

**THIS CIRCULAR TO SHAREHOLDERS OF RESERVOIR LINK ENERGY BHD (“RLEB” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-**

- (I) **PROPOSED ACQUISITION BY RESERVOIR LINK SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF RLEB, OF THE REMAINING 70% EQUITY INTEREST IT DOES NOT ALREADY OWN IN PROPEL MAXFLO SDN BHD, FOR A PURCHASE CONSIDERATION OF APPROXIMATELY RM17.24 MILLION TO BE SATISFIED VIA A COMBINATION OF CASH PAYMENT OF APPROXIMATELY RM13.79 MILLION AND THE BALANCE OF APPROXIMATELY RM3.45 MILLION BY WAY OF ISSUANCE OF 18,688,347 NEW ORDINARY SHARES IN RLEB AT AN ISSUE PRICE OF RM0.1845; AND**
- (II) **PROPOSED ESTABLISHMENT OF A NEW LONG-TERM INCENTIVE PLAN (“LTIP”) COMPRISING AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) AND A SHARE GRANT SCHEME, OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN RLEB (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE LTIP FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF RLEB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BY-LAWS GOVERNING THE LTIP, AFTER THE TERMINATION OF THE COMPANY’S EXISTING ESOS**

**(COLLECTIVELY REFERRED AS THE “PROPOSALS”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*

**UOBKayHian**

**UOB KAY HIAN (M) SDN BHD**

(formerly known as UOB Kay Hian Securities (M) Sdn Bhd)

(Registration No.: 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“**EGM**”) of the Company will be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tuesday, 30 December 2025 at 2.00 p.m., or any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Form of Proxy must be lodged at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via Boardroom Smart Investor portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time set for holding the EGM or at any adjournment thereof (i.e. 28 December 2025 at 2.00 p.m.). The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the EGM, should the member subsequently wish to do so.

Last date and time for lodging the Proxy Form : Sunday, 28 December 2025 at 2.00 p.m.

Date and time of EGM : Tuesday, 30 December 2025 at 2.00 p.m.

This Circular is dated 15 December 2025

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	:	The Companies Act 2016
“Award Letter”	:	The letter of offer issued by the LTIP Committee to the Eligible Person
“Board”	:	The Board of Directors of RLEB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
“Cash Consideration”	:	The portion of the Purchase Consideration payable by our Company to the Vendor in cash, amounting to approximately RM13.79 million
“Circular”	:	This circular to shareholders of RLEB dated 15 December 2025 in relation to the Proposals
“Consideration Share(s)”	:	18,688,347 new RLEB Shares to be allotted and issued at the Issue Price to PGB, amounting to approximately RM3.45 million, pursuant to the Proposed Acquisition
“Director(s)”	:	The director(s) of RLEB (and in relation to the Proposed LTIP, directors of RLEB and its subsidiaries which are not dormant) and shall have the same meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007, and in respect of the Proposed Acquisition, includes any person who is or was within the preceding 6 months of the date of which the terms of the transaction were agreed upon; a director or a chief executive of RLEB or any other company which is a subsidiary or holding company of RLEB
“EGM”	:	Extraordinary general meeting
“Eligible Person(s)”	:	The eligible Directors and employees of RLEB and our subsidiaries (excluding dormant subsidiaries) who fulfil the eligibility criteria as set out in the LTIP By-Laws
“EPCC”	:	Engineering, procurement, construction and commissioning
“EPS”	:	Earnings per share
“ESOS”	:	Employees’ share option scheme
“ESOS 2021”	:	Our Company’s existing ESOS with an effective date of 28 July 2021, shall remain in force for a period of 5 years and will expire on 27 July 2026
“ESOS 2021 By-Laws”	:	The by-laws governing the ESOS 2021
“ESOS 2021 Option(s)”	:	The outstanding options comprised in our Company’s ESOS 2021
“ESOS Option(s)”	:	The award of share options to the Eligible Person at a predetermined exercise price
“Extended Settlement Period”	:	An extension of time of 30 days immediately after the expiry of the Settlement Period

---

**DEFINITIONS (CONT'D)**

---

“FPE”	: Financial period ended/ending, as the case may be
“FYE”	: Financial year ended/ending, as the case may be
“GW”	: Gigawatt
“Initial Acquisition”	: The initial acquisition by RLSB of 545,044 Maxflo Shares, representing 30% equity interest in Maxflo, from Propel Oilfield for the cash consideration of RM7.39 million pursuant to the Initial Acquisition SSA dated 10 April 2025. The Initial Acquisition was completed on 2 May 2025
“Initial Acquisition Purchase Consideration”	: The cash consideration of approximately RM7.39 million for the Initial Acquisition
“Initial Acquisition SSA”	: The share sale agreement dated 10 April 2025 entered into between RLSB and the Vendor in relation to the Initial Acquisition
“Issue Price”	: The issue price of RM0.1845 per Consideration Share which has been agreed upon pursuant to the terms of the SSA
“LAT”	: Loss after tax
“LBT”	: Loss before tax
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 27 November 2025, being the latest practicable date prior to the printing and despatch of this Circular
“LPS”	: Loss per share
“LTD”	: 6 October 2025, being the last trading day immediately prior to the date of signing of the SSA
“LTIP”	: Long-term incentive plan
“LTIP Award Date”	: The date on which an award is made by the LTIP Committee in writing to the Eligible Person
“LTIP Award(s)”	: Collectively, the ESOS Options and SGS Awards
“LTIP By-Laws”	: The by-laws governing the Proposed LTIP
“LTIP Committee”	: The committee comprising such Directors and/or senior management of our Group to be duly appointed and authorised by the Board pursuant to the LTIP By-Laws to administer the LTIP in relation to the Proposed LTIP
“LTIP Participant”	: An Eligible Person who has accepted the LTIP Award
“Maxflo”	: Propel Maxflo Sdn Bhd (Registration No.: 200501004667 (681714-M)), a 30%-owned associate company of RLSB
“Maximum RLEB Shares”	: The aggregate maximum number of RLEB Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued RLEB Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP

---

**DEFINITIONS (CONT'D)**

---

“Maximum Scenario”	: Assuming all of the 9,300,000 treasury shares are resold to the open market, and none of the outstanding Warrants and the outstanding ESOS 2021 Options are exercised, and all of the balance 5,896,300 Shares under the Private Placement 2025 are issued prior to the implementation of the Proposed LTIP, and the Proposed LTIP is implemented after the completion of the Proposed Acquisition
“Minimum Scenario”	: Assuming none of the 9,300,000 treasury shares are resold to the open market and none of the outstanding Warrants and the outstanding ESOS 2021 Options are exercised, and none of the balance 5,896,300 Shares under the Private Placement 2025 are issued prior to the implementation of the Proposed LTIP, and the Proposed LTIP is implemented after the completion of the Proposed Acquisition
“MW”	: Megawatt
“NA”	: Net assets
“NETR”	: National Energy Transition Roadmap published by the Ministry of Economy Malaysia
“O&G”	: Oil and gas
“PAT”	: Profit after tax
“PBT”	: Profit before tax
“PE Multiple”	: Price-to-earnings multiple
“PGB”	: Propel Global Berhad (Registration No.: 202001023868 (1380188-P)), a company listed on the Main Market of Bursa Securities
“Private Placement 2025”	: The private placement of up to 37,806,355 new RLEB Shares, representing up to 10% of the total number of issued RLEB Shares in accordance with the general mandate pursuant to the Sections 75 and 76 of the Act undertaken by the Company on 26 March 2025, which is still pending completion as at the LPD
“Propel Oilfield” or the “Vendor”	: Propel Oilfield Services Sdn Bhd (Registration No.: 200601016922 (736674-D)), a 49%-owned subsidiary of PGB
“Proposals”	: Collectively, the Proposed Acquisition and Proposed LTIP
“Proposed Acquisition”	: Proposed acquisition by RLSB of the remaining 70% equity interest it does not already own in Maxflo for the Purchase Consideration
“Proposed Allocation”	: Proposed allocation of LTIP Awards to the eligible Directors and employees who are persons connected to the eligible Directors pursuant to the Proposed LTIP
“Proposed ESOS”	: Proposed establishment of an ESOS pursuant to the Proposed LTIP, which involves the issuance and allotment of new RLEB Shares upon exercise of the ESOS Options
“Proposed ESOS 2021 Termination”	: Proposed termination of ESOS 2021

---

**DEFINITIONS (CONT'D)**

---

“Proposed LTIP”	:	Proposed establishment of a LTIP comprising the Proposed ESOS and Proposed SGS, of up to 15% of the total number of issued shares in RLEB (excluding treasury shares) at any point in time during the duration of the LTIP for the Eligible Persons who fulfil the eligibility criteria as set out in the LTIP By-Laws, after the Proposed ESOS 2021 Termination
“Proposed SGS”	:	Proposed establishment of a share grant scheme pursuant to the Proposed LTIP, which involves the granting of existing RLEB Shares to the Eligible Persons
“Purchase Consideration”	:	The purchase consideration of approximately RM17.24 million for the Proposed Acquisition to be satisfied via the Cash Consideration and issuance of the Consideration Shares
“RLEB” or our “Company”	:	Reservoir Link Energy Bhd (Registration No.: 201401044508 (1120690-K))
“RLEB Group” or our “Group”	:	Collectively, RLEB and its subsidiaries, associates and joint ventures
“RLEB Share(s)” or “Share(s)”	:	Ordinary share(s) in RLEB
“RLSB” or the “Purchaser”	:	Reservoir Link Sdn Bhd (Registration No.: 200801030636 (831967-H)), a wholly-owned subsidiary of RLEB
“Settlement Period”	:	The period of 30 days from the Unconditional Date
“SGS Award(s)”	:	The award of existing RLEB Shares to the Eligible Persons with no consideration payable
“SSA”	:	The conditional share sale agreement dated 7 October 2025 entered into between RLSB and the Vendor in relation to the Proposed Acquisition
“Unconditional Date”	:	The date all conditions precedent of the SSA are fulfilled or waived
“UOBKH” or the “Principal Adviser”	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No.: 199001003423 (194990-K))
“VWAP”	:	Volume-weighted average market price
“Warrant(s)”	:	The outstanding warrants 2021/2026 constituted by the deed poll dated 12 April 2021, which will expire on 27 April 2026

**Currencies:-**

“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“USD”	:	United States Dollar

All references to “our Company” and “RLEB” in this Circular are to RLEB and references to “our Group” or “RLEB Group” are to our Company, our subsidiaries, associates and joint ventures. All references to “we”, “us”, “our” and “ourselves” are to our Company, and where the context requires, our Group or any of our subsidiaries. All references to “you” or “your” in this Circular are to the shareholders of RLEB.

---

**DEFINITIONS (CONT'D)**

---

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that RLEB's plans and objectives will be achieved.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	<b>VII</b>
<b>CIRCULAR TO THE SHAREHOLDERS OF RLEB IN RELATION TO THE PROPOSALS:-</b>	
1. INTRODUCTION	1
2. DETAILS OF THE INITIAL ACQUISITION AND THE PROPOSED ACQUISITION	2
3. DETAILS OF THE PROPOSED ESOS 2021 TERMINATION	9
4. DETAILS OF THE PROPOSED LTIP	11
5. UTILISATION OF PROCEEDS	18
6. RATIONALE AND JUSTIFICATION OF THE PROPOSALS AND THE PROPOSED ESOS 2021 TERMINATION	18
7. INDUSTRY OVERVIEW AND PROSPECTS	20
8. RISK FACTORS OF THE PROPOSED ACQUISITION	24
9. EFFECTS OF THE PROPOSALS	26
10. PERCENTAGE RATIOS UNDER THE LISTING REQUIREMENTS	35
11. HISTORICAL SHARE PRICES	35
12. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY OF THE PROPOSALS	36
13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	37
14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	38
15. DIRECTORS' STATEMENT/RECOMMENDATION	39
16. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION	40
17. EGM	40
18. FURTHER INFORMATION	40
<b>APPENDICES</b>	
I SALIENT TERMS OF THE SSA	41
II DRAFT LTIP BY-LAWS	50
III INFORMATION ON MAXFLO	93
IV DETAILS OF THE INITIAL ACQUISITION	102
V SALIENT TERMS OF THE INITIAL ACQUISITION SSA	107
VI AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025	110
VII FURTHER INFORMATION	159
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference to the Circular
Details of the Proposals	<p><b><u>Proposed Acquisition</u></b></p> <p>The Proposed Acquisition entails the acquisition by RLSB of 1,271,770 Maxflo Shares, representing the remaining 70% equity interest in Maxflo from Propel Oilfield for a total Purchase Consideration of RM17.24 million, subject to the terms and conditions of the SSA.</p> <p>The Purchase Consideration of RM17.24 million shall be satisfied via a combination of the Cash Consideration and issuance of Consideration Shares.</p> <p>Upon completion of the Proposed Acquisition, Maxflo will become a wholly-owned subsidiary of RLSB.</p> <p><b><u>Proposed LTIP</u></b></p> <p>The Proposed LTIP entails the proposed establishment and implementation of an LTIP comprising a Proposed ESOS and Proposed SGS, where the aggregate number of RLEB Shares made available under the Proposed ESOS and Proposed SGS shall be a maximum of 15.0% of the total number of RLEB Shares (excluding treasury shares) at any point in time during the duration of the Proposed LTIP for the Eligible Persons.</p>	<p><b>Section 2</b></p> <p><b>Section 4</b></p>
Duration of the Proposed LTIP	5 years commencing from the effective date of implementation of the Proposed LTIP and may be extended for a further period of up to 5 years.	<b>Section 4.1.4</b>
Basis and justification of determining the Purchase Consideration	<p>The Purchase Consideration of approximately RM17.24 million was arrived at on a “willing-buyer willing-seller” basis, after taking into consideration the following:-</p> <ul style="list-style-type: none"> <li>(i) the audited PAT of Maxflo of approximately RM4.65 million for the FYE 30 June 2024, represents an implied PE Multiple of 5.30 times based on the total consideration of RM24.63 million comprising of the cash consideration of RM7.39 million for the Initial Acquisition and the Purchase Consideration of RM17.24 million payable by our Group;</li> <li>(ii) the audited NA of Maxflo of approximately RM17.17 million as at 30 June 2024;</li> <li>(iii) the rationale and justification of the Proposed Acquisition as set out in <b>Section 6.1</b> of this Circular; and</li> <li>(iv) future prospects of our enlarged Group as set out in <b>Section 7.5</b> of this Circular.</li> </ul> <p>The basis for arriving at the Purchase Consideration is consistent with that for the Initial Acquisition and at the time the SSA was entered into, the audited financial statements of Maxflo for the FYE 30 June 2025 had not been finalised and therefore not available as a basis in determining the Purchase Consideration. Maxflo has since recorded an audited PAT and NA of approximately RM1.61 million and RM18.78 million, respectively, for the FYE 30 June 2025. Notwithstanding the decrease in PAT, our Board views the Purchase Consideration as fair based on the established track record of Maxflo with its key customers and ongoing tender book discussions.</p> <p>For information purposes, our Company has also taken into consideration the PE Multiple of comparable companies listed on Bursa Securities.</p>	<b>Section 2.3</b>

Key information	Description	Reference to the Circular
<b>Rationale and justification of the Proposals</b>	<p><b><u>Proposed Acquisition</u></b></p> <p>Following the Initial Acquisition, our Group is able to tap into the Middle East market via Maxflo's established relationships with overseas customers in Saudi Arabia, as well as extensive expertise, such as in enhanced oil recovery and improved oil recovery technologies, thus further strengthening our Group's competitive position in the region. After the Initial Acquisition, our Group was able to assess Maxflo's operational capabilities, key customer relationships, and internal processes. The early integration has highlighted significant opportunities for cost efficiencies, optimisation of workflow, and leveraging shared expertise, which can be fully realised through full ownership. Accordingly, our Group decided to acquire the remaining 70% stake a few months after the Initial Acquisition.</p> <p>Upon completion, the Proposed Acquisition is anticipated to:-</p> <ul style="list-style-type: none"> <li>(i) enhance competitiveness and standing in tenders issued by customers located in Middle East from a tendering standpoint;</li> <li>(ii) allow our Group to establish a cost-effective supply chain through strategic resource integration including the cross border sharing of manpower. Maxflo's diverse workforce from Malaysia, India, Thailand, countries of the Gulf Cooperation Council, Nigeria, and Sudan enable the crews to be rapidly mobilised across the regions. This flexibility ensures seamless operational continuity, reduces idle time, improves manpower utilisation, and supports cost-efficient, effective workforce management, ultimately giving Maxflo operational agility and competitive advantage;</li> <li>(iii) given the outlook of Middle East as one of the world's most active upstream oil and gas region underpinned by, among others, significant and sustained capital expenditure by national oil companies, ongoing brownfield optimisation projects, well workovers, integrity programmes and intervention activities. The Group is well positioned to strengthen its presence in the Middle East, expand its service offerings, and leverage Maxflo's existing operations and expertise to capture opportunities arising from ongoing and future projects in the region;</li> <li>(iv) Maxflo recorded a lower PAT of RM1.6 million in FYE 30 June 2025. Despite the decrease in PAT, our Board views based on the established track record of Maxflo with its key customers and ongoing tender book discussions, management expects a positive improvement in Maxflo's financial performance going forward leveraging on the combined experience and technical expertise of our enlarged Group and the overall prospects of the O&amp;G industry; and</li> <li>(v) allow for the full consolidation and control over Maxflo's financial performance, business operations and future direction.</li> </ul> <p>The Proposed Acquisition will be partially satisfied via the issuance of 18,688,347 Consideration Shares, thus allowing our Group to acquire Maxflo whilst conserving its cash resources and enhancing our Group's asset base as compared to a full settlement via cash and/or bank borrowings.</p>	<b>Section 6.1</b>

Key information	Description	Reference to the Circular
	<p><b><u>Proposed LTIP</u></b></p> <p>The Proposed LTIP will replace the ESOS 2021 and enable us to offer ESOS Options and/or SGS Awards to Eligible Persons. The Proposed LTIP primarily serves to align the interests of the Eligible Persons to the corporate goals of our Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in our Company and help achieve the positive objectives as set out below:-</p> <ul style="list-style-type: none"> <li>(i) to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for our Group;</li> <li>(ii) to retain, motivate and reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of RLEB Shares upon disposal;</li> <li>(iii) to align the interests of Eligible Persons with that of the shareholders through the achievement of our Group's objectives and plans;</li> <li>(iv) to attract prospective employees with relevant skills and experience to our Group by making compensation packages offered more competitive; and</li> <li>(v) to foster and reinforce the Eligible Persons' loyalty and sense of belonging to our Group by enabling them to participate directly in our Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of our Group.</li> </ul>	<b>Section 6.3</b>
<b>Risk factors of the Proposed Acquisition</b>	<p>The potential risks that may have an impact on our Group pursuant to the Proposed Acquisition, which may not be exhaustive, are set out below:-</p> <ul style="list-style-type: none"> <li>(i) non-completion risk;</li> <li>(ii) acquisition risk;</li> <li>(iii) financing risk;</li> <li>(iv) impairment risk;</li> <li>(v) geographical risk;</li> <li>(vi) dilution of the shareholdings of our existing shareholders; and</li> <li>(vii) political, economic and regulatory risk.</li> </ul>	<b>Section 8</b>

## EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to the Circular
<b>Approvals required/obtained</b>	<p>The Proposals are subject to the following approvals:-</p> <p>(i) Bursa Securities, for the following:-</p> <p>(a) listing of and quotation for the 18,688,347 Consideration Shares to be issued pursuant to the Proposed Acquisition; and</p> <p>(b) listing of and quotation for such number of new Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed LTIP,</p> <p>The approval of Bursa Securities was obtained vide its letter dated 9 December 2025;</p> <p>(ii) our shareholders at the forthcoming EGM;</p> <p>(iii) shareholders of PGB at the forthcoming EGM of PGB to be held on 30 December 2025 in relation to the proposed disposal of the 1,271,770 Sale Shares; and</p> <p>(iv) any other relevant authority, if required.</p>	<b>Section 12</b>
<b>Conditionality of the Proposals</b>	<p>The Proposed Acquisition and Proposed LTIP are not conditional upon each other. The Proposed LTIP is conditional upon the Proposed ESOS 2021 Termination but not vice versa. The Proposed Allocation is conditional upon the Proposed LTIP but not vice versa and the Proposed Allocation is not conditional upon the Proposed Acquisition and Proposed ESOS 2021 Termination.</p> <p>The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by us.</p>	<b>Section 12</b>
<b>Interests of Directors, major shareholders, chief executive and/or persons connected with them</b>	<p><b><u>Proposed Acquisition</u></b></p> <p>Save as disclosed below, none of our Directors, major shareholders and chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition:-</p> <p>(i) Ms. Elain Binti Lockman is the Independent Non-Executive Director of RLEB and PGB; and</p> <p>(ii) En. Rewi Hamid Bugo who is the Independent Non-Executive Director of RLEB and the Non-Independent Non-Executive Director of PGB.</p> <p>Pursuant to Paragraph 10.08(11)(c) of the Listing Requirements, the Proposed Acquisition is not regarded as a related party transaction in view that Ms. Elain Binti Lockman and En. Rewi Hamid Bugo hold less than 5.0% of equity interest in PGB and the said Directors does not have other interest such as commission or other kinds of benefit received in relation to the Proposed Acquisition.</p> <p>Nevertheless, Ms. Elain Binti Lockman and En. Rewi Hamid Bugo have voluntarily abstained from all Board deliberation and voting at the relevant Board meetings and on the resolution pertaining to the Proposed Acquisition and will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition, at the forthcoming EGM.</p>	<b>Section 14</b>

## EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to the Circular
Interests of Directors, major shareholders, chief executive and/or persons connected with them (cont'd)	<p><b><u>Proposed LTIP and Proposed Allocation</u></b></p> <p>All Directors, and Mad Haimi Bin Abu Hassan (who is the Chief Executive Officer of RLSB) are eligible to participate in the Proposed LTIP and are therefore deemed interested in the Proposed LTIP and to the extent of their respective Proposed Allocation as well the Proposed Allocations as well as the proposed allocations to persons connected to them under the Proposed LTIP.</p> <p>Accordingly, all Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective Proposed Allocation, and the Proposed Allocations to persons connected to them under the Proposed LTIP, at the relevant Board meetings as well as at a general meeting of our Company to be convened.</p> <p>In addition, Encik Mad Haimi Bin Abu Hassan, being our major shareholder (who is also the Chief Executive Officer of RLSB) is the Eligible Person under the Proposed LTIP and is therefore deemed interested in the Proposed LTIP and to the extent of his Proposed Allocation under the Proposed LTIP.</p> <p>Accordingly, all Directors and the interested major shareholder will abstain from voting and will ensure that persons connected to them, will abstain from voting, in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to the Proposed LTIP and their respective Proposed Allocation, and the Proposed Allocations to the persons connected to them, under the Proposed LTIP, to be tabled at the forthcoming EGM.</p>	Section 14
Directors' statement/ recommendation	<p><b><u>Proposed Acquisition</u></b></p> <p>Our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo) having considered all relevant aspects of the Proposed Acquisition, including but not limited to the terms of the SSA, rationale and justifications of the Proposed Acquisition and the financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of our Company.</p> <p>Accordingly, our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo) recommends that you <b>vote in favour</b> of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.</p> <p><b><u>Proposed LTIP</u></b></p> <p>In view that all our Directors are eligible to participate in the Proposed LTIP, our Board has abstained and will continue to abstain from expressing an opinion and making any recommendation on the resolutions pertaining to the Proposed LTIP and their respective Proposed Allocation as well as Proposed Allocation to the persons connected to them under the Proposed LTIP.</p>	Section 15



**RESERVOIR LINK ENERGY BHD**

(Registration No.: 201401044508 (1120690-K))  
(Incorporated in Malaysia)

**Registered office**

E289, 1st Floor, Block E  
iCom Square, Jalan Pending  
93450 Kuching, Sarawak

15 December 2025

**Board of Directors**

Datuk Tai Hee	<i>(Non-Independent Non-Executive Chairman)</i>
Thien Chiet Chai	<i>(Non-Independent Executive Deputy Chairman)</i>
Dato' Wan Hassan Bin Mohd Jamil	<i>(Group Chief Executive Officer / Managing Director)</i>
Dato' Ahmad Rizal Bin Abdul Rahman	<i>(Independent Non-Executive Director)</i>
Elain Binti Lockman	<i>(Independent Non-Executive Director)</i>
Rewi Hamid Bugo	<i>(Independent Non-Executive Director)</i>

**To: The shareholders of RLEB**

Dear Sir/Madam,

- (I) PROPOSED ACQUISITION; AND**
- (II) PROPOSED LTIP**

---

**1. INTRODUCTION**

On 10 April 2025, our Company had entered into the Initial Acquisition SSA in relation to the Initial Acquisition of 545,044 Maxflo Shares, representing 30% equity interest in Maxflo for a total cash consideration of RM7.39 million. The Initial Acquisition was completed on 2 May 2025 and Maxflo is currently a 30%-owned associate company of RLSB pursuant to the Initial Acquisition.

On 7 October 2025, UOBKH had, on behalf of our Board, announced on even date that RLSB had entered into the SSA with the Vendor to acquire 1,271,770 Maxflo Shares, representing the remaining 70% equity interest in Maxflo, for a purchase consideration of approximately RM17.24 million to be fully satisfied via the combination of a cash consideration of approximately RM13.79 million and the balance of approximately RM3.45 million via the issuance and allotment of 18,688,347 Consideration Shares at the Issue Price of RM0.1845 per Consideration Share.

As further detailed in **Section 10** of this Circular, the Proposed Acquisition is required to be aggregated with the Initial Acquisition as both transactions involve the acquisition of securities in the one particular corporation within a period of 12 months pursuant to Paragraph 10.12(2)(b) of the Listing Requirements on the Rules of Aggregation, thereby triggering the need to, amongst others, seek the approval of our shareholders.

On 14 November 2025, UOBKH had, on behalf of our Board, announced on even date that we proposed to undertake the Proposed ESOS 2021 Termination and the Proposed LTIP.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK THE APPROVAL FROM OUR SHAREHOLDERS FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

PURSUANT TO PARAGRAPH 10.12 AND PRACTICE NOTE 14 OF THE LISTING REQUIREMENTS, WE ARE REQUIRED BY BURSA SECURITIES TO DISCLOSE THE INFORMATION ON THE INITIAL ACQUISITION, BEING THE TRANSACTION INVOLVING THE ACQUISITION OF SECURITIES IN ONE PARTICULAR CORPORATION WHICH TERMS WERE AGREED UPON WITHIN A PERIOD OF 12 MONTHS PRECEDING THE DATE OF THIS CIRCULAR. FOR THE AVOIDANCE OF DOUBT, THE INFORMATION ON THE INITIAL ACQUISITION IS PROVIDED FOR YOUR INFORMATION ONLY AND DOES NOT REQUIRE YOUR APPROVAL.

## 2. DETAILS OF THE INITIAL ACQUISITION AND THE PROPOSED ACQUISITION

The Initial Acquisition entailed the acquisition by RLSB of 545,044 Maxflo Shares, representing 30% equity interest in Maxflo from Propel Oilfield for a total cash consideration of RM7.39 million, subject to the terms and conditions of the Initial Acquisition SSA. Consequently, upon the completion of the Initial Acquisition on 2 May 2025, Maxflo became a 30%-owned associate company of RLSB. Further details of the Initial Acquisition and the salient terms of the Initial Acquisition SSA are set out in **Appendices IV** and **V** of this Circular, respectively.

The Proposed Acquisition entails the acquisition by RLSB of 1,271,770 Maxflo Shares, representing the remaining 70% equity interest in Maxflo from Propel Oilfield for a total Purchase Consideration of RM17.24 million, subject to the terms and conditions of the SSA.

The salient terms of the SSA are set out in **Appendix I** of this Circular.

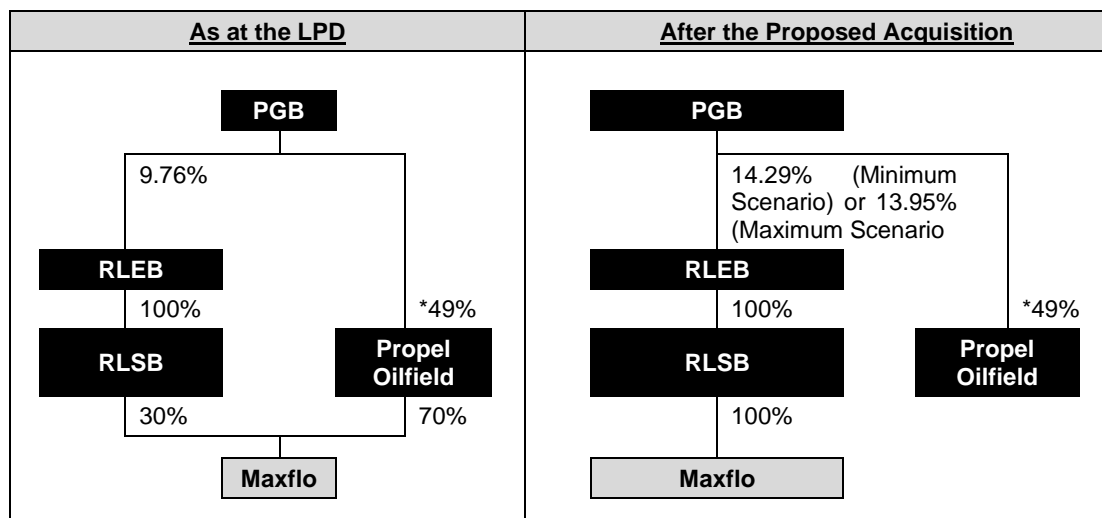
The details of the Initial Acquisition and Proposed Acquisition are summarised below:-

Date of agreements	Events	Equity interest acquired		Purchase consideration	*Percentage Ratios
		No. of shares	%	RM'000	%
10 April 2025	Initial Acquisition	545,044	30.0	7,390	8.62
7 October 2025	Proposed Acquisition	1,271,770	70.0	17,240	23.29
<b>Total</b>		<b>1,816,814</b>	<b>100.0</b>	<b>24,630</b>	<b>31.91</b>

**Note:-**

\* Please refer to **Section 10** of this Circular for further details of the percentage ratios.

Upon completion of the Proposed Acquisition, Maxflo will become a wholly-owned subsidiary of RLSB. The shareholding structure of Maxflo as at the LPD and upon completion of the Proposed Acquisition are as illustrated below:-



**Note:-**

\* As at the LPD, the remaining 51.0% equity interest in Propel Oilfield is held by Rancak Nikmat Sdn Bhd, in which Hafiz Zaim Bin Hussin is the sole shareholder.

## 2.1 Information on Maxflo

Maxflo was incorporated in Malaysia under the Companies Act 1965 on 21 February 2005 as a private limited company under the name of Flux East Sdn Bhd and is deemed registered under the Act. Subsequently Maxflo changed its name to Maxflo Instrumentation Technologies Sdn Bhd, Maxflo Energy Products Sdn Bhd and Daya Maxflo Sdn Bhd on 5 May 2005, 9 July 2008 and 6 March 2013 respectively, before assuming its current name on 29 March 2023.

The registered address of Maxflo is located at D-2-5, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan whilst its business address is located at Level 12, Mercu 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan.

Maxflo began its business operations in 2005. Maxflo is principally involved in providing products and services for exploration, drilling and well intervention, enhanced oil recovery / improved oil recovery and production technologies specifically for offshore and onshore oil and gas, refining, chemical and petrochemical.

As at the LPD, the issued share capital of Maxflo is RM6,638,161 comprising 1,816,814 Maxflo Shares.

Further information on Maxflo is set out in **Appendix III** of this Circular.

## 2.2 Information on the Vendor

Propel Oilfield was incorporated in Malaysia under the Companies Act 1965 on 6 June 2006 as a private limited company under the name of Daya Petroleum Ventures Sdn Bhd and is deemed registered under the Act. Subsequently, on 29 March 2023, the Vendor had assumed its current name.

The registered address of the Vendor is located at 802, 8<sup>th</sup> Floor, Block C, Kelana Square, 17, Jalan SS 7/26, 47301 Petaling Jaya, Selangor whilst its business address is located at Level 12, Mercu 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan.

As at the LPD, Propel Oilfield has a total issued share capital of RM350,000 comprising of 350,000 ordinary shares.

