.2024 RM	30.6.2023 RM
For the financial year/period ended 30 June		
Revenue	2,295,214	-
Loss for the financial year/period	(1,010,355)	(12,859)
Total comprehensive expenses for the financial year/period	(1,198,582)	(12,859)
Loss attributable to:		
Owners of the Company	(1,018,795)	(10,930)
Non-controlling interest	(179,787)	(1,929)
	(1,198,582)	(12,859)
Net cash flows generated from operating activities	5,316,876	917,473
Net cash flows used in investing activities	(33,806,318)	(4,133,268)
Net cash flows generated from financing activities	29,084,807	3,265,500

11. INVESTMENT IN AN ASSOCIATE

	Group	
	30.6.2024 RM	30.6.2023 RM
At cost		
At beginning of the year/period	-	-
Additions	290,000	-
At end of the year/period	290,000	-

Details of the associate, which is incorporated in Malaysia are as follows:

Name of company	Equity interest held 30.6.2024	 30.6.2023	Principal activities
SRM Utama Selambau Sdn. Bhd. @	29%	-	Dormant

@ *Audited by other firms of chartered accountants.*

On 20 March 2024, the Company's wholly-owned subsidiary, Reservoir Link Renewable Sdn. Bhd. entered into a Shareholders' Agreement with Sumitomo Corporation, MAQO Engineering Sdn. Bhd. and SRM Utama Selambau Sdn. Bhd. ("SUS") for the purpose of SUS to develop, implement, own and operate a 29.99MWac ground-mounted solar photovoltaic project in Kedah, Malaysia.

The summarised financial information of the associate is not disclosed as the financial effect is immaterial to the Group.

12. INVESTMENT IN JOINT VENTURES

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Unquoted shares, at cost				
At beginning of the year/period	1,326,000	1,326,000	51,000	51,000
Additions	1	-	-	-
At end of the year/period	1,326,001	1,326,000	51,000	51,000
Less: Share of post acquisition losses				
At beginning of the year/period	(165,730)	-	-	-
Share of post acquisition losses	(26,078)	(165,730)	-	-
At end of the year/period	(191,808)	(165,730)	-	-
Carrying amount				
At end of the year/period	1,134,193	1,160,270	51,000	51,000

The details of the joint ventures are as follows:

Name of company	Principal place of business/ country of incorporation	Equity interest held		Principal activities
		30.6.2024	30.6.2023	
Joint Venture of the Company				
RL ADS Power Sdn. Bhd. ("ADS") ^	Malaysia	51%	51%	Dormant
Joint Venture of Reservoir Link Renewable Sdn. Bhd.				
RL Sunseap Energy Sdn. Bhd. ("RLSE") ^	Malaysia	51%	51%	Renewable energy Business
Joint Venture of RL Bina Sdn. Bhd. (formerly known as RL Healthcare Sdn. Bhd.)				
RL IDC Sdn. Bhd. ("RLIDC") ~	Malaysia	50%	-	Dormant

^ *Audited by Nexia SSY PLT, a member of Nexia International.*

~ *Dormant and newly incorporated on 15 January 2024, auditor has not been appointed.*

Notes to the Financial Statements

For the financial year ended 30 June 2024

12. INVESTMENT IN JOINT VENTURES (CONTINUED)

During the current and previous financial year/period, the Group and the Company have completed the following acquisitions:

(a) On 17 May 2022, the Company subscribed 51,000 ordinary shares in a joint venture, RL ADS Sdn. Bhd. ("ADS") representing 51% equity interest of the issued and paid-up share capital of ADS for a total consideration of RM51,000.

(b) On 30 August 2022, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. subscribed 1,275,000 ordinary shares in a joint venture, RL Sunseap Energy Sdn. Bhd. ("RLSE") representing 51% equity interest of the issued and paid-up share capital of RLSE for a total consideration of RM1,275,000.

(c) On 15 January 2024, the Company's subsidiary, RL Bina Sdn. Bhd. (formerly known as RL Healthcare Sdn. Bhd.) ("RLB") incorporated RL IDC Sdn. Bhd. with an issued and paid-up share capital of RM2 comprising 2 shares. On 31 May 2024, RLB transferred its 50% shares to Excellent Gain Worldwide Holdings Pte. Ltd. for a total consideration of RM1.

(d) The Group's involvement in joint arrangements are structured through separate vehicles which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified these investments as joint ventures.

(e) Although the Group holds more than 50% of the voting power in ADS and, RLSE, the Group determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by the shareholders.

The summarised financial information of the joint ventures is as follows:

	ADS RM	RLSE RM	RLIDC RM	Total RM
Group				
30.6.2024				
Non-current assets	-	6,424,763	-	6,424,763
Current assets	57,533	1,605,498	2	1,663,033
Non-current liabilities	-	(4,640,018)	-	(4,640,018)
Current liabilities	(6,185)	(1,084,004)	(143,775)	(1,233,964)
Net assets/(liabilities)	51,348	2,306,239	(143,773)	2,213,814
Included in assets and liabilities are:				
- Cash and cash equivalent	57,533	186,315	-	243,848
- Non-current financial liabilities	-	(4,640,018)	-	(4,640,018)
- Current financial liabilities	(6,185)	(1,084,004)	(143,775)	(1,233,964)
For the financial year ended 30 June 2024				
Revenue	-	862,388	-	862,388
Depreciation of plant and equipment	-	(196,775)	-	(196,775)
(Loss)/profit for the financial year	(8,748)	98,572	(143,775)	(53,951)
Total comprehensive (expenses)/income	(8,748)	98,572	(143,775)	(53,951)
Group's share of (loss)/income for the financial year	(4,462)	50,272	(71,888)	(26,078)
Carrying amount of the Group's interests in these joint ventures	29,898	1,176,182	(71,887)	1,134,193

12. INVESTMENT IN JOINT VENTURES (CONTINUED)

The summarised financial information of the joint ventures is as follows (continued):

	ADS RM	RLSE RM	TOTAL RM
Group (continued)			
30.6.2023			
Non-current assets	-	4,117,762	4,117,762
Current assets	64,242	2,501,522	2,565,764
Non-current liabilities	-	(2,618,065)	(2,618,065)
Current liabilities	(4,146)	(1,793,552)	(1,797,698)
Net assets	60,096	2,207,667	2,267,763
Included in assets and liabilities are:			
- Cash and cash equivalent	64,242	2,397,443	2,461,685
- Non-current financial liabilities	-	(2,618,065)	(2,618,065)
- Current financial liabilities	-	(1,793,552)	(1,793,552)
For the financial period ended 30 June 2023			
Revenue	-	104,079	104,079
Depreciation of plant and equipment	-	(14,334)	(14,334)
Loss for the financial period	(32,627)	(292,333)	(324,960)
Total comprehensive expenses	(32,627)	(292,333)	(324,960)
Group's share of loss for the financial period	(16,640)	(149,090)	(165,730)
Carrying amount of the Group's interests in these joint ventures	34,360	1,125,910	1,160,270

13. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	30.6.2024 RM	30.6.2023 RM
At beginning of the year/period	1,099,138	(84,460)
Recognised in the statements of profit or loss and other comprehensive income (Note 44)	(556,864)	1,183,598
At end of the year/period	542,274	1,099,138
Presented after appropriate offsetting as follows:		
Deferred tax assets	1,316,897	1,270,578
Deferred tax liabilities	(774,623)	(171,440)
	542,274	1,099,138

Notes to the Financial Statements

For the financial year ended 30 June 2024

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The components and movements of deferred tax assets and deferred tax liabilities during the financial year/period prior to offsetting are as follows:

Deferred tax assets

	Unabsorbed tax losses RM	Unutilised capital allowances RM	Other deductible temporary differences RM	Total RM
Group				
At 1 July 2023	572,684	677,961	19,933	1,270,578
Recognised in the statements of profit or loss and other comprehensive income	62,315	(73,729)	57,733	46,319
At 30 June 2024	634,999	604,232	77,666	1,316,897
At 1 January 2022	488,504	700,562	2,469	1,191,535
Recognised in the statements of profit or loss and other comprehensive income	84,180	(22,601)	17,464	79,043
At 30 June 2023	572,684	677,961	19,933	1,270,578

Deferred tax liabilities

	Property, plant and equipment RM	Total RM
Group		
At 1 July 2023	(171,440)	(171,440)
Recognised in the statements of profit or loss and other comprehensive income	(603,183)	(603,183)
At 30 June 2024	(774,623)	(774,623)
At 1 January 2022	(1,275,995)	(1,275,995)
Recognised in the statements of profit or loss and other comprehensive income	1,104,555	1,104,555
At 30 June 2023	(171,440)	(171,440)

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	Group	
	30.6.2024 RM	**30.6.2023 RM**
Unabsorbed tax losses	6,700,955	4,464,609
Unutilised capital allowances	3,770,098	4,557,866
Other temporary differences	1,640,090	(1,312,966)
Total Temporary differences	12,111,143	7,709,509
Deferred tax assets arising in respect of the above temporary difference	2,906,674	1,850,282
Deferred tax assets recognised	(1,316,897)	(1,270,578)
Deferred tax assets not recognised due to uncertainties of realisation of profit	1,589,777	579,704
Unabsorbed tax losses which will expire in the following year of assessment:		
- YA 2029	2,386,183	2,386,183
- YA 2032	47,481	47,481
- YA 2033	1,078,663	1,078,663
- YA 2034	952,282	952,282
- YA 2035	2,236,346	-
	6,700,955	4,464,609

Based on the current legislation, the unabsorbed tax losses are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment, whereas, the unutilised capital allowances are allowed to be carried forward indefinitely.

14. GOODWILL

	Group	
	30.6.2024 RM	**30.6.2023 RM**
Cost		
At beginning/end of the year/period	13,972,961	13,972,961

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:

	30.6.2024	**30.6.2023**
(i) Budgeted average gross margin	9%	13%
(ii) Growth factor	5%	2%
(iii) Discount rate (pre-tax)	11%	11%

The Group believes that any reasonable possible change in the above key assumptions applied is not likely to materially cause the recoverable amount to be lower than its carrying amount.

Notes to the Financial Statements

For the financial year ended 30 June 2024

15. INVENTORIES

	Group	
	30.6.2024 RM	30.6.2023 RM
Oilfield chemicals	83,160	83,160
Perforating explosives	3,734,254	4,061,187
Perforating hardware	3,296,669	3,694,848
Pharmaceutical goods	-	9,954
Raw materials – chemicals	174,654	106,037
Trading goods	1,797,252	1,371,846
	9,085,989	9,327,032
Less: Allowance for obsolete inventories	(265,111)	-
	8,820,878	9,327,032
Recognised in profit or loss:-		
Inventories recognised as cost of sales	38,337,090	49,789,153
Allowance for obsolete inventories	265,111	-

16. CONTRACT COST ASSETS

	Group	
	30.6.2024 RM	30.6.2023 RM
Costs to fulfil a contract	-	959,005

The costs to fulfil a contract represent costs incurred in contract that is used to fulfil the contract in future. The costs are to be recognised on a progressive basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

17. CONTRACT ASSETS/(LIABILITIES)

	Group	
	30.6.2024 RM	30.6.2023 RM
At beginning of the year/period	27,230,396	2,790,049
Performance obligation performed	84,896,262	81,177,597
Transfer to trade receivables	(81,064,562)	(56,440,474)
Reversal of/(allowance for) impairment losses	10,787	(296,776)
At end of the year/period	31,072,883	27,230,396
Represented by:-		
Construction of solar photovoltaic power plant and related services	31,072,883	27,230,396

17. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

	Group	
	30.6.2024 RM	30.6.2023 RM
Analysed as:		
Contract assets		
Gross amount	33,674,715	28,470,233
Less: Accumulated impairment losses	(285,989)	(296,776)
	33,388,726	28,173,457
Contract liabilities	(2,315,843)	(943,061)
	31,072,883	27,230,396

The contract assets relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for construction of solar photovoltaic power plant and related services. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities relate to the advance consideration received from customers for construction contract, which revenue is recognised over time during the construction activities.

18. TRADE RECEIVABLES

	Group	
	30.6.2024 RM	30.6.2023 RM
Third parties	25,486,088	25,628,142
Retention sum	3,610,093	2,195,631
Accrued trade receivables	14,440,925	8,894,108
	43,537,106	36,717,881
Less: Accumulated impairment losses	(1,398,028)	(622,789)
	42,139,078	36,095,092

The Group's normal trade credit terms range from 30 to 90 days (30.6.2023: 30 to 90) days. Other credit terms are assessed and approved on case-by-case basis.

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.6.2024 RM	Restated 30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Other receivables	1,712,790	1,048,563	435,791	-
Deposits	7,202,791	4,230,320	2,800	-
Prepayments	9,530,912	9,266,855	95,820	62,890
	18,446,493	14,545,738	534,411	62,890

Included in other receivables is a Central Depository System account opened for short-term investment of unit trust funds being used as a reserve account for margin facility to offset finance charges arising from margin facility amounted to RM435,791 (30.6.2023: RMNil).

Included in the deposits are partial payments aggregating to RM4,428,700 (30.6.2023: RM3,741,250) contributing towards the purchase consideration made to a third party in respect of the acquisition as well as the EPCC vendor for the fabrication of wastewater equipment for a project.

20. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company	
	30.6.2024 RM	30.6.2023 RM
Amount owing by subsidiaries		
Non-trade balances	13,409,238	11,098,290
Less: Accumulated impairment losses	(652,690)	(748,390)
	12,756,548	10,349,900
Amount owing to subsidiaries		
Non-trade balances	(180,092)	(1,403,372)

The amount owing by/(to) subsidiaries are unsecured, bore/(charged) interest at 1.50% above the Base Lending Rate ("BLR") (30.6.2023: 1.50% above the BLR) per annum and is repayable on demand.

21. AMOUNT OWING BY AN ASSOCIATE

	Group	
	30.6.2024 RM	30.6.2023 RM
Amount owing by an associate		
Non-trade balances	45,898	-

The amount owing by an associate is unsecured, interest free and is repayable on demand.

22. AMOUNT OWING BY/(TO) JOINT VENTURES

	Group	
	30.6.2024 RM	30.6.2023 RM
Amount owing by joint ventures		
Non-trade balances	869,056	911,312
Amount owing to joint ventures		
Non-trade balances	(1)	-

The non-trade amount owing by/(to) joint ventures is unsecured, bore/(charged) interest at 1.30% above the Base Lending Rate ("BLR") (30.6.2023: 1.30% above the BLR) per annum and is repayable on demand.

23. AMOUNT OWING BY/(TO) RELATED PARTIES

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Amount owing by related parties				
Non-trade balances	392,696	-	138,170	-
Amount owing to related parties				
Non-trade balances	(1,172,135)	-	-	-

The amounts owing by/(to) related parties are unsecured, interest free and are repayable on demand. The related party is a Company in which one of the director of the subsidiary has significant controlling interest.