Propel Oilfield is principally involved in the provision of drilling services, geological, petroleum engineering, subsea and deepwater support services, operations and maintenance services.

The details of the shareholders of Propel Oilfield as at the LPD are as follows:-

Name	Place of incorporation / Nationality	Direct interest		Indirect interest	
		No. of shares	%	No. of shares	%
Rancak Nikmat Sdn Bhd	Malaysia	178,500	51.00	-	-
PGB	Malaysia	171,500	49.00	-	-
Hafiz Zaim Bin Hussin	Malaysian	-	-	<sup>(1)</sup> 178,500	51.00
<b>Total</b>		<b>350,000</b>	<b>100.00</b>	-	-

The details of the directors of Propel Oilfield together with their respective shareholdings in Propel Oilfield as at the LPD are as follows:-

Name	Nationality	Direct interest		Indirect interest	
		No. of shares	%	No. of shares	%
Hafiz Zaim Bin Hussin	Malaysian	-	-	<sup>(1)</sup> 178,500	51.00
Lee Sze Yeen	Malaysian	-	-	-	-

**Note:-**

(1) Deemed interested by virtue of his 100% direct equity interest in Rancak Nikmat Sdn Bhd.

## 2.3 Basis and justification of determining the Purchase Consideration

The Purchase Consideration of approximately RM17.24 million was arrived at on a “willing-buyer willing-seller” basis, after taking into consideration the following:-

- (i) the audited PAT of Maxflo of approximately RM4.65 million for the FYE 30 June 2024, represents an implied PE Multiple of 5.30 times based on the total consideration of approximately RM24.63 million comprising of the cash consideration of approximately RM7.39 million for the Initial Acquisition and the Purchase Consideration of approximately RM17.24 million payable by our Group;
- (ii) the audited NA of Maxflo of approximately RM17.17 million as at 30 June 2024;
- (iii) the rationale and justification of the Proposed Acquisition as set out in **Section 6.1** of this Circular; and
- (iv) future prospects of our enlarged Group as set out in **Section 7.5** of this Circular.

The basis for arriving at the Purchase Consideration is consistent with the Initial Acquisition and at the time the SSA was entered into, the audited financial statements of Maxflo for the FYE 30 June 2025 had not been finalised and therefore not available as a basis in determining the Purchase Consideration. Maxflo has since recorded an audited PAT and NA of approximately RM1.61 million and RM18.78 million respectively for the FYE 30 June 2025. Notwithstanding the decrease in PAT, our Board views the Purchase Consideration as fair based on the established track record of Maxflo with its key customers and ongoing tender book discussions. Further, management expects a positive improvement in Maxflo’s financial performance going forward leveraging on the combined experience and technical expertise of our enlarged Group and the overall prospects of the O&G industry as disclosed in **Sections 7.2** and **7.4** of this Circular.

For information purposes, our Company has also taken into consideration the PE Multiple of comparable companies (“**Comparable Companies**”) listed on Bursa Securities. The valuation multiples (i.e. P/E multiples) are common valuation methodologies used to estimate the value of a business. P/E multiple illustrates a company’s market valuation relative to its profits, and indicates the price investors are willing to pay to invest in a company compared to its earnings. Both RLEB and PGB have agreed that a comparable analysis with P/E multiple (an earnings-based approach) are adequate methods of valuation in arriving at the valuation of Maxflo and hence, no independent valuer was appointed for the Proposed Acquisition. Further, the discounted cash flow method was not considered as Maxflo’s cash flows, which are contract-based in nature, are not predictable.

In respect of the Comparable Companies analysis, our Board noted that there are no comparable companies that may be identical to Maxflo in terms of composition of business, scale of operations, geographical spread of activities, track record, asset base, risk profile, future prospects and other criteria. However, for the purposes of the analysis, our Board has identified the Comparable Companies as set out in the ensuing table, which our Board considers broadly similar to Maxflo’s principal activities:-

<b>Comparable Companies</b>	<b>Principal activities<sup>(1)</sup></b>	<b><sup>(2)</sup>Market capitalisation as at the LTD (RM’million)</b>
RLEB	Our Group is principally involved in oil and gas field services, trading in petroleum drilling equipment and the provision of related engineering services, provision of well perforation and well leak repair services, developing and providing oil and gas production enhancement services and sand management solutions, investment holding and renewable energy activities, oil and gas extraction service activities, installation of non-electric solar energy collectors, and provision of wastewater treatment services.	74.01
PGB	PGB and its subsidiaries are principally involved in the provision of heavy machineries and related manpower services, maintenance services for air-conditioning, ventilation system, and specialised oilfield services in pipe recovery, well intervention and diagnostic, production enhancement to the oil and gas industry, and providing engineering and technical works for the oil and gas industry, provision of services in the industrial, commercial and residential construction and office maintenance and provision of information and communication technology services and related activities and trading in information and communication technology hardware, software and spare parts.	52.23
Carimin Petroleum Berhad	Carimin Petroleum Berhad and its subsidiaries are principally involved in the provision of onshore or offshore major maintenance and hook-up and commissioning services.	136.76
Uzma Berhad	Uzma Berhad and its subsidiaries are principally involved in the provision of O&G geoscience and reservoir engineering services, O&G drilling and well services as well as O&G project and operation services.	291.26
Steel Hawk Berhad	Steel Hawk Berhad and its subsidiaries are principally involved in the provision of onshore and offshore support services for the O&G industry.	147.00

<b>Comparable Companies</b>	<b>Principal activities<sup>(1)</sup></b>	<b><sup>(2)</sup>Market capitalisation as at the LTD (RM'million)</b>
Ocean Vantage Holdings Berhad	Ocean Vantage Holdings Berhad and its subsidiaries are principally involved in engineering, procurement and construction, project management, supply of manpower, materials, tools and equipment as well as provision of drilling rig charter services.	60.89
Wasco Berhad	Wasco Berhad and its subsidiaries are principally involved in specialised pipe coating and corrosion protection services, engineering, procurement and construction of gas compressors and process equipment, and provision of bioenergy services.	735.60
Deleum Berhad	Deleum Berhad and its subsidiaries are principally involved in the provision of gas turbines packages and related services, oilfield equipment and services, servicing of rotating equipment, integrated corrosion and inspection services, predominantly for the oil and gas industry.	550.13
T7 Global Berhad	T7 Global Berhad and its subsidiaries are principally involved in integrated production solutions, offshore services, wells and decommissioning, specialist products and technology and talent management services.	230.24

Notwithstanding that Uzma Berhad, Deleum Berhad, T7 Global Berhad and Wasco Berhad have market capitalisation higher than RLEB and PGB, these companies were included to provide a broader and more representative peer group for more meaningful industry comparison. As the PE multiples of the Comparable Companies are intended to provide a broad indication of prevailing market benchmarks, no adjustments were made to the PE Multiples to reflect difference in size or the unlisted status of Maxflo.

**Notes:-**

(1) Based on the latest annual reports of the respective Comparable Companies as at the LTD.

(2) Extracted from Bloomberg as at the LTD.

The PE Multiple of the Comparable Companies are set out as at follows:-

<b>Comparable Companies</b>	<b><sup>(1)</sup>Closing share price as at the LTD (RM)</b>	<b><sup>(2)</sup>(LPS)/ EPS (sen)</b>	<b><sup>(3)</sup>PE Multiple (times)</b>
RLEB	0.205	(0.27)	<sup>(4)</sup> (75.93)
PGB	0.07	0.87	8.05
Carimin Petroleum Berhad	0.585	18.30	3.20
Uzma Berhad	0.495	11.16	4.44
Steel Hawk Berhad	0.30	2.95	10.17
Ocean Vantage Holdings Berhad	0.145	1.51	9.60
Wasco Berhad	0.95	19.77	4.81
Deleum Berhad	1.37	18.47	7.42
T7 Global Berhad	0.255	5.13	4.97
<b>High</b>			10.17
<b>Average</b>			6.58
<b>Low</b>			3.20
<b><sup>(5)</sup>Maxflo (valuation multiple)</b>			5.30

**Notes:-**

- (1) Extracted from Bloomberg as at the LTD.
- (2) Based on the latest annual reports of the respective Comparable Companies as at the LTD.
- (3) Calculated based on the closing share price as at the LTD divided by EPS/ (LPS).
- (4) Deemed as outlier and excluded from the computation of high, low and simple average of the Comparable Companies.
- (5) Calculated based on the implied equity value of Maxflo of approximately RM24.63 million over the audited PAT of Maxflo for the FYE 30 June 2024 of RM4.65 million.

Our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo who have voluntarily abstained from deliberating on the Proposed Acquisition as set out in **Section 14.1** of this Circular), is of the view that the Purchase Consideration, which represents a PE Multiple of 5.30 times is justifiable given the said PE Multiple is below the average trading PE Multiple of the Comparable Companies of 6.58 times.

## **2.4 Basis and justification of determining the Issue Price of the Consideration Shares**

In accordance with the terms of the SSA, 20% of the Purchase Consideration amounting to approximately RM3.45 million will be satisfied via the issuance of Consideration Shares to PGB at the Issue Price of RM0.1845 per Consideration Share, which was agreed by RLEB and the Vendor on a “willing-buyer willing-seller” basis and after taking into account the 5-day VWAP of RLEB Shares up to and including the LTD, of RM0.205. The Issue Price of RM0.1845 represents a discount of RM0.0205 or 10.0% to the 5-day VWAP up to and including the LTD, of RM0.205.

The Issue Price represents the following discounts to the prevailing market prices of RLEB Shares for the past 6 months up to the LTD:-

Price / VWAP up to and including the LTD	Share price	Discount	
	RM	RM	%
Last transacted price of RLEB Shares	0.2050	0.0205	10.00
5-day VWAP of RLEB Shares	0.2050	0.0205	10.00
1-month VWAP of RLEB Shares	0.2041	0.0196	9.60
3-month VWAP of RLEB Shares	0.2100	0.0255	12.14
6-month VWAP of RLEB Shares	0.3193	0.1348	42.22

(Source: Bloomberg)

Our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo) is of the view that the Issue Price of RM0.1845 per Consideration Share is fair and justifiable after taking into consideration the following:-

- (i) the Proposed Acquisition will be partially satisfied via issuance of Consideration Shares, which in turn enables our Group to enhance its asset base without any immediate impact on its cash flow position as compared to full settlement via cash. We would be able to conserve its cash for its day-to-day operations and/or to pursue other business opportunities, where required; and
- (ii) the Issue Price is deemed sufficiently attractive to entice PGB to accept partial settlement of the Purchase Consideration in the form of Consideration Shares. It is pertinent to note that the dilution to existing shareholders of RLEB will be minimal, as only 20% of the Purchase Consideration is to be satisfied via the issuance of Consideration Shares to PGB, which represent approximately 5.03% of our enlarged share capital upon completion of the Proposed Acquisition.

As at the LPD, PGB holds approximately 9.76% equity interest in RLEB and the Consideration Shares issued to PGB would further enhance overall shareholder alignment and commitment, as PGB's equity stake in RLEB will increase to approximately 14.29% (under the Minimum Scenario) or 13.95% (under the Maximum Scenario) upon completion of the Proposed Acquisition, thus emerging as one of our major shareholders upon completion of the Proposed Acquisition.

## 2.5 Mode of settlement of the Purchase Consideration

Pursuant to the terms of the SSA, the Purchase Consideration is to be satisfied in the following manner:-

Payment terms	Timing of settlement	Purchase Consideration (RM'000)	%
<b><u>Cash Consideration</u></b>			
Deposit to be paid in the following tranches:-			
- First tranche	Upon execution of the SSA	500	2.9
- Second tranche	Within 14 days from the date of the SSA	500	2.9
- Third tranche	Within 28 days from the date of the SSA	724	4.2
<b>Total Deposit*</b>		<b>1,724</b>	<b>10.0</b>
Balance Cash Consideration	Within 30 days from the date all conditions precedent of the SSA are fulfilled or waived (" <b>Unconditional Date</b> ") (" <b>Settlement Period</b> ") <sup>(1)</sup>	12,068	70.0
<b><u>Issuance of Consideration Shares</u></b>			
Consideration Shares	On the date falling within 14 business days from the Unconditional Date	3,448	20.0
<b>Total</b>		<b>17,240</b>	<b>100.0</b>

### Notes:-

\* As at the LPD, the total deposit has been duly paid by the Purchaser.

(1) In the event that the balance Cash Consideration is not paid within the Settlement Period, the Vendor shall automatically grant the Purchaser an extension of time of 30 days immediately after the expiry of the Settlement Period ("**Extended Settlement Period**") to pay the balance Cash Consideration together with a late payment interest at the rate of 8.0% per annum calculated on a daily basis accrued on the outstanding amount from the first date of the Extended Settlement Period until such time the payment is fully paid to Propel Oilfield.

## 2.6 Source of funding

The Purchase Consideration amounting to RM17.24 million will be satisfied via a combination of the Cash Consideration and the issuance of Consideration Shares at the Issue Price to PGB, further details of which are set out in **Section 2.5** of this Circular. For avoidance of doubt, the Purchase Consideration does not involve a profit guarantee.

The Cash Consideration shall be funded via internally generated funds and/or bank borrowings. Strictly for illustrative purposes only, the breakdown of proportion of the Cash Consideration are expected in the following manner:-

Source of funding	(RM'000)	%
Internally generated funds	1,724	10.0
Bank borrowings	12,068	70.0
<b>Total Cash Consideration</b>	<b>13,792</b>	<b>80.0</b>
Issuance of Consideration Shares	3,448	20.0
<b>Total Purchase Consideration</b>	<b>17,240</b>	<b>100.0</b>

As at 30 November 2025, the cash and bank balances of our Group amounts to approximately RM5.20 million.

## 2.7 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSA, there are no other liabilities, including contingent liabilities and/or guarantees, to be assumed by our Group arising from the Proposed Acquisition.

The Sale Shares shall be acquired free from all encumbrances, liens, charges and together with all rights, benefits and entitlements attached hereto.

## 2.8 Additional financial commitment required

Upon completion of the Proposed Acquisition, there are no additional financial commitments to be incurred by our Group to put the business of Maxflo on-stream in view that Maxflo is already an on-going business entity with an established historical profit track record as set out in **Appendix III** of this Circular.

## 2.9 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing RLEB Shares, save and except that the Consideration Shares shall not be entitled to participate in any dividends, rights, allotment and/or other distributions where the entitlement date precedes the relevant date of allotment and issuance of the Consideration Shares.

## 2.10 Listing of and quotation for the Consideration Shares

Bursa Securities had, vide its letter dated 9 December 2025, approved the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 12** of this Circular.

## 3. DETAILS OF THE PROPOSED ESOS 2021 TERMINATION

On 28 July 2021, our Company had implemented the ESOS 2021 entailing the issuance of up to \*30% of the total number of issued shares of RLEB (excluding treasury shares, if any). The ESOS 2021 is effective for a period of 5 years and shall expire on 27 July 2026 in accordance with the ESOS 2021 By-Laws.

### Note:-

\* The maximum number of RLEB Shares to be issued pursuant to the ESOS 2021 was subsequently amended to 15% of the total number of issued RLEB Shares (excluding treasury shares, if any) pursuant to the transfer of RLEB's listing status from the ACE Market of Bursa Securities to the Main Market of Bursa Securities on 27 June 2022.

On 26 May 2023, our Company had offered a total of 43,356,750 ESOS 2021 Options, a total of which 21,541,725 have been granted to the Eligible Persons at an exercise price of RM0.2756 per ESOS 2021 Option. As at the LPD, a total of 17,342,425 ESOS 2021 Options remain outstanding and unexercised, further details of which are set out below:-

<b>Description</b>	<b>Total no. of ESOS 2021 Options</b>	<b>Board</b>	<b>Key senior management</b>	<b>Other eligible employees</b>
ESOS 2021 Options granted	21,541,725	12,271,350	6,135,675	3,134,700
ESOS 2021 Options exercised	105,000	-	-	105,000
ESOS 2021 Options lapsed	4,094,300	3,600,000	200,000	294,300
Outstanding ESOS 2021 Options unexercised	17,342,425	8,671,350	5,935,675	2,735,400

Based on the above, the ESOS 2021 Options granted to our Board, key senior management and other eligible employees represents approximately 28.30%, 14.15% and 7.23% based on the total number of ESOS 2021 Options offered of 43,356,750 ESOS 2021 Options, respectively.

Our ESOS 2021 committee does not intend to offer any further ESOS 2021 Options. In addition, the exercise price of ESOS 2021 Options is currently “out-of-the-money”. Pursuant thereto, our Board proposes to terminate the ESOS 2021 and replace it with the Proposed LTIP.

According to ESOS 2021 By-Laws, our Company may, at any time, terminate the ESOS 2021 provided an announcement is made to Bursa Securities on the following information:-

- (i) the effective date of termination;
- (ii) the number of ESOS 2021 Options exercised or shares vested; and
- (iii) the reasons for termination.

Upon termination of the ESOS 2021, with effect on and from the date of termination:-

- (i) no further grant shall be made by the ESOS 2021 committee;
- (ii) all offers which have yet to be vested and/or accepted by any Eligible Person shall automatically lapse; and
- (iii) all unexercised or partially exercised ESOS 2021 Options shall automatically lapse.

For the avoidance of doubt, the Proposed ESOS 2021 Termination does not require any approval from the existing grantees or our shareholders under the ESOS 2021 By-Laws, and the information in relation to the Proposed ESOS 2021 Termination is included in this Circular for information purposes only.

The effective date for the Proposed ESOS 2021 Termination will be determined and announced at a later date by our Board after obtaining all the relevant approvals for the Proposed LTIP. For clarification purposes, the Proposed LTIP will only be implemented after the completion of the Proposed ESOS 2021 Termination.

#### 4. DETAILS OF THE PROPOSED LTIP

The Proposed LTIP entails the proposed establishment and implementation of an LTIP comprising a Proposed ESOS and Proposed SGS, where the aggregate number of RLEB Shares made available under the Proposed ESOS and Proposed SGS shall be a maximum of 15.0% of the total number of RLEB Shares (excluding treasury shares) at any point in time during the duration of the Proposed LTIP for the Eligible Persons.

The Proposed LTIP, which shall be governed by the LTIP By-Laws, is intended to attract, retain, motivate and reward the Eligible Persons through the following:-

- (i) the Proposed ESOS, which allows our Company to award ESOS Options; and
- (ii) the Proposed SGS, which allows our Company to award SGS Awards.

The Proposed LTIP will be administered by the LTIP Committee. The LTIP will comprise of such number of Directors and/or senior management of our Group to be identified and appointed by our Board from time to time. The LTIP Committee will have the sole and absolute discretion in administering the Proposed LTIP in accordance with the LTIP By-Laws and the terms of reference of the LTIP Committee.

For the avoidance of doubt, the LTIP Committee may in its sole and absolute discretion determine whether the granting of LTIP Awards to the Eligible Persons will be staggered over the duration of the Proposed LTIP or in 1 single grant and/or whether the LTIP Awards are subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance target.

For information purposes, the composition of our Company's ESOS 2021 committee are set out below:-

Name	Designation
Thien Chiet Chai	Chairman
Dato' Wan Hassan Bin Mohd Jamil	Member
Elain Binti Lockman	Member
Mad Haimi Bin Abu Hassan	Member
Bong Leong Sung	Member
Wan Nurnaimi Binti Wan Mohamad	Member

For clarification purposes, the members of our Company's ESOS 2021 committee shall continue as the members of the LTIP Committee under the Proposed LTIP.

Further, in implementing the Proposed LTIP, the LTIP Committee may, in its sole and absolute discretion, decide that the LTIP Awards shall be satisfied by any of the following methods:-

- (i) the Proposed ESOS by way of allotment and issuance of new Shares;
- (ii) the Proposed SGS by way of:-
  - (a) acquisition and/or transfer of existing RLEB Shares from the open market of Bursa Securities; or
  - (b) acquisition and/or transfer of the treasury shares held by our Company;
- (iii) payment of cash in lieu of (i) and (ii) above;
- (iv) any other methods as may be permitted by the Act, the Listing Requirements or any other applicable laws or regulations, as amended from time to time and any re-enactment thereof; or
- (v) a combination of any of the above.

In determining the mode of satisfaction set out above, the LTIP Committee will take into consideration, amongst others, factors such as the prevailing market price of the RLEB Shares, funding requirements of our Group, dilutive effects of any such issuance on our Company's share capital base, future returns and potential cost arising from the grant and vesting of the LTIP Awards as well as any applicable laws, regulatory requirements and/or administrative constraints, if relevant.

In the event that any applicable laws, regulatory requirements and/or administrative constraints prevent or restrict the ability of our Company to expediently settle the LTIP Awards via the issuance or transfer of our Shares (including treasury shares, if any), the LTIP Committee may, at its sole discretion, consider the settlement of such LTIP Awards in cash in lieu of our Shares ("**Alternative Settlement**") which shall be calculated as follows:-

- (i) in respect of an ESOS Option, the aggregate market value of RLEB Shares to be delivered in respect of the ESOS Option so exercised less the aggregate exercise price of such ESOS Option so exercised ("**Differential Amount**"). If the Differential Amount yields a negative amount, the total amount to be paid by us is nil. For avoidance of doubt, if the exercise price is delivered to us for the exercise of the said ESOS Option, the relevant exercise price will be returned to the LTIP Participant exercising such ESOS Option; and
- (ii) in respect of an SGS Award, the aggregate market value of the RLEB Shares to be delivered to the LTIP Participant.

The Alternative Settlement will give our Company the flexibility to satisfy the LTIP Awards in an expedient, fair and equitable manner whereby:-

- (i) the reference price used to determine the amount to be paid to the affected LTIP Participant will be based on the market value of our Shares after taking into consideration, among others, the VWAP of our Shares for such period preceding or following such date as our Board shall at its absolute discretion determine; and
- (ii) with the cash amount received from the Alternative Settlement, the affected LTIP Participant may choose to invest, in whole or in part, the equivalent cash amount in our Shares or any other investments based on his/her investment objective.

Premised on the above, our Board is of the view that the Alternative Settlement is fair and equitable to the LTIP Participants.

For the purposes of facilitating the implementation and administration of the Proposed LTIP, our Company may (but shall not be obliged to) establish a trust to be administered by a trustee to be appointed by our Company for the Proposed LTIP from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to the Grantees at such times as the LTIP Committee shall direct ("**Trust**"). For this purpose, the Trustee may, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from our Group and/or any third party to be paid into the bank accounts to be established by the Trustee for the purpose of the Trust as the Trustee may direct for any such payment. The LTIP Committee shall have the discretion to revoke or suspend any such direction that has earlier been given to the Trustee.

The Trustee, if and when the Trust is established, shall administer the Trust in accordance with the terms of a trust deed to be entered into between our Company and the Trustee constituting the Trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.

Our Company shall have power from time to time, at any time, to appoint or rescind or terminate the appointment of the Trustee as it deems fit in accordance with the provisions of the Trust Deed. Our Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

#### **4.1 Salient terms of the Proposed LTIP**

##### **4.1.1 Maximum number of RLEB Shares available under the Proposed LTIP**

The maximum number of RLEB Shares which may be made available under the Proposed LTIP shall be a maximum of 15.0% of the total number of issued RLEB Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP.

In the event the aggregate number of Shares which may be awarded under the Proposed LTIP exceeds the Maximum RLEB Shares at any point in time as a result of our Company purchasing or cancelling Shares in accordance with the provisions of the Act or undertaking any corporate proposal(s) resulting in the reduction of our Company's total number of issued Shares, no further LTIP Awards shall be granted by the LTIP Committee until such aggregate number of Shares already awarded under LTIP Awards falls below the Maximum RLEB Shares. During this period, entitlement to the Shares arising from LTIP Awards which have already been granted at that point in time shall remain valid and exercisable in accordance with the provisions of the LTIP By-Laws.

In the case of a transfer of treasury shares and/or RLEB Shares to the Eligible Persons under the Proposed LTIP, the LTIP Committee will use all reasonable efforts to ensure that our Company have sufficient treasury shares and/or RLEB Shares, as the case may be, to satisfy the LTIP Awards made during the duration of the Proposed LTIP.

##### **4.1.2 Basis of allotment and maximum allowable allotment**

Subject to the LTIP By-Laws, the aggregate number of RLEB Shares that may be offered, allotted and issued to any of the Eligible Persons under the Proposed LTIP shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, amongst other factors, the position, ranking, performance, seniority, the number of years of service, contribution and potential contribution to the continued success of our Group of the said Eligible Person and/or such other matters that the LTIP Committee may in its sole and absolute discretion deem fit and shall be subject to the following:-

- (i) the Eligible Person who is also a member of the LTIP Committee, do not participate in the deliberation or discussion of their respective allocation of LTIP Awards and the allocation of LTIP Awards to any persons connected with them, if any;
- (ii) the allocation to an Eligible Person who, either singly or collectively through persons connected to the Eligible Person, holds 20% or more of the total number of issued RLEB Shares (excluding treasury shares, if any), must not exceed 10% of the Maximum RLEB Shares; and
- (iii) not more than 70% of the Maximum RLEB Shares shall be allocated, in aggregate, to the Directors and senior management of our Group (excluding dormant subsidiaries) on the basis that they are crucial to the performance of our Group as determined by the LTIP Committee at their sole and absolute discretion.

#### 4.1.3 Eligibility

Subject to the discretion of the LTIP Committee, only Eligible Persons who meet the following criteria as at the LTIP Award Date are eligible to participate in the Proposed LTIP:-

- (i) in respect of an employee, the employee must fulfil the following criteria:-
  - (a) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (b) is employed on a full-time basis and has been in the employment of our Company or any company in our Group for such period as may be determined by the LTIP Committee prior to and up to the LTIP Award Date and has not served a notice to resign nor received a notice of termination;
  - (c) employment has been confirmed in writing prior to and up to the LTIP Award Date and is not under any probationary period;
  - (d) he/ she is serving in a specific designation under the employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the LTIP Committee; and/or
  - (e) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.
- (ii) in respect of a Director, the Director must fulfil the following criteria:-
  - (a) has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (b) he/ she has been appointed as a Director of our Company or any company in our Group (including Executive or Non-Executive and/or independent or non-independent Directors of RLEB but shall not include alternate and/or substitute Directors or any Director of any other company within our Group which is dormant) for such period as may be determined by the LTIP Committee prior to and up to the LTIP Award Date and has not served a notice to resign nor received a notice of termination and in the case of the Proposed SGS comprised in the Proposed LTIP, he/she shall be an executive Director of our Group as at the LTIP Award Date; and/or
  - (c) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time,

provided always that the selection of any Director or employee for participation in the Proposed LTIP and the number of LTIP Awards to be offered to an Eligible Person under the Proposed LTIP shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

However, eligibility does not confer an Eligible Person a claim or right to participate in or any rights whatsoever under the Proposed LTIP and an Eligible Person does not acquire or have any rights over or in connection with the LTIP Awards or the new or existing RLEB Shares comprised in the Proposed LTIP unless an LTIP Award pursuant to an Award Letter and the Eligible Person has accepted the LTIP Award and has fulfilled the conditions in the LTIP Award (if any). The selection of any Eligible Person to participate in the Proposed LTIP shall be at the discretion of the LTIP Committee whose decision shall be final and binding.

For the avoidance of doubt, non-executive Directors shall only be eligible to participate in the Proposed ESOS comprised in the Proposed LTIP. The granting of ESOS Options to our non-executive Directors (including independent) are intended to: (i) recognise their services and commitment; (ii) align their interests with shareholders by enabling them to participate in the future growth and value creation of our Group; and (iii) help our Company attract and retain capable persons with the requisite skills, experience and independence to serve on our Board.

The LTIP Committee will ensure that any aggregate allocation to our non-executive Directors will not, individually or collectively, represent a disproportionate portion of the LTIP pool and will take into account potential shareholding concentration upon full exercise. In addition, the non-executive Directors who participate in the ESOS will abstain from deliberations or voting on resolutions relating to their respective Proposed Allocation of ESOS Options or Proposed Allocations to persons connected to them. Shares obtained from exercise of the options by non-executive Directors will be subject to a minimum holding period of one year from the date of the Award Letter, during which they shall not sell, transfer or assign such shares, in line with our Company's commitment to long-term shareholder value. Our Board is of the opinion that this structure provides a fair recognition of the contributions of our non-executive Directors' and does not compromise independence, objectivity or the ability of the Directors to act in the best interests of the Company.

#### **4.1.4 Duration of the Proposed LTIP**

The Proposed LTIP shall be in force for a duration of 5 years commencing from the effective date of implementation of the Proposed LTIP ("**Scheme Period**"), being the date of full compliance with all relevant provisions of the Listing Requirements in relation to the Proposed LTIP by our Company, as more particularly set out in the LTIP By-Laws. The Proposed LTIP may be extended for a period of up to another 5 years, provided that the tenure of the Proposed LTIP shall not, in aggregate, exceed a duration of 10 years from the effective date of implementation of the Proposed LTIP.

For the avoidance of doubt, no further approvals are required from the shareholders of our Company for the extension of the Scheme Period that our Company shall serve appropriate notices on each LTIP Participant and/or make the necessary announcements to any and/or all the aforementioned parties within 30 days prior to the expiry of the Proposed LTIP and that Bursa Securities shall be informed of such extended Proposed LTIP.

#### **4.1.5 Basis of determining the exercise price for the ESOS Options and the reference price of the SGS Awards**

Subject to any adjustments made under the LTIP By-Laws and pursuant to the Listing Requirements, the exercise price per ESOS Option in respect of any offer made under the Proposed ESOS comprised in the Proposed LTIP, shall be determined by the LTIP Committee based on the 5-day VWAP of RLEB Shares immediately preceding the date of the Award Letter, with a discount of not more than 10.0%. The exercise price per ESOS Option as determined in the manner set out above shall be conclusive and binding on the LTIP Participant.

The reference price of the Shares to be transferred to the Eligible Persons upon vesting of the SGS Awards comprised in the LTIP Awards will be determined based on the fair value of the Shares after taking into account, among others, the 5-day VWAP of RLEB Shares immediately preceding the date of the Award Letter, with a discount of not more than 10.0%.

#### **4.1.6 Ranking of the new RLEB Shares to be issued and/or the existing RLEB Shares to be transferred**

The new Shares to be allotted and issued under the Proposed LTIP pursuant to the exercise of the ESOS Options shall, upon allotment, issuance and full payment (if any), rank equally in all respects with the existing RLEB Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution (made or paid to ordinary shareholders) where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution (made or paid to ordinary shareholders) precedes the relevant date of allotment and issuance of the new RLEB Shares.

In the event that any existing Shares are to be transferred to the LTIP Participants, the existing Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the entitlement date of which is on or after the date the Shares are credited to the Central Depository System accounts of the relevant LTIP Participants.

The Shares to be allotted and issued and/or transferred pursuant to the Proposed LTIP will be subjected to all provisions of the constitution of our Company and such amendments thereafter, if any.

#### **4.1.7 Retention period**

The LTIP Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on the transfer of the Shares to be issued and/or transferred (vide treasury shares) pursuant to the Proposed LTIP as it deems fit.

Notwithstanding the above, an Eligible Person who is a non-executive Director must not sell, transfer or assign Shares obtained through the exercise of the ESOS Options comprised in the LTIP Awards within 1 year from the date of the Award Letter pursuant to Paragraph 8.20 of the Listing Requirements.

#### **4.1.8 Listing of and quotation for the new RLEB Shares to be issued pursuant to the Proposed ESOS comprised in the Proposed LTIP**

Bursa Securities had vide its letter dated 9 December 2025, approved the listing of and quotation such number new RLEB Shares, representing up to 15% of the total number of issued Shares, which may be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities, subject to the conditions stated in **Section 12** of this Circular.

#### **4.2 Details of the Proposed Allocation**

Paragraph 6.06(1) of the Listing Requirements states that our Company must not issue any Shares to our Directors, major shareholders or chief executive or persons connected with them who is an Eligible Person unless our shareholders have approved the specific allotment to be made to them in a general meeting. Accordingly, our Company wishes to seek the approval of our shareholders at the forthcoming EGM for the Proposed Allocation for the following Directors and major shareholder:-

No.	Name	Designation
1.	Datuk Tai Hee	Non-Independent Non-Executive Chairman
2.	Thien Chiet Chai	Non-Independent Executive Deputy Chairman
3.	Dato' Wan Hassan Bin Mohd Jamil	Group Chief Executive Officer / Managing Director
4.	Dato' Ahmad Rizal Bin Abdul Rahman	Independent Non-Executive Director
5.	Elain Binti Lockman	Independent Non-Executive Director
6.	Rewi Hamid Bugo	Independent Non-Executive Director
7.	Mad Haimi Bin Abu Hassan	Chief Executive Officer of RLSB

### 4.3 Details of past fund-raising exercises undertaken by our Company for the past 12 months

Save as disclosed below, our Company has not undertaken any equity fund-raising exercises during the preceding 12 months from the date of this Circular:-

- (i) our Company had, on 26 March 2025, announced to undertake the Private Placement 2025. As at the LPD, we had placed out 27,460,000 new RLEB Shares in the following tranches to independent third party investors:-

Date of listing	Issue price (RM)	No. of new RLEB Shares	Proceeds raised (RM)
17 April 2025	0.315	14,500,000	4,567,500
29 April 2025	0.315	11,460,000	3,609,900
21 May 2025	0.315	1,500,000	472,500
<b>Total</b>		<b>27,460,000</b>	<b>8,649,900</b>

Our Company had submitted an application for an extension of time to complete the Private Placement 2025 on 19 September 2025. Subsequently, on 1 October 2025, Bursa Securities had resolved to grant our Company an extension of time of 6 months until 6 April 2026 to complete the implementation of the Private Placement 2025. As at the LPD, a balance of 5,896,300 Shares (which is based on the minimum scenario as disclosed in the announcement dated 26 March 2025 in relation to the Private Placement 2025) are pending to be issued to identified third party investors.

The status of the utilisation of the gross proceeds raised from the Private Placement 2025 is as set out below:-

Details of utilisation	Targeted proceeds raised (RM'000)	Actual proceeds raised (RM'000)	Reallocation (RM'000)	Actual amount utilised (RM'000)	Timeframe for utilisation of proceeds
Initial Acquisition <sup>(1)</sup>	7,390	7,390	-	7,390	Within 12 months from receipt of funds
Working capital <sup>(2)</sup>	2,982	1,180	<sup>(3)</sup> 220	1,180	Within 12 months from receipt of funds
Estimated expenses for the Private Placement 2025 <sup>(4)</sup>	300	80	<sup>(3)</sup> (220)	80	Upon completion of the Private Placement 2025
<b>Total</b>	<b>10,672</b>	<b>8,650</b>	<b>-</b>	<b>8,650</b>	

**Notes:-**

- (1) Our Company had utilised approximately RM7.39 million of the proceeds raised from the Private Placement 2025 to fully fund the Initial Acquisition.

As announced on 24 March 2025, the highest percentage ratio pursuant to Paragraph 10.02(g) of the Listing Requirements in respect of the Initial Acquisition is 8.62%. As such, the Initial Acquisition was not subject to the approval of our shareholders. The Initial Acquisition was subsequently completed on 2 May 2025. Further details of the Initial Acquisition are set out in **Appendix IV** of this Circular.

- (2) Our Group had utilised approximately RM1.18 million of the placement proceeds for the working capital requirements mainly for its renewable energy activities, comprising of payment of financing charges, staff related costs (i.e. payment of salaries, wages and staff welfare) and general administrative expenses (i.e. payment of rent and utilities, insurance costs, and legal and professional fees).
- (3) Proceeds of approximately RM0.22 million was reallocated to working capital requirements in manner stated in **Note (2)** above.
- (4) The expenses comprises of fees payable to the relevant authorities, advisory and placement fees as well as other miscellaneous expenses incurred pursuant to the Private Placement 2025.

## **5. UTILISATION OF PROCEEDS**

Our Company will receive proceeds as and when the ESOS Options are exercised under the Proposed ESOS. However, the actual amount of proceeds will be dependent on the number of ESOS Options granted and exercised at the relevant point in time and the amount payable upon the exercise of the ESOS Options. As such, the exact amount of proceeds to be received cannot be determined at this juncture.

The proceeds arising from the exercise of the ESOS Options as and when received will be utilised for the working capital requirements of our Group, which may include the day-to-day operations, amongst others, repayment to trade creditors, purchase of input materials, general expenses such as but not limited to staff costs, rental and utilities. The proceeds are expected to be utilised within 12 months from the receipt of such proceeds throughout the tenure of the Proposed LTIP. However, the proceeds to be utilised for each component of working capital requirements are subject to the operating and funding requirements of our Group at the point of utilisation and therefore cannot be determined at this juncture.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund our Group's working capital requirement.

Our Company will not receive any proceeds pursuant to the Proposed SGS as the Eligible Persons will not be required to pay for the RLEB Shares to be transferred to them pursuant to the SGS Award.

## **6. RATIONALE AND JUSTIFICATION OF THE PROPOSALS AND PROPOSED ESOS 2021 TERMINATION**

### **6.1 Proposed Acquisition**

As set out in the announcement dated 10 April 2025 for the Initial Acquisition, our Group is able to tap into the Middle East market via Maxflo's established relationships with overseas customers in Saudi Arabia as well as extensive expertise, such as in enhanced oil recovery and improved oil recovery technologies thus further strengthening our Group's competitive position in the region. Further, Maxflo will serve as our strategic launchpad for expansion into key Middle East markets, specifically the United Arab Emirates, Oman and Qatar. From a tendering standpoint, the synergy resulting from full ownership of Maxflo is expected to enhance competitiveness and standing in tenders issued by customers located in the Middle East. Following the Initial Acquisition, our Group was able to assess Maxflo's operational capabilities, key customer relationships, and internal processes. The early integration has highlighted significant opportunities for cost efficiencies, optimisation of workflow, and leveraging shared expertise, which can be fully realised through full ownership. Accordingly, our Group decided to acquire the remaining 70% stake a few months after the Initial Acquisition.

The Proposed Acquisition will also allow our Group to establish a cost-effective supply chain through strategic resource integration including the cross border sharing of manpower. Maxflo's Saudi Arabia operations which currently employs 19 personnel comprising management, technical, engineering, operations and administrative staff, are supported by a diverse workforce comprising personnel from Malaysia, India, Thailand, countries of the Gulf Cooperation Council, Nigeria, and Sudan. The crews are versatile and can be rapidly mobilised for projects outside Saudi Arabia or Malaysia, enabling Maxflo to deploy the right expertise whenever needed. This flexibility ensures seamless operational continuity, reduces idle time, improves manpower utilisation, and supports cost-efficient, effective workforce management, ultimately giving Maxflo operational agility and competitive advantage. This multicultural and multidisciplinary workforce forms one of Maxflo's key operational strengths.

The Middle East remains one of the world's most active upstream oil and gas regions, underpinned by significant and sustained capital expenditure by national oil companies, ongoing brownfield optimisation projects, well workovers, integrity programmes and intervention activities, as well as a substantial and stable rig base. In Saudi Arabia alone, approximately 70–120 rigs support workover, completion, and intervention operations. Countries such as Saudi Arabia, Qatar, the United Arab Emirates, and Oman continue to implement multi-year drilling and production enhancement programmes, creating steady long-term demand for specialised well services, including those provided by our Group. In light of this outlook, our Group is well positioned to strengthen its presence in the Middle East, expand its service offerings, and leverage Maxflo's existing operations and expertise to capture opportunities arising from ongoing and future projects in the region.

For information purposes Maxflo recorded a revenue of RM16.74 million and a lower PAT of RM1.61 million in FYE 30 June 2025. Despite the decrease in PAT, our Board views based on the established track record of Maxflo with its key customers and ongoing tender book discussions, management expects a positive improvement in Maxflo's financial performance going forward leveraging on the combined experience and technical expertise of our enlarged Group and the overall prospects of the O&G industry.

The Proposed Acquisition serves to increase our Group's equity stake in Maxflo thus allowing for the full consolidation and control over Maxflo's financial performance, business operations and future direction.

In addition, the Proposed Acquisition will be partially satisfied via the issuance of 18,688,347 Consideration Shares, further details of which are set out in **Section 2.5** of this Circular, thus allowing our Group to acquire Maxflo whilst conserving its cash resources and enhancing our Group's asset base as compared to a full settlement via cash and/or bank borrowings.

## **6.2 Proposed ESOS 2021 Termination**

In accordance with the ESOS 2021 By-Laws, subject to compliance with the requirements of the relevant authorities, our Company may establish a new share option scheme after the expiry of the ESOS 2021 or if the ESOS 2021 has been terminated during its duration.

Our Company believes that it is important to continue rewarding, to retain and motivate our Group's employees in the long term. In this respect, our Company proposes to undertake the Proposed ESOS 2021 Termination and implement the Proposed LTIP. The Proposed LTIP combines both components of the Proposed ESOS and Proposed SGS into a single framework, thus providing our Company with greater flexibility in designing performance and tenure-based incentives that can be tailored to different employee categories, roles and performance outcomes. Hence, the Proposed ESOS 2021 Termination and the Proposed LTIP allows our Company to implement a fresh scheme of up to 5 years period with a maximum allocation of up to 15% of the total number of issued Shares to align with our Group's long-term reward and compensation package of our employees against the long-term growth objectives of our Group.

### 6.3 Proposed LTIP

The Proposed LTIP will replace the ESOS 2021 and enable us to offer ESOS Options and/or SGS Awards to Eligible Persons. The Proposed LTIP primarily serves to align the interests of the Eligible Persons to the corporate goals of our Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in our Company and help achieve the positive objectives as set out below:-

- (i) to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for our Group;
- (ii) to retain, motivate and reward the Eligible Persons by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of RLEB Shares upon disposal;
- (iii) to align the interests of Eligible Persons with that of the shareholders through the achievement of our Group's objectives and plans;
- (iv) to attract prospective employees with relevant skills and experience to our Group by making compensation packages offered more competitive; and
- (v) to foster and reinforce the Eligible Persons' loyalty and sense of belonging to our Group by enabling them to participate directly in our Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of our Group.

The Proposed ESOS comprised in the Proposed LTIP is also extended to non-executive Directors of our Group in recognition of their contributions towards the growth and performance of our Group. For the avoidance of doubt, the Proposed SGS shall not be extended to the non-executive Directors of our Group.

## 7. INDUSTRY OVERVIEW AND PROSPECTS

### 7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

On the supply side, growth was led by the services and manufacturing sectors. Growth in the services sector was mainly contributed by consumer-related sub-sectors, while the manufacturing sector's performance was driven by stronger production in electrical and electronics (E&E) and consumer-related goods. Meanwhile, the mining and quarrying sector rebounded, reflecting a recovery in crude oil and natural gas production post-scheduled maintenance work. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.4% (2Q 2025: 2.2%).

Headline inflation remained stable at 1.3%, while core inflation increased to 2% (2Q 2025: 1.3% and 1.8%, respectively). While the higher core inflation added impetus to headline inflation during the quarter, this was offset by declines in selected administered prices. In particular, electricity (-4.6%; 2Q 2025: 0%) and diesel (-5%; 2Q 2025: 8%) prices were lower during the quarter, in line with the recent electricity tariff restructuring and moderate global cost conditions. Inflation pervasiveness, measured by the share of CPI items registering monthly price increases, edged higher to 43.8% during the quarter (2Q 2025: 41.8%), while remaining below the historical average of 44.5%.

*(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2025, Bank Negara Malaysia)*

## 7.2 Overview and outlook of the oil and gas industry in Malaysia

The mining sector contracted by 3.9% in the first half of 2025 with subdued performance in all subsectors. The natural gas subsector declined by 5%, weighed down by lower output across all regions. The crude oil and condensate subsector fell by 3.1% stemming from supply disruptions particularly in Sabah. Meanwhile, the other mining & quarrying and supporting services subsector shrank marginally by 0.5%, mainly reflecting weaker activities in the supporting services segment.

The mining sector is forecast to rebound by 6.2% in the second half of 2025, driven by higher production in the natural gas subsector. This will be contributed by a spike in production attributed to the stabilisation of operations at the Kasawari and Jerun gas fields in Sarawak. Additionally, the crude oil and condensate subsector performance is envisaged to grow following higher output from Sabah and Sarawak. The other mining & quarrying and supporting services subsector is also anticipated to expand on the back of increased supporting services activities. The sector is estimated to grow by 1.1% for the year. In terms of price, the average Brent crude oil is expected to be around USD70 per barrel, amid greater geopolitical uncertainties.

In 2026, the mining sector is projected to contract by 1%, reflecting subdued performance across all subsectors. The natural gas subsector is projected to decline, primarily due to lower production in Peninsular Malaysia and Sabah as well as moderating demand from major importing countries such as Japan, China and the Republic of Korea. Overall, natural gas production is expected to be slower, despite the scheduled commencement of several new projects, including Rosmari & Marjoram in Sarawak as well as Irong Timur and Kurma Manis in Terengganu. Meanwhile, the crude oil and condensate subsector is projected to decline, weighed down by lower output in Sabah. In terms of price, Brent crude oil is expected to average between USD60 and USD65 per barrel.

*(Source: Economic Outlook 2026, Ministry of Finance Malaysia)*

## 7.3 Overview and outlook for the renewable energy industry in Malaysia

Malaysia's energy landscape is being transformed through the development of flagship renewable energy projects. The Hybrid Hydro-Floating Solar ("HHFS") in Terengganu will be Malaysia's largest hybrid solar-hydro facility, with the launch of a 100 kilowatt capacity pilot project. Complementing this is the Kenyir green hydrogen hub, a collaborative venture between PETRONAS and Tenaga Nasional Berhad, which will produce green hydrogen using renewable energy from the HHFS. Both the Kenyir HHFS and green hydrogen hub will be part of the Kenyir-Kerteh Corridor and linked to the ASEAN Power Grid, thereby enhancing regional energy trade.

Furthermore, the energy sector is prioritising renewable energy initiatives including large-scale solar, hydropower and HHFS Photovoltaic systems. Together, these efforts aim to strengthen the nation's energy security and support Malaysia's transition to a low-carbon economy. These initiatives collectively reflect a deliberate strategy to leverage public investment as a catalyst for sustainable and inclusive growth.

*(Source: Economic Outlook 2026, Ministry of Finance Malaysia)*

Moving forward, Malaysia aims to achieve a higher RE growth, from the existing 23% or 8.45 GW RE in its power installed capacity. Malaysia Renewable Energy Roadmap (MyRER) projected to increase the share of RE to 31% or 12.9 GW in 2025, and 40% or 18.0 GW in 2035. The RE Initiatives under this roadmap are expected to support Malaysia's commitment to GHG emission reduction under the Paris Agreement led by the United Nations Framework Convention on Climate Change (UNFCCC). Malaysia's global climate commitment is to reduce its economy-wide carbon intensity (against gross domestic product) of 45% in 2030 compared to 2005 level. Realization of the Government's vision is crucial in supporting the nation to achieve its Nationally Determined Contributions (NDC) targets.

*(Source: Malaysia Renewable Energy Roadmap, Sustainable Energy Development Authority Malaysia)*

## 7.4 Overview and outlook for the oil and gas industry in the Middle East

Slower global growth, as higher tariffs began affecting growth and uncertainty remained elevated. Growth in United States of America was broadly sustained as resilient consumption offset slower investments. In China, property sector downturn and weak sentiments continued to weigh on growth.

Trade activity in regional economies eased. The moderation was largely accounted by lower trade in electrical and electronics (E&E), and machinery and equipment (M&E), after earlier surge to beat tariff deadlines.

Headline inflation edged lower, especially in emerging economies as agricultural prices fell due to higher supply of selected beverage crops (e.g. cocoa, coffee) and grains.

Brent crude oil price edged slightly higher to USD68 per barrel in 3Q 2025 (2Q 2025: USD67 per barrel), driven by resilient demand from emerging markets (i.e. India). Meanwhile, higher Organization of the Petroleum Exporting Countries (OPEC+) supply and easing geopolitical tensions in the Middle East limited further gains.

*(Source: Bank Negara Malaysia Quarterly Bulletin Vol.41 No.3; Third Quarter of 2025, Bank Negara Malaysia)*

In 2025, gasoline is projected to drive year on year oil demand growth on the back of strong driving mobility. Furthermore, jet/kerosene demand is expected to remain strong, bolstered by air travel demand. In terms of petrochemical feedstock, ongoing capacity additions are expected to support requirements for liquefied petroleum gas/ natural gas liquids and naphtha. Diesel demand is projected to benefit from construction activity in Saudi Arabia. However, residual fuel oil and the 'other products' category are expected to decline, year-on-year. Overall, oil demand in the region is projected to increase by 108 thousand barrels per day, year-on-year, to average 9.0 million barrels per day in 2025. The bulk of demand growth is expected to come from Saudi Arabia, Iraq and the United Arab Emirates.

In 2026, economic activity in the region is expected to remain robust, slightly surpassing 2025 levels, supported by the ongoing contribution of non-oil activity to regional gross domestic product. Similarly, government infrastructure-related spending and tourism are also expected to be steady. These factors, combined with solid petrochemical industry requirements and healthy mobility, are forecast to support oil demand growth of 160 thousand barrels per day, year-on-year. Overall, oil demand in the Middle East is projected to average 9.1 million barrels per day in 2026.

*(Source: Monthly Oil Market Report, November 2025, Organization of the Petroleum Exporting Countries)*

## 7.5 Prospects of our enlarged Group

Our Group is principally involved in the following business segments as at the LPD:-

Business segments	Description
Oil and gas related and other activities	Developing and providing oil and gas well related services, production enhancement services and sand management solutions
Renewable energy and related activities	Providing renewable energy activities and related business
Wastewater treatment services	Provision of wastewater treatment services as well as the EPCC of wastewater treatment plant and related infrastructure
Investment holding and other services	Investment holding, and supply of technical personnel and providing consultancy

Our Group generated its revenue from both the local and foreign markets which Malaysia contributed 88.7% followed by Indonesia which contributed 10.0% to the revenue of our Group for the FYE 30 June 2025.

Our O&G segment has traditionally been the mainstay of our Group's business. Following the acquisition of 51% equity interest in Founder Energy Sdn Bhd in August 2021, our Group began to generate considerable revenue/earnings from the renewable energy segment for the 18-month FPE 30 June 2023 and FYE 30 June 2024. However, the surge in revenue/earnings contribution from the renewable energy segment was temporary and with the reclassification of Founder Energy Sdn Bhd as an associate company in October 2024, and the Group no longer be able to consolidate Founder Group Limited's results following the dilution of our equity interest in Founder Group Limited, leading to the revenue/earnings contribution from this segment decreasing substantially for the FYE 30 June 2025. In terms of profit, the O&G segment is the primary profit contributor, which contributed a PBT of approximately RM6.73 million and RM9.65 million in FYE 30 June 2024 and FYE 30 June 2025, respectively.

Our Group's involvement in the renewable energy space aligns with the goals outlined in NETR, particularly as it has been selected, alongside Sumitomo Corporation and Maqo Engineering, as a solar power producer under the Corporate Green Power Programme, a renewable energy initiative that allows corporate consumers to virtually purchase solar energy from solar developers. This project could potentially provide new opportunities for our Group in sustainable energy sector.

Further enhancing its renewable energy portfolio, our Group could also potentially benefit from Malaysia's 5<sup>th</sup> Large Scale Solar ("LSS"), known as 'LSS PETRA' which offers 2,000 MW of capacity as part of Malaysia's commitment to achieving net-zero carbon emissions by 2050. RLEB Group intends to provide their support services as a subcontractor for the EPCC services to the successful bidder that was awarded the contract under the LSS.

As the energy landscape continues to shift, our Group is well-positioned to benefit from both traditional and renewable energy opportunities. The number of wells to be drilled is expected to rise slightly in 2025, whereas plugging and abandonment activities is expected to dip in 2025, before rebounding from 2026 onwards. For the next 3 years, decommissioning plans include the plugging and abandonment of approximately 153 wells and the abandonment of about 37 offshore facilities and 1 onshore facility relating to the section of the Sabah-Sarawak Gas Pipeline. Our Group is actively participating in decommissioning tenders and is well-positioned to secure a portion of the upcoming works, leveraging its proven well intervention expertise.

As disclosed in **Section 6.1** of this Circular, Maxflo has an established presence in the Middle East market, particularly with customers in Saudi Arabia. This provides our Group with the opportunity to expand their presence and diversifying its revenue streams thus leveraging on the track record, management expertise and customer base of Maxflo. This in turn fosters synergistic benefits such as an increased customer base from our enlarged Group and the sharing of workforce and production facilities to minimise costs and improve gross profit margins. Despite having limited exposure in the Middle East markets, we intend to expand into the Middle East market as the region offers strong and sustained demand for oilfield services such as well integrity, intervention and related services that align with our Group's core capabilities. Maxflo provides the necessary local presence, licensing structure and customer access to support a smooth expansion. This strategic expansion allows our Group to tap into a high-growth market, diversify its revenue base beyond Malaysia and deploy its existing well services expertise to capture larger regional opportunities while reducing reliance on a single market.

Upon completion of the Proposed Acquisition, Maxflo will become a wholly-owned subsidiary of our Group and the revenue and profit generated by Maxflo will contribute positively to the financial results of our Group.

Barring any unforeseen circumstances and taking cognisance of the above, our Board opines that the Proposed Acquisition augurs well with our Group's business expansion plans and remains optimistic regarding the future prospects of our enlarged Group.

Our Group remains committed to pursuing new tenders in both the O&G and renewable energy sectors, and is cautiously implementing business strategies that align with market trends, so as to achieve sustainable growth. Our Group is poised to leverage on its established expertise in O&G services and equipment while expanding into clean energy, reinforcing its resilience in an evolving industry.

*(Source: Management of RLEB)*

## **8. RISK FACTORS OF THE PROPOSED ACQUISITION**

Our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo) does not foresee any material risk pursuant to the Proposed Acquisition except for the inherent risk factors associated with the oil and gas and renewable energy industries, of which our Group is already involved in. Notwithstanding that, the potential risks that may have an impact on our Group pursuant to the Proposed Acquisition, which may not be exhaustive, are set out below:-

### **8.1 Non-completion risk**

The Proposed Acquisition is still subject to, amongst others, the approval of the shareholders of RLEB and PGB as well as the fulfilment of the conditions precedent in the SSA as disclosed in **Appendix I** of this Circular. In the event any of the conditions precedent in the SSA are not fulfilled or waived, the Proposed Acquisition may be delayed or terminated, and the potential benefits arising therefrom may not materialise.

We will take all reasonable steps to ensure the conditions are satisfied within the stipulated timeframe to ensure the completion of the Proposed Acquisition.

### **8.2 Acquisition risk**

There is no assurance that the anticipated benefits arising from the Proposed Acquisition will be realised after the completion of the Proposed Acquisition. Accordingly, there can be no assurance that the anticipated benefits from the Proposed Acquisition will be realised, and that our Group will be able to generate sufficient returns to offset the associated costs arising from its further investment arising from the Proposed Acquisition.

Nevertheless, our Group will constantly monitor the progress and performance of Maxflo and to leverage on its management expertise and experience to properly manage the operations of Maxflo.

### **8.3 Financing risk**

The Cash Consideration will be financed via a combination of internally generated funds and bank borrowings. Our ability to obtain external financing and the costs of such financing are dependent on numerous factors, including general economic conditions, interest rates, credit availability from the banks or other lenders, or any restriction imposed by the Government of Malaysia and political, social and economic conditions in Malaysia.

There can be no assurance that the necessary financing will be available in amounts or on terms acceptable to us. In addition, we could potentially be exposed to interest rate fluctuation on such external financing obtained, leading to higher borrowing costs that may adversely affect our financial performance, as well as our ability to service future loan repayment obligations.

Nevertheless, our management will actively review our debt portfolio, by taking into consideration the level, structure and nature of our borrowings and seeking to adopt cost effective and optimal mix of financing options.

#### **8.4 Impairment risk**

Our Company intends to perform an annual impairment test in accordance with the Malaysian Financial Reporting Standards. Goodwill may be recognised in relation to the Proposed Acquisition, the amount of which will depend on the fair value of the assets and liabilities as at the completion of the Proposed Acquisition. Any fair value adjustments allocated to the identifiable assets and liabilities of Maxflo subsequent to the initial recognition of the goodwill may result in an impairment on the goodwill recognised. While such impairment is a normal accounting consequence of acquisitions, depending on the quantum, there might potentially be a material and adverse effect on our enlarged Group's financial position and earnings.

Our Group seeks to mitigate such risk by closely monitoring the financial performance of Maxflo, implement appropriate reporting and review mechanisms, and take proactive steps to address any adverse developments that may affect the carrying value of goodwill.

#### **8.5 Geographical risk**

Our Group will be exposed to geographical risks, in particular the Middle East region. Operations in these jurisdictions are subject to various risks, including but not limited to political and economic uncertainties, changes in government policies, regulatory requirements, trade restrictions, geopolitical tensions, security risks and potential disruptions to logistics and supply chains.

Any adverse developments in these markets may result in project delays, increased compliance costs, operational disruptions or termination of contracts, which could materially and adversely affect the financial performance and prospects of our Group.

#### **8.6 Dilution of the shareholdings of our existing shareholders**

The shareholdings of our existing shareholders will experience dilution in their existing shareholdings in our Company as a result of the issuance of the Consideration Shares pursuant to the Proposed Acquisition. Consequently, their proportionate entitlements to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid after completion of the Proposed Acquisition will correspondingly be diluted.

#### **8.7 Political, economic and regulatory risk**

The future growth and financial performance of Maxflo could be affected by changes in, amongst others, economic growth, taxation, accounting policies and standards, regulations, government policies and political stability.

Any adverse changes in these conditions could have a negative effect on the oil and gas industry and affect the financial performance and growth of Maxflo which will in turn affect Maxflo's profit contribution to our Group.

Our management is expected to adopt prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that adverse political, economic and regulatory changes will not materially affect Maxflo's business.

## 9. EFFECTS OF THE PROPOSALS

The pro forma effects of the Proposed LTIP on the issued share capital, NA, NA per Share, gearing, substantial shareholders' shareholdings, earnings and EPS of our Group are set out below based on the following:-

**Minimum Scenario** : Assuming none of the 9,300,000 treasury shares are resold to the open market, none of the outstanding Warrants and the outstanding ESOS 2021 Options are exercised, and none of the balance 5,896,300 Shares under the Private Placement 2025 are issued prior to the implementation of the Proposed LTIP, and the Proposed LTIP is implemented after the completion of the Proposed Acquisition.

**Maximum Scenario** : Assuming all of the 9,300,000 treasury shares are resold to the open market, none of the outstanding Warrants and the outstanding ESOS 2021 Options are exercised, and all of the balance 5,896,300 Shares under the Private Placement 2025 are issued prior to the implementation of the Proposed LTIP, and the Proposed LTIP is implemented after the completion of the Proposed Acquisition.

### 9.1 Issued share capital

The Proposed Acquisition involves the issuance of Consideration Shares and hence will have an effect on our issued share capital.

The Proposed LTIP will not have an immediate effect on the issued share capital of RLEB. The issued share capital of RLEB will increase progressively depending on the number of new RLEB Shares that are issued pursuant to the exercise of the ESOS Options. However, if existing Shares are to be transferred vide treasury shares or existing Shares to Eligible Persons pursuant to the Proposed LTIP, there will be no effect on the issued share capital of our Company.

For illustrative purposes, assuming the Maximum RLEB Shares are fully satisfied by way of allotment and issuance of new RLEB Shares under the Proposed ESOS of the Proposed LTIP at a single point of time, the pro forma effects of the Proposed Acquisition and Proposed LTIP on our issued share capital are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	362,423,000	69,985,043	362,423,000	69,985,043
(Less): treasury shares	(9,300,000)	(2,124,464)	-	-
	<b>353,123,000</b>	<b>67,860,579</b>	<b>362,423,000</b>	<b>69,985,043</b>
New Shares to be issued pursuant to the Proposed Acquisition	18,688,347	<sup>(1)</sup> 3,448,000	18,688,347	<sup>(1)</sup> 3,448,000
<b>Issued share capital after the Proposed Acquisition</b>	<b>371,811,347</b>	<b>71,308,579</b>	<b>381,111,347</b>	<b>73,433,043</b>
New Shares to be issued pursuant to the Private Placement 2025	-	-	5,896,300	<sup>(2)</sup> 1,090,816
<b>Issued share capital after the Private Placement 2025</b>	<b>371,811,347</b>	<b>71,308,579</b>	<b>387,007,647</b>	<b>74,523,859</b>
New Shares to be issued pursuant to the Proposed LTIP	<sup>(3)</sup> 55,771,702	<sup>(4)</sup> 10,317,765	<sup>(3)</sup> 58,051,147	<sup>(4)</sup> 10,739,462
<b>Enlarged issued share capital</b>	<b>427,583,049</b>	<b>81,626,344</b>	<b>445,058,794</b>	<b>85,263,321</b>

**Notes:-**

- (1) Computed based on the Issue Price of RM0.1845 per Consideration Share.
- (2) Based on an illustrative issue price of RM0.185 per Share, which represents a discount of approximately 9.54% to the 5-day VWAP up to and including the LPD, of RM0.2045 per RLEB Share.
- (3) For the avoidance of doubt, the maximum number of new RLEB Shares, which may be allotted and issued pursuant to the Proposed ESOS comprised in the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP.
- (4) Based on an illustrative exercise price of RM0.185 per ESOS Option, which represents a discount of approximately 9.54% to the 5-day VWAP up to and including the LPD, of RM0.2045 per RLEB Share.

## 9.2 NA, NA per Share and gearing

### 9.2.1 Proposed Acquisition

For illustration purposes, based on our latest audited consolidated financial statements as at 30 June 2025, and assuming that the Proposed Acquisition had been completed on 30 June 2025, the pro forma effects of the Proposed Acquisition on the audited consolidated NA, NA per Share and gearing of our Group are as follows:-

	Audited as at 30 June 2025	<sup>(1)</sup> Subsequent adjustments up to the LPD	Pro forma I After the Proposed Acquisition
	(RM'000)	(RM'000)	(RM'000)
Share capital	69,985	69,985	<sup>(2)</sup> 73,433
Treasury shares	(505)	(2,124)	(2,124)
Merger deficit <sup>(5)</sup>	(15,779)	(15,779)	(15,779)
Share option reserve	302	302	302
Foreign exchange translation reserve	(160)	(160)	(160)
Retained earnings	68,150	68,150	<sup>(3)</sup> 67,700
<b>Shareholders' equity/NA</b>	<b>121,993</b>	<b>120,374</b>	<b>123,372</b>
No. of Shares in issue (excluding treasury shares) ('000)	*361,023	#353,123	# <sup>(2)</sup> 371,811
<b>NA per Share (RM)</b>	<b>0.34</b>	<b>0.34</b>	<b>0.33</b>
Total borrowings (RM'000)	64,550	64,550	<sup>(4)</sup> 76,618
<b>Gearing ratio (times)</b>	<b>0.53</b>	<b>0.54</b>	<b>0.62</b>

**Notes:-**

- \* Excluding 1,400,000 treasury shares held by our Company as at 30 June 2025.
- # Excluding 9,300,000 treasury shares held by our Company as at the LPD.
- (1) After adjusting for the purchase of 7,900,000 Shares by our Company and its subsequent retainment as treasury shares.
- (2) Based on the Issue Price of RM0.1845 per Consideration Share and the allotment and issuance of the 18,688,347 Consideration Shares.
- (3) After deducting an estimated expenses of RM0.45 million in relation to the Proposals.
- (4) Assuming 70.0% of the Purchase Consideration of RM17.24 million (i.e. RM12.07 million) is to be satisfied via bank borrowings.
- (5) Merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries acquired during our Group's initial public offering upon consolidation under the merger accounting principles.

### 9.2.2 Proposed LTIP

Save for the potential impact of the Malaysian Financial Reporting Standard 2 on Share-based Payment as issued by the Malaysian Accounting Standards Board (“**MFRS 2**”) as set out in **Section 9.3** of this Circular, the Proposed LTIP will not have any immediate material effect on the NA, NA per Share and gearing of our Group until such time as and when the new RLEB Shares are allotted and issued pursuant to the exercise of the ESOS Options.

Any potential effect on the consolidated NA, NA per Share and gearing of our Group in the future will depend on factors such as the method of satisfaction of the LTIP Awards, actual number of RLEB Shares to be issued and/or transferred which can only be determined at the point of the vesting of the SGS Awards and/or the exercise of the ESOS Options and the exercise price of the ESOS Options.