24. SHORT-TERM INVESTMENTS

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
At fair value				
At beginning of the year/period	693,230	5,030,700	686,375	4,721,213
Additions	703,229	5,000,000	710,084	5,000,000
Disposals	(174,900)	(9,217,470)	(174,900)	(8,914,838)
Fair value adjustments	(200,589)	(120,000)	(200,589)	(120,000)
At end of the year/period	1,020,970	693,230	1,020,970	686,375
Investments measured at market value:				
Unit trust funds in Malaysia	1,020,970	693,230	1,020,970	686,375

The non-trade amount owing by/(to) related parties is unsecured, interest free and is repayable on demand.

Notes to the Financial Statements

For the financial year ended 30 June 2024

25. DERIVATIVE FINANCIAL ASSETS

	Group	
	30.6.2024 RM	30.6.2023 RM
Non-hedging derivatives:		
Forward currency contract		
Fair value	383,764	-
Contract amount	(380,199)	-
Fair value gain arising from derivative	3,565	-

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in USD for which firm commitments existed at the reporting date, extending to September 2024.

26. FIXED DEPOSITS WITH LICENSED BANKS

	Group	
	30.6.2024 RM	30.6.2023 RM
Fixed deposits with licensed banks	9,676,772	7,139,481

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.00% to 3.25% (30.6.2023: 1.70% to 3.10%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (30.6.2023: 1 to 12 months).

(b) The fixed deposits with licensed banks of the Group that are denominated in United States Dollar at the end of the reporting period bore effective interest rates of Nil% (30.6.2023: 0.05% to 0.15%) per annum. The fixed deposits have maturity period of Nil month (30.6.2023: 1 month).

(c) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM9,676,772 (30.6.2023: RM7,139,481), which has been pledged to licensed banks as security for banking facilities granted to the Group, as disclosed in Note 33.

27. CASH AND BANK BALANCES

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Cash in hand	145,673	81,222	100	100
Cash at bank	13,336,934	5,989,296	242,528	213,144
Cash and bank balances	13,482,607	6,070,518	242,628	213,244

28. SHARE CAPITAL

	Group and Company			
	30.6.2024 Unit	30.6.2023 Unit	30.6.2024 RM	30.6.2023 RM
Issued and fully paid ordinary shares				
At beginning of the year/period	290,445,000	290,445,000	47,967,910	47,967,910
Issued during the year/period	26,378,000	-	7,913,400	-
Share issue expenses	-	-	(118,193)	-
	26,378,000	-	7,795,207	-
At end of the year/period	316,823,000	290,445,000	55,763,117	47,967,910

During the financial year, the Company increased its total number of issued and paid-up share capital from 290,445,000 ordinary shares amounting to RM47,967,910 to 316,823,000 ordinary shares amounting to RM55,763,117, by way of:

(a) issuance of 11,511,000 new ordinary shares through private placement exercise at an issue price of RM0.30 per ordinary share on 31 July 2023; and

(b) issuance of 14,867,000 new ordinary shares through private placement exercise at an issue price of RM0.30 per ordinary share on 26 September 2023.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

29. TREASURY SHARES

	Group and Company			
	30.6.2024 Unit	30.6.2023 Unit	30.6.2024 RM	30.6.2023 RM
At beginning of the year/period	1,400,000	-	504,964	-
Repurchase of treasury shares	-	1,400,000	-	504,964
At end of the year/period	1,400,000	1,400,000	504,964	504,964

During the financial year, the Company purchased Nil (30.6.2023: 1,400,000) ordinary shares from the open market at an average price of RMNil (30.6.2023: RM0.36) per share. The total consideration paid for the repurchase including transaction costs was RMNil (30.6.2023: RM504,964). The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 June 2024, the Company held a total of 1,400,000 of its 316,823,000 issued and paid-up ordinary shares. The treasury shares are held at a carrying amount of RM504,964.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

1
2
3
4
5
6

30. RESERVES

	Group		Company	
	30.6.2024 RM	Restated 30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Merger deficit (Note a)	(15,779,300)	(15,779,300)	-	-
Foreign exchange translation reserve (Note b)	889,101	1,051,195	-	-
Retained earnings/(accumulated losses)	40,681,461	41,526,259	(7,762,974)	(4,428,900)
	25,791,262	26,798,154	(7,762,974)	(4,428,900)

(a) Merger deficit

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

(b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

31. EMPLOYEE SHARE OPTION RESERVE

Employee share option scheme ("ESOS") involves the granting of options to subscribe to new Company's shares to the eligible employees, who meet the criteria of eligibility for participation in the ESOS as set out in the By-Laws. The grant of the ESOS to the eligible employees shall be subject to such participation in the ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respectives countries where the Group operates.

The ESOS is governed by the By-Laws.

The salient features of the ESOS are as follows:

(a) Maximum number of new Company's shares available under the ESOS

Subject to By-Law 3.2, the maximum number of new Company's shares which may be allotted and issued pursuant to the exercise of the ESOS Options shall not in aggregate exceed fifteen percent (15%) of the total issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of the scheme as set out in point (d).

(b) Maximum allowable allocation and basis of allotment

The aggregate maximum number of new Company's shares that may be offered under the ESOS and allotted and issued to an eligible employee shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, among other factors, the eligible employee's length of service, position, seniority and performance in the Group and such other factors as the ESOS Committee deems fit subject to the following:

(i) the Executive Directors, Non-Executive Directors and senior management of the Group do not participate in the deliberation or discussion of their own allocation of ESOS Options or allocation to persons connected them of the ESOS Options;

31. EMPLOYEE SHARE OPTION RESERVE (CONTINUED)

The salient features of the ESOS are as follows (continued):

(b) Maximum allowable allocation and basis of allotment (continued)

(ii) not more than 10% of the total new Company's Shares available under the ESOS are allocated to any individual eligible employee who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Shares of the Company (excluding treasury shares, if any). The term "persons connected" shall have the same meaning as that in the Listing Requirements; and

(iii) more than seventy percent (70%) of the total number of new Company's shares available under the ESOS are allocated in aggregate to the Directors and/or senior management of the Group who are eligible employees, provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

(c) Eligibility

Subject to the discretion of the ESOS Committee, only eligible employees who meet the following criteria are eligible to participate in the ESOS:

(i) full time employee, Executive Director or Non-Executive Director, has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) full time employee or Executive Director of RLEB Group (excluding dormant subsidiaries) and his employment has been confirmed;

(iii) full time employee, if he is employed by a company which is acquired by RLEB Group during the duration of the ESOS and becomes a subsidiary of the RLEB Group upon such acquisition, must have his employment confirmed following the date such company becomes or is deemed to be a subsidiary; and

(iv) the fulfilment of any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.

(d) Duration

The ESOS was first implemented on 28 July 2021 and will be in force for a period of 5 years from the date of implementation, expiring on 27 July 2026.

On or before the expiry of the ESOS Period, the ESOS Committee shall have the absolute discretion to extend in writing the ESOS Period (as the ESOS Committee may deem fit) for up to a maximum of 5 years immediately from the expiry of the original 5 year period provided always that the total duration of the ESOS shall not in aggregate exceed 10 years from the Effective Date. Such extension, if any shall not be subject to the approval of the shareholders.

(e) Basis of determining the ESOS Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the exercise price shall be based on the 5D-VWAMP of the Company's Shares immediately preceding the date on which an Offer is made ("Date of Offer"). The exercise price shall not be at a discount of more than 10% to the 5D-VWAMP of the Company's shares preceding the Date of Offer, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the ESOS.

Notes to the Financial Statements
For the financial year ended 30 June 2024

31. EMPLOYEE SHARE OPTION RESERVE (CONTINUED)

The salient features of the ESOS are as follows (continued):

(f) Ranking of new Company's shares to be issued arising from the exercise of ESOS Options pursuant to the ESOS

Eligible Employees who have accepted an Offer ("Participant(s)") will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Options into new Company's Shares.

The new Company's Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing Company's Shares, except that the new Company's Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Company's shares.

(g) Variation to the ESOS

Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws ("Variations") as it shall in its discretion think fit and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation provided that no additions, modifications or amendments to or deletions of the By-Laws shall be made which will:

(i) prejudice any rights then accrued to any Participant without the prior consent or sanction of that Participant; or
(ii) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a meeting of members; or
(iii) alter to the advantage to the Participant, the provisions of the By-Laws of the ESOS without the prior approval of the Company's shareholders in meeting of members, unless otherwise allowed by the provisions of the Listing Requirements.

Where a Variations is made to the By-Laws, RLEB shall submit to Bursa Securities, the Variations to the By-Laws and a confirmation letter that the Variations complies with the provisions of the guidelines on employee share scheme stipulated under the Listing Requirements no later than 5 market days from the effective date of the said Variations.

(h) Alteration of share capital

In the event of any alteration in the capital structure of the Company during the ESOS Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of the Company's shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

(i) the exercise price of the ESOS Options; and/or
(ii) the number of ESOS Options granted to each Participant (excluding ESOS Options already exercised); as shall be necessary to give the Participants, the same proportion of the issued capital of the Company as that to which he/she was entitled prior to the event giving rise to such adjustment (i.e. not taking into account ESOS Options already exercise).

31. EMPLOYEE SHARE OPTION RESERVE (CONTINUED)

The salient features of the ESOS are as follows (continued):

(i) Retention period

The shares allotted and issued or transferred pursuant to the exercise of ESOS Options may be subject to such retention period or restriction on transfer as may be imposed by the ESOS Committee at its discretion, save as otherwise provided in the Constitution of the Company, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.

A Participant who is a Non-Executive Director of the Group must not sell, transfer or assign any new Company's shares obtained through the exercise of the ESOS Options offered to him within 1 year from the Date of Offer.

(j) Listing and quotation of shares

Bursa Securities had on 3 March 2021 approved the listing of and quotation for the new Company's shares to be issued arising from the exercise of ESOS Options on the Main Market of Bursa Securities.

(k) Termination of the ESOS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the ESOS may be terminated at any time by the Company during the ESOS Period or during any extension or renewal period, as the case may be, without obtaining the approvals from the Participants or the shareholders provided that the Company makes and announcement immediately to Bursa Securities, and whereupon any ESOS Options which have yet to be vested, accepted and/or exercised (whether fully or partially) shall be deemed to have been automatically lapse or terminated (as the case may be) and be null and void on the date specified in the notice.

Movements of the Company's ESOS granted during the financial year are as follows:

	Number of options granted over ordinary shares					
	At 1.7.2023	Granted	Exercised	Forfeited	At 30.6.2024	Expiry date
ESOS	-	4,934,700	-	(151,200)	4,783,500	27 July 2026

<u>Fair value of share options granted</u>

The fair values of the share options granted under the ESOS was determined using the Trinomial Option Pricing model. The fair value is RM0.0697 per ESOS option based on valuation on 19 April 2024 by an independent financial adviser. The valuation results have to be read together with the basis and assumptions used in measuring the fair value of ESOS Options and the sensitivity analysis conducted on the input of key data.

The key inputs to the model were as follows:

	30.6.2024	30.6.2023
Share price at grant date (RM)	0.3200 - 0.3400	Not applicable
Share price volatility (%)	26.0000 - 36.0000	Not applicable
Annual risk-free interest rate (%)	3.4480	Not applicable
Exercise price (RM)	0.2756	Not applicable
Exercise period (years)	5	Not applicable

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

32. CONTINGENT CONSIDERATION

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
At beginning of the year/period	3,910,119	3,910,119	3,910,119	3,910,119
Additions	500,000	-	-	-
At end of the year/period	4,410,119	3,910,119	3,910,119	3,910,119

Contingent consideration

(a) On 11 June 2021, the Company entered into a Share Sale Agreement ("SSA") to acquire 51.0% equity interest in Founder Energy Sdn. Bhd. ("FESB") from Lee Seng Chi ("the Vendor") for a purchase consideration of RM21,169,080 which is to be satisfied by a combination of cash amounting to RM8,464,080 and issuance of 18,150,000 new ordinary shares of the Company at an issue price of RM0.70 per share to the Vendor. As of 30 June 2023, 5,445,000 new ordinary shares have been issued to the Vendor on 25 August 2021.

The issuance of the remaining 12,705,000 ordinary shares is contingent on FESB meeting a minimum profit-after-tax ("PAT") of RM13,836,000 over 2 years from the acquisition date ("Profit Guarantee Period"). If FESB is not able to achieve the minimum PAT over the profit guarantee period, any shortfall shall be reimbursed in cash by the Vendor.

The Group provided for a contingent consideration of ordinary shares to be issued to the Vendor. The valuation of the contingent consideration is measured at RM0.53 per share concurrent with the Group's market share price discounted to its present value at a 13.5% discount rate.

The Group had on August 2023 announced revisions to the terms of the Share Sale Agreement where the Vendor guarantees that FESB shall achieve a PAT of RM14,989,000 for the 26 months ended 31 October 2023 ("First Extended Profit Guarantee"). In the event the First Extended Profit Guarantee is met, then the profit guarantee shall be deemed to be fulfilled. However, if the First Extended Profit Guarantee is not fulfilled, the vendor shall be granted a further extended period up to 31 December 2023 to meet an aggregate PAT of RM16,142,000 for the 28 months ended 31 December 2023 ("Second Extended Profit Guarantee").

Save for the above Proposed Profit Guarantee Extension ("PGE"), all other terms and conditions contained in the SSA remain unchanged and shall continue to be in full force and effect. The PGE was approved by the Company's shareholders in the Extraordinary General Meeting on 24 July 2024.

On 9 July 2024, the Group has confirmed that the First Extended Profit Guarantee has been achieved. As such, the amount of RM3,910,119 included in the contingent consideration will be paid subsequent to the financial year ended 30 June 2024.

(b) On 14 November 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR") entered into a Share Sale Agreement ("SSA") with SAG Green Tech Sdn. Bhd. ("SGT") for the acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn. Bhd. ("SAGR"), for a total purchase consideration of RM4,500,000. The Company is required to provide a corporate guarantee of RM6,000,000 upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA, as disclosed Note 10(a).

Notes to the Financial Statements
For the financial year ended 30 June 2024

32. CONTINGENT CONSIDERATION (CONTINUED)

Contingent consideration (continued)

(b) (continued)

The contingent consideration of RM500,000 shall be paid by RLR to SGT, subject to the achievement of the Performance Guarantee by SAGR within the final three months of the Guarantee Period ("2nd Guarantee Period"), to the satisfaction of the RLR. The contingent consideration shall be payable within fourteen (14) days from the date the RLR certifies that the Performance Guarantee for the 2nd Guarantee Period has been met.

As per discharge letter dated 7 August 2024, SAGR has failed to meet the Performance Guarantee for the 2nd Guarantee Period, therefore, RLR is fully discharged from any obligation to make payment of the balance purchase consideration.