If the LTIP Awards are satisfied by way of transfer of existing Shares under the Proposed LTIP, the NA and NA per Share of our Group will be reduced, the quantum of which can only be determined at the point of transfer of the Shares to the LTIP Participants.

### 9.3 Earnings and EPS

#### 9.3.1 Proposed Acquisition

The Proposed Acquisition is not expected to have a material impact on our earnings and EPS for the FYE 30 June 2026. Nevertheless, barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to our future earnings and EPS.

For illustration purposes, based on our audited consolidated financial statements for the FYE 30 June 2025 and assuming that the Proposed Acquisition had been completed on 1 July 2024, being the beginning of the FYE 30 June 2025, the pro forma effects of the Proposed Acquisition on the earnings and EPS of our Group are as follows:-

	Audited as at 30 June 2025	Pro forma I After the Proposed Acquisition
	(RM'000)	(RM'000)
PAT attributable to the owners of our Company	27,458	27,458
Add: Profit arising from the consolidation of 70% equity interest in Maxflo	-	<sup>(2)</sup> 1,125
Less: Estimated expenses in relation to the Proposals	-	(450)
Less: The estimated interest expense <sup>(1)</sup>	-	(664)
<b>Pro forma PAT / (LAT)</b>	<b>27,458</b>	<b>27,469</b>
No. of RLEB Shares in issue (excluding treasury shares) ('000)	361,023	<sup>(3)</sup> 371,811
<b>EPS (sen)<sup>(4)</sup></b>	<b>7.61</b>	<b>7.39</b>

**Notes:-**

- (1) *After accounting for the estimated interest expense of RM0.66 million in respect of the bank borrowings expected to be secured to fund 70.0% of the Purchase Consideration of RM17.24 million (i.e. RM12.07 million) at an indicative prevailing interest rate of 5.5% per annum.*
- (2) *After accounting for the PAT of Maxflo of approximately RM1.61 million for the FYE 30 June 2025 and adjusting for the 70% equity interest in Maxflo to be acquired.*
- (3) *After adjusting for the following:-*
  - (i) *the purchase of 7,900,000 Shares by our Company and its subsequent retainment as treasury shares; and*
  - (ii) *allotment and issuance of 18,688,347 Consideration Shares at the Issue Price of RM0.1845 per Consideration Share upon the completion of the Proposed Acquisition.*
- (4) *Computed on the PAT attributable to the owners of our Company divided by the number of RLEB Shares in issue.*

### **9.3.2 Proposed LTIP**

The Proposed LTIP is not expected to have any immediate material effect on the earnings and EPS of our Group until such time the LTIP Awards are awarded. The potential cost of awarding the Shares under the Proposed LTIP is required to be measured at fair value on the grant date and recognised as an expense in our Group's statement of comprehensive income over the vesting period of such Shares.

The extent of the effect of the Proposed LTIP on the earnings and EPS of our Group cannot be determined at this juncture as it would depend on the method of satisfaction of the LTIP Awards and the fair value of RLEB Shares as at the respective date of the Award Letter. The estimated cost does not represent a cash outflow by RLEB as it is merely an accounting treatment. However, there will be cash outflow if the Shares comprised in the LTIP Awards are fully or partly satisfied by way of cash, such as through acquisition of existing Shares from the open market of Bursa Securities and/or through payment of cash in lieu of Shares under the Proposed ESOS and Proposed SGS as set out in **Section 4** of this Circular.

Our Board and the LTIP Committee have taken note of the potential impact of the MFRS 2 on our Group's future earnings and shall take into consideration such impact in allocating and awarding the LTIP Awards to the Eligible Persons.

### **9.4 Convertible securities**

Save as disclosed below, our Company does not have any convertible securities in issuance as at the LPD:-

- (i) 71,249,995 outstanding Warrants at the exercise price of RM0.63 per Warrant. The exercise price of the Warrants is currently out of the money with an exercise price of RM0.63 per Warrant whilst the 5-day VWAP of RLEB Shares up to and including the LPD is RM0.2045 per RLEB Share; and
- (ii) 17,342,425 outstanding ESOS 2021 Options at the exercise price of RM0.2756 per ESOS 2021 Option.

The Proposals will not give rise to any adjustments to the exercise price and/or the number of the outstanding Warrants and the ESOS 2021 Options respectively in accordance with the deed poll and ESOS 2021 By-Laws governing the Warrants and ESOS 2021 respectively.

Any unexercised ESOS 2021 Options under ESOS 2021 will automatically lapse upon the effective date of the Proposed ESOS 2021 Termination. The ESOS committee does not intend to offer any further ESOS 2021 Options under ESOS 2021.

## 9.5 Substantial shareholders' shareholdings

The Proposed LTIP is not expected to have any immediate effect on our substantial shareholders' shareholdings unless they are participants of the Proposed LTIP and/or until such time when the new RLEB Shares are issued pursuant to the Proposed ESOS. Any potential effect on our substantial shareholders' shareholdings would depend on the number of ESOS Options granted and new Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS at the relevant point in time.

For illustrative purposes, assuming the Maximum RLEB Shares are fully satisfied by way of allotment and issuance of new RLEB Shares at a single point of time after the completion of the Proposed Acquisition, the pro forma effects of the Proposals on the shareholdings of our substantial shareholders' are set out below:-

### Minimum Scenario

Name	As at the LPD				Pro forma I After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(6)%	No. of Shares	(6)%
Reservoir Link Holdings Sdn Bhd	33,621,700	9.52	-	-	33,621,700	9.04	-	-
Dato' Wan Hassan Bin Mohd Jamil	2,454,505	0.70	(2)33,621,700	9.52	2,454,505	0.66	(2)33,621,700	9.04
Mad Haimi Bin Abu Hassan	2,626,335	0.74	(2)33,621,700	9.52	2,626,335	0.71	(2)33,621,700	9.04
Thien Chiet Chai	26,560,035	7.52	(2)33,621,700	9.52	26,560,035	7.14	(2)33,621,700	9.04
<b>Subtotal</b>	<b>65,262,575</b>	<b>18.48</b>	-	-	<b>65,262,575</b>	<b>17.55</b>	-	-
Pansar Berhad	29,323,503	8.30	-	-	29,323,503	7.89	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	7.89
Tai Sing Chii & Sons Sdn Bhd	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	7.89
Inplaced Capital Sdn Bhd	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	7.89
Puan Sri Datin Sri Ling Lah Kiong	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	7.89
Dato' James Tai Cheong @ Tai Chiong	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	7.89
Datuk Tai Hee	500,000	0.14	(4)29,333,503	8.31	500,000	0.13	(4)29,333,503	7.89
David Tai Wei	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	7.89
Lee Seng Chi	18,750,000	5.31	-	-	18,750,000	5.04	-	-
PGB	34,460,000	9.76	-	-	(7)53,148,347	14.29	-	-
Kong Teck Fong	-	-	(5)34,460,000	9.76	-	-	(5)(7)53,148,347	14.29

Name	Pro forma II After Pro forma I and assuming the maximum number of LTIP Awards are granted, vested and exercised into new RLEB Shares <sup>(8)</sup>			
	Direct		Indirect	
	No. of Shares	<sup>(9)</sup> %	No. of Shares	<sup>(9)</sup> %
Reservoir Link Holdings Sdn Bhd	33,621,700	7.86	-	-
Dato' Wan Hassan Bin Mohd Jamil	2,454,505	0.57	<sup>(2)</sup> 33,621,700	7.86
Mad Haimi Bin Abu Hassan	2,626,335	0.61	<sup>(2)</sup> 33,621,700	7.86
Thien Chiet Chai	26,560,035	6.21	<sup>(2)</sup> 33,621,700	7.86
<b>Subtotal</b>	<b>65,262,575</b>	<b>15.26</b>	-	-
Pansar Berhad	29,323,503	6.86	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	<sup>(3)</sup> 29,323,503	6.86
Tai Sing Chii & Sons Sdn Bhd	-	-	<sup>(3)</sup> 29,323,503	6.86
Inplaced Capital Sdn Bhd	-	-	<sup>(3)</sup> 29,323,503	6.86
Puan Sri Datin Sri Ling Lah Kiong	-	-	<sup>(3)</sup> 29,323,503	6.86
Dato' James Tai Cheong @ Tai Chiong	-	-	<sup>(3)</sup> 29,323,503	6.86
Datuk Tai Hee	500,000	0.12	<sup>(4)</sup> 29,333,503	6.86
David Tai Wei	-	-	<sup>(3)</sup> 29,323,503	6.86
Lee Seng Chi	18,750,000	4.39	-	-
PGB	53,148,347	12.43	-	-
Kong Teck Fong	-	-	<sup>(5)</sup> 53,148,347	12.43

**Notes:-**

- (1) Based on the existing issued share capital of 353,123,000 Shares (excluding 9,300,000 treasury shares held by our Company) as at the LPD.
- (2) Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their indirect shareholdings in Pansar Berhad.
- (4) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.
- (5) Deemed interested by virtue of his indirect substantial shareholding in PGB.
- (6) Based on the enlarged issued share capital comprising 371,811,347 Shares (excluding 9,300,000 treasury shares held by our Company) after the completion of the Proposed Acquisition.
- (7) After the allotment and issuance of 18,688,347 Consideration Shares to PGB pursuant to the Proposed Acquisition.

- (8) *It is pertinent to note that the pro forma effects above does not take into consideration any LTIP Awards that may be granted to Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan, Thien Chiet Chai and Datuk Tai Hee as the LTIP Committee has yet to decide on the quantum of the LTIP Awards to be allocated to the Eligible Persons.*
- (9) *Based on the enlarged issued share capital comprising 427,583,049 Shares assuming the maximum number of LTIP Awards are granted, vested and exercised into new RLEB Shares.*

### **Maximum Scenario**

Name	As at the LPD				Pro forma I Assuming all treasury shares are resold to the open market			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(6)%	No. of Shares	(6)%
Reservoir Link Holdings Sdn Bhd	33,621,700	9.52	-	-	33,621,700	9.28	-	-
Dato' Wan Hassan Bin Mohd Jamil	2,454,505	0.70	(2)33,621,700	9.52	2,454,505	0.68	(2)33,621,700	9.28
Mad Haimi Bin Abu Hassan	2,626,335	0.74	(2)33,621,700	9.52	2,626,335	0.72	(2)33,621,700	9.28
Thien Chiet Chai	26,560,035	7.52	(2)33,621,700	9.52	26,560,035	7.52	(2)33,621,700	9.28
<b>Subtotal</b>	<b>65,262,575</b>	<b>18.48</b>	-	-	<b>65,262,575</b>	<b>18.01</b>	-	-
Pansar Berhad	29,323,503	8.30	-	-	29,323,503	8.09	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	8.09
Tai Sing Chii & Sons Sdn Bhd	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	8.09
Inplaced Capital Sdn Bhd	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	8.09
Puan Sri Datin Sri Ling Lah Kiong	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	8.09
Dato' James Tai Cheong @ Tai Chiong	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	8.09
Datuk Tai Hee	500,000	0.14	(4)29,333,503	8.31	500,000	0.14	(4)29,333,503	8.09
David Tai Wei	-	-	(3)29,323,503	8.30	-	-	(3)29,323,503	8.09
Lee Seng Chi	18,750,000	5.31	-	-	18,750,000	5.17	-	-
PGB	34,460,000	9.76	-	-	34,460,000	9.51	-	-
Kong Teck Fong	-	-	(5)34,460,000	9.76	-	-	(5)34,460,000	9.51

Name	Pro forma II After Pro forma I and the Proposed Acquisition				Pro forma III After Pro forma II and assuming the full issuance of the remaining Shares under the Private Placement 2025			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(7)%	No. of Shares	(7)%	No. of Shares	(9)%	No. of Shares	(9)%
Reservoir Link Holdings Sdn Bhd	33,621,700	8.82	-	-	33,621,700	8.69	-	-
Dato' Wan Hassan Bin Mohd Jamil	2,454,505	0.64	(2)33,621,700	8.82	2,454,505	0.63	(2)33,621,700	8.69
Mad Haimi Bin Abu Hassan	2,626,335	0.69	(2)33,621,700	8.82	2,626,335	0.68	(2)33,621,700	8.69
Thien Chiet Chai	26,560,035	6.97	(2)33,621,700	8.82	26,560,035	6.86	(2)33,621,700	8.69
<b>Subtotal</b>	<b>65,262,575</b>	<b>17.12</b>	-	-	<b>65,262,575</b>	<b>16.86</b>	-	-
Pansar Berhad	29,323,503	7.69	-	-	29,323,503	7.58	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	(3)29,323,503	7.69	-	-	(3)29,323,503	7.58
Tai Sing Chii & Sons Sdn Bhd	-	-	(3)29,323,503	7.69	-	-	(3)29,323,503	7.58
Inplaced Capital Sdn Bhd	-	-	(3)29,323,503	7.69	-	-	(3)29,323,503	7.58
Puan Sri Datin Sri Ling Lah Kiong	-	-	(3)29,323,503	7.69	-	-	(3)29,323,503	7.58
Dato' James Tai Cheong @ Tai Chiong	-	-	(3)29,323,503	7.69	-	-	(3)29,323,503	7.58
Datuk Tai Hee	500,000	0.13	(4)29,333,503	7.70	500,000	0.13	(4)29,333,503	7.58
David Tai Wei	-	-	(3)29,323,503	7.69	-	-	(3)29,323,503	7.58
Lee Seng Chi	18,750,000	4.92	-	-	18,750,000	4.84	-	-
PGB	(8)53,148,347	13.95	-	-	53,148,347	13.73	-	-
Kong Teck Fong	-	-	(5)(8)53,148,347	13.95	-	-	(5)53,148,347	13.73

Name	Pro forma IV After Pro forma III and assuming the maximum number of LTIP Awards are granted, vested and exercised into new RLEB Shares <sup>(10)</sup>			
	Direct		Indirect	
	No. of Shares	<sup>(11)</sup> %	No. of Shares	<sup>(11)</sup> %
Reservoir Link Holdings Sdn Bhd	33,621,700	7.55	-	-
Dato' Wan Hassan Bin Mohd Jamil	2,454,505	0.55	<sup>(2)</sup> 33,621,700	7.55
Mad Haimi Bin Abu Hassan	2,626,335	0.59	<sup>(2)</sup> 33,621,700	7.55
Thien Chiet Chai	26,560,035	5.97	<sup>(2)</sup> 33,621,700	7.55
<b>Subtotal</b>	<b>65,262,575</b>	<b>14.66</b>	-	-
Pansar Berhad	29,323,503	6.59	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	<sup>(3)</sup> 29,323,503	6.59
Tai Sing Chii & Sons Sdn Bhd	-	-	<sup>(3)</sup> 29,323,503	6.59
Inplaced Capital Sdn Bhd	-	-	<sup>(3)</sup> 29,323,503	6.59
Puan Sri Datin Sri Ling Lah Kiong	-	-	<sup>(3)</sup> 29,323,503	6.59
Dato' James Tai Cheong @ Tai Chiong	-	-	<sup>(3)</sup> 29,323,503	6.59
Datuk Tai Hee	500,000	0.11	<sup>(4)</sup> 29,333,503	6.59
David Tai Wei	-	-	<sup>(3)</sup> 29,323,503	6.59
Lee Seng Chi	18,750,000	4.21	-	-
PGB	53,148,347	11.94	-	-
Kong Teck Fong	-	-	<sup>(5)</sup> 53,148,347	11.94

**Notes:-**

- (1) Based on the existing issued share capital of 353,123,000 Shares (excluding 9,300,000 treasury shares held by our Company) as at the LPD.
- (2) Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their indirect shareholdings in Pansar Berhad.
- (4) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.
- (5) Deemed interested by virtue of his indirect substantial shareholding in PGB.
- (6) Based on the issued share capital comprising 362,423,000 Shares assuming all treasury shares are resold to the open market.
- (7) Based on the issued share capital comprising 381,111,347 Shares after the completion of the Proposed Acquisition.
- (8) After the allotment and issuance of 18,688,347 Consideration Shares to PGB pursuant to the Proposed Acquisition.
- (9) Based on the issued share capital comprising 387,007,647 Shares assuming the full issuance of the remaining Shares under the Private Placement 2025.
- (10) It is pertinent to note that the pro forma effects above does not take into consideration any LTIP Awards that may be granted to Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan, Thien Chiet Chai and Datuk Tai Hee as the LTIP Committee has yet to decide on the quantum of the LTIP Awards to be allocated to the Eligible Persons.
- (11) Based on the enlarged issued share capital comprising 445,058,794 Shares assuming the maximum number of LTIP Awards are granted, vested and exercised into new RLEB Shares.

For avoidance of doubt, PGB, which holds approximately 9.76% in RLEB as at the LPD is not regarded as a major shareholder as PGB is not our largest shareholder. Pursuant to Paragraph 1.01 of the Listing Requirements, the major shareholders of RLEB are Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan and Thien Chiet Chai, whose collective direct and indirect shareholdings (held through Reservoir Link Holdings Sdn Bhd) in RLEB amounts to 18.48% as at the LPD.

## 9.6 Public shareholding spread

The public shareholding spread of our Company as at the LPD is 57.72%. Upon completion of the Proposed Acquisition, the pro forma public shareholding spread will be approximately 54.82%. Accordingly, the Proposed Acquisition will not result in non-compliance with the minimum public shareholding spread of the Company of at least 25% pursuant to Paragraph 8.02(1) of the Listing Requirements.

## 10. PERCENTAGE RATIOS UNDER THE LISTING REQUIREMENTS

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 23.29%, calculated based on the Purchase Consideration over the market capitalisation of RLEB.

As stated in **Section 1** of this Circular, our Group had undertaken the Initial Acquisition, which the highest percentage ratio applicable is 8.62%, calculated based on the Initial Acquisition Purchase Consideration over the latest audited consolidated net assets of RLEB as at 30 June 2024.

Pursuant to Paragraph 10.12(2)(b) of the Listing Requirements on the Rules of Aggregation, the Proposed Acquisition is required to be aggregated with the Initial Acquisition as both transactions involves the acquisition of securities in the one particular corporation within a period of 12 months.

Accordingly, the highest percentage ratio applicable to the Proposed Acquisition and the Initial Acquisition is 31.91%.

## 11. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of RLEB Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from December 2024 to November 2025 are as follows:-

	High (RM)	Low (RM)
<b><u>2024</u></b>		
December	0.400	0.320
<b><u>2025</u></b>		
January	0.370	0.335
February	0.365	0.350
March	0.360	0.335
April	0.355	0.340
May	0.360	0.345
June	0.445	0.195
July	0.245	0.205
August	0.215	0.185
September	0.210	0.185
October	0.210	0.195

	High (RM)	Low (RM)
November	0.205	0.200
Last transacted market price of RLEB Shares as at the LTD (RM)		0.205
Last transacted market price of RLEB Shares as at the LPD (RM)		0.205

(Source: Bloomberg)

## 12. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY OF THE PROPOSALS

The Proposals are subject to the following approvals:-

- (i) Bursa Securities, for the listing of and quotation for the following:-
  - (a) 18,688,347 Consideration Shares on the Main Market of Bursa Securities; and
  - (b) such number of new Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed LTIP.

The approval of Bursa Securities was obtained vide its letter dated 9 December 2025 and is subject to the following conditions:-

Condition(s)	Status of compliance
(a) confirmation by UOBKH on the compliance of at least 25% of the public shareholding spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements upon the listing of and quotation for the Consideration Shares;	To be complied
(b) RLEB to furnish Bursa Securities with the certified true copy of the resolutions passed by the shareholders at the extraordinary general meeting approving the Proposals;	To be complied
(c) UOBKH and RLEB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(d) UOBKH and RLEB to inform Bursa Securities upon the completion of the Proposed Acquisition;	To be complied
(e) UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed;	To be complied
(f) UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation; and	To be complied
(g) UOBKH is required to furnish Bursa Securities on a quarterly basis a summary of the total number of RLEB Shares listed pursuant to the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) our shareholders at the forthcoming EGM;
- (iii) shareholders of PGB at the forthcoming EGM of PGB to be held on 30 December 2025 in relation to the proposed disposal of the 1,271,770 Sale Shares; and

- (iv) any other relevant authority, if required.

For the avoidance of doubt, according to the ESOS 2021 By-Law 19 and pursuant to the Listing Requirements, the Proposed ESOS 2021 Termination is not subject to any approvals from Bursa Securities and shareholders of RLEB.

The Proposed Acquisition and Proposed LTIP are not conditional upon each other. The Proposed LTIP is conditional upon the Proposed ESOS 2021 Termination but not vice versa. The Proposed Allocation is conditional upon the Proposed LTIP but not vice versa and the Proposed Allocation is not conditional upon the Proposed Acquisition and Proposed ESOS 2021 Termination.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by us.

### 13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other outstanding proposals announced by us but have yet to be completed as at the date of this Circular:-

- (i) the Proposals, being the subject matter of this Circular;
- (ii) the Proposed ESOS 2021 Termination;
- (iii) the Private Placement 2025. As at the LPD, a total of 27,460,000 new RLEB Shares have been issued at an issue price of RM0.315 per Share, raising a total gross proceeds of RM8.65 million. Our Company had submitted an application for an extension of time to place out the remaining Shares to be issued pursuant to the Private Placement 2025 on 19 September 2025. Subsequently, on 1 October 2025, Bursa Securities had resolved to grant our Company an extension of time of 6 months until 6 April 2026 to complete the implementation of the Private Placement 2025. Barring any unforeseen circumstances, the Private Placement 2025 is expected to be completed by the 1<sup>st</sup> quarter of 2026; and
- (iv) on 31 January 2023, RL Hydro Assets Sdn Bhd (formerly known as Skyline Energy Sdn Bhd), our wholly-owned subsidiary, had entered into a term sheet for the acquisition of 90% equity interest in PT Eco Power Engineering, a company incorporated in Indonesia, for a total cash consideration of approximately USD3.00 million ("**Acquisition of EPE**"). As at the LPD, the Acquisition of EPE is pending completion due to the delay in the finalisation of the Power Purchase Agreement by Perusahaan Listrik Negara, being part of the conditions precedent of the Acquisition of EPE.

## **14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

### **14.1 Proposed Acquisition**

Save as disclosed below, none of our Directors, major shareholders and chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition:-

- (i) Ms. Elain Binti Lockman is the Independent Non-Executive Director of RLEB and PGB. As at the LPD, she does not hold any Shares in RLEB and her shareholdings in PGB is 0.07%; and
- (ii) En. Rewi Hamid Bugo who is the Independent Non-Executive Director of RLEB and the Non-Independent Non-Executive Director of PGB. As at the LPD, his shareholdings in RLEB and PGB are 0.28% and 0.69% respectively.

Pursuant to Paragraph 10.08(11)(c) of the Listing Requirements, the Proposed Acquisition is not regarded as a related party transaction in view that Ms. Elain Binti Lockman and En. Rewi Hamid Bugo hold less than 5.0% of equity interest in PGB and the said Directors do not have other interest such as commission or other kinds of benefit received in relation to the Proposed Acquisition.

Nevertheless, Ms. Elain Binti Lockman and En. Rewi Hamid Bugo have voluntarily abstained from all Board deliberation and voting at the relevant Board meetings and on the resolution pertaining to the Proposed Acquisition and will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition, at the forthcoming EGM.

In addition, Ms. Elain Binti Lockman and En. Rewi Hamid Bugo will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolution pertaining to the Proposed Acquisition, at the forthcoming EGM.

### **14.2 Proposed LTIP and Proposed Allocation**

All Directors, and Mad Haimi Bin Abu Hassan (who is the Chief Executive Officer of RLSB) are eligible to participate in the Proposed LTIP and are therefore deemed interested in the Proposed LTIP and to the extent of their respective Proposed Allocation as well as the Proposed Allocations to persons connected to them under the Proposed LTIP. Notwithstanding that, all Directors have deliberated on the Proposed LTIP, and have agreed to present the Proposed LTIP to shareholders for their consideration and approval.

Accordingly, all Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective Proposed Allocation, and the proposed allocations to persons connected to them under the Proposed LTIP, at the relevant Board meetings. The Directors who are deemed persons connected to an Eligible Person under the Proposed LTIP, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations to persons connected to them under the Proposed LTIP, at the relevant Board meetings.

In addition, Encik Mad Haimi Bin Abu Hassan, is also our major shareholder (who is also the Chief Executive Officer of RLSB) who is an the Eligible Person of the Proposed LTIP and is therefore deemed interested in the Proposed LTIP and to the extent of his proposed allocation under the Proposed LTIP.

Accordingly, all Directors and the interested major shareholder will abstain from voting and will ensure that persons connected to them, will abstain from voting, in respect of their direct and/or indirect shareholdings, on the resolutions pertaining to the Proposed LTIP and their respective Proposed Allocation, and the Proposed Allocations to the persons connected to them, under the Proposed LTIP, to be tabled at the forthcoming EGM.

The details of the direct and indirect shareholdings of our Directors and major shareholder in our Company as at the LPD are set out as follows:-

	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
<b><u>Director</u></b>				
Datuk Tai Hee	500,000	0.14	<sup>(2)</sup> 29,333,503	8.31
Thien Chiet Chai	26,560,035	7.52	<sup>(3)</sup> 33,621,700	9.52
Dato' Wan Hassan Bin Mohd Jamil	2,454,505	0.68	<sup>(3)</sup> 33,621,700	9.52
Dato' Ahmad Rizal Bin Abdul Rahman	-	-	-	-
Elain Binti Lockman	-	-	-	-
Rewi Hamid Bugo	1,000,000	0.28	-	-
<b><u>Interested major shareholder</u></b>				
Mad Haimi Bin Abu Hassan	2,626,335	0.74	<sup>(3)</sup> 33,621,700	9.52

**Notes:-**

- (1) Based on the existing issued share capital of 353,123,000 Shares (excluding 9,300,000 treasury shares held by our Company) as at the LPD.
- (2) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.
- (3) Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.

## 15. DIRECTORS' STATEMENT/RECOMMENDATION

### 15.1 Proposed Acquisition

Our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo) having considered all relevant aspects of the Proposed Acquisition, including but not limited to the terms of the SSA, rationale and justifications of the Proposed Acquisition and the financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of our Company.

Accordingly, our Board (save for Ms. Elain Binti Lockman and En. Rewi Hamid Bugo) recommends that you vote in favour of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

### 15.2 Proposed LTIP

In view that all our Directors are eligible to participate in the Proposed LTIP, our Board has abstained and will continue to abstain from expressing an opinion and making any recommendation on the resolutions pertaining to the Proposed LTIP and their respective Proposed Allocation as well as Proposed Allocation to the persons connected to them under the Proposed LTIP.

**16. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMELINE FOR IMPLEMENTATION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by the first quarter of 2026.

The tentative timetable in relation to the Proposals are set out below:-

<b>Timeline</b>	<b>Event(s)</b>
30 December 2025	<ul style="list-style-type: none"><li>• EGM of PGB</li><li>• EGM of RLEB</li><li>• Fulfilment of conditions precedent in respect of the SSA</li></ul>
Early January 2026	<ul style="list-style-type: none"><li>• Listing of the Consideration Shares on the Main Market of Bursa Securities</li><li>• Completion of the Proposed Acquisition</li></ul>
Mid January 2026	<ul style="list-style-type: none"><li>• Announcement on the effective date of termination for the Proposed ESOS 2021 Termination</li><li>• Implementation of the Proposed LTIP</li></ul>

**17. EGM**

The EGM, the notice of which is enclosed together with this Circular, will be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 30 December 2025 at 2.00 p.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without any modifications to the resolution to give effect to the Proposed Acquisition.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Form of Proxy must be lodged at our Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via Boardroom Smart Investor portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time set for holding the EGM or at any adjournment thereof (i.e. 28 December 2025 at 2.00 p.m.). The lodging of the Form of Proxy does not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

**18. FURTHER INFORMATION**

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of our Board of  
**RESERVOIR LINK ENERGY BHD**

**DATUK TAI HEE**  
Non-Independent Non-Executive Chairman

---

**SALIENT TERMS OF THE SSA**


---

**1. SALE AND PURCHASE OF THE SALE SHARES**

Subject to the terms and conditions of the SSA, the Vendor agrees to sell and transfer to the Purchaser and/or its nominee(s), and the Purchaser agrees to purchase all of the Sale Shares, free from any and all Security Interest, together with all rights and benefits attaching thereto, upon Completion, in accordance with the terms and conditions of the SSA.

For the purpose of the SSA, "Security Interest" includes any:-

- (a) interest or equity of any person (including among other things any right to acquire, option or right of pre-emption);
- (b) mortgage, deposit, charge, pledge, lien or assignment; and
- (c) other form of encumbrance, priority or security interest or arrangement of any nature relating to the relevant property.

**2. CONDITIONS PRECEDENT**

2.1 The Purchase and Vendor (collectively, the "**Parties**" and each a "**Party**") agree that the obligation of the Parties to complete the Proposed Acquisition is in all respects conditional upon the fulfilment, completion and/or satisfaction (or waived by the Parties in writing as the case may be) of all the conditions precedent set out below:-

- (a) the Purchaser and/or RLEB obtaining all of its necessary internal and corporate approvals, including but not limited to the Board of Directors' approval and shareholders' approval. RLEB has obtained the approval of our Board on 7 October 2025 whilst the approval of our shareholders will be sought at the forthcoming EGM;
- (b) the Vendor and/or PGB obtaining all of its necessary internal and corporate approvals, including but not limited to the Board of Directors' approval and shareholders' approval. The approval from the board the directors of PGB was obtained on 7 October 2025 whilst the approval of PGB's shareholders will be sought at the forthcoming EGM of PGB to be held on 30 December 2025;
- (c) RLEB obtaining the approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities, which was obtained on 9 December 2025;
- (d) the completion of the due diligence exercise by the Purchaser on Maxflo and the results being reasonably satisfactory to the Purchaser, which is pending fulfilment as at the date of this Circular;
- (e) Maxflo's audited financial statements for the FYE 30 June 2025, together with the results and financial position reflected therein, being in form and substance satisfactory to the Purchaser, which was fulfilled on 13 October 2025; and
- (f) any other approvals, waivers or consents of any authorities and/or parties, if required,

(collectively referred to as "**Conditions Precedent**" and each a "**Condition Precedent**") by a day falling 6 months from the date of the SSA, or such later date as the Parties may mutually agree upon (the "**Cut-Off Date**").

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

- 2.2 In the event that any of the Conditions Precedent are not fulfilled and/or waived by the Parties, as the case may be, in writing on or before the Cut-Off Date, either Party shall be entitled to terminate the SSA with immediate effect by notice in writing to the other Party, whereupon **Section 6.1** of this **Appendix I** below shall apply. Thereafter, neither Party shall have any claims against the other Party for costs, damages, compensations or otherwise, save for any antecedent breach of any Vendor's Warranties, representation, undertaking and any of the terms of the SSA.
- 2.3 The Purchaser may waive or modify any of the Conditions Precedent set forth in **Section 2.1** of this **Appendix I** above at any time by notice in writing to the Vendor. The waiver or modification of any such Conditions Precedent for the purposes of Completion shall not prevent the Purchaser from requiring the Vendor to achieve the discharge or fulfilment of any conditions specified in the SSA, subsequent to Completion.
- 2.4 The SSA shall be deemed unconditional upon fulfilment and/or waiver of all the Conditions Precedent. The date the Conditions Precedent are fulfilled or waived (as applicable) shall be known as the "**Unconditional Date**".

### **3. CONSIDERATION**

#### **3.1 Purchase Consideration**

Subject always to the terms and conditions of the SSA, the Purchase Consideration payable by the Purchaser to the Vendor for the Sale Shares pursuant to the Proposed Acquisition shall be a total sum of **RM17.24 million**.

#### **3.2 Payment Terms**

Subject always to the terms and conditions of the SSA, the Purchase Consideration shall be satisfied in the following manner:-

- (a) the allotment and issuance of the Consideration Shares in favour of PGB on a date falling within 14 Business Days from the Unconditional Date or such other date as may be agreed upon between the Parties upon which Completion is to take place (the "**Completion Date**") ("**Completion**"), at the Issue Price which amounts to RM3,448,000, which shall constitute 20% of the Purchase Consideration. The Issue Price shall not be revised unless mutually agreed upon in writing by the Parties; and
- (b) the Cash Consideration, which constitutes 80% of the Purchase Consideration, shall be fully satisfied in cash, amounting to RM13,792,000, which shall be paid, or caused to be paid, by the Purchaser to the Vendor in the manner hereinafter set forth:-
  - (i) the Purchaser shall pay a sum of RM1,724,000, being 10% of the Purchase Consideration ("**Deposit**") to the Vendor in the following manner:-
    - (a) a sum of RM500,000 shall be paid on the date of execution of the SSA;
    - (b) a sum of RM500,000 shall be paid on or before the date falling on the 14<sup>th</sup> day from the date of the SSA; and
    - (c) the remaining balance of RM724,000 shall be paid on or before the date falling on the 28<sup>th</sup> day from the date of the SSA.

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

- (ii) The balance of the Cash Consideration, after deducting the Deposit, amounting to RM12,068,000 ("**Balance Cash Consideration**"), shall be paid, or caused to be paid, by the Purchaser to the Vendor within 30 days from the Unconditional Date ("**Settlement Period**"), provided always that:-
  - (a) in the event the Balance Cash Consideration is not paid within the Settlement Period, the Vendor shall automatically grant to the Purchaser an extension of time of 30 days immediately after the expiry of the Settlement Period ("**Extended Settlement Period**") to pay the Balance Cash Consideration remaining outstanding together with interest at the rate of 8% per annum on the amount of the Balance Cash Consideration remaining outstanding ("**Late Payment Interest**"). The 8% late interest adopted is consistent with the norm used in sale and purchase agreements; and
  - (b) the Late Payment Interest shall accrue from day to day on the Balance Cash Consideration remaining outstanding, commencing from the first day of the Extended Settlement Period, until the date of actual payment in full, and shall be calculated on the basis of the actual number of days elapsed and a 365 day year, on simple interest.

#### 4. COMPLETION

##### 4.1 Time and Place

Completion of the sale and purchase of the Sale Shares by the Parties of their respective obligations as set out in the SSA will take place on the Completion Date at the business office of Maxflo or such other venue mutually agreed upon by the Parties.

"**Business Days**" refers to a day (other than a Saturday, Sunday or public holiday) on which banks, licensed to carry on banking business under the provisions of the Financial Services Act 2013, are open for business in Wilayah Persekutuan Kuala Lumpur, Malaysia.

##### 4.2 Condition of Completion

4.2.1 Subject to the fulfilment (or waiver by the Purchaser) of the Conditions Precedent and the terms of the SSA, Completion will take place on the Completion Date or at such other time as the Parties may mutually agree in writing, if the following conditions for Completion are met:-

- (a) no Event of Default (as defined in **Section 6.2** of this **Appendix I**) has occurred or would occur as a result of the Completion;
- (b) the Conditions Precedent as set out in **Section 2.1** of this **Appendix I** above have been procured, obtained, fulfilled, satisfied and/or waived by the Purchaser in writing, as the case may be;
- (c) there has been no material adverse change in the financial condition, business or operation of Maxflo since the date of the SSA ("**Effective Date**"), including but not limited to the maintenance of management continuity by the Vendor in Maxflo;
- (d) each of the Vendor's Warranties as set out in the SSA remains accurate at the Completion Date as if given on that date by reference to the facts and circumstances then existing;
- (e) the Vendor and/or Maxflo has not breached any terms, provisions, undertakings, representations, Vendor's Warranties and covenants under the SSA; and

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

- (f) no governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated by the SSA illegal or restraining or prohibiting consummation of such transactions;
- (g) procure that, all intercompany balances, payables, receivables, loans, advances or other amounts (whether actual, contingent, or accrued) owing between Maxflo and PGB and its subsidiaries ("**PGB Group**") ("**Intercompany Balances**") are fully settled, repaid, or otherwise extinguished in full on terms and conditions acceptable to the Purchaser. The Vendor shall deliver to the Purchaser, no later than 7 Business Days prior to the Completion Date, reasonable evidence that the Intercompany Balances have been settled in accordance with clause 5 of the SSA; and
- (h) from the date of the SSA until the Completion Date, the Vendor and/or the PGB Group shall not, whether directly or indirectly, acquire or agree to acquire any additional RLEB Shares or any interest therein, if such acquisition would (i) result in the Vendor and/or PGB, alone or together with any person acting in concert with it, being required under the applicable laws, rules, and regulations, to extend a mandatory take-over offer for the remaining RLEB Shares, or (ii) cause the Vendor and/or PGB to become the single largest shareholder of RLEB.

Then, subject to the provisions of the SSA and in particular subject to **Section 4.3** of this **Appendix I** below, the Parties shall, on the Completion Date, complete the sale of the Sale Shares under the SSA.

- 4.2.2 With effect from the Completion Date, the Purchaser shall be duly authorised to give effect to the sale and transfer of the Sale Shares to its name or the name(s) of its nominee(s).

#### 4.3 Completion Documents

- 4.3.1 Within 7 Business Days from the Unconditional Date, the Vendor shall deposit, or procure to be deposited, the following documents with the Purchaser or its duly appointed representative or solicitors, all of which shall be in such form and substance prescribed by the Purchaser:-
  - (a) the duly executed, undated, valid and registrable form of transfer of securities as prescribed by the Companies Commission of Malaysia and the Act in respect of the Sale Shares in favour of the Purchaser or its nominee(s) ("**Transfer Form**"), and all information and documents which are necessary to enable the Transfer Form to be submitted for assessment of stamp duty;
  - (b) the original share certificate(s) for all of the Sale Shares;
  - (c) the undated resignation letters of the directors of Maxflo nominated by the Vendor;
  - (d) certified true copies of the resolutions or certified extract of resolutions of the board of directors and shareholders (if required) of the Vendor approving the sale and transfer of the Sale Shares from the Vendor to the Purchaser or its nominated party(ies);

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

- (e) the duly executed resolutions of the board of directors of Maxflo to approve the transfer of the Sale Shares from the Vendor to the Purchaser or its nominated party(ies), the issuance of the new share certificate(s) for the Sale Shares in the name of the Purchaser or its nominated party(ies) (if applicable), the entry of the Purchaser or its nominated party(ies) into the register of members of Maxflo as the shareholder of the Sale Shares and appointing the Purchaser's nominees to the board of directors of Maxflo and setting out the new mandates for the operations of all the bank accounts of Maxflo by the nominee director(s) of the Purchaser together with the duly executed instructions, forms and authorisations to the relevant banks to accept the new mandates;
- (f) such other documents as the Purchaser may reasonably request to give effect the sale and transfer of the Sale Shares in favour of the Purchaser and/or its nominee(s); and
- (g) all books, records, files and other documents relating to Maxflo and its business which are not in the possession, custody or control of Maxflo but are held by the Vendor, its holding company, or any of their respective affiliates, officer, employees, representatives or advisers.

#### 4.4 Simultaneous Completion

Except to the extent already performed, all the provisions of **Section 4** of this **Appendix I** will, so far as they are capable of being performed or observed, continue in full force and effect notwithstanding the Completion Date. The Purchaser shall not be obliged to complete the Proposed Acquisition unless and until the Vendor fully comply with its obligations under **Sections 4.2 and 4.3** of this **Appendix I**. Subject to the Vendor having fully complied with its obligations under **Sections 4.2 and 4.3** of this **Appendix I**, the Purchaser shall procure RLEB to allot and issue such number of Consideration Shares to the Vendor. Following the allotment and issuance of the Consideration Shares and upon Completion on the Completion Date, the Purchaser shall take all steps as may be necessary to procure that the Consideration Shares are listed and quoted on the Main Market of Bursa Securities within 8 market days after the date of the allotment and issuance of the Consideration Shares, and credited into the Bursa Securities Central Depository System account designated in writing by the Vendor.

### 5. **REPRESENTATION, WARRANTIES, COVENANTS AND UNDERTAKINGS OF VENDOR**

#### 5.1 In relation to the Vendor:-

5.1.1 The Vendor represents, warrants and undertakes to and with the Purchaser (with the intent that the provisions of this item shall continue to have full force and effect notwithstanding Completion) that the Vendor's representations and warranties under the SSA ("**Vendor's Warranties**") are true and accurate as at the Effective Date, the Unconditional Date will continue until the Completion Date. The said representations, Vendor's Warranties and undertakings shall be separate and independent and save as expressly otherwise provided, shall not be limited by reference to any other sections and/or clauses of the SSA.

5.1.2 The Vendor represents, warrants and undertakes to and with the Purchaser that:-

- (a) the Vendor has full power and authority to enter into, exercise its rights and perform and comply with all its obligations under the SSA;
- (b) it is not wound up and there is no winding up petition/proceedings or similar proceedings which is/are pending or threatened against it and it is not insolvent or wound up;

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

- (c) Maxflo has complied with all applicable laws, including all employment legislation and regulations and has fully settled and/or discharged all its outstanding obligations under the employment letter, contract of services, letter of appointment and/or offer with all of its employees, and the Vendor undertakes to indemnify the Purchaser for all potential liabilities and damages occasioned to the non-payment of salaries and/or any non-performance of Maxflo's obligations to its employees;
- (d) Maxflo carries on business only in the ordinary course substantially based on past practices, there will be no change in its business, operations, properties or financial condition or otherwise anything done whereby its financial position shall be materially and adversely affected;
- (e) the Vendor and Maxflo preserves and maintains all of its properties and assets, owned or used in the conduct of its business, in good working order and condition (ordinary wear and tear excepted and having regard to the age of the properties and assets), and keep insured so much of its properties and assets, in such amounts reasonably regarded as adequate and against such risks normally insured against by companies carrying on similar businesses or owning property of a similar nature;
- (f) Maxflo shall not undertake any capital reduction, bonus issue, stock split or do such other acts in relation to its share capital or reserve or allot and issue any shares or other securities or grant any options over shares or securities at enter into any agreement or undertaking to do the same or do, or agree or permit to, or cause to be done, such acts which may dilute the interest of the Purchaser in Maxflo or vary the rights attaching to any of the Sale Shares;
- (g) the Sale Shares has been duly allotted and is fully paid up;
- (h) Maxflo is or will on Completion be entitled to or is otherwise able to sell and transfer to the Purchaser the full legal and beneficial ownership of the Sale Shares on the terms of the SSA;
- (i) the Sale Shares when transferred will be duly authorised fully paid and free from any Security Interest whatsoever and the Sale Shares when transferred will be validly sold and transferred, and rank *pari passu* with all ordinary shares;
- (j) no litigation, proceeding or investigation of any nature has been initiated or is pending against the Vendor and/or Maxflo, or is reasonably expected by the Vendor to be threatened or initiated, which could have a material adverse effect on the ability of the Vendor and/or Maxflo to perform its obligations under the SSA;
- (k) the Sale Shares are sold together with all the rights and benefits now attached or attaching thereto including the right to all dividends or distributions;
- (l) all actions, conditions and things required to be taken, fulfilled and done (a) in order to enable it to lawfully enter into and perform and comply with its obligations under the SSA, and (b) to ensure that those obligations are legally binding and enforceable have been taken, fulfilled and done;
- (m) all statements and/or information provided to the Purchaser in the SSA are true and accurate in all respect; and
- (n) if after the signing of the SSA and before Completion, any event within the knowledge of the Vendor shall occur which results or may result in any of the Vendor's Warranties being unfulfilled, untrue or incorrect as at the Completion Date, it shall immediately notify the Purchaser thereof prior to Completion;

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

- (o) it has disclosed all material risks that could affect the value or rights attached to the Sale Shares or Maxflo; and
  - (p) the remedies of the Purchaser in respect of breach of any of the Vendor's Warranties shall continue to subsist as long as it is required.
- 5.1.3 If prior to Completion it shall be found that any of the Vendor's Warranties have not in all material respects been carried out or complied with or are otherwise untrue or incorrect in any material respect, the Purchaser shall have the right to rescind the SSA by notice in writing to the Vendor, in such an event, **Section 6.2** of this **Appendix I** below shall apply.
- 5.1.4 The Vendor agrees to indemnify and to hold harmless the Purchaser from and against and in respect of any loss, damages, liability, claim, cost or expense that the Purchaser and/or Maxflo shall have incurred, suffered or sustained and that arises, whether directly or indirectly, as a result of any breach by the Vendor of any of the Vendor's Warranties or any of the covenants and undertakings given by the Vendor pursuant to the provisions of the SSA, and any other ancillary agreements, including without limitation any diminution of the assets or value of Maxflo and in the validity, enforceability, transferability or value of the Sale Shares resulting from any such breach, and all claims, fines, proceedings, actions, reprimands, costs, expense and damages which the Purchaser or the directors appointed by the Purchaser to be on the Board of Directors of Maxflo or Maxflo may suffer or incur arising from any non-compliance of law, breach of the Vendor's Warranties and/or omission or acts by Maxflo and/or the Vendor prior to and until the Completion Date.
- 5.1.5 The Vendor's Warranties shall continue to have effect notwithstanding Completion in so far as the Vendor's Warranties relate in whole or in part to present or past matters up until the Completion Date as fundamental representations upon the faith of which the SSA has been entered into by the Purchaser.

**6. DEFAULT AND TERMINATION**

- 6.1 Either Party (the "**Non-Defaulting Party**") shall be entitled to terminate the SSA before the Completion Date with immediate effect by giving written notice to the other Party (the "**Defaulting Party**") of not less than 10 Business Days, in the event the Defaulting Party defaults or commits any breach, non-performance or non-observance of the Conditions Precedent, provided such breach of the Condition Precedent is not due to any delay, default or breach caused by the Non-Defaulting Party or an Event of Default (defined below) has occurred and is not remedied within 10 Business Days from the Defaulting Party receiving written notice from the Non-Defaulting Party to remedy the same. In the event of termination of the SSA under this item, both Parties shall co-operate and take all necessary measures to restore each Party to its original position before the SSA and:-
  - (a) if the Purchaser is the Non-Defaulting Party, the Vendor shall within 3 Business Days refund to the Purchaser any and all parts of the Purchase Consideration (including the Deposit) that have been paid, transferred, or otherwise effected by the Purchaser in favour of the Vendor under the SSA, and the Vendor shall concurrently return of all documents, instruments or other benefits actually received from the Purchaser pursuant to the SSA; and
  - (b) if the Vendor is the Non-Defaulting Party, the Purchaser shall within 3 Business Days return or procure the return of all documents, instruments or other benefits received from the Vendor pursuant to the SSA, and the Vendor shall concurrently return the Deposit paid by the Purchaser to it. Notwithstanding any provision of the SSA to the contrary, the Purchaser's aggregate liability to the Vendor, whether arising under or in connection with this Agreement, shall in no event exceed 10% of the Purchase Consideration.

---

**SALIENT TERMS OF THE SSA (CONT'D)**


---

6.2 If prior to Completion takes place, any of the terms, conditions, provisions, representations, warranties or undertakings on the part of either the Vendor or the Purchaser under the SSA have been breached or have not been carried out or complied with or are otherwise untrue, incorrect or misleading, or any event shall occur which constitutes or is likely to constitute a Material Adverse Event to Maxflo, and/or upon the occurrence of any of the events stated hereunder ("**Event of Default**"), and in any such case, the Non-Defaulting Party shall be entitled to exercise its rights and remedies in accordance with **Section 6.1** of this **Appendix I**, without prejudice to any other rights or remedies available at law or in equity:-

(i) Vendor Default Events

- (a) the Vendor breaches any terms and/or conditions of the SSA, including breach of the Vendor's Warranties or if it fails to perform or observe any undertakings, obligations, covenants and/or agreements expressed or implied in the SSA;
- (b) if a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Vendor and/or Maxflo;
- (c) if the Vendor and/or Maxflo enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of its creditors or any class of them;
- (d) if an application or order is made for the winding up or dissolution of Maxflo or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of Maxflo otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Purchaser;
- (e) if Maxflo ceases or threatens to cease carrying on its business;
- (f) if a winding up petition shall be presented against the Vendor and/or Maxflo; and
- (g) if the Vendor and/or Maxflo commits any act or omits to do any act which results in the breach or non-fulfilment of any terms or conditions under the SSA which may have the effect of causing the aforesaid events to occur,

(ii) Purchaser Default Events

- (a) the Purchaser breaches any terms and/or conditions of the SSA, including failure to pay the Purchase Consideration or to perform or observe any undertakings, obligations, covenants and/or agreements expressed or implied in the SSA;
- (b) if a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Purchaser;
- (c) if the Purchaser enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
- (d) if a winding up petition is presented against the Purchaser, or an order is made, or resolution passed, for the Purchaser's winding up or dissolution otherwise than for the purpose of an amalgamation or reconstruction with the prior written consent of the Vendor; or
- (e) if the Purchaser commits any act or omits to do any act which results in the breach or non-fulfilment of any terms or conditions under the SSA.

---

**SALIENT TERMS OF THE SSA (CONT'D)**

---

For the purpose of the SSA, “**Material Adverse Event**” means any act, agreement, transaction, change, effect, event, occurrence or state of facts or circumstances that adversely affects or may affect Maxflo which shall adversely affect the finance, operations, business of Maxflo, or prospects of any of Maxflo, or any act, agreement, transaction, change, effect, event, occurrence or state of facts or circumstances that adversely affects or may affect Maxflo which results in an implication or loss that is material.

6.3 Specific Performance

Both Parties shall be entitled to claim specific performance of the SSA against the other. For this purpose, the Parties agree that an alternative remedy of monetary compensation shall not be regarded as sufficient compensation for such other Party’s default in the performance of the provisions of the SSA.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

## DRAFT LTIP BY-LAWS

**RESERVOIR LINK ENERGY BHD  
(REGISTRATION NO. 201401044508 (1120690-K))**

**BYLAWS OF RESERVOIR LINK ENERGY BHD GROUP'S  
LONG TERM INCENTIVE PLAN 2026**

**1. DEFINITIONS AND INTERPRETATIONS**

- 1.1 In these Bylaws, except where the context otherwise requires, the following expression in these Bylaws shall have the following meanings:

<b>Act</b>	: The Companies Act, 2016, as amended from time to time and all regulations made thereunder and any re-enactment thereof
<b>Adviser</b>	: A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007, which includes a Recognised Principal Adviser, or any other person who, acting in the capacity of an adviser, presents, submits or discloses an application, a circular or any other document to Bursa Securities on behalf of an applicant or a listed issuer under the Main Market Listing Requirements
<b>Authorised Nominee</b>	: A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository
<b>Award Letter</b>	: A letter of offer issued to Eligible Person(s) pursuant to an offer made by the LTIP Committee under Part B or Part C, as the case may be, of these Bylaws
<b>Board</b>	: Board of Directors of RLEB, as may be constituted from time to time
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W))
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Registration No. 200301033577(635998-W))
<b>Bylaws</b>	: The rules, terms and conditions of the Scheme as set out herein, and shall include any amendments or variations made thereto from time to time
<b>CDS</b>	: Central Depository System governed under the Central Depositories Act
<b>CDS Account</b>	: The account established by Bursa Depository for a Depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by the Depositors
<b>Central Depositories Act</b>	: The Securities Industry (Central Depositories) Act 1991 including any amendments made thereto from time to time and all regulations made thereunder and any re-enactment thereof
<b>Company or RLEB</b>	: <b>Reservoir Link Energy Bhd</b> (Registration No. 201401044508 (1120690-K)), or such other names as may be known from time to time

## DRAFT LTIP BY-LAWS (CONT'D)

<b>Constitution</b>	: The constitution of the Company or by whatever names so called, as amended from time to time
<b>Date of Expiry</b>	: The last day of the duration of this Scheme pursuant to Bylaw 6.1 hereof unless earlier terminated pursuant to Bylaw 6.3. If such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day, but excluding those days during that period on which the Record of Depositors and/or warrants register is or are closed
<b>Depositor</b>	: A holder of a CDS Account
<b>Director(s)</b>	: A natural person who holds a directorship in an executive or non-executive capacity in any corporation in the RLEB Group, and shall have the meaning given in Section 2(1) of the Capital Markets & Services Act 2007, which for avoidance of doubt excludes alternate director
<b>Effective Date</b>	: The date for the implementation of the Scheme being the date of full compliance with all relevant requirements of Chapter 6 of the Main Market Listing Requirements including the approvals and/or conditions referred to in Bylaw 6.1 hereof have been obtained and/or complied with and to be determined by the LTIP Committee;
<b>Eligible Person(s)</b>	: Employee(s), officer(s) and/or Director(s) of the RLEB Group who meets the criteria of eligibility for participation in the Scheme as set out in Bylaw 7
<b>Employee</b>	: A natural person who is employed by and on the payroll of any corporation the RLEB Group, including Director(s) (holding directorship in an executive capacity) and person(s) recruited under contracts of employment within the RLEB Group
<b>Entitlement Date</b>	: The date as at the close of business on which the names of the shareholders of RLEB must appear on RLEB's Record of Depositors in order to participate in any dividends, rights, allotments or other distributions
<b>ESOS</b>	: The employees' share option scheme, a component of the Scheme as more particularly set out in Part B of these Bylaws
<b>ESOS Award Date</b>	: The date of the Award Letter in which an ESOS Award(s) is awarded to any Eligible Person pursuant to an Award Letter
<b>ESOS Award(s)</b>	: The grant of an award of such number of ESOS Option(s) to Eligible Person(s) to subscribe for RLEB Shares at the Option Price in the manner and subject to the terms and conditions provided in these Bylaws
<b>ESOS Option(s) or Option(s)</b>	: The right of an ESOS Participant to subscribe for new RLEB Share(s) under the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner indicated in Bylaw 36
<b>ESOS Participant(s)</b>	: Eligible Person(s) who has accepted an award of ESOS Options in accordance with the terms of the Scheme

## DRAFT LTIP BY-LAWS (CONT'D)

<b>Exercise Period</b>	: The specific period or periods within the LTIP Period during which ESOS Options may be exercised by LTIP Participants, as determined by the LTIP Committee subject to Bylaw 6
<b>Government</b>	: The Government of Malaysia
<b>LTIP Award Date(s)</b>	: The SGS Award Date(s) and/or the ESOS Award Date(s), as the case may be
<b>LTIP Award(s)</b>	: The SGS Award(s) and/or the ESOS Award(s), as the case may be
<b>LTIP Committee</b>	: The committee, comprising Director(s) and/or Senior Management of RLEB Group duly appointed from time to time and authorised by the Board pursuant to Bylaw 16 to administer the Scheme in accordance with these Bylaws
<b>LTIP or Scheme</b>	: The RLEB Group's Long Term Incentive Plan 2026 comprising the ESOS and SGS on the terms as set out in these Bylaws
<b>LTIP Participant(s) or Participant(s)</b>	: Means ESOS Participant(s) and/or SGS Participant(s), as the case may be
<b>LTIP Period</b>	: A period commencing from the date the offer for the ESOS Options or a SGS Award, as the case may be, is accepted in accordance with these Bylaws and expiring on the last day of the period referred to in Bylaw 6 or such other date which the LTIP Committee may in its discretion decide, subject always to early termination in accordance with the provisions of Bylaw 6, provided that no LTIP Period shall extend beyond the period referred to in Bylaw 6
<b>Main Market Listing Requirements</b>	: The Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
<b>Market Day(s)</b>	: Any day between Monday to Friday (inclusive of both days), excluding public holidays or surprise holiday*, and on which the stock market of Bursa Securities is open for trading of securities;  *A "surprise holiday" refers to a public holiday declared in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the start of the calendar year
<b>Maximum Allowable Allocation</b>	: The maximum number of RLEB Shares that can be offered to an Eligible Person falling within a particular category of Eligible Person as stipulated in Bylaw 8
<b>Option Price</b>	: The price at which the ESOS Participant shall be entitled to subscribe for every RLEB Share by exercising his/her ESOS Option(s) as determined in accordance with Bylaw 37
<b>Person connected</b>	: Has the meaning given to "person connected" adopted in paragraph 1.01 of the Main Market Listing Requirements
<b>Record of Depositors</b>	: A record provided by Bursa Depository to a listed issuer under Chapter 24.0 of the Rules of Bursa Depository, including any amendment that may be made from time to time

## DRAFT LTIP BY-LAWS (CONT'D)

<b>Registered Office</b>	: The registered address of RLEB which as at the Effective Date being E289, 1 <sup>st</sup> Floor, Block E, iCom Square, Jalan Pending, 93450 Kuching, Sarawak, Malaysia
<b>RLEB Group or Group</b>	: RLEB and its Subsidiaries collectively, except for dormant Subsidiaries
<b>RLEB Share(s) or Share(s)</b>	: Ordinary shares in RLEB
<b>RM and sen</b>	: Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
<b>Rules of Bursa Depository</b>	: The Rules of Bursa Depository as issued pursuant to the Central Depositories Act
<b>Senior Management</b>	: An Employee of the RLEB Group who holds the position of manager and above or assumed the role of a team leader in a department of the Group or deemed to be in a senior position as may be determined by the LTIP Committee from time to time
<b>SGS</b>	: The employee share grant scheme, a component of the Scheme as more particularly set out in Part C of these Bylaws
<b>SGS Award</b>	: The grant of an award of such number of existing RLEB Shares to executive Directors and/or Senior Management of RLEB Group whom shall fulfil the criteria of an Eligible Person pursuant to the provisions of Bylaw 7
<b>SGS Award Date(s)</b>	: The date of the Award Letter in which an SGS Award(s) is awarded to any executive Director or Senior Management of RLEB Group whom shall fulfil the criteria of an Eligible Person pursuant to the Award Letter
<b>SGS Participant(s)</b>	: Executive Directors and/or Senior Management of RLEB Group (whom shall fulfil the criteria of an Eligible Person pursuant to the provisions of Bylaw 7) who has accepted SGS Award(s) in accordance with the terms of the Scheme
<b>Subsidiaries</b>	: Subsidiary corporations within the meaning of Section 4 of the Act of RLEB which are not dormant and shall include subsidiary corporations which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiary corporations which have been divested in the manner provided for in Bylaw 24.2 and which is determined by the LTIP Committee at its absolute discretion from time to time to be a corporation participating under the Scheme in accordance with Bylaw 7
<b>Trust</b>	: The trust that may be established to facilitate the implementation of the Scheme
<b>Trust Deed</b>	: The trust deed(s) constituting the Trust to be executed between the Trustee and the Company (if applicable)
<b>Trustee</b>	: The trustee(s) or its authorised nominee that may be appointed by the Company for the Scheme from time to time

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

**Vesting Conditions** : The conditions which are required to be fulfilled by a LTIP Participant before the ESOS Option(s) and/or SGS Award(s) is capable of being vested onto the LTIP Participant pursuant to the terms of these Bylaws

1.2 In these Bylaws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority);
- (ii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these Bylaws so far as such modification or re-enactment applies or is capable of applying to any LTIP Award offered and accepted prior to the expiry of the Scheme and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (iii) reference to "assets" of any person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues (including any right to receive revenues);
- (iv) words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (v) any liberty or power which may be exercised or any determination which may be made hereunder by the LTIP Committee or the Board may be exercised at the LTIP Committee's or the Board's absolute and unfettered discretion and the LTIP Committee and/or the Board shall not be required to give any reason therefore except as may be required by the relevant authorities;
- (vi) the headings in these Bylaws are for convenience only and shall not be taken into account in the interpretation of these Bylaws;
- (vii) unless expressly stated herein, if an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day provided always if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day;
- (viii) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns;
- (ix) in the event of any change in the name of the Company from its present name, all references to Reservoir Link Energy Bhd or RLEB in these Bylaws and all other documents pertaining to the LTIP shall be deemed to be references to the Company's new name; and
- (ix) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

---

DRAFT LTIP BY-LAWS (CONT'D)

---



---

PART A: GENERAL PROVISIONS OF THE SCHEME

---

**2. NAME OF THE SCHEME**

This Scheme will be called the **"Reservoir Link Energy Bhd Group's Long Term Incentive Plan 2026"** and shall comprise of the ESOS and the SGS.

**3. THE OBJECTIVES OF THE SCHEME**

The establishment of this Scheme is to align the interests of the Eligible Persons to the corporate goals of the Group and provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below: -

- (i) to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;
- (ii) to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of RLEB Shares upon disposal;
- (iii) to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;
- (iv) to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive; and
- (v) to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group.

The ESOS comprised in the Scheme is also extended to non-executive directors in the Group in recognition of their contributions towards the growth and performance of the RLEB Group. The SGS comprised in the Scheme shall not be extended to the non-executive Directors of the Group.

**4. APPLICATION OF PART A**

Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESOS and the SGS.

**5. MAXIMUM NUMBER OF RLEB SHARES AVAILABLE UNDER THE SCHEME**

- 5.1 The total number of RLEB Shares which may be made available under the Scheme shall not in aggregate be more than fifteen per centum (15%) of the total number of issued RLEB Shares (excluding treasury shares) at any one time during the duration of the Scheme ("**Maximum RLEB Shares**") whether or not such total number of RLEB Shares which may be made available under the Scheme may be made available, offered and/or issued/ delivered in one single offer or in a staggered manner over the duration of the Scheme and whether or not will be subject to any vesting period and/or vesting conditions. The LTIP Committee has the discretion in determining whether the total number of RLEB Shares which may be made available under the Scheme shall be and/or allocation thereof shall be in one single Offer or multiple tranches, staggered over the duration of the Scheme or in a single grant and/or whether the LTIP Award(s) will be subject to any vesting period or vesting conditions.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 5.2 Notwithstanding the provision of Bylaw 5.1 above or any other provisions contained herein, in the event the aggregate number of RLEB Shares granted under the Scheme exceeds the Maximum RLEB Shares at any point in time as a result of the Company purchasing its own shares or the Company undertaking any corporate proposal, no further LTIP Awards shall be made until such aggregate number of RLEB Shares granted falls below the Maximum RLEB Shares. Any LTIP Award(s) made prior to the adjustment of the number of issued RLEB Shares shall remain valid and exercisable in accordance with the provisions of this Scheme.
- 5.3 RLEB Shares which are the subject of LTIP Awards which have lapsed for any reason whatsoever may be the subject of further LTIP Awards made by the LTIP Committee under the Scheme.
- 5.4 Notwithstanding the above, the Company may implement more than one (1) long term incentive plan during the duration of this Scheme provided that the aggregate RLEB Shares available under all the share issuance schemes implemented by RLEB are not more than fifteen per centum (15%) of its total number of issued shares (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 5.5 RLEB will use all reasonable efforts to make available/ensure that it has available and sufficient RLEB Shares to satisfy the LTIP Awards made during the Scheme.

**6. DURATION AND TERMINATION OF THE SCHEME**

- 6.1 The Effective Date for launch or implementation of the Scheme shall be the date of full compliance with all relevant requirements of Chapter 6 of the Main Market Listing Requirements including the last of the following approvals and/or conditions have been obtained and/or complied with:
- (a) the submission to Bursa Securities of the final copy of the Bylaws together with a letter of compliance pursuant to paragraph 2.12 and 6.42 of the Main Market Listing Requirements and a checklist showing compliance with Appendix 6E of the Main Market Listing Requirements;
  - (b) receipt of the approval or approval-in-principle from Bursa Securities for the listing of and quotation for the new RLEB Shares, if any, to be issued under the Scheme;
  - (c) the shareholders' approval for the Scheme at a general meeting;
  - (d) the approval of any other relevant authorities for the Scheme (if any); and
  - (e) the fulfilment of all conditions attached to the above approvals, if any.