33. BORROWINGS

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Non-current				
Term loans	37,444,198	9,754,880	-	-
Current				
Bankers' acceptance	8,358,591	982,500	-	-
Bank overdrafts	5,928,701	4,459,948	-	-
Credit card	45,255	-	-	-
Factoring payables	2,523,108	3,239,065	-	-
Invoice financing	17,192,796	5,434,658	-	-
Margin financing facility	1,050,336	4,964	1,050,336	4,964
Revolving credit	2,057,000	2,928,000	-	-
Term loans	6,281,107	1,744,180	-	-
	43,436,894	18,793,315	1,050,336	4,964
	80,881,092	28,548,195	1,050,336	4,964
Total borrowings				
Bankers' acceptance [(b)]	8,358,591	982,500	-	-
Bank overdrafts [(c)]	5,928,701	4,459,948	-	-
Credit card [(d)]	45,255	-	-	-
Factoring payables [(e)]	2,523,108	3,239,065	-	-
Invoice financing [(f)]	17,192,796	5,434,658	-	-
Margin financing facility [(g)]	1,050,336	4,964	1,050,336	4,964
Revolving credit [(h)]	2,057,000	2,928,000	-	-
Term loans [(i)]	43,725,305	11,499,060	-	-
	80,881,092	28,548,195	1,050,336	4,964

33. BORROWINGS (CONTINUED)

(a) The bank borrowings of the Group and of the Company are secured by:-

(i) corporate guarantee provided by the Company and a related party;
(ii) legal charge over the commercial buildings of the Group as disclosed in Notes 6 and 7;
(iii) pledge of fixed deposits of the Group as disclosed in Note 26;
(iv) assignment over contract of bank guarantees and fixed or floating charge over equipment financed by the Bank;
(v) assignment over contract proceeds of specific customers; and
(vi) securities quoted on the Bursa Malaysia Securities Berhad ("BMSB").

(b) The bankers' acceptances of the Group at the end of the reporting period bore an effective interest rate ranging from 1.50% to 5.46% (30.6.2023: 3.79%) per annum.

(c) The bank overdrafts of the Group at the end of the reporting period bore an effective interest rate of 7.22% (30.6.2023: 5.97% - 7.22%) per annum.

(d) The credit card of the Group at the end of the reporting period bore an effective interest rate of 18.00% (30.6.2023: Nil%) per annum.

(e) The factoring payables of the Group at the end of the reporting period bore an effective interest rate of 6.45% (30.6.2023: 5.45% - 5.70%) per annum.

(f) The invoice financing of the Group at the end of the reporting period bore an effective interest rate ranging from 5.62% to 6.70% (30.6.2023: 6.45% - 6.70%) per annum.

(g) The margin financing facility of the Group and the Company at the end of the reporting period bore an effective interest rate of 6.75% (30.6.2023: 6.75%) per annum.

(h) The revolving credit of the Group at the end of the reporting period bore an effective interest rate of 5.82% (30.6.2023: 5.82%) per annum.

(i) The repayment terms of the term loan are as follows:-

Term loan 1 at BFR - 2.30% per annum	Repayable by 240 monthly instalments of RM13,343, revised to RM14,116 starting from April 2023 until full payment.
Term loan 2 at BFR + 1.25% per annum	Repayable by 60 monthly instalments of RM8,160, revised to RM8,226 starting from June 2023 until full payment.
Term loan 3 at COF + 1.25% per annum	Repayable by 120 monthly instalments of RM63,230 until full payment, effective from October 2019.
Term loan 4 at BFR + 0.50% per annum	Repayable by 60 monthly instalments of RM79,838 until full payment, effective from February 2023.
Term loan 5 at BFR + 1.00% per annum	Repayable by 66 monthly instalments of RM29,519 until full payment, effective from December 2022.
Term loan 6 at BFR + 1.00% per annum	Repayable by 120 monthly instalments of RM5,474 until full payment, effective from November 2022.
Term loan 7 at BFR + 1.00% per annum	Repayable by 28 monthly instalments of RM5,476 until full payment, effective from September 2023.
Term loan 8 at BFR + 1.75% per annum	Repayable by 90 monthly instalments of RM94,408 until full payment, effective from October 2023.

Notes to the Financial Statements

For the financial year ended 30 June 2024

33. BORROWINGS (CONTINUED)

(i) The repayment terms of the term loan are as follows (continued):-

Term loan 9 at BFR + 1.75% per annum	Repayable by 132 monthly instalments of RM93,478 until full payment, effective from May 2024.
Term loan 10 at BFR + 1.75% per annum	Repayable by 120 monthly instalments of RM2,117 until full payment, effective from May 2024.
Term loan 11 at COF + 1.50% per annum	Repayable by 144 monthly instalments of RM13,889 until full payment, effective from May 2024.

The term loan of the Group at the end of the reporting period bore an effective interest rate of ranging from 4.80% to 8.70% (30.6.2023: 3.15% to 7.97%).

34. LEASE LIABILITIES

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
At beginning of the year/period	409,798	688,369	282,956	190,300
Additions	1,929,584	526,779	187,794	553,531
Derecognition due to lease modification	(145,694)	(99,073)	-	(190,300)
Interest expense recognised in profit or loss	52,792	49,013	5,538	19,422
Repayment of principal	(378,667)	(706,277)	(187,794)	(270,575)
Repayment of interest	(52,792)	(49,013)	(5,538)	(19,422)
At end of the year/period	1,815,021	409,798	282,956	282,956
Analysed by:				
Non-current liabilities	1,502,815	168,636	95,162	95,162
Current liabilities	312,206	241,162	187,794	187,794
	1,815,021	409,798	282,956	282,956

35. TRADE PAYABLES

	Group	
	30.6.2024 RM	30.6.2023 RM
Trade payables	40,011,068	41,365,915
Retention sum	1,607,668	425,745
	41,618,736	41,791,660

The normal trade credit terms granted to the Group ranged from 30 to 60 (30.6.2023: 30 to 60) days. Other credit terms may be negotiated with suppliers on a case-by-case basis.

The retention sums are payable to contractors upon the expiry of the defect liability period stated in respective contracts.

Notes to the Financial Statements

For the financial year ended 30 June 2024

36. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Other payables	4,285,793	1,719,504	98,214	111,254
Sales tax payable	25,081	13,369	-	-
Accruals	3,432,812	1,569,325	587,540	570,040
Deposits received	66,430	2,061,853	-	2,000,000
	7,810,116	5,364,051	685,754	2,681,294

37. AMOUNT OWING TO DIRECTORS OF SUBSIDIARIES

The amount owing to directors of subsidiaries is unsecured, interest free and is repayable on demand.

38. REVENUE

Revenue consists of the followings:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Revenue from contracts with customers				
Recognised over time				
Supply of renewable energy and related activities	84,896,262	81,179,064	-	-
Recognised at a point in time				
Supply of renewable energy equipment and related activities	27,585,807	50,756,393	-	-
Oil and gas well services and related work	73,720,730	61,312,497	-	-
Pharmaceutical and medical goods	-	56,042	-	-
Management fee income	-	-	3,501,834	4,869,497
	186,202,799	193,303,996	3,501,834	4,869,497

39. OTHER OPERATING INCOME

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023
	RM	RM	RM	RM
Fair value gain on derivatives	3,565	-	-	-
Fair value gain on short term investment	34,833	-	34,833	-
Fixed deposits interest income	101,600	121,236	-	-
Gain on realised foreign exchange	49,003	173,888	-	-
Gain on unrealised foreign exchange	39,987	134,752	1,188	9,026
Gain on disposal of property, plant and equipment	-	166,930	-	-
Gain on disposal of short-term investments	1,179	19,898	1,179	19,898
Gain on lease modifications	3,188	4,691	-	4,991
Other interest income	149,759	134,413	1,040,721	730,384
Other income	1,158,599	330,410	-	82
Lease income	160,092	397,638	-	-
	1,701,805	1,483,856	1,077,921	764,381

40. FINANCE COSTS

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023
	RM	RM	RM	RM
Bank guarantee commission	219,072	276,325	-	-
Bank overdrafts interest	399,434	225,662	-	-
Bankers' acceptance interest	514,239	242,497	-	-
Commitment fees	15,540	56,787	-	-
Factoring charges	207,366	61,434	-	-
Interest expenses	4,653	38,818	58,353	63,852
Invoice financing interest	796,182	193,356	-	-
Lease liabilities interest	52,792	49,013	5,538	19,422
Letter of credit commission	14,191	18,882	-	-
Revolving credit interest	185,720	274,470	-	-
Term loans interest	1,218,758	558,454	-	-
	3,627,947	1,995,698	63,891	83,274

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

41. ALLOWANCE FOR/(REVERSAL OF) IMPAIRMENT LOSS ON FINANCIAL ASSETS AND CONTRACT ASSETS

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Allowance for impairment loss on financial assets and contract assets				
- trade receivables	1,033,076	622,789	-	-
- contract assets	-	296,776	-	-
- amount owing by subsidiaries	-	-	-	652,690
	1,033,076	919,565	-	652,690
Reversal of impairment loss on financial assets and contract assets				
- trade receivables	(263,051)	-	-	-
- contract assets	(10,787)	-	-	-
- amount owing by subsidiaries	-	-	(95,700)	-
	(273,838)	-	(95,700)	-
	759,238	919,565	(95,700)	652,690

42. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Profit/(loss) before taxation is arrived at after charging:				
Allowance for obsolete inventories	265,111	-	-	-
Amortisation of intangible assets	54,691	-	-	-
Auditors' remuneration:				
(a) Auditors of the Company				
(i) Statutory				
- current year/period	280,000	202,338	80,000	53,000
- underprovision in the prior period/years	52,005	21,798	20,103	8,500
(b) Other auditors				
(i) Statutory				
- current year/period	25,359	-	-	-
- underprovision in the prior period/years	11,273	-	-	-
Bad debts written-off	3,450	134,251	-	-
Depreciation of property, plant and equipment	4,897,883	6,170,126	129,648	99,039
Depreciation of investment properties	116,742	175,114	-	-

Notes to the Financial Statements
For the financial year ended 30 June 2024

42. PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023
	RM	RM	RM	RM
Profit/(loss) before taxation is arrived at after charging:				
Depreciation of right-of-use assets	259,415	691,365	185,331	274,303
Directors' remuneration (Note 43)	3,674,894	4,744,017	1,680,440	2,305,938
Fair value loss on short-term investment	235,422	120,000	235,422	120,000
Impairment losses on investment in subsidiaries	-	-	1,000,000	100,514
Loss on realised foreign exchange	793,452	296,480	3,901	6,738
Loss on unrealised foreign exchange	1,624,669	76,946	-	-
Property, plant and equipment written- off	32,782	225,645	2	2,520
Share of loss of equity accounted for joint ventures	26,078	165,730	-	-
Short-term lease expenses	5,381,125	8,841,363	-	-
Staff costs (Note 43)	19,741,095	24,525,686	2,968,096	3,799,475

* *All crediting are disclosed in Note 39.*

43. STAFF COSTS

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023	Financial year from 1.7.2023 to 30.6.2024	Financial period from 1.1.2022 to 30.6.2023
	RM	RM	RM	RM
Short-term employee benefits	17,102,170	21,559,326	2,534,467	3,345,046
Employees Provident Fund	1,901,448	2,525,805	273,618	373,217
Social security contributions	150,117	195,870	21,707	30,640
Employment Insurance System	16,962	22,162	2,362	3,392
HRDF contribution	122,714	159,724	21,237	30,349
Staff welfare	170,034	62,799	55	16,831
ESOS expenses	277,650	-	114,650	-
Total staff costs	19,741,095	24,525,686	2,968,096	3,799,475

Notes to the Financial Statements

For the financial year ended 30 June 2024

43. STAFF COSTS (CONTINUED)

The remuneration of key management personnel included in staff costs during the year/period are as follows:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Key management personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	952,160	1,785,602	661,970	1,027,400
ESOS expenses	48,790	-	48,790	-
Defined contribution benefits	125,173	221,517	90,267	124,289
Total remuneration	1,126,123	2,007,119	801,027	1,151,689

The remuneration of Directors among the year/period is as follows:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Directors of the Company				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,267,135	1,721,896	1,267,135	1,721,896
- fees	264,000	396,000	264,000	396,000
ESOS expenses	13,940	-	13,940	-
Defined contribution benefits	135,365	188,042	135,365	188,042
	1,680,440	2,305,938	1,680,440	2,305,938
Directors of the subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,740,284	2,138,568	-	-
- fees	24,000	36,000	-	-
ESOS expenses	27,880	-	-	-
Defined contribution benefits	202,290	263,511	-	-
	1,994,454	2,438,079	-	-
Total remuneration	3,674,894	4,744,017	1,680,440	2,305,938

44. TAXATION

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Malaysian income tax				
- current year/period	2,673,115	2,612,945	-	-
- underprovision in prior period/years	125,943	133,492	-	87,119
	2,799,058	2,746,437	-	87,119
Deferred tax (Note 13)				
- relating to origination and reversal of temporary differences	556,864	(1,051,762)	-	-
- under/(over) provision in prior period/ years	-	(131,836)	-	-
	556,864	(1,183,598)	-	-
	3,355,922	1,562,839	-	87,119

The reconciliations of income tax expense applicable to the results of the Group and of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Profit/(loss) before taxation	4,092,895	4,407,058	(3,334,074)	(4,410,404)
Tax at Malaysian statutory tax rate of 24% (30.6.2023: 24%)	982,295	1,057,694	(800,178)	(1,058,497)
Tax effects of:				
- expenses not deductible for tax purposes	1,817,726	1,036,988	800,178	290,737
- income not subject to tax	(580,115)	-	-	-
- deferred tax assets not recognised during the financial year/period	1,010,073	753,706	-	767,760
- tax reliefs	-	(1,287,205)	-	-
Underprovision of income tax in prior period/ years	125,943	133,492	-	87,119
Under/(over) provision of deferred tax liabilities in prior period/years	-	(131,836)	-	-
Tax expense for the year/period	3,355,922	1,562,839	-	87,119

Notes to the Financial Statements
For the financial year ended 30 June 2024

45. LOSSES PER SHARE

(a) The basic losses per share is arrived at by dividing the Group's losses attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM
Losses attributable to owners of the Company	(844,798)	(357,837)
	Unit	Unit
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year/period (net of treasury shares)	289,045,000	290,445,000
Issuance of ordinary shares	21,900,516	-
Repurchase of treasury shares	-	(903,388)
Weighted average number of ordinary shares at end of the year/period	310,945,516	289,541,612
Basic losses per share (sen)	(0.27)	(0.12)

(b) The diluted losses per share is arrived at by dividing the Group's losses attributable to owners of the Company by the weighted average number of ordinary shares issued adjusted for dilutive effect of ESOS and calculated as follows:

	Group	
	Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM
Losses attributable to owners of the Company	(844,798)	(357,837)
	Unit	Unit
Weighted average number of ordinary shares in issue, adjusted as follows:		
Weighted average number of ordinary shares at end of the year/period	310,945,516	289,541,612
Potential shares to be issued pursuant to ESOS	4,783,500	-
Adjusted weighted average number of ordinary shares	315,729,016	289,541,612
Diluted losses per share (sen)	(0.27)	(0.12)

46. CASH FLOWS INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:

Group	Bankers' acceptances RM	Credit card RM	Factoring payables RM	Invoice financing RM	Lease liabilities RM	Margin financing RM	Revolving credits RM	Term loans RM	Total RM
30.6.2024									
At beginning of the year	982,500	-	3,239,065	5,434,658	409,798	4,964	2,928,000	11,499,060	24,498,045
Changes in financing cash flows									
Proceeds from drawdown	23,428,648	45,255	20,933,551	46,658,957	-	1,045,372	-	37,252,860	129,364,643
Repayment of principal	(16,052,557)	-	(21,649,508)	(34,900,819)	(378,667)	-	(871,000)	(5,026,615)	(78,879,166)
Repayment of interest	(514,239)	-	(207,366)	(796,182)	(52,792)	-	(185,720)	(1,218,758)	(2,975,057)
	6,861,852	45,255	(923,323)	10,961,956	(431,459)	1,045,372	(1,056,720)	31,007,487	47,510,420
Other changes									
Acquisition of new leases	-	-	-	-	1,929,584	-	-	-	1,929,584
Derecognition due to lease modification	-	-	-	-	(145,694)	-	-	-	(145,694)
Interest expense recognised in profit or loss	514,239	-	207,366	796,182	52,792	-	185,720	1,218,758	2,975,057
	514,239	-	207,366	796,182	1,836,682	-	185,720	1,218,758	4,758,947
At end of the year	8,358,591	45,255	2,523,108	17,192,796	1,815,021	1,050,336	2,057,000	43,725,305	76,767,412

46. CASH FLOWS INFORMATION (CONTINUED)

(a) The reconciliations of liabilities arising from financing activities are as follows (continued):

Group	Bankers' acceptances RM	Credit card RM	Factoring payables RM	Invoice financing RM	Lease liabilities RM	Margin financing RM	Revolving credits RM	Term loans RM	Total RM
30.6.2023									
At beginning of the period	-	-	-	-	688,369	-	-	6,982,132	7,670,501
Changes in financing cash flows									
Proceeds from drawdown	22,087,714	-	11,781,151	15,771,318	-	4,964	4,000,000	6,000,000	59,645,147
Repayment of principal	(21,105,214)	-	(8,542,086)	(10,336,660)	(706,277)	-	(1,072,000)	(1,483,072)	(43,245,309)
Repayment of interest	(242,497)	-	(61,434)	(193,356)	(49,013)	-	(274,470)	(558,454)	(1,379,224)
	740,003	-	3,177,631	5,241,302	(755,290)	4,964	2,653,530	3,958,474	15,020,614
Other changes									
Acquisition of new leases	-	-	-	-	526,779	-	-	-	526,779
Derecognition due to lease modification	-	-	-	-	(99,073)	-	-	-	(99,073)
Interest expense recognised in profit or loss	242,497	-	61,434	193,356	49,013	-	274,470	558,454	1,379,224
	242,497	-	61,434	193,356	476,719	-	274,470	558,454	1,806,930
At end of the period	982,500	-	3,239,065	5,434,658	409,798	4,964	2,928,000	11,499,060	24,498,045

46. CASH FLOWS INFORMATION (CONTINUED)

(a) The reconciliations of liabilities arising from financing activities are as follows (continued):

Company	Lease liabilities RM	Margin financing RM	Total RM
30.6.2024			
At beginning of the year	282,956	4,964	287,920
Changes in financing cash flows			
Proceeds from drawdown	-	1,045,372	1,045,372
Repayment of principal	(187,794)	-	(187,794)
Repayment of interest	(5,538)	-	(5,538)
	(193,332)	1,045,372	852,040
Other changes			
Acquisition of new leases	187,794	-	187,794
Interest expense recognised in profit or loss	5,538	-	5,538
	193,332	-	193,332
At end of the year	282,956	1,050,336	1,333,292
30.6.2023			
At beginning of the period	190,300		190,300
Changes in financing cash flows			
Proceeds from drawdown	-	4,964	4,964
Repayment of principal	(270,575)	-	(270,575)
Repayment of interest	(19,422)	-	(19,422)
	(289,997)	4,964	(285,033)
Other changes			
Acquisition of new leases	553,531	-	553,531
Derecognition due to lease modification	(190,300)	-	(190,300)
Interest expense recognised in profit or loss	19,422	-	19,422
	382,653	-	382,653
At end of the period	282,956	4,964	287,920

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

46. CASH FLOWS INFORMATION (CONTINUED)

(b) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Property, plant and equipment				
Cash purchase	38,758,935	15,147,063	41,545	282,820
Hire purchase arrangement under lease liabilities	1,750,138	-	-	-
Cost of property, plant and equipment purchased	40,509,073	15,147,063	41,545	282,820
Right-of-use assets				
Cost of right-of-use assets acquired	179,446	526,779	187,794	553,531
Less: Addition of new lease	(179,446)	(526,779)	(187,794)	(553,531)
	-	-	-	-

(c) The total cash outflows for leases as a lessee are as follows:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Payment of short-term leases	5,381,125	8,841,363	-	-
Interest paid on lease liabilities	52,792	49,013	5,538	19,422
Payment of lease liabilities	378,667	706,277	187,794	270,575
	5,812,584	9,596,653	193,332	289,997

47. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercises significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

Related parties of the Group include Company's holding company, entities having significant influence over the Group, subsidiaries, associates, joint ventures, entities in which Directors have substantial financial interest and key management personnel of the Group and of the Company.

47. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

Transactions arising from significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	Financial year from 1.7.2023 to 30.6.2024 RM	Restated Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Management fee received or receivable from subsidiaries	-	-	(3,501,834)	(4,869,497)
Lease expenses paid or payable to:				
- subsidiaries	-	-	193,332	289,997
- a director of a subsidiary	150,000	153,000	-	-
- a related party	87,599	104,000	-	-
Revenue received or receivable from:				
- a joint venture	(985,040)	(5,175,755)	-	-
- a related party	(406,601)	(5,721,898)	-	-
- a joint venture partner	(49,436)	-	-	-
Interest income received or receivable from subsidiaries	-	-	(1,030,542)	(689,119)

(c) Compensation of key management personnel

The key management personnel include Directors and certain members of senior management of the Group.

The key management personnel compensation during the financial year/period are disclosed in Note 43.

48. CAPITAL COMMITMENTS

	Group		Company	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Approved and contracted for:				
Investment in a company	9,439,000	10,029,753	-	-
Purchase of property, plant and equipment	994,962	30,295,744	-	11,238
	10,433,962	40,325,497	-	11,238

Included is an aggregate of RM4,428,700 (30.6.2023: RM3,741,250) which has been recognised in other receivables, deposits and prepayments, as disclosed in Note 19.

Notes to the Financial Statements

For the financial year ended 30 June 2024

49. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

	Group	
	30.6.2024 RM	30.6.2023 RM
Performance and other guarantees extended by subsidiaries to third parties	9,054,288	10,944,361

50. SEGMENT REPORTING

Primary segment reporting - business

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision makers in order to allocate resources to segments and to assess their performance on a periodly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:

Business segments	Business activities
Investment holding	Investment holding
Oil and gas related and other activities segments	Developing and providing oil and gas production, enhancement services and sand management solutions
Renewable energy and related activities segment	Providing renewable energy activities and related business

For the purpose of making decisions about resource allocation, the Board of Directors assesses the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

50. SEGMENT REPORTING (CONTINUED)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Consolidation adjustments and elimination RM	Group RM
Financial year from 1.7.2023 to 30.6.2024					
Revenue					
External revenue	-	73,720,730	112,482,069	-	186,202,799
Internal revenue	3,501,834	7,410,243	1,070,546	(11,982,623)	-
Total revenue	3,501,834	81,130,973	113,552,615	(11,982,623)	186,202,799
Results					
Segment results	(3,270,183)	8,491,281	4,114,940	(1,589,118)	7,746,920
Finance costs	(63,891)	(1,756,736)	(3,245,238)	1,437,918	(3,627,947)
Share of loss of equity accounted for joint ventures	-	-	-	(26,078)	(26,078)
Consolidated (loss)/profit before taxation	(3,334,074)	6,734,545	869,702	(177,278)	4,092,895
Other information					
Allowance for obsolete inventories	-	265,111	-	-	265,111
Allowance for/(reversal of) impairment loss on financial assets and contract assets	-	821,363	(62,125)	-	759,238
Amortisation of intangible assets	-	-	-	54,691	54,691
Bad debts written-off	-	-	3,450	-	3,450
Depreciation of investment properties	-	116,742	-	-	116,742
Depreciation of property, plant and equipment	129,648	4,367,724	400,511	-	4,897,883
Depreciation of right-of-use assets	185,331	191,501	142,507	(259,924)	259,415
Fair value loss on short-term investment	200,589	-	-	-	200,589
(Gain)/loss on unrealised foreign exchange – net	(1,188)	7,204	1,578,666	-	1,584,682
Loss on realised foreign exchange – net	3,901	86,730	653,818	-	744,449
Property, plant and equipment written-off	2	2	32,778	-	32,782

50. SEGMENT REPORTING (CONTINUED)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Consolidation adjustments and elimination RM	Group RM
30.6.2024					
Assets					
Segment assets	53,923,906	102,453,840	158,372,836	(83,037,034)	231,713,548
Consolidated assets					231,713,548
Liabilities					
Segment liabilities	2,199,138	45,885,972	145,235,742	(55,287,299)	138,033,553
Consolidated liabilities					138,033,553
Additions to non-current assets other than financial instruments are:					
Property, plant and equipment	41,545	1,397,130	39,403,809	(333,411)	40,509,073
Right-of-use assets	187,794	186,953	-	(195,301)	179,446
Intangible assets	-	-	-	3,281,430	3,281,430
Financial period from 1.1.2022 to 30.6.2023 (Restated)					
Revenue					
External revenue	-	61,368,539	131,935,457	-	193,303,996
Internal revenue	4,869,497	5,370,108	364,020	(10,603,625)	-
Total revenue	4,869,497	66,738,647	132,299,477	(10,603,625)	193,303,996
Results					
Segment results	(4,327,130)	664,772	10,035,856	194,988	6,568,486
Finance costs	(83,274)	(1,732,915)	(1,387,049)	1,207,540	(1,995,698)
Share of loss of equity accounted for joint ventures	-	-	-	(165,730)	(165,730)
Consolidated (loss)/profit before taxation	(4,410,404)	(1,068,143)	8,648,807	1,236,798	4,407,058

50. SEGMENT REPORTING (CONTINUED)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Consolidation adjustments and elimination RM	Group RM
Financial period from 1.1.2022 to 30.6.2023					
Other information					
Allowance for impairment loss on financial assets and contract assets	-	211,712	707,853	-	919,565
Bad debts written-off	-	134,251	-	-	134,251
Depreciation of investment properties	-	175,114	-	-	175,114
Depreciation of property, plant and equipment	99,039	5,839,113	231,974	-	6,170,126
Depreciation of right-of-use assets	274,303	702,010	141,572	(426,520)	691,365
Fair value loss on short-term investment	120,000	-	-	-	120,000
Loss/(gain) on realised foreign exchange	6,738	(101,973)	217,827	-	122,592
(Gain)/loss on unrealised foreign exchange	(9,026)	45,694	(94,474)	-	(57,806)
Property, plant and equipment written-off	2,520	223,125	-	-	225,645
30.6.2023 (Restated)					
Assets					
Segment assets	51,316,751	81,350,401	90,850,344	(61,312,824)	162,204,672
Consolidated assets					162,204,672
Liabilities					
Segment liabilities	4,372,586	30,885,314	76,891,452	(34,462,358)	77,686,994
Consolidated liabilities					77,686,994
Additions to non-current assets other than financial instruments are:					
Property, plant and equipment	282,820	8,239,425	6,661,220	(36,402)	15,147,063
Right-of-use assets	553,531	411,370	285,014	(723,136)	526,779

Notes to the Financial Statements

For the financial year ended 30 June 2024

50. SEGMENT REPORTING (CONTINUED)

Primary segment reporting - business (continued)

Information about major customer

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue		Segment
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	
Customer A	38,771,761	25,472,045	Oil and gas
Customer B	28,462,371	56,880,931	Renewable energy

Information about geographical

Revenue is based on the countries in which the customers are located.

Group	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Malaysia	183,045,319	192,099,059
Indonesia	2,295,214	-
Brunei	479,930	1,004,846
Vietnam	104,919	167,851
Turkmenistan	264,057	-
Others	13,360	32,240
	186,202,799	193,303,996

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At a point in time		Over time		Group	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Malaysia	98,149,057	110,919,995	84,896,262	81,179,064	183,045,319	192,099,059
Indonesia	2,295,214	-	-	-	2,295,214	-
Brunei	479,930	1,004,846	-	-	479,930	1,004,846
Vietnam	104,919	167,851	-	-	104,919	167,851
Turkmenistan	264,057	-	-	-	264,057	-
Others	13,360	32,240	-	-	13,360	32,240
	101,306,537	112,124,932	84,896,262	81,179,064	186,202,799	193,303,996

51. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(a) 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's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting year/period is disclosed in Notes 33.

Interest rate sensitivity analysis

If the interest rates have been higher or lower and all other variables were held constant, the Group's and the Company's results would decrease or increase accordingly. This is mainly attributable to the Group's and Company's exposure to interest rates on its floating rate borrowings which are not hedged. The Group's and Company's floating rate borrowings in RM52,761,342 and RM1,050,336 (30.6.2023: RM18,891,972 and RM4,964) respectively are exposed to variability in future interest payments. If the Bank's Base Lending Rate ("BLR") was to increase/decrease by 1%, it would impact the Group's and Company's profit by RM400,986 and RM7,983 (30.6.2023: RM143,579 and RM38), respectively.

The fixed deposits with licensed banks as at 30 June 2024 have maturity periods of 1 to 12 (30.6.2023: 1 to 12) months, and bear interest at rates ranging from 2.00% to 3.25% (30.6.2023: 0.15% to 3.10%) per annum.