The Scheme, when implemented, shall be in force for a period of five (5) years from the Effective Date unless earlier terminated in accordance with Bylaw 6.3. The Company may, if the Board deems fit upon the recommendation of the LTIP Committee, extend the Scheme for a period of up to another five (5) years, immediately from the expiry of the first five (5) years, provided the total duration of the Scheme shall not in aggregate exceed ten (10) years from the Effective Date. Such extended Scheme shall be implemented in accordance with the terms of these Bylaws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals from the shareholders of the Company or other persons or authorities shall be required for the extension of the Scheme and the Company shall serve appropriate notices on each LTIP Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within thirty (30) days prior to the Date of Expiry or such other period as may be stipulated by Bursa Securities.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 6.2 LTIP Awards can only be made during the duration of the Scheme and before 5.00p.m. on the Date of Expiry.
- 6.3 Subject to Bylaw 6.4, the Company may at any time during the duration of the Scheme through a resolution by the Board and upon the recommendation of the LTIP Committee, terminate the Scheme without further sanctions, approvals and/or authorisations (unless otherwise required by the relevant authorities or Listing Requirements) and, upon expiry of the notice period stipulated in Bylaw 6.4, shall immediately announce to Bursa Securities the:
- (a) effective date of termination of the Scheme ("**Termination Date**");
  - (b) number of ESOS Options exercised pursuant to the ESOS and/or number of RLEB Shares vested pursuant to the SGS; and
  - (c) reasons for termination of the Scheme.
- 6.4 Subject to Bylaw 15.3, prior to the termination of the Scheme pursuant to Bylaw 6.3, the Company shall provide thirty (30) days' notice to all LTIP Participants and allow the LTIP Participants to (a) exercise any vested but unexercised ESOS Options; and (b) transfer any shares of any vested SGS Awards prior to the Termination Date.
- 6.5 Notwithstanding anything to the contrary, all unvested and/or unexercised ESOS Options and/or SGS Awards (whether fully or partially) shall lapse on the Date of Expiry or earlier termination of the Scheme pursuant to Bylaw 6.3 and shall be deemed cancelled and be null and void.
- 6.6 The Company shall through its Adviser submit no later than five (5) Market Days after the Effective Date of the implementation of these Bylaws, a confirmation to Bursa Securities of the full compliance of Bylaw 6.1 above stating the Effective Date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the Scheme.
- 6.7 In the event of termination as stipulated in Bylaw 6.3 above, the following provisions shall apply:
- (a) no further LTIP Award(s) shall be granted by the LTIP Committee from the Termination Date;
  - (b) all LTIP Award(s) which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
  - (c) any LTIP Award(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) granted under the Scheme shall be deemed cancelled and be null and void.
- 6.8 Subject to the Main Market Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of LTIP Participant(s) in relation to unvested ESOS Options and/or unvested or unexercised RLEB Shares are not required to effect a termination of the Scheme.
- 7. ELIGIBILITY**
- 7.1 Subject to Bylaws 7.2, 7.4 and 7.5 below, any Director or Employee of the RLEB Group shall be eligible to be considered for participation in the Scheme.
- 7.2 In the case of an Eligible Person, he/she will be eligible if at the LTIP Award Date, the following eligibility criteria is fulfilled:
- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the LTIP Award Date:

## DRAFT LTIP BY-LAWS (CONT'D)

- (i) he/she has attained the age of at least eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) he/she is employed on full time basis and has been in the employment of RLEB or RLEB Group for such period as may be determined by the LTIP Committee prior and up to the LTIP Award Date and has not served a notice to resign nor received a notice of termination;
  - (iii) his/her employment has been confirmed in writing and is not under any probationary period;
  - (iv) he/she is serving in a specific designation under the employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the LTIP Committee; and/or
  - (v) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time,
- (b) in respect of a Director, the Director must fulfil the following criteria as at the LTIP Award date:
- (i) he/she has attained the age of at least eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) has been appointed as a Director of the Company or any corporation in the RLEB Group (including executive or non-executive and/or independent or non-independent Directors of RLEB Group but shall not include alternate and/or substitute Directors or any Director of any other company within RLEB Group which is dormant) for such period as may be determined by the LTIP Committee prior and up to the LTIP Award Date and has not served a notice to resign nor received a notice of termination and in the case of the SGS comprised in the Scheme, he/she shall be an executive Directors of the Group as at the LTIP Award Date; and/or
  - (iii) fulfils any other criteria and/or fall within such category as may be determined by the LTIP Committee,

**PROVIDED ALWAYS THAT** the selection of any Director or Employee for participation in the Scheme and the determination of the number of LTIP Awards to be offered to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Scheme, the LTIP Committee may take into account amongst other factors, the provisions of the Main Market Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/or directors' share issuance scheme, designation, role, function, performance, job class or grading, annual appraised performance, seniority, length of service and/or contribution to the relevant corporation within the RLEB Group, and/or such other factors that the LTIP Committee may in its sole and absolute discretion deem fit. The LTIP Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above.

- 7.3 No LTIP Award, allocation under the Scheme and the related allotment and/or vesting of RLEB Shares shall be made to the following persons unless the shareholders of RLEB in a general meeting shall have approved the specific allocation and allotment and/or award to such persons:

- (a) any Eligible Person who is a director, major shareholder or chief executive officer of RLEB or holding company of RLEB (if any) ("**Interested Director**", "**Interested Major Shareholder**" and "**Interested Chief Executive**"); and/or

---

DRAFT LTIP BY-LAWS (CONT'D)

---

- (b) an Eligible Person who is connected with an Interested Director, Interested Major Shareholder or Interested Chief Executive ("**Interested Person Connected with a Director, Major Shareholder or Chief Executive**").

In a meeting to obtain shareholder approval in respect of the above allocation, allotment and/or grant:

- (a) to an Eligible Person who is the Interested Director, Interested Major Shareholder, Interested Chief Executive or Interested Person connected with a director, major shareholder or chief executive; and
- (b) where the allocation and allotment is in favour of an Eligible Person who is an Interested Person Connected with a Director, Major Shareholder or Chief Executive,

such director, major shareholder or chief executive must not vote on the resolution approving the said allocation and allotment and/or award. An Interested Director, Interested Major Shareholder or Interested Chief Executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment and/or award and any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulations.

- 7.4 For the avoidance of doubt, the following persons are not Eligible Persons and do not qualify for participation in the Scheme:
  - (a) subject to Bylaw 24 below, employees of a corporation which has ceased to be a subsidiary of RLEB;
  - (b) a Director or employee of a corporation within the RLEB Group which is dormant; and
  - (c) employees that are on probation.
- 7.5 Unless otherwise determined by the LTIP Committee, an LTIP Participant under the Scheme shall not be entitled to participate in any other share issuance scheme, share grant scheme or share scheme which may be implemented by any other corporation in the RLEB Group during the duration of the Scheme unless otherwise approved by the Board and in accordance with the relevant laws and the Main Market Listing Requirements.
- 7.6 Directors and Employees of RLEB Group may be eligible to participate in either or both the ESOS and/or the SGS, as may be determined by the LTIP Committee. For the avoidance of doubt, non-executive Directors shall only be eligible to participate in the ESOS but not the SGS.
- 7.7 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or SGS Awards comprised herein unless an LTIP Award pursuant to an Award Letter has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award and has fulfilled the conditions in the LTIP Award (if any).
- 7.8 Notwithstanding anything to the contrary in these Bylaws subject always to Bylaws 17 and 18, the LTIP Committee may, in its discretion, waive the eligibility criteria set out in Bylaw 7.2 or at its discretion decide not to make a LTIP Award(s). The eligibility and number of LTIP Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 7.9 Where an LTIP Award is to an Eligible Person who is a member of the LTIP Committee, such LTIP Award shall be decided and carried out by the LTIP Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the LTIP Committee shall abstain from all deliberations and voting in respect of the LTIP Award proposed to be offered or awarded to him/her or the vesting of ESOS Options and/or RLEB Shares under the SGS Awards to him/her at the relevant LTIP Committee meetings.

**8. MAXIMUM ALLOWABLE ALLOCATION AND BASIS OF ALLOCATION**

- 8.1 Subject to Bylaw 5 and any adjustments which may be made under these Bylaws, the aggregate number of RLEB Shares that may be allocated to any of the Eligible Persons of the RLEB Group who are entitled to participate in the Scheme shall be determined by the LTIP Committee on the basis set out in Bylaw 8.2 subject always to the following main parameters:

- (a) the Eligible Persons including Directors and Senior Management do not participate in the deliberation or discussion of their own allocation as well as to persons connected with them, if any;
- (b) the number of RLEB Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed ten per centum (10%) of the Maximum RLEB Shares, and
- (c) up to 70% of the Maximum RLEB Shares shall be allocated in aggregate to the Directors and Senior Management of the RLEB Group. This is intended to incentivise the Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of RLEB Group and to incentivise the Senior Management of the Group for their commitment, dedication and loyalty towards attainment of higher performance,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Main Market Listing Requirements or any other relevant authorities as may be amended from time to time.

- 8.2 The basis for determining the aggregate number of RLEB Shares that may be offered and/or allocated under the Scheme to an Eligible Person shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the provisions of the Main Market Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/or directors' share issuance scheme, the designation, seniority, job class or grading, performance, annual appraised performance, length of service and/or contribution to the Group by the Eligible Person and/or such other matters which the LTIP Committee may in its sole and absolute discretion deem fit and the Maximum Allowable Allocation as decided by the LTIP Committee.
- 8.3 Subject to Bylaw 17, the LTIP Committee may at its sole and absolute discretion and pursuant to Bylaw 16, amend or vary and/or include or preclude any basis or criteria which is applied in considering LTIP Awards to Eligible Persons including the including details of the category of Employees and/or thresholds of Maximum Allowable Allocation for which it shall deem necessary to introduce during the duration of the Scheme provided that these bases are in compliance with the relevant Main Market Listing Requirements and applicable laws.
- 8.4 In the event that an Eligible Person is promoted to a higher category, he/she shall be entitled to continue to hold all unvested ESOS Options and to exercise all vested but unexercised ESOS Options and/or be entitled to hold all unvested SGS Awards held by him/her. The Maximum Allowable Allocation applicable to such Eligible Person shall be the Maximum Allowable Allocation that may be awarded corresponding to the category of the employee of which he/she then is a party, subject always to the maximum number of RLEB Shares available under the Scheme as stipulated under Bylaw 5.

**DRAFT LTIP BY-LAWS (CONT'D)**

- 8.5 In the event that an Eligible Person is demoted to a lower category, he shall be entitled to exercise all vested but unexercised ESOS Options and/or to all vested SGS Awards unless otherwise determined by the LTIP Committee and the number of unvested ESOS Options and/or SGS Awards held by him/her at that time may be reduced by the LTIP Committee in its sole and absolute discretion. In the event the total number of RLEB Shares in respect of ESOS Option(s) which have been accepted by such demoted Eligible Person up to the effective date of his/her demotion is higher than the Maximum Allowable Allotment for his/her new category pursuant to such demotion, he/she shall not be entitled to be offered any further ESOS Option(s) unless and until he/she is subsequently promoted to a higher category or in such event where the Maximum Allowable Allotment is amended as provided in Bylaw 8.3 or revised by the LTIP Committee resulting in his/her Maximum Allowable Allotment being increased to an amount greater than the total number of RLEB Shares in respect of Option(s) which have already been accepted by him/her.
- 8.6 The LTIP Committee shall not be obliged in any way to award, grant or vest to any Eligible Person any ESOS Options and/or SGS Awards. The decision of the LTIP Committee shall be final and binding.
- 8.7 The allocation of ESOS Options and SGS Awards pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these Bylaws (where relevant) at the end of each financial year of the Company.
- 8.8 The LTIP Committee may at its sole and absolute discretion determine whether granting of the LTIP Award(s) to the Eligible Person will be staggered over the duration of the Scheme or in one (1) single grant and/or whether the LTIP Award(s) are subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to performance target.
- 8.9 If any Eligible Person is a member of the LTIP Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.
- 8.10 Subject to Bylaw 35 and Bylaw 40, the LTIP Committee shall be entitled to determine the maximum number of LTIP Award(s) that will be made available to an Eligible Person. At the time the LTIP Award(s) is awarded in accordance with these Bylaws, the LTIP Committee shall set out the basis of the award, identifying the class, category or grade of the Eligible Person and the Maximum Allowable Allocation that may be awarded to such Eligible Person under the LTIP Award(s), all of which may be amended and varied by the LTIP Committee from time to time at its discretion in accordance with applicable laws and the Main Market Listing Requirements, and the decision of the LTIP Committee shall be final and binding.
- 8.11 Any Eligible Person who holds more than one (1) position within the RLEB Group (including a Director who is an Employee of the RLEB Group and who sits on the board(s) of directors of any one (1) or more corporations within the RLEB Group), and is therefore an Eligible Person in more than one category or capacity, shall be entitled to the Maximum Allowable Allotment of only one (1) category to be determined by the LTIP Committee at its sole and absolute discretion.

**9. RIGHTS ATTACHING TO LTIP AWARDS AND THE NEW RLEB SHARES**

- 9.1 The ESOS Options and/or SGS Awards (as the case may be) shall not carry any right to vote at any general meeting of the Company until and unless such RLEB Shares have been issued, allotted and credited into the CDS Account of the LTIP Participant.
- 9.2 An LTIP Participant shall not be entitled to any dividends, right or other entitlements (including but not limited to offer of further securities) on his/her unexercised ESOS Options and/or unvested SGS Awards (as the case may be).

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 9.3 The new RLEB Shares to be allotted upon the exercise of the ESOS Options shall upon allotment, issuance and full payment (if any), rank *pari passu* in all respects with the existing RLEB Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid to ordinary shareholders, the Entitlement Date of which is prior to the date of allotment of the said new RLEB Shares and are subject to the provisions of the Constitution of the Company and the Main Market Listing Requirements, if any. In the event that any existing RLEB Shares or treasury shares are to be transferred upon the vesting of any RLEB Shares under the SGS Awards, the existing RLEB Shares or treasury shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is on or after to the date the RLEB Shares or treasury shares are credited into the CDS Account of the relevant LTIP Participants.
- 9.4 All dividends, rights, allotments and/or any other distribution declared, made, paid or attached to the RLEB Shares held in trust by the Trustee (if any) shall form part of the Trust assets until such RLEB Shares are credited into the CDS Accounts of the respective LTIP Participants in which event Bylaws 9.1, 9.2 and 9.3 shall apply.
- 9.5 All RLEB Shares will be subject to all provisions of the Constitution of the Company.

**10. TRUSTEE**

- 10.1 The Company and/or the LTIP Committee may establish a Trust to be administered by the Trustee for the purposes of implementing the Scheme. To enable the implementation of the Scheme and the acquisition or subscription of the RLEB Shares to satisfy the exercise of the SGS Awards and to pay expenses in relation to the administration of the Trust, the Trustee may, to the extent permitted by law and as set out under these Bylaws, receive funds from the RLEB Group or any other person in such bank account(s) to be established by the Trustee for the purpose of the Trust. The LTIP Committee shall have the sole and absolute discretion to instruct the Trustee to acquire existing RLEB Shares at any time and from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee.
- 10.2 If a Trust is established, the Trustee shall administer the Trust in accordance with the Trust Deed. For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administering of the trust as the LTIP Committee may in its discretion direct for the purpose of implementation or administration of the Trust.
- 10.3 The Company shall have the power from time to time to appoint, rescind or terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The LTIP Committee shall not be under any obligation to give any reasons for such appointment, rescission or termination. The LTIP Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

**11. NON-TRANSFERABILITY**

- 11.1 An ESOS Option and/or SGS Award (as the case may be) is personal to the LTIP Participant and, prior to the allotment and/or transfer to the LTIP Participant of the Shares to which the LTIP Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of (in whole or in part) in any manner whatsoever and exercisable only by the LTIP Participant personally during his/her lifetime whilst he/she is in the employment in any corporation in the RLEB Group.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 11.2 Unless permitted under these Bylaws, a LTIP Award or the rights of the ESOS Participants under the ESOS Options shall not be transferred, assigned, disposed of or subject to any encumbrances by the LTIP Participant save and except in the event of the death of the LTIP Participant as provided under Bylaw 12.8. Any attempt to transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the ESOS Option and/or LTIP Award (as the case may be).

**12. TERMINATION OF THE ESOS OPTIONS AND/OR SGS AWARDS**

- 12.1 Upon occurrence of one or more of the following events prior to the full vesting and transfer of any SGS Award and/or full vesting and exercise of any ESOS Option (as the case may be), such ESOS Option and/or SGS Award or the balance thereof that remained unvested, unexercised or not allotted/transferred, as the case may be, shall forthwith cease to be valid without any claim against the Company:

- (a) resignation, termination or cessation of employment of an Eligible Person or LTIP participant, for any reason; or
- (b) expiry, termination or cessation of a contract of service of an Eligible Person or LTIP Participant, for any reason; or
- (c) resignation, retirement or removal of a Director, for any reason.

PROVIDED ALWAYS THAT the LTIP Committee may, at its absolute discretion, by notice in writing, stipulate the times or period at or within which such SGS Awards and/or ESOS Options shall vest all or in part (provided that no RLEB Shares and/or ESOS Options shall vest after the expiry of the LTIP Period) or permit such vested but unexercised ESOS Option to remain exercisable during the LTIP Period all or in part if such cessation occurs by reason of:

- (a) retirement upon or after attaining the retirement age under RLEB Group's retirement policy; or
- (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (c) redundancy or retrenchment pursuant to the acceptance by that LTIP Participant or a voluntary separation scheme offered by a corporation within the RLEB Group; or
- (d) resignation, retirement or removal of a Director, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director; or
- (e) transfer to any corporation outside the RLEB Group at the direction of the Company; or
- (f) ill-health, injury, physical or mental disability; or
- (g) any other circumstances which are acceptable to the LTIP Committee.

- 12.2 Unless otherwise agreed in writing by the LTIP Committee at its absolute discretion, upon the resignation of the LTIP Participant from his/her employment or directorship or contract of service with the RLEB Group (as the case may be), an ESOS Option and/or SGS Award (as the case may be) shall lapse forthwith on the date the LTIP Participant tenders his/her resignation. Any ESOS Option and/or SGS Award which lapses upon the resignation of the LTIP Participant from his/her employment or directorship with RLEB Group (as the case may be), at the discretion of the LTIP Committee, shall be offered to other Eligible Persons.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 12.3 In the event a bankruptcy proceeding has commenced against a LTIP Participant, the ESOS Option or SGS Award (as the case may be) shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested and/or unexercised ESOS Options and/or SGS Awards in respect of the LTIP Award shall be capable to be vested to the said LTIP Participant. However, an ESOS Option or SGS Award (as the case may be) shall immediately become void and of no further force and effect upon the LTIP Participant being adjudicated a bankrupt.
- 12.4 In the event of the liquidation of the Company or termination of the Scheme, all unexercised or unvested or partially unexercised or partially unvested ESOS Options and SGS Awards shall lapse.
- 12.5 An ESOS Option or SGS Award (as the case may be) shall cease to be valid without any claim against the Company upon the happening of any event which results in the LTIP Participant being deprived of the beneficial ownership of the ESOS Option or SGS Award on the date such event occurs.
- 12.6 An ESOS Option or SGS Award (as the case may be) shall cease to be valid upon termination of the Scheme pursuant to Bylaw 6.
- 12.7 Upon the termination or cease or lapse of the ESOS Options and/or SGS Awards (as the case may be) pursuant to this Bylaw 12, the LTIP Participant shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to exercise or be vested his/her ESOS Options and/or SGS Awards (as the case may be) or his/her ESOS Options and/or SGS Awards (as the case may be) ceasing to be valid.
- 12.8 Where a LTIP Participant dies before the expiry of the LTIP Period and the LTIP Committee permits such LTIP Participant's unexercised or unvested or partially unexercised or partially unvested ESOS Options and SGS Awards to be capable to be vested, the whole or any part of the ESOS Options and SGS Awards held by the LTIP Participant that is unexercised or unvested or partially unexercised or partially unvested may be exercised or vested by the legal representatives of the LTIP Participant in accordance with the terms and/or conditions as set out by the LTIP Committee before the expiry of the LTIP Period **PROVIDED ALWAYS THAT** no ESOS Options shall be exercised or SGS Awards shall be vested after the expiry of the LTIP Period.

**13. ALTERATION OF SHARE CAPITAL**

- 13.1 Notwithstanding anything contained in these Bylaws and subject to any applicable laws and the Main Market Listing Requirements, in the event of any alteration in the capital structure of the Company prior to the Date of Expiry or Termination Date, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of RLEB Shares or reduction of capital or any other variation of capital, the Company may in its discretion in good faith cause such adjustment to be made to the number of RLEB Shares which shall be exercisable or vested under an ESOS Option(s) or SGS Award(s) and/or the Option Price.
- 13.2 The following provisions shall apply in relation to an adjustment which is made pursuant to Bylaw 13.1:
- (a) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen; and
  - (b) in determining a LTIP Participant's entitlement to subscribe for or acquire RLEB Shares and/or number of RLEB Shares to be vested, any fractional entitlements will be disregarded.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 13.3 Bylaw 13.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new RLEB Shares or other securities convertible into RLEB Shares or rights to acquire or subscribe for RLEB Shares in consideration or part consideration for an acquisition of any other securities, assets or business by the Company and/or its related corporation;
  - (b) a special issue of new RLEB Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
  - (c) a private placement/restricted issue of new RLEB Shares by the Company;
  - (d) an issue of new RLEB Shares arising from the exercise of any conversion rights attached to securities convertible to RLEB Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
  - (e) an issue of new RLEB Shares upon the exercise of ESOS Option(s) (if any) pursuant to the Scheme;
  - (f) any issue of RLEB Shares pursuant to a dividend reinvestment scheme or share dividend in accordance with the Main Market Listing Requirements so long as it is not a Capital Distribution (as defined below) or bonus issue;
  - (g) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act;
  - (h) an award of further ESOS Option(s) or SGS Award(s) to Eligible Persons under these Bylaws; and
  - (i) any other proposals which will not result in an adjustment to the reference price of the RLEB Shares and as amended from time to time by the relevant authorities such as Bursa Securities and Securities Commission Malaysia.
- 13.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, Bylaw 13.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, save that Bylaw 13.3 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company which falls within Bylaw 13.3.
- 13.5 An adjustment pursuant to Bylaw 13.1 shall be made according to the following terms:
- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
  - (b) in the case of a consolidation or subdivision of RLEB Shares or reduction of capital, on date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- 13.6 Save for any alteration in the capital structure of the Company during the duration of the Scheme arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing by an approved company auditor or Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. Such confirmation shall be final and binding on all parties. In addition, the Company shall, at the request of any LTIP Participant, furnish such LTIP Participant with a certificate from an approved company auditor or Adviser (as the case may be) to the effect that in the opinion of such approved company auditor or Adviser (as the case may be), acting as an expert and not as an arbitrator, an adjustment is fair and reasonable either generally or as regards such LTIP Participant, and such certification shall be final and binding on all parties. For the purposes of these Bylaws, an "approved company

**DRAFT LTIP BY-LAWS (CONT'D)**

auditor" shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors as may be nominated by the Board and an "Adviser under this Bylaw 13.6 shall refer to a Recognised Principal Adviser under the Securities Commission Malaysia's Licensing Handbook.

- 13.7 The Board shall be guided by the adjustments as provided in the Schedule in determining the adjustments to be made pursuant to this Bylaw 13.
- 13.8 Upon any adjustment being made, the LTIP Committee shall within ten (10) Market Days give notice in writing to the LTIP Participant, to inform him/her of the adjustment and the event giving rise thereto.
- 13.9 Notwithstanding the other provisions referred to in the Schedule, in any circumstances where the LTIP Committee considers that adjustments to the Option Price and/or any RLEB Shares relating to ESOS Options and/or SGS Awards to be issued, transferred or vested as provided for under the provisions hereof should not be made, or should be or should not be calculated on a different basis or different date or that an adjustment to the Option Price and/or the adjustments to the number of RLEB Shares to be issued, transferred or vested relating to ESOS Options and/or SGS Awards should be made notwithstanding that no adjustment is required under the provisions hereof, the Company may appoint an Adviser and/or an approved company auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or approved company auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or approved company auditor to be in their opinion appropriate.

**14. QUOTATION OF NEW SHARES**

- 14.1 If at the time of allotment of the new RLEB Shares pursuant to the exercise of an ESOS Option, the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for its permission for the listing of and quotation for the new RLEB Shares so allotted in accordance with Bylaw 39.4 and Bylaw 44.1 (as the case may be).
- 14.2 The Company and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the RLEB Shares or in procuring Bursa Securities to list the RLEB Shares for which the LTIP Participant(s) is entitled to.

**15. RETENTION PERIOD**

- 15.1 The RLEB Shares to be allotted and issued or transferred to the LTIP Participant pursuant to this Scheme will not be subjected to any retention period unless otherwise as stated in the LTIP Award(s) as determined by the LTIP Committee from time to time. The expression "retention period" shall mean the period in which the RLEB Shares are awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed by the LTIP Participant(s). However, the LTIP Participant is encouraged to hold the RLEB Shares as an investment rather than to realise immediate gains from disposal.
- 15.2 Notwithstanding Bylaw 15.1 above, the LTIP Committee shall be entitled to prescribe or impose, in relation to any LTIP Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the LTIP Committee sees fit.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 15.3 Notwithstanding Bylaw 15.1 above, an Eligible Person who is a non-executive director must not sell, transfer or assign RLEB Shares obtained through the exercise of ESOS Options within one (1) year from the LTIP Award Date pursuant to paragraph 8.20 of the Main Market Listing Requirements.

**16. ADMINISTRATION**

- 16.1 This Scheme shall be administered by the LTIP Committee comprising such persons as shall be appointed from time to time by the Board of RLEB. The Board of RLEB shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the LTIP Committee.
- 16.2 The LTIP Committee shall be vested with such powers and duties as are conferred upon it by the Board of RLEB to administer the Scheme in such manner as it shall in its discretion deem fit, in accordance with the provisions set out in these Bylaws.
- 16.3 Without limiting the generality of Bylaw 16.2, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the LTIP Award(s), enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme which the LTIP Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme, including the powers to:
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and LTIP Award(s) granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The LTIP Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the LTIP Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
  - (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.
- 16.4 In implementing the Scheme but subject to the Act, Main Market Listing Requirements, Constitution and the applicable laws and regulations, the LTIP Committee may at its absolute discretion decide that the LTIP Awards be satisfied by the following methods:
- (i) for SGS Award(s):
    - (a) acquisition and/or transfer of existing RLEB Shares from the open market of Bursa Securities;
    - (b) acquisition and/or transfer of the Company's treasury shares;
    - (c) payment of cash calculated in the manner set out below; or
    - (d) any other methods as may be permitted by the Act, Main Market Listing Requirements and applicable laws or regulations as amended from time to time and any re-enactment thereof; or
    - (e) a combination of any of the above,
  - (ii) ESOS Option(s):
    - (a) allotment and issuance of new RLEB Shares;
    - (b) payment of cash calculated in the manner set out below; or

---

DRAFT LTIP BY-LAWS (CONT'D)

---

- (c) other methods as may be permitted by the Act, the Listing Requirements and applicable laws or regulations as amended from time to time and any re-enactment thereof; or
- (d) a combination of any of the above.

In respect of Bylaw 16.4(i)(c) and 16.4(ii)(d), the LTIP Committee may, at its sole discretion, consider the settlement of such SGS Awards or ESOS Options in cash in lieu of RLEB Shares in the event that any applicable laws, regulatory requirements and/or administrative constraints prevent or restrict the Company's ability to expediently settle the SGS Awards or ESOS Options (as the case may be) via RLEB Shares, and the cash amount to be paid in lieu of RLEB Shares shall be calculated as follows:

- (i) in respect of an ESOS Option, the aggregate market value of the RLEB Shares to be delivered in respect of the ESOS Option so exercised less the aggregate Option Price of such ESOS Option so exercised ("**Differential Amount**"). If the Differential Amount yields a negative amount, the total amount to be paid by the Company is nil. For the avoidance of doubt, if the Option Price is delivered to the Company for the exercise of the said ESOS Option, the relevant Option Price will be returned to the ESOS Participant exercising such ESOS Option; and
- (ii) in respect of an SGS Award, the aggregate market value of the RLEB Shares to be delivered to the SGS Participant.

"Market value" refer to the volume weighted average market price of the RLEB Shares for such period preceding or following such date as the Board shall at its absolute discretion determine.

In considering whether to issue new RLEB Shares and/or to acquire existing RLEB Shares and/or transfer of Company's treasury shares or any other methods as may be permitted by the Act, the Main Market Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof, the LTIP Committee will take into consideration, among others, factors such as the prevailing market prices of the RLEB Shares, funding requirements of the Company and its subsidiaries, future returns and the potential cost arising from the granting and vesting of the LTIP Awards as well as any applicable laws, regulatory requirements and/or administrative constraints, if relevant.

- 16.5 Any decision or determination of the LTIP Committee made pursuant to the provisions of the Scheme (other than a matter to be certified and/or approved by the approved company auditors or Adviser) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The LTIP Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 16.6 If in consequence of an error or omission, the LTIP Committee discovers or determines that:
- (a) an Eligible Person has not been given the opportunity to participate in the Scheme on any occasion; or
  - (b) the number of ESOS Options and/or SGS Award(s) comprised in any LTIP Award is found to be incorrect;

the LTIP Committee may subject to Bylaw 35.12 and Bylaw 40.12 (as the case may be) do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the number of ESOS Options and/or SGS Award(s) under the LTIP Award is corrected.

- 16.7 Neither the Scheme nor LTIP Award under the Scheme shall impose on the Company, the Board, or the LTIP Committee or any of its members any liability whatsoever in connection with:

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- (i) the lapse of any LTIP Award pursuant to any provision of the Scheme;
- (ii) the failure or refusal by the LTIP Committee to exercise, or the exercise by the LTIP Committee of, any discretion under the Scheme; and/or
- (iii) any decision or determination of the LTIP Committee made pursuant to any provision of the Scheme.

**17. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

17.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Main Market Listing Requirements and applicable laws and regulations), the LTIP Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these Bylaws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these Bylaws upon such recommendation without further approval from Bursa Securities and/or the Company's shareholders in a general meeting unless required otherwise by the provisions of the Main Market Listing Requirements and/or applicable laws and regulations, **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these Bylaws shall be made which will:

- (a) prejudice any rights then accrued to any LTIP Participant without the prior consent or sanction of that LTIP Participant (as the case may be);
- (b) increase the number of RLEB Shares available under the Scheme beyond the Maximum RLEB Shares set out in Bylaw 5 above;
- (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
- (d) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the Bylaws by virtue of Appendix 6E of the Main Market Listing Requirements,

without the prior approval of Bursa Securities and/or the Company's shareholders in a general meeting unless required otherwise by the provisions of the Main Market Listing Requirements and/or applicable laws and regulations.

- 17.2 Any amendments/modifications to the Bylaws shall not contravene any of the provisions stipulated under the Main Market Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 17.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended Bylaws and a confirmation letter in the form required under the Main Market Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Main Market Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 17.4 The LTIP Committee shall within five (5) Market Days of any amendment and/or modification made pursuant to these Bylaws notify the LTIP Participants in writing of any amendment and/or modification made pursuant to these Bylaws.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

**18. DISPUTES AND ERRORS AND OMISSIONS**

- 18.1 In the event of any dispute or difference arising between the LTIP Committee and an Eligible Person or a LTIP Participant, as to any matter or thing of any nature arising hereunder, the LTIP Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the LTIP Participant, as the case may be **PROVIDED THAT** where the dispute or difference is raised by a member of the LTIP Committee, the said member shall abstain from voting in respect of the decision of the LTIP Committee in that instance.
- 18.2 In the event the Eligible Person or the LTIP Participant, as the case may be, shall dispute the decision made by the LTIP Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the LTIP Committee shall abstain from voting in respect of the decision and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bylaws.
- 18.3 Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the LTIP Committee shall be borne by such party.
- 18.4 If in consequence of an error or omission, the LTIP Committee discovers or determines that:
- (a) an Eligible Person who was selected by the LTIP Committee as an LTIP Participant, has not been given the opportunity to participate in the Scheme on any occasion; or
  - (b) the number of RLEB Shares allotted, issued, transferred or vested to any LTIP Participant on any occasion is found to be incorrect;

the LTIP Committee and/or the Trustee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the aggregate number of RLEB Shares to which the LTIP Participant is correctly entitled to is credited into the LTIP Participant's CDS account.

**19. SCHEME NOT A TERM OF EMPLOYMENT / CONTRACT OF SERVICE**

This Scheme shall not form part of or constitute or in any way be construed as a term or condition of employment or contract of service of any Eligible Person. This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment or contract of service in the RLEB Group nor any rights in addition to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service. The terms of employment or contract of service of an Eligible Person shall not be affected by his/ her participation in the Scheme.

**20. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses relating to the grant, vesting, allotment and issue and/or transfer of the RLEB Shares pursuant to the exercise or vesting of any ESOS Option or SGS Award shall be borne by the Company. Notwithstanding this, the LTIP Participant shall bear any fees, costs and expenses incurred in relation to his/ her acceptance of an LTIP Award and exercise of the ESOS Option, opening and maintaining of his/ her respective CDS Account and sale of RLEB Shares in the market.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

**21. CONSTITUTION**

Notwithstanding the terms and conditions contained in these Bylaws, if a situation of conflict should arise between these Bylaws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times save and except where such provisions of the Bylaws are included pursuant to the Main Market Listing Requirements in which event such provisions of the Bylaws shall prevail.