(b) Equity price risk

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The maturity profiles of the Group and the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations are as follows:

Group	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity Less than 1 year RM	Maturity Between 2 and 5 years RM	Maturity More than 5 years RM
30.6.2024						
Trade payables	-	41,618,736	41,618,736	41,618,736	-	-
Other payables and accruals	-	7,718,605	7,718,605	7,718,605	-	-
Amount owing to directors of subsidiaries	-	502,000	502,000	502,000	-	-
Amount owing to joint ventures	-	1	1	1	-	-
Amount owing to related parties	-	1,172,135	1,172,135	1,172,135	-	-
Borrowings	1.50 - 18.00	80,881,092	91,512,923	46,249,176	28,480,299	16,783,448
Lease liabilities	3.85 - 5.40	1,815,021	2,522,732	712,949	1,592,183	217,600
		133,707,590	145,047,132	97,973,602	30,072,482	17,001,048
30.6.2023						
Trade payables	-	41,791,660	41,791,660	41,791,660	-	-
Other payables and accruals	-	3,288,829	3,288,829	3,288,829	-	-
Borrowings	3.15 - 7.97	28,548,195	29,161,926	20,162,489	6,446,557	2,552,880
Lease liabilities	5.40	409,798	431,927	213,074	218,853	-
		74,038,482	74,674,342	65,456,052	6,665,410	2,552,880

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity risk (continued)

Company	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity: Less than 1 year RM	Maturity: Between 2 and 5 years RM
30.6.2024					
Other payables and accruals	-	685,754	685,754	685,754	-
Amount owing to subsidiaries	-	180,092	180,092	180,092	-
Borrowings	6.75	1,050,336	1,050,336	1,050,336	-
Lease liabilities	5.40	282,956	289,998	193,332	96,666
Financial guarantee contracts *	-	-	68,781,283	68,781,283	-
		2,199,138	70,987,463	70,890,797	96,666
30.6.2023					
Other payables and accruals		2,681,294	2,681,294	2,681,294	-
Amount owing to subsidiaries	-	1,403,372	1,403,372	1,403,372	-
Borrowings	6.75	4,964	5,299	5,299	-
Lease liabilities	5.40	282,956	298,236	197,935	100,301
Financial guarantee contracts *	-	-	28,589,607	28,589,607	-
		4,372,586	32,977,808	32,877,507	100,301

* *Being financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries.*

(d) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (30.6.2023: 2) customers which constituted approximately 36% (30.6.2023: 49%) of its trade receivables at the end of the reporting period.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

(ii) Credit risk concentration profile (continued)

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile for trade receivables at the end of the reporting period is as follows:-

	30.6.2024 RM	30.6.2023 RM
Malaysia	15,128,304	17,757,828

(iii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iv) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of those financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial organisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due.

Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Trade receivables and contract assets (continued)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (30.6.2023: 18 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Other receivables, amounts owing by an associate, joint ventures and related parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amounts owing by an associate, joint ventures and related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reportingdate with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delays in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

Category	Definition of category	Loss allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk.	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 180 days past due.	Lifetime expected credit losses

Notes to the Financial Statements
For the financial year ended 30 June 2024

1
2
3
4
5
6

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Other receivables, amount owing by an associate, joint ventures and related parties (continued)

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or life time expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD),the percentage of contractual cash flows that will not be collected if default happens(loss given default, LGD)and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Fixed deposits with licensed banks, cash and bank balances

The Group considers the banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount owing by subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable overtime' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-months expected credit losses.

The ageing analysis of the Group and the Company's gross trade receivables, contract assets, other receivables which are financial assets, amounts owing by an associate, joint ventures and related parties (before deducting allowance for impairment loss) are as follows:

Group	Gross Amount RM	Credit Impaired RM	Lifetime ECL Allowance RM	Carrying Amount RM
30.6.2024				
Current (not past due)	34,225,390	-	(46,597)	34,178,793
1 to 30 days past due	2,038,005	-	(26,868)	2,011,137
31 to 60 days past due	1,050,900	-	(18,139)	1,032,761
61 to 90 days past due	2,994,516	-	(35,431)	2,959,085
91 to 120 days due	34,989	-	(53)	34,936
> 120 days past due	3,193,306	(1,243,091)	(27,849)	1,922,366
Trade receivables	43,537,106	(1,243,091)	(154,937)	42,139,078
Other receivables and deposits	8,915,581	-	-	8,915,581
Contract assets	33,674,715	-	(285,989)	33,388,726
Amount owing by an associate	45,898	-	-	45,898
Amount owing by joint ventures	869,056	-	-	869,056
Amount owing by related parties	392,696	-	-	392,696
	87,435,052	(1,243,091)	(440,926)	85,751,035
30.6.2023 (Restated)				
Current (not past due)	14,050,793	(47,121)	(17,425)	13,986,247
1 to 30 days past due	6,908,024	(36,462)	(11,253)	6,860,309
31 to 60 days past due	7,742,401	(71,096)	(97)	7,671,208
61 to 90 days past due	7,082,781	(94,393)	(5,081)	6,983,307
91 to 120 days due	401,036	(84)	(62,923)	338,029
> 120 days past due	532,846	(218,696)	(58,158)	255,992
Trade receivables	36,717,881	(467,852)	(154,937)	36,095,092
Other receivables and deposits	5,278,883	-	-	5,278,883
Contract assets	28,470,233	-	(296,776)	28,173,457
Amount owing by joint ventures	911,312	-	-	911,312
	71,378,309	(467,852)	(451,713)	70,458,744

Notes to the Financial Statements

For the financial year ended 30 June 2024

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Group	Gross Amount RM	Credit Impaired RM	Lifetime ECL Allowance RM	Carrying Amount RM
30.6.2024				
Other receivables and deposits	438,591	-	-	438,591
Amount owing by subsidiaries	13,409,238	(652,690)	-	12,756,548
Amount owing by related parties	138,170		-	138,170
	13,985,999	(652,690)	-	13,333,309
30.6.2023				
Amount owing by subsidiaries	11,098,290	(748,390)	-	10,349,900
	11,098,290	(748,390)	-	10,349,900

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Group. The Group's trade receivables credit term ranges from 30 to 90 (30.6.2023: 30 to 90) days. Certain receivables' credit terms are assessed and approved on a case by case basis.

Other receivables which are financial assets include sundry receivables and amounts owing by subsidiaries, an associate, joint ventures and related parties.

None of the Group's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years. Receivables are not secured by any collaterals or credit enhancements.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

Impairment on receivables

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. The movement of the allowance for impairment loss on receivables is as follows:

	Trade receivables			Contract assets		
Group	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM
At 1 July 2023	154,937	467,852	622,789	296,776	-	296,776
Charge/(reversal) during the year (Note ii)	-	770,025	770,025	(10,787)	-	(10,787)
Foreign translation differences	-	5,214	5,214	-	-	-
At 30 June 2024	154,937	1,243,091	1,398,028	285,989	-	285,989
At 1 January 2022	-	-	-	-	-	-
Charge during the period (Note ii)	154,937	467,852	622,789	296,776	-	296,776
At 30 June 2023	154,937	467,852	622,789	296,776	-	296,776

	Other receivables which are financial assets			Amounts owing by an associate, joint ventures and related parties		
Group	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM
At 1 July 2023	-	-	-	-	-	-
Charge during the year (Note ii)	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-
At 1 January 2022	-	-	-	-	-	-
Charge during the period (Note ii)	-	-	-	-	-	-
At 30 June 2023	-	-	-	-	-	-

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Credit risk (continued)

Impairment on receivables (continued)

i Receivables that are individually determined to be credit impaired at the financial period end relate to debtors who are in significant financial difficulties and have defaulted on payments.

ii The Group's allowance for impairment loss on trade receivables, contract assets, other receivables which are financial assets, amounts owing by an associate, joint ventures and related parties during the current financial year increased by RM759,238 (30.6.2023: increased by RM919,565) is mainly due to the provision for higher (30.6.2023: higher) impaired on trade receivables, contract assets, other receivables which are financial assets, amounts owing by an associate, joint ventures and related parties.

Company	Amount due from subsidiaries			Other receivables which are financial assets and amount owing by related parties		
	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM
At 1 July 2023	-	748,390	748,390	-	-	-
Reversal during the year (Note ii)	-	(95,700)	(95,700)	-	-	-
At 30 June 2024	-	652,690	652,690	-	-	-
At 1 January 2022	-	95,700	95,700	-	-	-
Charge during the period (Note ii)	-	652,690	652,690	-	-	-
At 30 June 2023	-	748,390	748,390	-	-	-

i Receivables that are individually determined to be credit impaired at the financial period end relate to debtors who are in significant financial difficulties and have defaulted on payments.

ii The Company's allowance for impairment loss on other receivables which are financial assets, amounts owing by related parties and subsidiaries during the current financial year decreased by RM95,700 (30.6.2023: increased by RM652,690) is mainly due to the provision for lower (30.6.2023: higher) impaired other receivables which are financial assets, amounts owing by related parties and subsidiaries.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(e) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

Group	Note	USD RM	IDR RM	SGD RM	CNY RM	MYR RM	Total RM
30.6.2024							
Financial assets							
Trade receivables	18	8,706,473	2,434,763	-	-	30,997,842	42,139,078
Other receivables and deposits	19	-	2,754,945	-	-	6,160,636	8,915,581
Amount owing by an associate	21	-	-	-	-	45,898	45,898
Amount owing by joint ventures	22	-	-	-	-	869,056	869,056
Amount owing by related parties	23	-	-	-	-	392,696	392,696
Short-term investments	24	-	-	-	-	1,020,970	1,020,970
Fixed deposits with licensed banks	26	-	-	-	-	9,676,772	9,676,772
Cash and bank balances	27	456,994	117,257	54,242	-	12,854,114	13,482,607
		9,163,467	5,306,965	54,242	-	62,017,984	76,542,658
Financial liabilities							
Borrowings	33	-	29,084,808	-	-	51,796,284	80,881,092
Lease liabilities	34	-	-	-	-	1,815,021	1,815,021
Trade payables	35	8,690,382	-	-	7,020,103	25,908,251	41,618,736
Other payables and accruals	36	14,674	249,363	4	-	7,454,564	7,718,605
Amount owing to directors of subsidiaries	37	-	-	-	-	502,000	502,000
Amount owing to joint ventures	22	-	-	-	-	1	1
Amount owing to related parties	23	-	1,171,340	-	-	795	1,172,135
		8,705,056	30,505,511	4	7,020,103	87,476,916	133,707,590
Net financial assets/(liabilities)		458,411	(25,198,546)	54,238	(7,020,103)	(25,458,932)	(57,164,932)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies		(69,919)	25,198,546	(54,238)	-	25,458,932	50,533,321
Currency exposure		388,492	-	-	(7,020,103)	-	(6,631,611)

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(e) Foreign currency risk (continued)

Group	Note	USD RM	IDR RM	SGD RM	CNY RM	MYR RM	Total RM
30.6.2023 (Restated)							
Financial assets							
Trade receivables	18	18,571	-	-	-	36,076,521	36,095,092
Other receivables and deposits	19	-	489,825	-	-	4,789,058	5,278,883
Amount owing by joint ventures	22	-	-	-	-	911,312	911,312
Short term investments	24	-	-	-	-	693,230	693,230
Fixed deposits with licensed banks	26	158,447	-	-	-	6,981,034	7,139,481
Cash and bank balances	27	28,728	49,705	120,333	-	5,871,752	6,070,518
		205,746	539,530	120,333	-	55,322,907	56,188,516
Financial liabilities							
Borrowings	33	-	-	-	-	28,548,195	28,548,195
Lease liabilities	34	-	-	-	-	409,798	409,798
Trade payables	35	3,262,959	-	-	17,457,234	21,071,467	41,791,660
Other payables and accruals	36	9,329	-	-	-	3,279,500	3,288,829
		3,272,288	-	-	17,457,234	53,308,960	74,038,482
Net financial (liabilities)/assets		(3,066,542)	539,530	120,333	(17,457,234)	2,013,947	(17,849,966)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies		119,339	(539,530)	(120,333)	-	(2,013,947)	(2,554,471)
Currency exposure		(2,947,203)	-	-	(17,457,234)	-	(20,404,437)

Company

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

51. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(e) Foreign currency risk (continued)

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's results to a reasonable possible change in the exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	Financial year from 1.7.2023 to 30.6.2024 RM	Financial period from 1.1.2022 to 30.6.2023 RM
Effects on profit/(loss) after taxation:		
USD/RM – strengthened/(weakened) 10%	29,525	(223,987)
CNY/RM – strengthened/(weakened) 10%	(533,528)	(1,326,750)

(f) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The gearing ratios at 30 June 2024 and 30 June 2023 were as follows:

		Group		Company	
	Note	30.6.2024 RM	Restated 30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Borrowings	33	80,881,092	28,548,195	1,050,336	4,964
Lease liabilities	34	1,815,021	409,798	282,956	282,956
		82,696,113	28,957,993	1,333,292	287,920
Less:					
Fixed deposits with licensed banks	26	(9,676,772)	(7,139,481)	-	-
Cash and bank balances	27	(13,482,607)	(6,070,518)	(242,628)	(213,244)
		(23,159,379)	(13,209,999)	(242,628)	(213,244)
Net debt		59,536,734	15,747,994	1,090,664	74,676
Total equity attributable to owners of the Company		93,679,995	84,517,678	51,724,768	46,944,165
Debt-to-equity ratio		0.636	0.186	0.021	0.002

There were no changes in the Group's approach to capital management during the financial year.