**22. INSPECTION OF AUDITED ACCOUNTS**

All LTIP Participants are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company.

**23. TRANSFER FROM OTHER CORPORATIONS TO THE RLEB GROUP**

In the event that:

- (i) a Director or an Employee who was employed or under a contract of service in a corporation which is not within the RLEB Group and is subsequently transferred from such corporation to any corporation within the RLEB Group; or
- (ii) a Director or an Employee who was in the employment or under a contract of service with a corporation which subsequently becomes a member of the RLEB Group as a result of a restructuring exercise or otherwise involving RLEB and/or any corporation within the RLEB Group with any of the first mentioned corporation stated in (i) above;

(the first mentioned corporation in (i) and (ii) above are hereinafter referred to as the "**Previous Company**"), such a Director or an Employee of the Previous Company ("**the Affected Director/Employee**"), subject to Bylaw 6, will be eligible to participate in the Scheme only for the remaining duration of the Scheme, if the Affected Director or Employee becomes an "Eligible Person" within the meaning under these Bylaws, subject always to the LTIP Committee's discretion.

For the avoidance of doubt, in the event of any acquisition or incorporation of any corporation into the RLEB Group pursuant to part (ii) above as a subsidiary pursuant to Section 4 of the Act, the Scheme shall apply to the Directors and Employees of such corporation on the date such corporation becomes a subsidiary of RLEB Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under these Bylaws.

**24. DIVESTMENT FROM THE RLEB GROUP**

24.1 If a LTIP Participant who held office or was in employment or under a contract of service with a corporation which ceases to be a corporation within the RLEB Group due to a subsequently disposal or divested (in whole or in part) from the RLEB Group, then such LTIP Participant:

- (a) shall cease to be capable of being vested any unvested LTIP Awards awarded to him/her under the Scheme, unless otherwise determined by the LTIP Committee;
- (b) will not be entitled to exercise any unexercised vested ESOS Options, unless the LTIP Committee at its discretion permit such exercise of the unexercised vested ESOS Option or the vesting of the unvested LTIP Awards including its allocation thereof. For the avoidance of doubt, save and except to the extent permitted by the LTIP Committee, all existing LTIP Awards shall automatically lapse and be null and void and of no further force and effect, and
- (c) shall not be eligible to participate for further LTIP Awards under the Scheme.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 24.2 For the purpose of Bylaw 24.1, a corporation shall be deemed to be divested from the RLEB Group in the event that such corporation would no longer be a subsidiary of RLEB pursuant to Section 4 of the Act.

**25. TAKEOVER AND DISPOSAL OF ASSETS**

Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of RLEB Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the LTIP Participants that it intends so to exercise such rights on a specific date ("**Specified Date**"); or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the LTIP Committee may at its discretion to the extent permitted by law permit the vesting of the LTIP Awards and the LTIP Participant(s) will be entitled to within such period to be determined by the LTIP Committee to subscribe/ acquire and/or exercise all or any of his/her LTIP Awards and the Directors of RLEB shall use their best endeavours to procure that such a general offer be extended to the new RLEB Shares that may be issued pursuant to the LTIP Award(s) under these Bylaws.

In the foregoing circumstances, all LTIP Award(s) which the LTIP Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the LTIP Committee notwithstanding that the LTIP Award vesting date has not commenced or has not expired.

**26. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION**

Notwithstanding Bylaws 39 and 41 and subject to the discretion of the LTIP Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other corporation or corporations, the LTIP Committee may at its absolute discretion decide whether an LTIP Participant may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised LTIP Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective PROVIDED ALWAYS THAT no LTIP Awards shall be vested and LTIP Awards shall be subscribed/ acquired and/or exercised after the expiry of the effective date of the compromise or arrangement. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised LTIP Awards shall automatically lapse and shall become null and void and of no further force and effect.

---

**DRAFT LTIP BY-LAWS (CONT'D)**

---

**27. SUBSEQUENT EMPLOYEE SHARE SCHEMES**

Subject to the Main Market Listing Requirements, approval of the relevant authorities and/or the shareholders of the Company and without derogating the right of the Company to implement more than one employee share scheme, share issuance scheme and/or share grant scheme under Bylaw 5.4, the Company may establish a new employee share scheme, share issuance scheme and/or share grant scheme after the expiry date of this Scheme or upon termination of this Scheme.

**28. NO COMPENSATION**

28.1 No Eligible Person shall be entitled to any compensation for damages or otherwise arising from the termination of the LTIP Award(s) or this Scheme or prospective right or benefit under this Scheme pursuant to the provisions of these Bylaws.

28.2 Notwithstanding any provisions of these Bylaws:

- (a) this Scheme shall not form part of any contract of employment or contract of service between the Company or any corporation within the RLEB Group and any Eligible Person of any corporation of the RLEB Group. The rights of any Eligible Person under the terms of his/her office and/or employment or contract of service with any corporation within RLEB Group shall not be affected by his/her participation in the Scheme, nor shall such participation of the LTIP Award(s) or consideration for the LTIP Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment or contract of service for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the LTIP Award(s)) against the Company or any corporation of RLEB Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any corporation within RLEB Group;
- (c) no LTIP Participant(s) or his/her legal representative (as the case may be) shall bring any claim, action or proceeding against any corporation of RLEB Group, their directors, the LTIP Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights to his/her LTIP Award(s) or his/her LTIP Award(s) ceasing to be valid pursuant to the provisions of these Bylaws; and
- (d) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the Scheme), the Trustee or the LTIP Committee shall in no event be liable to the LTIP Participant(s) or his/her legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these Bylaws or any loss suffered by reason of any change in the price of the RLEB Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any corporation of RLEB Group, the Board or the LTIP Committee has been advised of the possibility of such damage.

---

**DRAFT LTIP BY-LAWS (CONT'D)**

---

**29. TAXES**

All costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the RLEB Shares pursuant to the SGS Award(s) and/or exercising of the ESOS Option(s) under the Scheme shall be borne by the LTIP Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

**30. WINDING UP**

All outstanding ESOS Options and SGS Awards shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

**31. SEVERABILITY**

If any time any term, condition, stipulation or provision in these Bylaws is or becomes illegal, void, prohibited or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

**32. GOVERNING LAW AND JURISDICTION**

- 32.1 These Bylaws shall be governed by and construed in accordance with the laws of Malaysia and the LTIP Participant shall submit to the exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these Bylaws.
- 32.2 Any proceeding or action shall be instituted or taken in Malaysia and the LTIP Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 32.3 Any LTIP Award made to Eligible Persons pursuant to the Scheme shall be valid strictly in Malaysia only and shall not be deemed to be made or offered in any country or jurisdiction other than Malaysia unless specifically mentioned otherwise by the LTIP Committee in the LTIP Award.
- 32.4 In order to facilitate and LTIP Award (and/or the benefit thereof) under this Scheme, the LTIP Committee may provide for such special terms to the Eligible Persons who are employed or appointed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the LTIP Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction.
- 32.5 The LTIP Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any LTIP Award offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the LTIP Committee in the LTIP Award.

**DRAFT LTIP BY-LAWS (CONT'D)**

- 32.6 No action has been or will be taken by the Company to make the Scheme valid in any country or jurisdiction other than Malaysia or to ensure compliance of the LTIP Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom the LTIP Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the LTIP Award or be vested the RLEB Shares under the LTIP Award.
- 32.7 Any Eligible Person to whom the LTIP Award is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the LTIP Award or be vested the RLEB Shares under the LTIP Award. By their acceptance of the LTIP Award, each ESOS Participant and SGS Participant has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the LTIP Award and/or be vested the RLEB Shares under the LTIP Award.

**33. NOTICE**

- 33.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the LTIP Participant pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:
- (a) if it is sent by ordinary post by the Company to the Eligible Person or the LTIP Participant at the last address known to the Company as being his/her address, such notice shall be deemed to have been received three (3) Market Days after posting;
  - (b) if it is given by hand to the Eligible Person or the LTIP Participant, such notice or request shall be deemed to have been received on the date of delivery; and
  - (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the LTIP Participant, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the LTIP Participant shall be communicated in writing to the Company and the LTIP Committee.

- 33.2 Any certificate, notification, correspondence or other notice required to be given to the Company or the LTIP Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address at E-33-01, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur, Wilayah Persekutuan or any other business address which may be notified in writing by the LTIP Committee from time to time.
- 33.3 Notwithstanding Bylaw 33.1, where any notice is required to be given by the Company or the LTIP Committee under these Bylaws in relation to matters which may affect all the Eligible Persons or LTIP Participants, as the case may be, the Company or the LTIP Committee may give notice through an announcement to all Employees of the RLEB Group to be made in such manner deemed appropriate by the LTIP Committee. Upon the making of such an announcement, the notice to be made under Bylaw 33.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Person or LTIP Participants, as the case may be.

**34. DECISION OF LTIP COMMITTEE**

- 34.1 Any decision made by the LTIP Committee under the Bylaws shall, save for any manifest or error, be final and binding.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

---

DRAFT LTIP BY-LAWS (CONT'D)

---



---

PART B: ESOS

---

**35. AWARD OF ESOS OPTIONS**

- 35.1 The LTIP Committee may, at any time during the duration of the Scheme as defined in Bylaw 6, make ESOS Award(s) of ESOS Options (whether on an annual basis or otherwise at the sole and absolute discretion of the LTIP Committee) in writing to any Eligible Person (based on the criteria of allocation as set out in Bylaw 8) selected by the LTIP Committee which selection shall be at the absolute discretion of the LTIP Committee and the Company shall make the requisite announcements in respect thereof to Bursa Securities.

Without limiting the generality of the aforesaid, the LTIP Committee shall ensure that when an ESOS Award is made pursuant to these Bylaws, the Company makes an immediate announcement to Bursa Securities on the date of ESOS Award in accordance with the Main Market Listing Requirements which includes the following:

- (a) date of ESOS Award;
  - (b) the Option Price;
  - (c) the number of Option or Shares offered;
  - (d) the market price of its RLEB Shares on the date of ESOS Award;
  - (e) the number of Options or RLEB Shares to each Director, if any; and
  - (f) the vesting period of the Options or RLEB Shares offered, if any.
- 35.2 The actual number of RLEB Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the LTIP Committee and, subject to any adjustments that may be made under Bylaw 13, shall not be less than one hundred (100) RLEB Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of one hundred (100) RLEB Shares.
- 35.3 An ESOS Award may be made upon such terms and conditions as the LTIP Committee may decide from time to time. Each ESOS Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 35.4 The LTIP Committee may state the following particulars in the Award Letter (where applicable):
- (a) the Award Date;
  - (b) the number of ESOS Options that are being offered to the Eligible Person;
  - (c) the number of RLEB Shares which the Eligible Person shall be entitled to upon the vesting and exercise of the ESOS Options being offered;
  - (c) the LTIP Period;
  - (d) the Exercise Period (if any);
  - (e) the Option Price;
  - (f) the ESOS Validity Period as defined in Bylaw 36.1;
  - (g) whether the ESOS Award is conditional, any vesting, service and/or performance conditions ("**Vesting Conditions**"), the performance period, service period, vesting

## DRAFT LTIP BY-LAWS (CONT'D)

- period, and vesting date(s) but in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
- (h) any other information deemed necessary by the LTIP Committee.
- 35.5 Without prejudice to Bylaws 17 and 18, in the event of an error on the part of the Company in stating any of the particulars referred to in Bylaw 35.4, the following provisions shall apply:
- (a) within one (1) month after discovery of the error, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in Bylaw 35.4;
- (b) in the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental Award Letter shall remain as the Option Price as per the original Award Letter; and
- (c) in the event that the error relates to the Option Price, the Option Price applicable in the supplemental Award Letter shall be the Option Price applicable as at the date of the original Award Letter, save and except with respect to any ESOS Option which have already been exercised as at the date of issue of the supplemental Award Letter.
- 35.6 Subject to Bylaw 35, nothing herein shall prevent the LTIP Committee from making more than one (1) LTIP Award to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of RLEB Shares which may be offered to any Eligible Person (inclusive of RLEB Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in Bylaw 8.
- 35.7 The LTIP Committee has the discretion not to make further additional ESOS Awards. Subject to the above limit, each ESOS Award made to any Eligible Person by the LTIP Committee shall be separate and independent from any previous or later LTIP Award made by the LTIP Committee to that Eligible Person.
- 35.8 The ESOS Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person or cessation of employment or contract services of the Eligible Person for any reason whatsoever prior to the acceptance of the ESOS Awards by the Eligible Person in the manner set out in Bylaw 36.
- 35.9 After each adjustment following an alteration of the Company's share capital as stipulated in Bylaws 13.1 and 13.2 and the Company informing the ESOS Participant of such adjustment pursuant to Bylaw 13.8, upon the return by an ESOS Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within one (1) month from the date of return of the original Award Letter, to reflect the adjustment made to the number of ESOS Options granted to the ESOS Participant and/or the Option Price.
- 35.10 The LTIP Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 35.11 The Company shall keep and maintain at its own expense a register of ESOS Participants and shall enter the names, addresses and identity card issued under the National Registration Act 1959, or passport numbers or other identification number, and the nationality of the ESOS Participants, the Maximum Allowable Allocation, the number of ESOS Options offered, the number of ESOS Options accepted and exercised, the ESOS Award Date and the Option Price and other particulars as may be prescribed under Section 129 of the Act.
- 35.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the LTIP Committee to consider making, or to make, any ESOS Award to any or all of the Eligible Persons.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 35.13 The LTIP Committee shall have the absolute discretion in determining whether the ESOS Awards will be granted in one (1) single award or on a staggered basis and/or in several tranches over the duration of the Scheme.
- 35.14 Each vested ESOS Option shall be exercisable into one (1) RLEB Share, fully issued and paid-up, in accordance with the provisions of these Bylaws.

**36. ACCEPTANCE OF THE AWARD**

- 36.1 An ESOS Award of the ESOS Option(s) shall be valid for a period of thirty (30) calendar days from the ESOS Award Date or such period as the LTIP Committee at its discretion, determines on a case-to-case basis ("**ESOS Validity Period**"). Acceptance of the said ESOS Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the LTIP Committee in the form prescribed by the LTIP Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each ESOS Award (regardless of the number of shares comprised therein).
- 36.2 In the event that the Eligible Person fails to accept the ESOS Award of the ESOS Option(s) or pay the acceptance consideration as set out in Bylaw 36.1 within the ESOS Validity Period and in the manner aforesaid, or in the event of death or cessation of employment or contract of services of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESOS Award(s), the said ESOS Award shall be deemed to have lapsed. The ESOS Option(s) comprised in such ESOS Award(s) may, at the discretion of the LTIP Committee, be re-offered to the same or other Eligible Person.
- 36.3 Upon acceptance of the ESOS Award(s) by the Eligible Person(s), the ESOS Award(s) will be vested to the ESOS Participant(s) on the ESOS vesting date during the duration of the Scheme, subject to the ESOS Participant(s) fulfilling the Vesting Condition(s), if any, as determined by the LTIP Committee.

**37. OPTION PRICE**

- 37.1 The Option Price of each Share comprised in any ESOS Option shall be the weighted average market price of the RLEB Shares for the five (5) Market Days up to and including the ESOS Award Date less a discount of not more than ten per centum (10%) or such other percentage discount as may be permitted by the provisions of the Act and/or the Main Market Listing Requirements and/or any other relevant authorities, as determined by the Board upon recommendation of the LTIP Committee which shall be binding and conclusive.
- 37.2 The Option Price shall be subject to any adjustments provided under Bylaw 13.

**38. VESTING CONDITIONS**

- 38.1 Subject to Bylaws 6, 7 and 38.2, the ESOS Option(s) or such part thereof will only vest to the ESOS Participant on the vesting date(s) if:
- (a) the ESOS Participant remains in employment by or appointment in the RLEB Group as at the vesting date; and
  - (b) the other Vesting Conditions (if any) are fully and duly satisfied.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 38.2 The LTIP Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the LTIP Committee shall have the right to make reference to (among others) the audited results of the RLEB Group, to take into account such factors as the LTIP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the LTIP Committee decides that a changed performance target would be a fairer measure of performance.
- 38.3 Where the LTIP Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the ESOS Option, the LTIP Committee shall notify the ESOS Participant of the number of ESOS Options vested and the vesting date of such ESOS Option. No ESOS Participant shall have any right to exercise any ESOS Options granted to the ESOS Participant until the ESOS Options are vested on the ESOS Participant pursuant to these Bylaws. The decision and/or determination of the LTIP Committee on the vesting of the ESOS Option on the ESOS Participant pursuant to these Bylaws shall be final and conclusive.
- 38.4 Unless otherwise determined by the LTIP Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that ESOS Option(s) shall lapse and be of no value.

**39. EXERCISE OF ESOS OPTIONS**

- 39.1 Subject to Bylaws 39.2 and 39.7, an ESOS Option can be exercised by the ESOS Participant by notice in the prescribed form to the Company on the first or fifteenth of every month during the Exercise Period in respect of all or any part of the RLEB Shares comprised in the ESOS Option, such part being in multiples of one hundred (100) RLEB Shares. For the avoidance of doubt, if the first or fifteenth day of any month shall fall on a day which is not a Market Day, then the notice in writing by the ESOS Participant to the Company shall be submitted on the Market Day immediately following the first or fifteenth of the said month. Any partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option in respect of the balance of the RLEB Shares comprised in the ESOS Option. In the event that an ESOS Participant's balance of ESOS Option(s) exercisable in accordance with these Bylaws shall be less than 100 new RLEB Shares, the said balance shall, if exercised, be exercised in a single tranche.
- 39.2 Subject to Bylaws 13 and 17, the LTIP Committee may, at any time and from time to time, before and after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of RLEB Shares and/or such percentage of the total RLEB Shares comprised in the ESOS Option during such periods within the LTIP Period, subject to the exercise of the ESOS Option to any Vesting Condition determined by the LTIP Committee at its sole and absolute discretion including but not limited to performance/ service targets being achieved before an ESOS Option(s) can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the ESOS Option) as the LTIP Committee may, in its sole discretion deem appropriate including amending or varying any terms or conditions imposed earlier.
- 39.3 Every such notice to exercise the ESOS Option referred to in Bylaw 39.1 shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers' order drawn and payable in Malaysia or any other from acceptable to the LTIP Committee for the full amount of subscription monies (calculated in accordance with the provisions of Bylaw 39) in relation to the number of RLEB Shares in respect of which the written notice is given.
- 39.4 The Company shall allot and issue such new RLEB Shares to the ESOS Participant in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment to the ESOS Participant and make an application for the quotation for the new RLEB Shares within eight (8) Market Days from the receipt by the Company of the aforesaid notice and remittance from the ESOS Participant or such other period as may be prescribed by Bursa Securities.

---

DRAFT LTIP BY-LAWS (CONT'D)

---

- 39.5 The LTIP Committee, the Board of RLEB and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in allotting and issuing of the new RLEB Shares or in procuring Bursa Securities to list the new RLEB Shares for which the ESOS Participant is entitled to subscribe or otherwise or any delay in receipt or non-receipt by the Company of the notice to exercise the ESOS Option or for any errors in any ESOS Award or any other matters or dealings which are outside the control of the Company, the Board and/or the LTIP Committee.
- 39.6 The ESOS Participant who exercises his/her ESOS Option shall provide the LTIP Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in Bylaw 39.1. The RLEB Shares to be issued pursuant to the exercise of an ESOS Option will be credited directly into the CDS Account of the ESOS Participant or his/her Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS Account will be issued to the ESOS Participant within eight (8) Market Days from the receipt by the Company of the written notice of exercise of the ESOS Option together with the requisite remittance of monies or such other period as may be prescribed or allowed by Bursa Securities and no physical share certificate will be issued.
- 39.7 In the event that an ESOS Participant is subject to a performance improvement plan ("**PIP**")/disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the LTIP Committee shall have the right, to suspend the ESOS Participant's ESOS Option from being vested and/or exercised pending the achievement of the stipulated improvement plan targets by the ESOS Participant/ the outcome of such disciplinary proceedings. The LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the ESOS Participant **PROVIDED ALWAYS THAT:**
- (a) in the event that such ESOS Participant shall subsequently achieve the stipulated improvement plan targets/be found not guilty of the charges which give rise to such disciplinary proceedings, the LTIP Committee shall reinstate the rights of such ESOS Participant to be vested and/or to exercise his/her vested ESOS Option;
  - (b) in the event the ESOS Participant fails to achieve the stipulated improvement plan targets/disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESOS Participant, the ESOS Option (whether or not vested) shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such ESOS Participant notwithstanding that such recommendation may be subsequently challenged by the ESOS Participant in any other forum; and
  - (c) in the event such ESOS Participant only partially achieves the stipulated improvement plan targets/is found guilty but not dismissed or termination of service is not recommended, the LTIP Committee shall have the right to determine at its discretion whether or not the ESOS Participant may continue to be vested and/or to exercise his/her ESOS Option and/or adjust such number of ESOS Options to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting and/or exercise.

The LTIP Committee may, after a warning /caution letter has been issued to an ESOS Participant by the relevant corporation within the RLEB Group suspend the ESOS Participant's ESOS Option from being vested and/or exercised until such time as the LTIP Committee determines at its discretion whether or not the ESOS Participant may continue to be vested and/or exercise his/her ESOS Option and if so, whether to impose such limits, terms and conditions as the LTIP Committee deems appropriate, on such vesting and/or exercise.

For the purpose of this Bylaws, an ESOS Participant shall be deemed to be subject to "disciplinary proceedings" if:

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- (i) he/she is suspended from work pending investigation into his/ her conduct;
  - (ii) he/she is issued with a letter requiring him/ her to attend an internal domestic inquiry;  
or
  - (iii) such other instances as the LTIP Committee may deem as being subject to disciplinary proceedings.
- 39.8 All ESOS Options to the extent unexercised and/or unvested on the expiry or earlier termination of the LTIP Period applicable thereto shall lapse.
- 39.9 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the LTIP Committee. The LTIP Committee shall inform the ESOS Participant of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the ESOS Participant shall not have deemed to have exercised his/her ESOS Option.
- 39.10 The Company, the Board and the LTIP Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the RLEB Shares or in procuring the relevant authorities to list and quote the RLEB Shares subscribed for by an ESOS Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice to exercise the ESOS Options or for any errors in any ESOS Options or any other matters or dealings which are outside the control of the Company, the Board and/or the LTIP Committee.
- 39.11 Every ESOS Option shall be subjected to the condition that no RLEB Shares shall be vested, issued and/or credited pursuant to the exercise of an ESOS Option if such vesting, issue and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the LTIP Period or such period as may be extended.
- 39.12 Notwithstanding anything to the contrary herein contained, the LTIP Committee shall at any time during the LTIP Period have the sole and absolute discretion to determine whether to purchase all but not part of the vested but unexercised ESOS Options from an ESOS Participant. The price payable for the purchase shall be:
- (a) the 3-month weighted average market price of RLEB Shares immediately before the date of the notice of the purchase in excess of the Option Price for each vested but unexercised ESOS Options held by the ESOS Participant; or
  - (b) RM1.00 for all vested but unexercised ESOS Options held by the ESOS Participant,
- whichever is the higher.

Upon completion of the purchase of the vested but unexercised ESOS Options from the ESOS Participant all vested but unexercised ESOS Options purchased and all unvested ESOS Options held by that ESOS Participant shall lapse.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

---

DRAFT LTIP BY-LAWS (CONT'D)

---



---

PART C: SGS

---



---

**40. SGS AWARDS**

- 40.1 The LTIP Committee may, at any time during the duration of the Scheme as defined in Bylaw 6, grant an SGS Award(s) (whether on an annual basis or otherwise at the sole and absolute discretion of the LTIP Committee) in writing to any Eligible Person (based on the criteria of allocation as set out in Bylaw 8) selected by the LTIP Committee which selection shall be at the absolute discretion of the LTIP Committee and the Company may make the requisite announcements in respect thereof to Bursa Securities.
- 40.2 The actual number of RLEB Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the LTIP Committee and, subject to any adjustments that may be made under Bylaw 13, shall not be less than one hundred (100) RLEB Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of one hundred (100) RLEB Shares.
- 40.3 An SGS Award may be made upon such terms and conditions as the LTIP Committee may decide from time to time. Each SGS Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 40.4 The LTIP Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of RLEB Shares to be granted to the Eligible Person;
  - (b) the LTIP Period;
  - (c) the SGS Award Date;
  - (d) whether the SGS Award is conditional, the Vesting Conditions, the performance period, service period, vesting period, and vesting date(s) but in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
  - (e) any other information deemed necessary by the LTIP Committee.
- 40.5 The LTIP Committee shall notify each SGS Participant of the SGS Award of such performance targets, performance period, service period, vesting period, Vesting Conditions, vesting date(s) or such other conditions to be stipulated by the LTIP Committee and the number of RLEB Shares vested onto him/ her on the vesting dates PROVIDED THAT there may be excluded from such notice any information the disclosure of which the LTIP Committee shall reasonably consider would prejudice confidentiality.
- 40.6 Without prejudice to Bylaws 17 and 18, in the event of an error on the part of the Company in stating any of the particulars referred to in Bylaws 40.4 and/or 40.5, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in Bylaw(s) 40.4 and/or 40.5 within one (1) month after discovery of the error.
- 40.7 Subject to Bylaw 40, nothing herein shall prevent the LTIP Committee from making more than one (1) SGS Award to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of RLEB Shares which may be offered to any Eligible Person (inclusive of RLEB Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in Bylaw 8.
- 40.8 The LTIP Committee has the discretion not to make further additional SGS Awards. Subject to the above limit, each SGS Award made to any Eligible Person by the LTIP Committee shall be separate and independent from any previous or later LTIP Award made by the LTIP Committee to that Eligible Person.

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

- 40.9 The SGS Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by the RLEB Group for any reason whatsoever prior to the acceptance of the SGS Awards by the Eligible Person in the manner set out in Bylaw 41.
- 40.10 After each adjustment following an alteration of the Company's share capital as stipulated in Bylaws 13.1 and 13.2 and the Company informing the SGS Participant of such adjustment pursuant to Bylaw 13.8, upon the return by an SGS Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within one (1) month from the date of return of the original Award Letter, to reflect the adjustment made to the number of RLEB Shares granted to the SGS Participant.
- 40.11 The LTIP Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 40.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the LTIP Committee to consider making, or to make, any SGS Award to any or all of the Eligible Persons.
- 40.13 The LTIP Committee shall have the absolute discretion in determining whether the SGS Awards will be granted in one (1) single award or on a staggered basis and/or in several tranches over the duration of the Scheme.
- 40.14 For the avoidance of doubt, all reference to "Eligible Person" or "Eligible Persons" in Part C of these Bylaws refer to the Directors and/or Senior Management of the RLEB Group who meets the criteria of eligibility for participation in the Scheme as set out in Bylaw 7.

**41. ACCEPTANCE OF THE SGS AWARD**

- 41.1 An SGS Award shall be valid for a period of thirty (30) calendar days from the SGS Award Date or such period as the LTIP Committee at its discretion, determines on a case-to-case basis ("**SGS Validity Period**"). Acceptance of the said SGS Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the LTIP Committee in the form prescribed by the LTIP Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each SGS Award (regardless of the number of shares comprised therein).
- 41.2 In the event that the Eligible Person fails to accept the SGS Award or pay the acceptance consideration as set out in Bylaw 41.1 within the SGS Validity Period and in the manner aforesaid, or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the SGS Award(s), the said SGS Award shall be deemed to have lapsed. The RLEB Shares comprised in such SGS Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Person.
- 41.3 Upon acceptance of the SGS Award(s) by the Eligible Person(s), the SGS Award(s) will be vested to the SGS Participant(s) on the SGS vesting date during the duration of the Scheme, subject to the SGS Participant(s) fulfilling the Vesting Condition(s), if any, as determined by the LTIP Committee.

**42. VESTING CONDITIONS**

- 42.1 Subject to Bylaws 6, 7 and 42.2, the RLEB Shares comprised in the SGS Award or such part thereof will only vest to the SGS Participant on the vesting date(s) if:
- (a) the SGS Participant remains in employment with the RLEB Group as at the vesting date; and

**DRAFT LTIP BY-LAWS (CONT'D)**

- (b) the other Vesting Conditions (if any) are fully and duly satisfied.
- 42.2 The LTIP Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded, and in making any such determination, the LTIP Committee shall have the right to make reference to (among others) the audited results of the RLEB Group, to take into account such factors as the LTIP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the LTIP Committee decides that a changed performance target would be a fairer measure of performance.
- 42.3 Where the LTIP Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the SGS Award, the LTIP Committee shall notify the SGS Participant of the number of RLEB Shares vested or which will be vested to the SGS Participant on the vesting date of such RLEB Shares. Without limiting the generality of Bylaw 16.4, the LTIP Committee shall also have the sole and absolute discretion to settle the vesting of the Shares by way of cash to a SGS Participant. No SGS Participant shall have any right to or interest in the RLEB Shares granted to him unless and until the RLEB Shares are vested in him on and with effect from the date of vesting of the said RLEB Shares. The decision and/or determination of the LTIP Committee on the vesting of the RLEB Shares on the SGS Participant pursuant to these Bylaws shall be final and conclusive.
- 42.4 Unless otherwise determined by the LTIP Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that SGS Award shall lapse and be of no value.
- 42.5 For the avoidance of doubt and subject to Bylaw 41.1, the RLEB Shares will vest with the SGS Participants at no cash consideration to the SGS Participants upon fulfilment of the Vesting Conditions and all other conditions as stipulated Clause 42.2 (if any).

**43. REFERENCE PRICE**

The reference price of Shares to be granted to the Eligible Person(s) pursuant to the SGS Award(s) shall be based on weighted average market price of the RLEB Shares for the five (5) Market Days on the date of the offer of SGS Awards, with a discount of not more than 10% or such other percentage of discount as may be permitted by any prevailing guideline issued by Bursa Securities and/ or any other relevant authorities as amended from time to time during the duration of the Scheme.

**44. DELIVERY OF RLEB SHARES**

- 44.1 RLEB Shares or treasury shares which are vested onto a SGS Participant pursuant to Bylaw 42, are to be transferred by the Company to the SGS Participant in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository. The Company shall thereafter despatch the notice of transfer to the SGS Participant.
- 44.2 The LTIP Committee, the Board of RLEB and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in crediting the RLEB Shares or any delay in receipt or non-receipt by the Company of the notice or for any errors in any SGS Award or any other matters or dealings which are outside the control of the Company, the Board and/or the LTIP Committee.
- 44.3 The SGS Participant shall provide the LTIP Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be. The RLEB Shares to be credited pursuant to the vesting will be credited directly into the CDS Account of

---

**DRAFT LTIP BY-LAWS (CONT'D)**


---

the SGS Participant or his/her Authorised Nominee, as the case may be and a notice stating the number of shares credited into such CDS Account will be issued to the SGS Participant and no physical share certificate will be issued.

- 44.4 In the event that a SGS Participant is subject to a PIP/ disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the LTIP Committee shall have the right, to suspend the SGS Participant's SGS Award from being vested pending the achievement of the stipulated improvement plan targets by the SGS Participant/ the outcome of such disciplinary proceedings. The LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the SGS Participant **PROVIDED ALWAYS THAT:**
- (a) in the event that such SGS Participant shall subsequently achieve the stipulated improvement plan targets/be found not guilty of the charges which give rise to such disciplinary proceedings, the LTIP Committee shall reinstate the rights of such SGS Participant to continue to hold or be vested his/her SGS Award;
  - (b) in the event the SGS Participant fails to achieve the stipulated improvement plan targets/disciplinary proceedings result in a recommendation for the dismissal or termination of service of such SGS Participant, the SGS Award shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such SGS Participant notwithstanding that such recommendation may be subsequently challenged by the SGS Participant in any other forum; and
  - (c) in the event such SGS Participant only partially achieves the stipulated improvement plan targets/ is found guilty but not dismissed or termination of service is not recommended, the LTIP Committee shall have the right to determine at its discretion whether or not the SGS Participant may continue hold or be vested his/her SGS Award and/or adjust such number of SGS Awards to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting.