Notes to the Financial Statements

For the financial year ended 30 June 2024

52. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ["AC"]
(b) Fair value through profit or loss ["FVTPL"]

Group	Carrying amount RM	AC RM	FVTPL RM
30.6.2024			
Non-derivative financial assets			
Trade receivables	42,139,078	42,139,078	-
Other receivables and deposits	8,915,581	8,915,581	-
Amount owing by an associate	45,898	45,898	-
Amount owing by joint ventures	869,056	869,056	-
Amount owing by related parties	392,696	392,696	-
Short-term investments	1,020,970	-	1,020,970
Fixed deposits with licensed banks	9,676,772	9,676,772	-
Cash and bank balances	13,482,607	13,482,607	-
	76,542,658	75,521,688	1,020,970
Derivative financial assets			
Derivative financial assets	3,565	-	3,565
Non-derivative financial liabilities			
Trade payables	41,618,736	41,618,736	-
Other payables and accruals	7,718,605	7,718,605	-
Amount owing to directors of subsidiaries	502,000	502,000	-
Amount owing to joint ventures	1	1	-
Amount owing to related parties	1,172,135	1,172,135	-
Borrowings	80,881,092	80,881,092	-
Lease liabilities	1,815,021	1,815,021	-
	133,707,590	133,707,590	-
30.6.2023			
Non-derivative financial assets			
Trade receivables	36,095,092	36,095,092	-
Other receivables and deposits	5,278,883	5,278,883	-
Amount owing by joint ventures	911,312	911,312	-
Short-term investments	693,230	-	693,230
Fixed deposits with licensed banks	7,139,481	7,139,481	-
Cash and bank balances	6,070,518	6,070,518	-
	56,188,516	55,495,286	693,230
Non-derivative financial liabilities			
Trade payables	41,791,660	41,791,660	-
Other payables and accruals	3,288,829	3,288,829	-
Borrowings	28,548,195	28,548,195	-
Lease liabilities	409,798	409,798	-
	74,038,482	74,038,482	-

52. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Company	Carrying amount RM	AC RM	FVTPL RM
30.6.2024			
Non-derivative financial assets			
Other receivables and deposits	438,591	438,591	-
Amount owing by subsidiaries	12,756,548	12,756,548	-
Amount owing by related parties	138,170	138,170	-
Short-term investments	1,020,970	-	1,020,970
Cash and bank balances	242,628	242,628	-
	14,596,907	13,575,937	1,020,970
Non-derivative financial liabilities			
Other payables and accruals	685,754	685,754	-
Amount owing to subsidiaries	180,092	180,092	-
Borrowings	1,050,336	1,050,336	-
Lease liabilities	282,956	282,956	-
	2,199,138	2,199,138	-
30.6.2023			
Non-derivative financial assets			
Amount due from subsidiaries	10,349,900	10,349,900	-
Short-term investments	686,375	-	686,375
Cash and bank balances	213,244	213,244	-
	11,249,519	10,563,144	686,375
Non-derivative financial liabilities			
Other payables and accruals	2,681,294	2,681,294	-
Amount due to subsidiaries	1,403,372	1,403,372	-
Borrowings	4,964	4,964	-
Lease liabilities	282,956	282,956	-
	4,372,586	4,372,586	-

Notes to the Financial Statements

For the financial year ended 30 June 2024

52. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Gain or losses arising from financial instruments

Group	Carrying amount RM	AC RM	FVTPL RM
30.6.2024			
Non-derivative financial assets			
Net gains recognised in profit or loss by:			
- Mandatory required by MFRS 9	308,671	273,838	34,833
Net losses recognised in profit or loss	(1,033,076)	(797,654)	(235,422)
	(724,405)	(523,816)	(200,589)
Non-derivative financial liabilities			
Net losses recognised in profit or loss	(3,627,947)	(3,627,947)	-
30.6.2023			
Non-derivative financial assets			
Net gains recognised in profit or loss by:			
- Mandatory required by MFRS 9	7,393	-	7,393
Net losses recognised in profit or loss	(1,415,716)	(1,415,716)	-
	(1,408,323)	(1,415,716)	7,393
Non-derivative financial liabilities			
Net losses recognised in profit or loss	(2,670,514)	(2,670,514)	-
Company			
30.6.2024			
Non-derivative financial assets			
Net gains recognised in profit or loss by:			
- Mandatory required by MFRS 9	130,533	95,700	34,833
Net losses recognised in profit or loss	(1,235,422)	(1,235,422)	(235,422)
	(1,104,889)	(1,139,722)	(200,589)
Non-derivative financial liabilities			
Net losses recognised in profit or loss	(63,891)	(63,891)	-

52. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

Gain or losses arising from financial instruments (continued)

Company	Carrying amount RM	AC RM	FVTPL RM
30.6.2023			
Non-derivative financial assets			
Net gains recognised in profit or loss by:			
- Mandatory required by MFRS 9	-	-	-
Net losses recognised in profit or loss	(1,031,141)	(1,031,141)	-
	(1,031,141)	(1,031,141)	-
Non-derivative financial liabilities			
Net losses recognised in profit or loss	-	-	-

53. FAIR VALUES

(a) Financial instruments that are measured at fair value

Investment in quoted shares and short term investments are measured at fair value at different measurement hierarchies (i.e. Levels 1, 2, 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

(i) Level 1: Quoted prices (unadjusted) of identical asset in active markets
(ii) Level 2: Inputs other at quoted prices included within Level 1 that are observable for the asset, either directly (i.e. prices) or indirectly (i.e. derived from prices)
(iii) Level 3: Inputs for the assets are not based on observable market data (unobservable inputs)

The Group and the Company do not have any financial instruments measured at Level 1 and Level 3 of fair value, in current and previous financial year/period.

Group	Note	Level 2 RM	Total RM
30.6.2024			
Short term investments	24	1,020,970	1,020,970
Derivative financial assets	25	3,565	3,565
		1,024,535	1,024,535
30.6.2023			
Short term investments	24	693,230	693,230
Company			
30.6.2024			
Short term investments	24	1,020,970	1,020,970
30.6.2023			
Short term investments	24	686,375	686,375

Notes to the Financial Statements

For the financial year ended 30 June 2024

53. FAIR VALUES (CONTINUED)

(b) Financial instruments that are not measured at fair value

The carrying amount of the financial instruments measured at amortised cost are reasonable approximation of their fair values due to their short-term nature.

	Note
Trade receivables	18
Other receivables which are financial assets	19
Amount owing by/(to) subsidiaries	20
Amount owing by an associate	21
Amount owing by/(to) joint ventures	22
Amount owing by/(to) related parties	23
Fixed deposits with licensed banks	26
Cash and bank balances	27
Borrowings (current)	33
Lease liabilities (current)	34
Trade payables	35
Other payables and accruals	36
Amount owing to directors of subsidiaries	37

54. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Deemed Disposal of Subsidiaries Due to Dilution After Initial Public Offering

On 11 June 2021, Reservoir Link Energy Bhd ("RLEB") entered into a Share Sale Agreement ("SSA") to acquire a 51% equity interest in Founder Energy Sdn. Bhd. ("FESB") from Lee Seng Chi ("the Vendor"), as disclosed briefly on the assignment of shareholder's rights in Note 30.

On 18 May 2023, RLEB and Lee Seng Chi jointly incorporated Founder Group Limited ("FGL"), holding 51% and 49% equity interests, respectively. Following this, on 14 June 2023, FGL acquired 100% equity interest in Founder Energy Sdn. Bhd. from its original shareholders, RLEB and Lee Seng Chi.

On 30 August 2023, the Company announced its intention to vary the terms in the Share Sales Agreement signed dated 11 June 2021 in connection with acquisition of 51% equity interest in Founder Energy Sdn. Bhd. ("FESB") from Lee Seng Chi ("Vendor") for a purchase consideration of RM21.169 million to be satisfied via combination of cash and issuance of new ordinary shares in the Company. The details of the revisions are disclosed in Note 32.

On 3 October 2023, the Company announced that FGL is considering to list on the National Association of Securities Dealers Automated Quotations ("NASDAQ") Stock Exchange. The Company will obtain the necessary approvals from relevant authorities for the proposed listing of subsidiary, as well as shareholders' approval at a general meeting to be held.

On 22 December 2023, the Company announced the details of the proposed initial public offering of new ordinary shares in FGL on the Nasdaq Capital Market of the Nasdaq Stock Exchange.

54. SIGNIFICANT AND SUBSEQUENT EVENTS (CONTINUED)

(a) Deemed Disposal of Subsidiaries Due to Dilution After Initial Public Offering (continued)

FGL is expected to complete its listing on the Nasdaq Capital Market within the fourth quarter of 2024, however this is pending on the clearance by NASDAQ's listing qualification department. As a result of this IPO, the Group's equity interest in FGL will be diluted from 51.00% to a potential of 44.16%. This dilution is expected to lead to the deemed disposal of FGL, resulting in its deconsolidation from the Group's financial statements in the next financial year should the listing exercise is successful. Thereafter, the investment in FGL will be reclassified as an associate.

The financial effects of this deemed disposal, including any gain or loss, will be reflected in the financial statements for the year ending 30 June 2025 should the listing exercise is successful.

(b) Acquisition of subsidiaries

(i) On 14 November 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR") entered into a Share Sale Agreement ("SSA") with SAG Green Tech Sdn. Bhd. ("SGT") for the acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn. Bhd. ("SAGR"), for a total purchase consideration of RM4,500,000. The Company is required to provide a corporate guarantee of RM6,000,000 upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA. On 30 January 2024, RLR agreed to extend the date of expiry of the Extended Cut Off Date from 30 January 2024 to 29 February 2024. The acquisition has been completed on 8 March 2024.

As per discharge letter dated 7 August 2024, SAGR has failed to meet the Performance Guarantee for the 2nd Guarantee Period, therefore, RLR is fully discharged from any obligation to make payment of the balance purchase consideration of RM500,000.

(ii) On 16 July 2024, the Company's subsidiary, RL Sigma Engineering Sdn. Bhd. subscribed an additional 33,575 ordinary shares in PT EnviroTech Akva Indonesia for a cash consideration of IDR33,575,000,000 equivalent to RM9,703,175. The percentage of shareholdings remains the same.

(c) Investment in an associate

On 20 March 2024, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. entered into a Shareholders' Agreement with Sumitomo Corporation, MAQO Engineering Sdn. Bhd. and SRM Utama Selambau Sdn. Bhd. ("SUS") for the purpose of SUS to develop, implement, own and operate a 29.99MWac ground-mounted solar photovoltaic project in Kedah, Malaysia.

(d) Issuance of ordinary shares

On 30 July 2024, the Company increased its ordinary shares through private placement exercise by issuance of 5,330,000 at an issue price of RM0.305 per ordinary share.

55. COMPARATIVE FIGURES

(a) The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

Notes to the Financial Statements

For the financial year ended 30 June 2024

1
2
3
4
5
6

55. COMPARATIVE FIGURES (CONTINUED)

(b) The changes made to comparative figures as a result of prior year adjustments as a result of an amount of RM1,050,216 of listing expenses overtaken up and reclassifications.

Statement of financial position as at 30 June 2023

Group	As previously stated RM	Prior year adjustments RM	Reclassifications RM	As restated RM
Deferred tax assets	1,270,578	-	(171,440)	1,099,138
Other receivables, deposits and prepayments	13,495,522	1,050,216	-	14,545,738
Deferred tax liabilities	(171,440)	-	171,440	-
Retained earnings	(40,990,649)	(535,610)	-	(41,526,259)
Non-controlling interests	(5,831,853)	(514,606)	-	(6,346,459)

Statement of profit or loss for the period ended 30 June 2023

	As previously stated RM	Prior year adjustments RM	As restated RM
Revenue	193,303,996	-	193,303,996
Cost of sales	(163,809,140)	-	(163,809,140)
Gross profit	29,494,856	-	29,494,856
Other income	1,483,856	-	1,483,856
Administrative expenses	(24,540,877)	1,050,216	(23,490,661)
Profit from operations	6,437,835	1,050,216	7,488,051
Finance costs	(1,995,698)	-	(1,995,698)
Allowance for impairment on financial assets	(919,565)	-	(919,565)
Share of loss of equity accounted joint ventures	(165,730)	-	(165,730)
Profit before taxation	3,356,842	1,050,216	4,407,058
Taxation	(1,562,839)	-	(1,562,839)
Profit for the period	1,794,003	1,050,216	2,844,219
Other comprehensive income			
Items that will be reclassified subsequently to Profit or Loss			
Foreign currency translation differences	198,579	-	198,579
Total comprehensive income for the period	1,992,582	1,050,216	3,042,798
(Loss)/profit for the period attributable to:			
Owners of the Company	(893,447)	535,610	(357,837)
Non-controlling interests	2,687,450	514,606	3,202,056
	1,794,003	1,050,216	2,844,219

55. COMPARATIVE FIGURES (CONTINUED)

(b) (continued)

Statement of profit or loss for the period ended 30 June 2023 (continued)

	As previously stated RM	Prior year adjustments RM	As restated RM
Total comprehensive (expenses)/income attributable to:			
Owners of the Company	(728,328)	535,610	(192,718)
Non-controlling interests	2,720,910	514,606	3,235,516
	1,992,582	1,050,216	3,042,798

(c) In the previous financial period, the Company changed its financial year end from 31 December 2022 to 30 June 2023. Accordingly, the previous financial period's comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are for eighteen months from 1 January 2022 to 30 June 2023 and are therefore not comparable to the current year's twelve month from 1 July 2023 to 30 June 2024.

STATEMENT BY DIRECTORS

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

We, Thien Chiet Chai and Dato' Wan Hassan Bin Mohd Jamil, being two of the Directors of Reservoir Link Energy Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 97 to 209 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 22 October 2024.

Thien Chiet Chai
Executive Deputy Chairman

Dato' Wan Hassan Bin Mohd Jamil
Managing Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, Bong Leong Sung, MIA Membership Number: 19682, being the officer primarily responsible for the financial management of Reservoir Link Energy Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 97 to 209 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 Bong Leong Sung
at Petaling Jaya in the state of Selangor
on 22 October 2024

Bong Leong Sung
Group Chief Financial Officer

Before me,

INDEPENDENT AUDITORS' REPORT

To the Members of Reservoir Link Energy Bhd. Registration No: 201401044508 (1120690-K) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Reservoir Link Energy Bhd., which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other 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 97 to 209.

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 30 June 2024 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 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 Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), 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 financial 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.

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. Registration No: 201401044508 (1120690-K) (Incorporated in Malaysia)

1
2
3
4
5
6

Key Audit Matters (continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of goodwill and intangible assets

The carrying amount of as at 30 June 2024: RM13,972,961 and RM3,226,739.

We refer to the consolidated financial statements: Notes 9 and 14

Key audit matter	Our response
For the financial year ended 30 June 2024, the Group recorded goodwill and intangible assets of RM13,972,961 and RM3,226,739 respectively. The Group is required to perform annual impairment test of its cash generating units ("CGUs") to which goodwill and intangible assets has been allocated. The Group estimated the recoverable amount of its CGUs to which the goodwill is allocated based on value-in-use ("VIU"). Estimating the VIU of CGUs involves estimating the future cash inflows and outflows and discounting them at an appropriate rate. We determine this to be a key audit matter because the complexity and judgemental nature of the key assumptions used in determining the VIU to which goodwill and intangible assets have been allocated.	Our audit procedures included, among others: • We assessed the reasonableness of the key judgements and basis of major assumptions or estimation used by the management with regards to computation of VIU including: - Compared the key assumptions used in the approved budgets against historical results; - Compared the discount rates used with other organisations in similar industry; - Evaluated the terminal value and growth rate of the cash flows projections; - Performed sensitivity analysis on the value-in-use by applying reasonably possible change; and • We evaluated the adequacy of the disclosure of each key assumption on which the Group has based its cash flow projections.

2. Revenue

The carrying amount of revenue as at 30 June 2024: RM186,202,799.

We refer to the consolidated financial statements: Note 38

Key audit matter	Our response
For the financial year ended 30 June 2024 , the Group recorded revenue of RM186,202,799 primarily derived from the provision of oil and gas well services and renewable energy services. The timing and quantum of revenue recognised for oil and gas well services is dependent on the nature and the different contractual terms as set out in the agreements with the respective customers.	Our audit procedures included, among others: • Tested the occurrence and accuracy of revenue transactions to supporting evidence such as customers' contracts, invoices, and relevant supporting documents; • Assessed the effectiveness of internal controls by performing tests of controls and walkthrough tests;

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. Registration No: 201401044508 (1120690-K) (Incorporated in Malaysia)

Key Audit Matters (continued)

2. Revenue (continued)

Key audit matter	Our response
The amount of revenue from renewable energy services is recognised over the period of the contract with reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is determined with reference to the proportion of costs incurred for work performed to date over the estimated total costs. We determined this to be a key audit matter because significant estimates and judgments are required.	Our audit procedures included, among others (continued): • Evaluated and assessed the reasonableness of estimates and judgements used in recognising revenue; • Verified the assessment on the potential deduction to revenue such as delays resulting in liquidated and ascertained damages against the contractual handover date, and estimated handover dates; • Checked subsequent documentation to identify if there are any deferments in the completion of contracts; • Reviewed the accrued revenue recognised and assessed the appropriateness of the accrued revenue by checking subsequent billed invoices; and • Assessed the completeness and appropriateness of disclosures in accordance with MFRS 15.

3. Recoverability of trade receivables and contract assets

The carrying amount of recoverability of trade receivables and contract assets as at 30 June 2024: RM42,139,078 and RM33,388,726.

We refer to the consolidated financial statements: Notes 17 and 18

Key audit matter	Our response
The trade receivables and contract assets of the Group amounted to RM42,139,078 and RM33,388,726 representing 18% and 14%, respectively of the Group's total assets as at 30 June 2024. The Group recognises loss allowance for expected credit losses ("ECL") on trade receivables and contract assets based on specific known facts or circumstances or the abilities of customers to pay.	Our audit procedures included, among others: • Evaluated the reasonableness of management's key judgements and estimates made in determining the ECL, including the assessment in the selection of methods, assumptions, and data sources for measurement decisions; • Reviewed the recoverability of major receivables and contract assets including but not limited to subsequent collection;

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. Registration No: 201401044508 (1120690-K) (Incorporated in Malaysia)

Key Audit Matters (continued)

3. Recoverability of trade receivables and contract assets (continued)

Key audit matter	Our response
We determine these as key audit matter because they require management to exercises significant judgements in determining the probability of default and appropriate forward looking information.	Our audit procedures included, among others (continued): • Reviewed receivables' turnover period; • Evaluated the effectiveness of credit control process; • Evaluated the compliance with payment schedules; • Discussed with management with regards to the payment trends, collectability of debts and existence of any collateral assets of the debts; • Evaluated the adequacy of impairment; and • Ensured compliance with the requirements of MFRS 9.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2024 Annual Report. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control which were obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The other sections of the other information included in the 2024 Annual Report are expected to be made available to us subsequently.

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 Malaysian Financial Reporting Standards, International Financial Reporting 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.

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. Registration No: 201401044508 (1120690-K) (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements (continued)

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 and the Company or to cease operations, or have no realistic alternative but to do so.

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 of 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 on 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. Registration No: 201401044508 (1120690-K) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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, related safeguards.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 10 to the financial statements.

OTHER MATTERS

(a) The financial statements of Reservoir Link Energy Bhd. for the financial period ended 30 June 2023 were audited by another auditor, who has expressed an unmodified opinion on those statements on 17 October 2023.

(b) 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.

Nexia SSY PLT
201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Michelle Yong Voon Sze
No. 02864/07/2026 J
Chartered Accountant

Shah Alam
22 October 2024

List of Properties

No.	Registered Owner/ Beneficial Owner	Title Identification/Postal Address	Description/ Existing Use	Date of Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at 30.06.2024 (RM'000)
1.	RLSB	Title: Parcel No. E-33-A1, E-33-A4, E-33-A5, E-33-A8, E-33-B2, E-33-B3, E-33-B6 and E-33-B7, held under Master Title PN 51531, Lot 480578, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (formerly known as H.S.(D) 118779, PT 9114, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur). Postal Address: E-33-01, E-33-02, E-33-03, E-33-3A, E-33-05, E-33-06, E-33-07 and E-33-08, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.	Description: Eight (8) office units on the thirty third (33rd) floor of an office building. Existing Use: Office.	30.11.2017	This land is to be used for trade buildings for the purpose of service apartments, offices and shopping complexes only.	(i) 1,200 sq ft for each Parcel No. E-33-A1, E-33-A4, E-33-A5 and E-33-A8. (ii) 1,700 sq ft for each Parcel No. E-33-B2, E-33-B3, E-33-B6 and E-33-B7.	99 years expiring on 11 April 2111.	Charged to United Overseas Bank (Malaysia) Bhd	9,033
2.	RLSB	Title: No. Geran 70251, No. Lot 60493, No. Bangunan M2-A, No. Tingkat 30, No. Petak 419, Mukim Batu, Negeri Wilayah Persekutuan Kuala Lumpur. Postal Address: Unit 29-1, Level 29, Menara 1 Mont Kiara, Kompleks 1 Mont Kiara, No. 1, Jalan Kiara, Mont Kiara, 50480 Wilayah Persekutuan, Kuala Lumpur.	Description: One (1) office unit on the twenty ninth (29th) floor of an office building. Existing Use: Office. RLSB (landlord) has rented out this office unit to Messrs Lee & Koh (tenant).	25.11.2010	This land is to be used for trade buildings, for the purpose of shopping complexes, office towers and service apartments with recreational facilities and parking lots only.	775 sq m	Freehold	Charged to Public Islamic Bank Berhad	4,757

Analysis of Shareholdings

As at 30 September 2024

1
2
3
4
5
6

Issued share capital : 334,858,000 ordinary shares
Class of shares : Ordinary Shares
Voting rights : One (1) vote per ordinary share

Distribution of Shareholdings

Holdings	No. of Holders	%	No. of Shares	%
1 – 99 shares	7	0.158	191	0.000
100 – 1,000 shares	362	8.153	208,600	0.062
1,001 – 10,000 shares	1,853	41.734	11,699,300	3.494
10,001 – 100,000 shares	1,849	41.644	64,954,905	19.398
100,001 – 14,522,249 shares (*)	367	8.266	201,671,501	60.226
14,522,250 AND ABOVE (**)	2	0.045	56,323,503	16.820
Total	**4,440**	**100.000**	**334,858,000**	**100.000**

* LESS THAN 5% OF ISSUED SHARES
** 5% AND ABOVE OF ISSUED SHARES

Thirty Largest Shareholders (Based on Record of Depositors)

No.	Account Holders	Shareholdings	% of Issued Capital
1.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pansar Berhad	29,323,503	8.757
2.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd	27,000,000	8.063
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Seng Chi (3010205)	12,705,000	3.794
4.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd (MY4334)	6,510,000	1.944
5.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd	6,500,000	1.941
6.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Thien Chiet Chai	6,000,000	1.792
7.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Sze Yeen	5,526,000	1.650
8.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd	5,200,000	1.553
9.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wan Hassan Bin Mohd Jamil	4,830,000	1.442
10.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ong Soon Ho (Dato) (KLC/UOB)	4,750,000	1.419
11.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Seng Chi	4,745,000	1.417

Analysis of Shareholdings

As at 30 September 2024

No.	Account Holders	Shareholdings	% of Issued Capital
12.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Thien Chiet Chai (MY2529)	3,685,000	1.100
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yi-Lai Marketing Sdn Bhd (7004625)	3,667,100	1.095
14.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	3,410,000	1.018
15.	HIQ Media (Malaysia) Sdn. Bhd.	2,700,000	0.806
16.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	2,375,035	0.709
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Koh Kun Chuan (7000351)	2,311,000	0.690
18.	Bimsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for HIQ Media (Malaysia) Sdn. Bhd. (MGNM43005)	2,300,000	0.687
19.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Jason Koh Jian Hui	2,073,700	0.619
20.	Alvin Wong Yu Chuan	1,989,300	0.594
21.	Zakaria Rakesh Bin Abu Bakkar Seddek	1,987,500	0.594
22.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Wing Cheong	1,921,500	0.574
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Kok Choy (8092812)	1,810,000	0.541
24.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wan Hassan Bin Mohd Jamil (7001990)	1,803,000	0.538
25.	Mad Haimi Bin Abu Hassan	1,766,335	0.527
26.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for Barclays Capital Securities Ltd (SBL/PB)	1,752,000	0.523
27.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	1,720,000	0.514
28.	Lim Yan Woei	1,694,000	0.506
29.	Tan Xia Xin	1,690,000	0.505
30.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gan Chee Peng (Connaught-CL)	1,500,000	0.448
	Total	**155,244,973**	**46.361**

1
2
3
4
5
6

Analysis of Shareholdings

As at 30 September 2024

Substantial Shareholders (Based on Register of Substantial Shareholders)

		Direct	No. of Ordinary Shares % of Issued Capital	Indirect	% of Issued Capital
1.	Reservoir Link Holdings Sdn Bhd	65,210,000	19.474	-	-
2.	Dato' Wan Hassan Bin Mohd Jamil	6,656,205	1.988	65,210,000 (a)	19.474
3.	Mad Haimi Bin Abu Hassan	2,626,335	0.784	65,210,000 (a)	19.474
4.	Thien Chiet Chai	18,190,035	5.432	65,210,000 (a)	19.474
5.	Pansar Berhad	29,323,503	8.757	-	-
6.	Pan Sarawak Holdings Sdn Bhd	-	-	29,323,503 (b)	8.757
7.	Tai Sing Chii & Sons Sdn Bhd	-	-	29,323,503 (b)	8.757
8.	Inplaced Capital Sdn Bhd	-	-	29,323,503 (b)	8.757
9.	Puan Sri Datin Sri Ling Lah Kiong	-	-	29,323,503 (b)	8.757
10.	Dato' James Tai Cheong @ Tai Chong	-	-	29,323,503 (b)	8.757
11.	Datuk Tai Hee	500,000	0.149	29,333,503 (c)	8.760
12.	David Tai Wei	-	-	29,323,503 (b)	8.757
13.	Lee Seng Chi	17,450,000	5.211	-	-

Notes:

(a) *Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*
(b) *Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.*
(c) *Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.*

Directors' Interest In Shares (Based on Register of Directors' Shareholdings)

		Direct	No. of Ordinary Shares % of Issued Capital	Indirect	% of Issued Capital
1.	Dato' Wan Hassan Bin Mohd Jamil	6,656,205	1.988	65,210,000 (i)	19.474
2.	Datuk Tai Hee	500,000	0.149	29,333,503 (ii)	8.760
3.	Elain Binti Lockman	-	-	-	-
4.	Dato' Ahmad Rizal Bin Abdul Rahman	-	-	-	-
5.	Siti Zurina Binti Sabarudin	-	-	-	-
6.	Thien Chiet Chai	18,190,035	5.432	65,210,000 (i)	19.474

Notes:

(i) *Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*
(ii) *Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.*

Analysis of Warrant Holdings

As at 30 September 2024

Total number of warrants issued : 71,249,995
Total number of outstanding warrants : 71,249,995

Distribution of Warrant Holdings

Holdings	No. of Holders	%	No. of Warrants	%
1 – 99 shares	460	23.896	21,609	0.030
100 – 1,000 shares	347	18.026	164,543	0.231
1,001 – 10,000 shares	563	29.247	2,323,375	3.261
10,001 – 100,000 shares	428	22.234	15,780,978	22.149
100,001 – 3,562,499 shares (*)	126	6.545	45,628,615	64.040
3,562,500 AND ABOVE (**)	1	0.052	7,330,875	10.289
Total	**1,925**	**100.000**	**71,249,995**	**100.000**

*** LESS THAN 5% OF ISSUED WARRANTS**
**** 5% AND ABOVE OF ISSUED WARRANTS**

Thirty Largest Warrant Holders (Based on Record of Depositors)

No.	Account Holders	Warrant Holdings	Percentage (%)
1.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pansar Berhad	7,330,875	10.289
2.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yi-Lai Industry Berhad	2,460,000	3.453
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Kok Choy (8092812)	1,900,000	2.667
4.	Zakaria Rakesh Bin Abu Bakkar Seddek	1,841,800	2.585
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chong Mee Fah @ Frederick Chong	1,660,000	2.330
6.	Kong Kok Choy	1,600,000	2.246
7.	Ter Leong Swee	1,300,000	1.825
8.	Yap Eng Tiong	1,200,000	1.684
9.	Nurazlina Binti Zainal	1,120,000	1.572
10.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Goh Yoon Sen	1,050,000	1.474
11.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Honsin Apparel Sdn. Bhd. (Smart)	1,000,000	1.404
12.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chai Yik Kuan	1,000,000	1.404

Analysis of Warrant Holdings

As at 30 September 2024

No.	Account Holders	Warrant Holdings	Percentage (%)
13.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Muhammad Taufiq Bin Abdul Latif	1,000,000	1.404
14.	Yap Eng Tiong	806,000	1.131
15.	Mohammad Faizal Fais Bin Zahri	737,500	1.035
16.	Mad Haimi Bin Abu Hassan	654,083	0.918
17.	SJ Sec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fami Taufeq Bin Fakarudin (SMT)	630,100	0.884
18.	Chia Boon Haw	600,000	0.842
19.	Koh Chee Choong	600,000	0.842
20.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Mohd Zulkefli Bin Mohd Abdah (MY1571)	500,000	0.702
21.	Kamalullisan Bin Omar	500,000	0.702
22.	Kash Assets Sdn Bhd	500,000	0.702
23.	Koh Eng Hong	500,000	0.702
24.	Lee Kong Lam	500,000	0.702
25.	Lee Siew Ching	500,000	0.702
26.	Lim Kok Leang	500,000	0.702
27.	Umeer Bin Rahimi	448,700	0.630
28.	Yap Kian Wee	435,000	0.611
29.	Muhammad Ikhwan Bin Ab Nasir	407,800	0.572
30.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Yin Peng	400,000	0.561
	Total	**33,681,858**	**47.273**

Analysis of Warrant Holdings

As at 30 September 2024

Substantial Shareholders (Based on Register of Substantial Shareholders)

		No. of Warrants			
		Direct	Percentage (%)	Indirect	Percentage (%)
1.	Pansar Berhad	7,330,875	10.289	-	-
2.	Pan Sarawak Holdings Sdn Bhd	-	-	7,330,875 (b)	10.289
3.	Tai Sing Chii & Sons Sdn Bhd	-	-	7,330,875 (b)	10.289
4.	Inplaced Capital Sdn Bhd	-	-	7,330,875 (b)	10.289
5.	Puan Sri Datin Sri Ling Lah Kiong	-	-	7,330,875 (b)	10.289
6.	Dato' James Tai Cheong @ Tai Chong	-	-	7,330,875 (b)	10.289
7.	Datuk Tai Hee	125,000	0.175	7,333,375 (c)	10.292
8.	David Tai Wei	-	-	7,330,875 (b)	10.289

Notes:

(a) *Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*
(b) *Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.*
(c) *Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.*

Directors' Interest In Warrants (Based on Register of Directors' Warrant Holdings)

		No. of Warrants			
		Direct	Percentage (%)	Indirect	Percentage (%)
1.	Dato' Wan Hassan Bin Mohd Jamil	15,000	0.021	-	-
2.	Datuk Tai Hee	125,000	0.175	7,333,375 (ii)	10.292
3.	Elain Binti Lockman	-	-	-	-
4.	Dato' Ahmad Rizal Bin Abdul Rahman	-	-	-	-
5.	Siti Zurina Binti Sabarudin	-	-	-	-
6.	Thien Chiet Chai	200,058	0.281	-	-

Notes:

(i) *Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*
(ii) *Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.*

1
2
3
4
5
6

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth (9th) Annual General Meeting ("**AGM**") of Reservoir Link Energy Bhd ("**RLEB**" or "**the Company**") will be conducted on a fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Tuesday, 3 December 2024 at 10.00 a.m., to transact the following business:-

AGENDA

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon. — ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees amounting to RM264,000 for the financial year ended 30 June 2024. — ***Ordinary Resolution 1 Please refer to Explanatory Note 2***

3. To approve the payment of Directors' benefits from the date of the passing of this Ordinary Resolution until the next AGM of the Company. — ***Ordinary Resolution 2 Please refer to Explanatory Note 2***

4. To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company's Constitution and being eligible, offer themselves for re-election:-
   a) Thien Chiet Chai — ***Ordinary Resolution 3***
   b) Elain Binti Lockman — ***Ordinary Resolution 4***

5. To re-appoint Messrs. Nexia SSY PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — ***Ordinary Resolution 5***

SPECIAL BUSINESS:

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

6. **Authority for Directors to Issue and Allot Shares in the Company Pursuant to Sections 75 and 76 of the Companies Act, 2016** — ***Ordinary Resolution 6 Please refer to Explanatory Note 3***

   "**THAT** subject always to the Companies Act 2016 ("Act"), Company's Constitution, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of the issued shares of the Company for the time being. **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

   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, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.

Notice of Annual General Meeting

7. **Proposed Authority to Purchase Its Own Shares By the Company ("Proposed Share Buy-Back")**

Ordinary Resolution 7
Please refer to Explanatory Note 4

"**THAT** subject always to the Companies Act, 2016, the Company's Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and any other relevant regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares through Bursa Malaysia and to do all acts and to take all such steps as they may deem necessary, to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time, subject further to the following:-

i) the aggregate number of shares to be purchased shall not exceed ten per cent (10%) of the issued share capital of the Company provided that the Company continues to maintain a shareholding spread that complies with the requirements of the listing requirements after the share purchase;
ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained profits of the Company for the time being;
iii) the Directors of the Company may decide in their discretion to retain the shares purchased as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends; and
iv) the authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next AGM of the Company following the passing of this Ordinary Resolution unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting."

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.

ANY OTHER BUSINESS:

11. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
(SSM Practicing Certificate No. 201908000410)

Company Secretary

Selangor
Dated: 30 October 2024

Notice of Annual General Meeting

NOTES:

1. *The 9th AGM will be conducted as a fully virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities provided by Boardroom Share Registrars Sdn. Bhd. via online meeting platform at https://meeting.boardroomlimited.my. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the meeting to participate remotely**.*

2. *According to the Revised Guidance Note and FAQ on the conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, an online meeting platform located in Malaysia is recognised as the meeting venue, and the broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

3. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 November 2024 (AGM Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*

4. *A member [other than an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak, and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak, and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.*

5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*

6. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, 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. *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.*

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting at which the person named in the appointment proposes to vote:*

   i. *In hard copy form*
   In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

   ii. *By electronic form*
   In the case of an appointment made by electronic means, the proxy form can be deposited through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedure as set out in the Administrative Guide of the 9th AGM for the electronic deposit of proxy form.

9. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

10. *Last date and time for lodging the proxy form is Sunday, 1 December 2024 at 10.00 a.m.*

Notice of Annual General Meeting

11. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*

EXPLANATORY NOTES:

1. **Audited Financial Statements**

This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act, 2016 require the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this item of the Agenda is not a business which requires a resolution to be put to vote by shareholders.

2. **Ordinary Resolution 1 and 2 – Payment of Directors' Fees and Directors' Benefits**

Section 230(1) of the Companies Act 2016 requires that the directors' fees and any benefits payable to the Directors of a listed Company and its subsidiaries must be approved at a general meeting. Accordingly, shareholders' approval is sought for the payment of the directors' fee for the financial year ended 30 June 2024, amounting to RM264,000.

The Proposed Directors' benefits payable comprise of meeting allowance and other benefits. The estimated amount of Directors' benefit is based on the size of the Board and Board Committees and the number of scheduled Board and Board Committee meetings for the period from the 9th AGM until the next AGM of the Company. The payment of the Directors' meeting attendance allowance and any other benefits will be as follows:

a) Board of Directors meeting allowance of RM1,000 per meeting; and
b) Board Committee meeting allowance of RM1,000 per meeting.

3. **Ordinary Resolution 6 – Authority to Issue and Allot Shares**

The Ordinary Resolution 6 is proposed to seek a renewal of general mandate for authority to issue shares pursuant to Sections 75 and 76 of the Act. If the resolution was passed, it will give the Directors of the Company from the date of the above meeting, authority to issue and allot shares for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general authority which was approved at the 8th Annual General Meeting held on 30 November 2023 and which will lapse at the conclusion of the 9th Annual General Meeting to be held on 3 December 2024.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited for further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

4. **Ordinary Resolution 7 – Proposed Share Buy-Back**

This Ordinary Resolution, if passed will empower the Directors of the Company from the date of this AGM, the authority to purchase up to ten per cent (10%) of the total issued share capital of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 30 October 2024 for further details.

Notice of Annual General Meeting

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's 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.

Notice of Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF NINTH ANNUAL GENERAL MEETING ("9TH AGM")
(Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. The Directors seeking for re-election/re-appointment at the 9th AGM of the Company are as follows:

   (a) Thien Chiet Chai
   (b) Elain Binti Lockman

   The Profile of the Directors seeking for re-election and retention are set out on pages 12 and 16 of this Annual Report.

   The details of the Directors' interest in the securities of the Company are stated on pages 93 to 94 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 30 June 2024 are disclosed in the Statement of Corporate Governance set out on page 75 of this Annual Report.

3. The details of the 9th AGM are as follows:

Date of Meeting	Time of Meeting	Venue
Tuesday, 3 December 2024	10.00 a.m.	Online Meeting Platform at https://meeting.boardroomlimited.my

Administrative Guide For Ninth (9th) Annual General Meeting ("AGM")

Day and Date	Tuesday, 3 December 2024
Time	10.00 a.m.
Fully Virtual Via Online Meeting Platform	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	1) Type text in the meeting platform. The Messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e., one (1) hour before the Meeting. 2) Email questions in advance to Investor Relations at investor.relation@reservoirlink.com in relation to the agenda items for Meeting, commencing from 30 October 2024 and in any event no later 1 December 2024.

A. Entitlement to Participate in the AGM

In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 November 2024 (Meeting Record of Depositors) shall be eligible to participate in the meeting or appoint proxy(ies) to participate on his/her behalf.

B. Form(s) of Proxy

If you are unable to attend the AGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Please ensure that the original form is deposited at our Share Registrar's office not less than forty-eight (48) hours before the time appointed for holding the meeting. Details of our Share Registrar's office can be found in the enquiry section of this document.

Alternatively, you may deposit your proxy form(s) by electronic means through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com (kindly refer to **section E** below).

C. Revocation of Proxy

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our electronic Meeting yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

D. Voting Procedure

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Administrative Guide For Ninth (9th) Annual General Meeting ("AGM")

E. Virtual Meeting Facilities

	Procedure	Action
Before the day of the AGM		
1.	Register Online with Boardroom Smart Investor Portal *(For first time registration only)*	**Step 1 – Register Online with Boardroom Smart Investor Portal ("BSIP") (for first time registration only)** *[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 - Submit request for Remote Participation user ID and password.]* (a) Access BSIP website https://investor.boardroomlimited.com; (b) Click "**Register**" to sign up as a user; (c) Please select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder"; (d) Complete registration with all required information. Upload and attach softcopy of NRIC/MyKAD (front and back) or passport in JPEG, PNG or PDF format; (e) For Corporate Holder, kindly upload the authorization letter as well. Click "**Sign Up**"; (f) You will receive an email from Boardroom for email address verification. Click "**Verify Email Address**" from the email received to continue with the registration; (g) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click "**Request OTP Code**" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click "**Enter**" to complete the process; (h) Your registration will be verified and approved within one business day and an email notification will be provided to you.
2.	Submit request for remote participation	**Step 2 – Submit Request for Remote Participation User ID and Password** *[Note: The registration for remote access will be opened on 30 October 2024.]* **Individual Shareholders** - Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above; - Select "**RESERVOIR LINK ENERGY BHD ANNUAL GENERAL MEETING (AGM)**" from the list of meeting Event(s) and click "**Enter**"; - Click on "**Register for RPEV**"; - Read and accept the General Terms and Conditions by clicking "**Next**"; and - Enter your CDS account number and thereafter submit your request. **Appointment of Proxy or Proxies** - Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above; - Select "**RESERVOIR LINK ENERGY BHD ANNUAL GENERAL MEETING (AGM)**" from the list of Meeting Event(s) and click "**Enter**"; - Click on "**Submit eProxy Form**"; - Read and accept the General Terms and Conditions by clicking "**Next**"; - Enter your CDS Account Number and number of securities held; - Select your proxy – either the Chairman of the meeting or individual named proxy or proxies and enter the required particulars of your proxy or proxies; - Indicate your voting instructions – **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy or proxies to act upon his/her discretion, please indicate **DISCRETIONARY**; - Review and confirm your proxy or proxies appointment; - Click "**Apply**"; and - Download or print the eProxy form as acknowledgement.

Administrative Guide For Ninth (9th) Annual General Meeting ("AGM")

Procedure		Action
Before the day of the AGM		
2.	Submit request for remote participation	**Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee** **(Via Email)** - Write in to bsr.helpdesk@boardroomlimited.com by providing the name of shareholder, CDS account number accompanied by the certificate of appointment of corporate representative or proxy form (as the case may be) to submit the request; and - Provide a photocopy of the corporate representative's or proxy or proxies holder's NRIC/MyKad (front and back) or passport in JPEG, PNG or PDF format together with his/her email address. **(Via BSIP)** - Login to https://investor.boardroomlimited.com using you user ID and password from Step 1 above; - Select "**RESERVOIR LINK ENERGY BHD ANNUAL GENERAL MEETING (AGM)**" from the list of Meeting Event(s) and click "**Enter**"; - Click on "**Submit eProxy Form**"; - Proceed to download the file format for "**Submission of Proxy Form**" from BSIP; - Prepare the file for the appointment of proxies by inserting the required date; - Proceed to upload the duly completed proxy appointment file; - Review and confirm your proxy appointment and click "**Submit**"; - Download or print the eProxy form as acknowledgement.
3.	Email notification	(a) You will receive a notification from Boardroom that your request has been received and is being verified; (b) Upon system verification of your registration against the AGM's register of members and/or record of depositors as at 27 November 2024, you will receive an email from Boardroom either approving or rejecting your registration for remote participation. Remote access user ID and password will be provided if your registration is approved; and Closing for submission of request is at 10.00 a.m. on 1 December 2024 (48 hours before the AGM).
On the day of the AGM		
4.	Login to Meeting Platform	a. The Meeting Platform will be open for login one (1) hour before the commencement of the AGM; b. The Meeting Platform can be accessed via one of the following: - Scan the QR Code provided in the email notification; or - Navigate to the website at https://meeting.boardroomlimited.my c. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.
5.	Participate	*[Note: Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions and vote.]* a. If you would like to view the live webcast, select the broadcast icon. b. If you would like to ask a question during the GM, select the messaging icon. c. Type your message within the chat box and once completed, click the send button.

Administrative Guide For Ninth (9th) Annual General Meeting ("AGM")

Procedure		Action
On the day of the AGM		
6.	Voting	a. Once polling has been opened, the polling icon will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session. b. To vote, select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received. c. To change your vote, re-select your voting preference. d. If you wish to cancel your vote, please press "**Cancel**".
7.	End of Participation	Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end.

F. No Distribution of Door Gifts

There will be no distribution of door gifts for shareholders/proxies who join or participate in the virtual AGM.

G. No Recording or Photography

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

H. Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (8.30 a.m. to 5.30 p.m.):

Boardroom Share Registrars Sdn. Bhd.
Address : 11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
General Line : 603-7890 4700
Fax Number : 603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

This page is intentionally left blank.

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

Number of Shares	
CDS Account No.	

FORM OF PROXY

I/We ______________________________ NRIC/Passport/Company No. ______________________________
(FULL NAME)

of ______________________________ being a Member/Members
(FULL ADDRESS)

of **Reservoir Link Energy Bhd (the "Company")** hereby appoint ______________________________
(FULL NAME)

NRIC/Passport No. ____________________ Tel No. ____________________ Email address ____________________

of ______________________________ or failing whom,
(FULL ADDRESS)

______________________________ NRIC/Passport No. ____________________ Tel No. ____________________
(FULL NAME)

Email address ____________________ of ______________________________
(FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Ninth Annual General Meeting of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Tuesday, 3 December 2024 at 10.00 a.m. and any adjournment thereof in respect of my/our shareholding in the manner indicated below:

RESOLUTION NO.	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees amounting to RM264,000 for the financial period ended 30 June 2024.		
Ordinary Resolution 2	To approve the payment of Directors' benefits from the date of the passing of this Ordinary Resolution until the next AGM of the Company.		
Ordinary Resolution 3	To re-elect Thien Chiet Chai.		
Ordinary Resolution 4	To re-elect Elain Binti Lockman.		
Ordinary Resolution 5	To re-appoint Messrs. Nexia SSY PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
Ordinary Resolution 6	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
Ordinary Resolution 7	Proposed authority to purchase its own shares by the company ("Proposed Share Buy-Back")		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion.]

Dated this ____________ day of ____________ 2024

____
Signature of Member/Common Seal

Fold this flap for sealing

Notes:

1. *The 9th AGM will be conducted as a fully virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities provided by Boardroom Share Registrars Sdn. Bhd. via online meeting platform at https://meeting.boardroomlimited.my. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the meeting to participate remotely**.*

2. *According to the Revised Guidance Note and FAQ on the conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, an online meeting platform located in Malaysia is recognised as the meeting venue, and the broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

3. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 November 2024 (AGM Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*

4. *A member [other than an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak, and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak, and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.*

5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy*

6. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, 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. *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.*

Then fold here

AFFIX STAMP

THE SHARE REGISTRAR OF

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

1st fold here

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting at which the person named in the appointment proposes to vote:*

   i. *In hard copy form*
   In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

   ii. *By electronic form*
   In the case of an appointment made by electronic means, the proxy form can be deposited through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedure as set out in the Administrative Guide of the 9th AGM for the electronic deposit of proxy form.

9. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

10. *Last date and time for lodging the proxy form is Sunday, 1 December 2024 at 10.00 a.m.*

11. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's AGM and/or any adjournment thereof, a member of the Company accepts and agrees to the personal data privacy terms as asset out in the Notice of Annual General Meeting dated 30 October 2024.

www.reservoirlink.com

E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari,
59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia

Tel : +603 2711 2128 | **Fax** : +603 2711 2120 | **Email** : investor.relation@reservoirlink.com