The LTIP Committee may, after a warning/caution letter has been issued to a SGS Participant by the relevant corporation within the RLEB Group suspend the SGS Participant's SGS Award from being vested until such time as the LTIP Committee determines at its discretion whether or not the SGS Participant may continue to be vested RLEB Shares under his/her SGS Award and if so, whether to impose such limits, terms and conditions as the LTIP Committee deems appropriate, on such vesting.

For the purpose of this Bylaws, an SGS Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/she is suspended from work pending investigation into his/ her conduct;
  - (ii) he/she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
  - (iii) such other instances as the LTIP Committee may deem as being subject to disciplinary proceedings.
- 44.5 All SGS Awards to the extent unvested on the expiry or earlier termination of the LTIP Period applicable thereto shall lapse.
- 44.6 The Company, the Board and the LTIP Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in crediting the RLEB Shares or any delay in receipt or non-receipt by the Company of the notice or for any errors in any SGS Awards or any other matters or dealings which are outside the control of the Company, the Board and/or the LTIP Committee.

---

**DRAFT LTIP BY-LAWS (CONT'D)**

---

- 44.7 Every SGS Award shall be subjected to the condition that no RLEB Shares shall be vested and/or credited pursuant to a SGS Award if such vesting and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the LTIP Period or such period as may be extended.
- 44.8 Notwithstanding anything to the contrary herein contained, the LTIP Committee shall at any time during the LTIP Period have the sole and absolute discretion to determine whether to purchase all or part of the unvested SGS Awards from the SGS Participant. The price payable for the purchase shall be the 3-month weighted average market price of RLEB Shares immediately before the date of the notice of the purchase. Upon completion of the purchase, all unvested SGS Awards held by that SGS Participant (if any) shall lapse.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

## DRAFT LTIP BY-LAWS (CONT'D)

## THE SCHEDULE

In addition to Bylaw 13.1 and not in derogation thereof, the Option Price and the number of **RLEB Shares** relating to the ESOS Option so far unvested and/or unexercised and/or relating to an SGS Award in so far as unvested shall from time to time be adjusted by the LTIP Committee in accordance with the following relevant provisions in consultation with an Adviser and/or an approved company auditor:

- (a) If and whenever a RLEB Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of RLEB Shares without capitalisation of profits or reserves) or conversion occurs, the Option Price shall be adjusted and the adjusted number of RLEB Shares relating to the ESOS Option / SGS Award (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

$$\begin{aligned} \text{(i)} \quad \text{New Exercise Price} &= \frac{S \times L}{M} \\ \text{(ii)} \quad \text{Adjusted number of RLEB Shares} &= \frac{T \times M}{L} \end{aligned}$$

Where:

- L = the aggregate number of RLEB Shares in issue and fully paid-up immediately prior to the consolidation or subdivision or conversion; and
- M = the aggregate number of RLEB Shares in issue and fully paid-up immediately after such consolidation or subdivision or conversion; and
- S = existing Option Price; and
- T = Existing number of RLEB Shares relating to the ESOS Option/ SGS Award; and

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

- (b) If whenever the Company shall make any issue of RLEB Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares), the Option Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{A}{(A + B)}$$

and the adjusted number of RLEB Shares relating to the ESOS Option to be issued and/or transferred / the additional number of RLEB Shares to be vested and transferred under the SGS Award shall be calculated as follows:

$$\text{Adjusted number of RLEB Shares} = \frac{T \times (A + B)}{A}$$

where

## DRAFT LTIP BY-LAWS (CONT'D)

- A = the aggregate number of issued and fully paid-up RLEB Shares on the Entitlement Date immediately before such capitalisation;
- B = the aggregate number of RLEB Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares);
- S = as above.
- T = as above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Ordinary Shares in accordance with the Companies Act 2016 (Act 777) and all other applicable laws and regulations issued by the relevant authorities); or
  - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for RLEB Shares by way of rights; or
  - (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into RLEB Shares or securities with rights to acquire or subscribe for RLEB Shares,

then and in respect of each such case, the Option Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{C - D}{C}$$

and in respect of the case referred to in Clause (c)(ii) above, the adjusted number of RLEB Shares comprised in the ESOS Option to be issued and/or transferred / the adjusted number of RLEB Shares to be vested and transferred under a SGS Award shall be calculated as follows:

$$\text{Adjusted Number of RLEB Shares} = T \times \left[ \frac{C}{C - D^*} \right]$$

where

- T = as above;
- C = the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

## DRAFT LTIP BY-LAWS (CONT'D)

- D = (i) in the case of an offer or invitation to acquire or subscribe for new RLEB Shares by way of rights under Clause (c)(ii) above or for securities convertible into RLEB Shares or securities with rights to acquire or subscribe for RLEB Shares under Clause (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (ii) in the case of any other transaction falling within Clause (c), the fair market value, as determined by the Adviser and/or an approved company auditor, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (i) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

- C = as C above;
- E = the consideration for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation;
- F = the number of RLEB Shares which it is necessary for a RLEB shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share; and
- D\* = the value of rights attributable to one (1) Share (as defined below).

For the purpose of definition D\* above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

where:

- C = as C above;
- E\* = the acquisition/ subscription price for one (1) additional Share under the terms of such offer or invitation; and
- F\* = the number of RLEB Shares which it is necessary for a RLEB shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of Clause (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of RLEB Shares (not falling under Clause (b)) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares).

Any distribution out of profits or reserves made (whenever paid) shall be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

**DRAFT LTIP BY-LAWS (CONT'D)**

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Effective Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of RLEB Shares relating to the ESOS Option to be issued and/or transferred / RLEB Shares to be vested and transferred under the SGS Award shall be calculated as follows:

$$\text{Adjusted Number of Shares (ESOS Option)} = T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\begin{array}{l} \text{Adjusted Number of} \\ \text{RLEB Shares (SGS Award)} \end{array} = T \times \frac{(G + H + B) \times C}{(G \times C) + (H \times I)}$$

Where:

- B = as B above;
- C = as C above;
- G = the aggregate number of issue and fully paid-up RLEB Shares on the Entitlement Date;
- H = the aggregate number of new RLEB Shares under an offer or invitation to acquire or subscribe for RLEB Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into RLEB Shares or rights to acquire or subscribe for RLEB Shares, as the case may be;
- H\* = the aggregate number of new RLEB Shares under an offer or invitation to acquire or subscribe for RLEB Shares by way of rights;
- I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for RLEB Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional RLEB Share, as the case may be;
- I\* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for RLEB Shares; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

**DRAFT LTIP BY-LAWS (CONT'D)**

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for RLEB Shares as provided in Clause (c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Clause (c)(iii) above, the Option Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the adjusted number of RLEB Shares relating to the ESOS Option to be issued and/or transferred / RLEB Shares to be vested and transferred under the SGS Award shall be calculated as follows:

$$\text{Adjusted Number of RLEB Shares (ESOS Option)} = T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of RLEB Shares (SGS Award)} = T \times \frac{(G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

C = as C above;

G = as G above;

H = as H above;

H\* = as H\* above;

I = as I above;

I\* = as I\* above;

J = the aggregate number of RLEB Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for RLEB Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional RLEB Share; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to acquire or subscribe for RLEB Shares to its ordinary shareholders as provided in Clause (c)(ii) above, together with rights to acquire or subscribe for RLEB Shares as provided in Clause (c)(iii) above, and the book closure date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the Option Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

**DRAFT LTIP BY-LAWS (CONT'D)**

and the adjusted number of RLEB Shares relating to the ESOS Option to be issued and/or transferred / RLEB Shares to be vested and transferred under the SGS Award shall be calculated as follows:

$$\text{Adjusted Number of RLEB Shares (ESOS Option)} = T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of RLEB Shares (SGS Award)} = T \times \frac{(G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

- B = as B above;
- C = as C above;
- G = as G above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- J = as J above;
- K = as K above; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

(g) For the purpose of this Schedule:

- (i) "Current Market Price" means in relation to each RLEB Share for any relevant day the five (5) day volume weighted average market price for each RLEB Share on Bursa Securities for the five (5) consecutive Market Days before such date for one or more board lots of RLEB Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines prescribed by any competent authorities, if any.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

---

**INFORMATION ON MAXFLO**

---

**1. BACKGROUND INFORMATION ON MAXFLO**

Maxflo was incorporated in Malaysia under the Companies Act 1965 on 21 February 2005 as a private limited company under the name of Flux East Sdn Bhd and is deemed registered under the Act. Subsequently Maxflo changed its name to Maxflo Instrumentation Technologies Sdn Bhd, Maxflo Energy Products Sdn Bhd and Daya Maxflo Sdn Bhd on 5 May 2005, 9 July 2008 and 6 March 2013 respectively, before assuming its current name on 29 March 2023.

The registered address of Maxflo is located at D-2-5, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan whilst its business address is located at Level 12, Mercu 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan.

Maxflo began its business operations in 2005. Maxflo is principally involved in providing products and services for exploration, drilling and well intervention, enhanced oil recovery / improved oil recovery and production technologies specifically for offshore and onshore oil and gas, refining, chemical and petrochemical. The principal markets of Maxflo's services are Malaysia and Saudi Arabia.

Maxflo is a provider of well services that supports operators in the upstream segment of the O&G industry who are involved in exploration and production activities. The well services business comprises mainly the following activities:-

**(i) Well inspection services**

Well inspection services involve collecting data such as pressure and temperature measurements, flow rates and fluid samples. The data gathered through well inspection allows O&G operators to conduct analysis to predict well and O&G reservoir characteristics such as the physical delineation of the reservoir, including its potential boundaries and the future behaviour of the well. Maxflo provides well inspection services to customers in the exploration, appraisal, development and production segments of the O&G industry.

**(ii) Well perforation services**

Well perforation services involve creating holes at specific points of the well casing and the surrounding formation in an O&G reservoir. Perforations performed during the exploration and appraisal phases are generally performed to complete exploration wells so as to allow measurements to be taken or samples to be collected. Development and production segment perforations are generally carried out to complete production and injector wells.

**(iii) Wireline services**

Wireline services are performed by sending wireline downhole tools down the wells to recover wellbore equipment as well as performing well intervention and collection of data. Wireline services can also be used to adjust sliding side door located downhole for zone change, as well as repair tubing leak or damage. Maxflo provides tubing cutting services which involves lowering wireline tools known as radial cutting torch and perforating cutting torch into a well to cut downhole metal tubing.

## INFORMATION ON MAXFLO (CONT'D)

For the past 4 financial years up to the FYE 30 June 2025, Maxflo generated its revenue from both the local and foreign markets as set out below:-

Geographical location	Audited FYE 30 June							
	2022		2023		2024		2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Malaysia	5,436	26.0	5,472	30.0	1,736	9.0	2,753	16.4
<b>Foreign</b>								
Saudi Arabia	5,907	28.0	8,209	45.0	12,726	66.0	12,230	73.1
Myanmar	2,449	12.0	-	-	-	-	-	-
Azerbaijan	1,975	9.0	1,557	9.0	861	4.0	823	4.9
Thailand	1,570	7.0	182	1.0	1,888	10.0	-	-
Indonesia	1,381	7.0	1,975	11.0	1,481	8.0	930	5.6
Others <sup>(1)</sup>	2,416	11.0	815	4.0	527	3.0	-	-
	15,698	74.0	12,738	70.0	17,483	91.0	13,983	83.6
<b>Total</b>	<b>21,134</b>	<b>100.0</b>	<b>18,210</b>	<b>100.0</b>	<b>19,219</b>	<b>100.0</b>	<b>16,736</b>	<b>100.0</b>

**Note:-**

(1) Others comprises Brazil, Brunei, Gabon, Ghana, Japan, Panama, United Kingdom and Vietnam.

Maxflo does not own any properties and landbank save for the fixed assets comprising mainly plant and equipment, right-of-use assets and intangible assets with a net book value of RM1.51 million as at 30 June 2025.

## 2. SHARE CAPITAL

Maxflo has a total issued share capital of RM6,638,161 comprising 1,816,814 Maxflo Shares as at the LPD.

## 3. DIRECTORS AND SHAREHOLDERS

The directors of Maxflo and their respective shareholdings in Maxflo as at the LPD are as follows:-

	Nationality	Direct		Indirect	
		No. of Maxflo Shares	%	No. of Maxflo Shares	%
Hafiz Zaim Bin Hussin	Malaysian	-	-	-	-
Mad Haimi Bin Abu Hassan	Malaysian	-	-	-	-

## INFORMATION ON MAXFLO (CONT'D)

The shareholders of Maxflo and their respective shareholdings in Maxflo as at the LPD are as follows:-

	Place of incorporation / Nationality	Direct		Indirect	
		No. of Maxflo Shares	(1)%	No. of Maxflo Shares	%
Propel Oilfield	Malaysia	1,271,770	70.0	-	-
RLSB	Malaysia	545,044	30.0	-	-
PGB	Malaysia	-	-	(2)1,271,770	70.0
Kong Teck Fong	Malaysian	-	-	(3)1,271,770	70.0
RLEB	Malaysia	-	-	(4)545,044	30.0
<b>Total</b>		<b>1,816,814</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

**Notes:-**

- (1) Based on the existing issued share capital of Maxflo comprising 1,816,814 Maxflo Shares as at the LPD.
- (2) Deemed interested by virtue of its shareholding in Propel Oilfield pursuant to Section 8(4) of the Act.
- (3) Deemed interested by virtue of his shareholding in PGB pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of its shareholding in RLSB pursuant to Section 8(4) of the Act.

#### 4. SUBSIDIARIES AND ASSOCIATE COMPANIES

Maxflo does not have any subsidiaries and associate companies as at the LPD.

#### 5. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of Maxflo based on its audited financial statements for the past 4 financial years up to the FYE 30 June 2025 are as follows:-

	Audited FYE 30 June			
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	21,134	18,210	19,219	16,736
Gross profit	2,456	7,925	5,543	6,222
Gross profit margin <sup>(1)</sup> (%)	11.62	43.52	28.84	37.18
(LBT) / PBT	(3,821)	5,663	4,795	2,182
(LAT) / PAT	(4,180)	4,357	4,649	1,607
Share capital	6,638	6,638	6,638	6,638
<b>Shareholders' equity/ NA</b>	<b>19,166</b>	<b>14,023</b>	<b>17,172</b>	<b>18,780</b>
Cash and cash equivalents	5,292	2,454	1,625	682
Total borrowings	972	907	359	273
No. of Maxflo Shares in issue	1,817	1,817	1,817	1,817
<b>(LPS) / EPS<sup>(2)</sup> (RM)</b>	<b>(2.30)</b>	<b>2.40</b>	<b>2.56</b>	<b>0.88</b>
<b>NA per Maxflo Share<sup>(3)</sup> (RM)</b>	<b>10.55</b>	<b>7.72</b>	<b>9.45</b>	<b>10.34</b>
Current ratio <sup>(4)</sup> (times)	5.43	2.73	3.78	7.31
Gearing ratio <sup>(5)</sup> (times)	0.05	0.06	0.02	0.01

---

**INFORMATION ON MAXFLO (CONT'D)**


---

**Notes:-**

- (1) Computed based on gross profit divided by revenue.
- (2) Computed based on PAT/(LAT) divided by total number of ordinary shares of Maxflo.
- (3) Computed based on NA divided by the total number of ordinary shares of Maxflo.
- (4) Computed based on total current assets divided by total current liabilities.
- (5) Computed based on total borrowings divided by NA.

During the financial years under review:-

- (i) there were no exceptional and/or extraordinary items in the financial statements of Maxflo;
- (ii) there have been no accounting policies adopted by Maxflo which are peculiar to Maxflo because of the nature of its business or the industry in which it is involved in; and
- (iii) there have been no audit qualifications to the financial statements of Maxflo.

**Commentary on past performance****(i) Audited FYE 30 June 2023**

Maxflo recorded revenue of approximately RM18.21 million for the FYE 30 June 2023, representing a decrease of approximately 13.83% or RM2.92 million as compared to the revenue of approximately RM21.13 million recorded in the previous financial year. The decrease in revenue was mainly due to the decrease in demand for Maxflo's well inspection and well perforation services from its existing clients driven by lower activity in drilling and well services in the O&G industry.

Despite the decrease in revenue, Maxflo recorded a higher gross profit of approximately RM7.9 million for the FYE 30 June 2023 as compared to a gross profit of approximately RM2.5 million for the FYE 30 June 2022. The increase in gross profit is mainly due to lower purchases of radial cutting torch and downhole cameras which form a substantial part of Maxflo's cost of sales during the previous financial year. Maxflo also incurred lower operating costs for the FYE 30 June 2023 such as short-term lease expenses of approximately RM0.1 million as compared to RM1.6 million in FYE 30 June 2022. This is due to cessation of rental of equipment, and net loss on impairment of financial assets of approximately RM0.4 million as compared to RM1.6 million in the FYE 30 June 2022 due to improved collections. The lower operating costs for the FYE 30 June 2023 was also due to absence of:-

- (a) write-down of inventories which amounted to approximately RM1.9 million for the FYE 30 June 2022 due to the accounting of slow-moving stock since 2013; as well as
- (b) waiver of debts owing by the former ultimate holding company, Daya Materials Berhad ("**DMB**"), of approximately RM1.7 million for the FYE 30 June 2022. This is due to the regularisation plan undertaken by DMB which involved internal restructuring, debt settlement arrangements and de-listing of DMB. The RM1.7 million waiver formed part of the debt settlement arrangements.

As a result of the above, Maxflo reported a higher PBT for the FYE 30 June 2023 of RM5.7 million (FYE 30 June 2022: LBT of RM3.8 million).

---

**INFORMATION ON MAXFLO (CONT'D)**


---

In line with the higher PBT, Maxflo recorded a PAT of approximately RM4.4 million for the FYE 30 June 2023 as compared to LAT of approximately RM4.2 million for the FYE 30 June 2022.

**(ii) Audited FYE 30 June 2024**

Maxflo recorded revenue of approximately RM19.22 million for the FYE 30 June 2024, representing an increase of approximately 5.55% or RM1.01 million as compared to the revenue of approximately RM18.21 million recorded in the previous financial year. The increase in revenue was mainly due to higher revenue derived from its customers which is based in Saudi Arabia for well services.

Despite the increase in revenue, Maxflo recorded a lower PBT of approximately RM4.8 million for the FYE 30 June 2024 as compared to RM5.7 million in the FYE 30 June 2023. This was mainly due to higher cost of sales of RM13.7 million for the FYE 30 June 2024 (FYE 30 June 2023: RM10.3 million) as a result of a one-off withholding tax charge (which was accrued for earlier) of approximately RM2.7 million. The lower PBT for the FYE 30 June 2024 was slightly offset by higher other income, which mainly consists of realised gain on foreign exchange and interest income amounting to approximately RM1.2 million (FYE 30 June 2023: RM0.7 million) and the reversal of allowance for expected credit losses on trade receivables.

For the FYE 30 June 2024, Maxflo recognised lower tax expense of approximately RM0.1 million (FYE 30 June 2023: RM1.3 million) due to over-provision of current tax and deferred tax in the prior financial year. As a result, Maxflo recorded a higher PAT of approximately RM4.65 million in the FYE 30 June 2024, representing an increase of approximately 6.65% or RM0.29 million as compared to the PAT of approximately RM4.36 million recorded in the previous financial year.

**(iii) Audited FYE 30 June 2025**

Maxflo recorded revenue of approximately RM16.74 million for the FYE 30 June 2025, representing a decrease of approximately 12.90% or RM2.48 million as compared to the revenue of approximately RM19.22 million recorded in the previous financial year. The decrease in revenue was mainly due to the decrease in revenue contributions from its foreign markets, particularly from the provision of radial cutting torch services to its customers in Thailand and Indonesia. There was no revenue recorded from Thailand during the FYE 30 June 2025 (FYE 30 June 2024: RM1.9 million), while revenue from Indonesia reduced by approximately RM0.6 million to RM0.9 million for the FYE 30 June 2025 (FYE 30 June 2024: RM1.5 million), reflecting reduced project volume and customer activity in those markets.

Despite the decrease in revenue, Maxflo recorded a higher gross profit of approximately RM6.22 million for the FYE 30 June 2025 (FYE 30 June 2024: RM5.54 million), supported mainly by cost control measures and a more efficient allocation of operational resources for lower-margin service offerings.

For the FYE 30 June 2025, Maxflo recorded a lower PBT of approximately RM2.18 million (FYE 30 June 2024: RM4.80 million) mainly attributed to the absence of gain on foreign exchange of RM0.6 million during the previous financial year as a result of strengthening of RM against USD, and the absence of reversal on impairment of financial assets of RM1.4 million recorded during the previous financial year.

As a result of the above, Maxflo recorded a recorded a lower PAT of approximately RM1.61 million for the FYE 30 June 2025 as compared to RM4.65 million for the FYE 30 June 2024.

---

**INFORMATION ON MAXFLO (CONT'D)**

---

The total trade receivables as at 30 June 2025 stood at RM3.65 million, representing 16.73% of the total assets. The average trade receivables turnover period was 101 days, exceeding the credit terms granted to its customers generally ranging 30 to 90 days. This was due to overdue from 2 customers, which was subsequently collected after the FYE. As such, Maxflo did not experience any difficulties in collecting the trade receivables.

**6. MATERIAL COMMITMENTS**

As at the LPD, there are no material commitments incurred or known to be incurred by Maxflo which upon becoming enforceable, may have a material impact on the profits or NA of Maxflo.

**7. MATERIAL CONTRACTS**

As at the LPD, Maxflo has not entered into any material contracts (not being contracts entered into in its ordinary course of business) within 2 years immediately preceding the date of this Circular.

**8. CONTINGENT LIABILITIES**

As at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial position of Maxflo.

**9. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, Maxflo is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or the business of Maxflo, and that there are no proceeding pending or threatened against Maxflo, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of Maxflo.

---

**INFORMATION ON MAXFLO (CONT'D)**


---

**10. DETAILS OF PAST AND CURRENT PROJECTS / CONTRACTS UNDERTAKEN BY MAXFLO**

The details of the past notable and current project / contracts undertaken by Maxflo are as follows:-

Nature and details of the project	Date and duration of the project	*Percentage of total invoices issued during the FYE 30 June 2025 (%)
<u>Past notable projects / contracts undertaken by Maxflo:-</u>		
A project awarded by a well-established Sarawak-based O&G services provider for the provision of wells integrity restoration and repair work.	Effective for a period of 3 years commencing from 1 June 2021 and is extendable for a further period of 1 year.	-
A project awarded by an Indonesian branch of a China-based O&G provider for the provision of radial cutting torch, perforation torch cutter and accessories services, smart sub and downhole video camera.	Effective for a period of 3 years commencing from 1 June 2021 to 31 May 2024 and is extendable for a further period of 1 year.	-
<u>Current / top ongoing projects / contracts undertaken by Maxflo:-</u>		
A project awarded by one of the largest oilfield services group of companies based in Middle East for the provision of wellsite services in Middle East, Malaysia and Indonesia.	<sup>(1)</sup> Effective from 1 October 2025 for a period of 2 years.	91.86
A project awarded by a subsidiary of an American energy technology company for the rental of specialised equipment in Azerbaijan.	There is no fixed term contract with this customer as it is on a call-out basis.	4.71
A project awarded by an Indonesian-based industrial supply solutions provider dedicated to supporting the oil, gas, and mining sectors for the provision of wellsite services and rental of specialised equipment in Indonesia.	There is no fixed term contract with this customer as it is on a call-out basis.	3.20

**Notes:-**

\* The projects undertaken by Maxflo do not have a fixed contract value and it is on a call-out basis.

(1) The project with this long-standing customer was recently renewed on 1 October 2025.

---

**INFORMATION ON MAXFLO (CONT'D)**


---

**11. PROFILE OF KEY MANAGEMENT TEAM OF MAXFLO**

As at the LPD, the key management team of Maxflo consists of Mad Haimi Bin Abu Hassan, Dato' Wan Hassan Mohd Jamil and Mohd Fadily Hisyam. Upon the completion of the Proposed Acquisition and given the complementary nature between RLEB and Maxflo, our Company intends to utilise existing manpower from our Group to undertake certain functions such as finance, human resources, procurement and other administrative functions.

The profiles of the existing key management team of Maxflo are as follows:-

**(i) Mad Haimi Bin Abu Hassan**

Mad Haimi Bin Abu Hassan, a Malaysian aged 48 years, graduated from Universiti Malaya with a Bachelor of Electrical Engineering and has over 25 years of relevant experience in the oil and gas industry. He is the Chief Executive Officer of RLSB where he is primarily responsible for successful leadership and management of the organisation according to the direction set by the Group.

He started his career in 2000 as a Field Engineer with Dimension Bid (M) Sdn Bhd, specialising in well intervention and perforation service solutions, and was with the company until June 2002.

Subsequently, he joined Halliburton Energy Services (M) Sdn Bhd in 2002 as an Associate Technical Professional where he was responsible for providing technical and operational support, and planning and executing perforation services for customers operating offshore of Peninsular Malaysia. He left the company in 2008 as a Service Leader.

Subsequently, he co-founded RLSB in 2008 and held the position of Technical Manager where he was responsible for planning and executing perforation services and related equipment and providing well intervention and wireline services to customers. He subsequently was promoted to the role of Executive Director of RLSB prior to assuming his current role as the Chief Executive Officer of RLSB in 2022.

Subsequently, he was appointed as a director of Maxflo on 17 April 2025 where he is primarily responsible for the overall planning, execution, optimisation, and providing operational and technical oversight to support the Maxflo's ongoing growth and expansion initiatives.

Upon the completion of the Proposed Acquisition, Mad Haimi Bin Abu Hassan will be retained as a director of Maxflo.

**(ii) Dato' Wan Hassan Mohd Jamil**

Dato' Wan Hassan Mohd Jamil, a Malaysian aged 51 years, graduated from Universiti Teknologi Malaysia with a Bachelor of Petroleum Engineering and has over 28 years of relevant experience in the oil and gas industry. He is our Group Chief Executive Officer/Managing Director where he is responsible for leading and managing the Group in accordance with the strategic direction and vision developed by the Board.

He began his career in 1997 with Geoeast (M) Sdn Bhd as a Welltest Engineer. He left the company to join Dimension Bid (M) Sdn Bhd 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 (M) Sdn Bhd included bottomhole pressure survey, pressure transient analysis, production logging, multi-finger calliper logging and slickline services.

---

**INFORMATION ON MAXFLO (CONT'D)**


---

He left Dimension Bid (M) Sdn Bhd 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 RLSB as the Chief Executive Officer. He then assumed his current position as our Group Chief Executive Officer / Managing Director in 2014.

In May 2025, he was appointed as the Chief Executive Officer of Maxflo where he is primarily responsible for leading, managing and overseeing the overall operations, strategic direction and commercial performance of the company.

Upon the completion of the Proposed Acquisition, Dato' Wan Hassan Mohd Jamil will be appointed as a director and retained as a key management of Maxflo.

**(iii) Mohd Fadily Hisyam**

Mohd Fadily Hisyam, a Malaysian aged 41 years, graduated from Nagasaki University Japan with a Bachelor in Mechanical System Engineering and has over 16 years of relevant experience in the oil and gas industry.

He began his career in 2008 with Geowell Sdn Bhd, progressing from Field Service Engineer to Senior Field Service Engineer, where he responsible in executing high-risk well operations, performing onsite data interpretation, and providing technical solutions to resolve downhole issues.

In 2018, he joined RLSB and advanced through the roles as Senior Engineer, Assistant Manager, and currently as the Operation Manager. He responsible to oversee operational strategy, manpower planning, budgeting, performance tracking, and inter-departmental coordination to support business growth.

In May 2025, he was appointed as the Operation Manager of Maxflo where he is primarily responsible for directing, coordinating and optimising all operational activities of the company to ensure safe, efficient and high-quality delivery of oilfield services to clients.

Upon the completion of the Proposed Acquisition, Mohd Fadily Hisyam shall be retained as a key management of Maxflo.

<p><b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b></p>
---

---

**DETAILS OF THE INITIAL ACQUISITION**


---

*For the avoidance of doubt, the information on the Initial Acquisition is extracted based on the announcements on Bursa Securities dated 10 April 2025 and 2 May 2025 and is provided for your information only and does not require your approval.*

**1. INTRODUCTION ON THE INITIAL ACQUISITION**

On 24 March 2025, our Board had announced that RLSB, our wholly-owned subsidiary, had on even date, executed a binding term sheet with the Vendor, which outlined the principal terms and conditions of the Initial Acquisition.

Subsequent thereto, on 10 April 2025, our Board had announced that RLSB, our wholly-owned subsidiary, had on even date, entered into the Initial Acquisition SSA with the Vendor for the Initial Acquisition.

The Initial Acquisition entailed the acquisition by RLSB of 545,044 Maxflo Shares, representing 30% equity interest in Maxflo, from Propel Oilfield for a total cash consideration of RM7.39 million, subject to the terms and conditions of the Initial Acquisition SSA.

The Initial Acquisition was completed on 2 May 2025 and consequently, Maxflo became a 30%-owned associate of RLSB.

**2. DETAILS OF THE INITIAL ACQUISITION**
**2.1 Information on Maxflo**

Maxflo was incorporated in Malaysia under the Companies Act 1965 on 21 February 2005 as a private limited company under Daya Maxflo Sdn Bhd. Subsequently, Maxflo had assumed its current name on 29 March 2023 and is deemed registered under the Act.

The registered address of Maxflo is located at D-2-5, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan whilst its business address is located at Level 12, Mercu 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan.

Maxflo is principally involved in providing products and services for exploration, drilling and well intervention, enhanced oil recovery / improved oil recovery and production technologies specifically for offshore and onshore oil and gas, refining, chemical and petrochemical.

Please refer to **Appendix III** of this Circular for further information on Maxflo.

**2.2 Information on Propel Oilfield**

Propel Oilfield was incorporated in Malaysia under the Companies Act 1965 on 6 June 2006 as a private limited company under Daya Petroleum Ventures Sdn Bhd. Subsequently on 29 March 2023, the Vendor had assumed its current name.

The registered address of the Vendor is located at 802, 8<sup>th</sup> Floor, Block C, Kelana Square, 17, Jalan SS 7/26, 47301 Petaling Jaya, Selangor whilst its business address is located at Level 12, Mercu 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan.

As at the LPD, Propel Oilfield has a total issued share capital of RM350,000 comprising of 350,000 ordinary shares.

Propel Oilfield is principally involved in the provision of drilling services, geological, petroleum engineering, subsea and deep water support services, operations and maintenance services.

## DETAILS OF THE INITIAL ACQUISITION (CONT'D)

*For the avoidance of doubt, the information on the Initial Acquisition is extracted based on the announcements on Bursa Securities dated 10 April 2025 and 2 May 2025 and is provided for your information only and does not require your approval.*

The details of the shareholders of Propel Oilfield as at the LPD are as follows:-

Name	Place of incorporation / Nationality	Direct interest		Indirect interest	
		No. of shares	%	No. of shares	%
Rancak Nikmat Sdn Bhd	Malaysia	178,500	51.00	-	-
PGB	Malaysia	171,500	49.00	-	-
Hafiz Zaim Bin Hussin	Malaysian	-	-	<sup>(1)</sup> 178,500	51.00
<b>Total</b>		<b>350,000</b>	<b>100.00</b>	-	-

The details of the directors of Propel Oilfield together with their respective shareholdings in Propel Oilfield as at the LPD are as follows:-

Name	Nationality	Direct interest		Indirect interest	
		No. of shares	%	No. of shares	%
Hafiz Zaim Bin Hussin	Malaysian	-	-	<sup>(1)</sup> 178,500	51.00
Lee Sze Yeen	Malaysian	-	-	-	-

**Note:-**

(1) Deemed interested by virtue of his direct interest in Rancak Nikmat Sdn Bhd.

### 2.3 Basis and justification of arriving at the Initial Acquisition Purchase Consideration

The Initial Acquisition Purchase Consideration of RM7.39 million was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the following factors:-

- (i) the PE Multiple of 5.30 times, computed based on the implied equity value of Maxflo of approximately RM24.63 million for 100.0% ownership of Maxflo over the PAT of Maxflo of approximately RM4.65 million for the FYE 30 June 2024. The implied equity value of Maxflo of approximately RM24.63 million is derived based on the Initial Acquisition Purchase Consideration of RM7.39 million over the 30% equity interest in Maxflo; and
- (ii) the rationale and justification of the Initial Acquisition as set out in **Section 3** of this **Appendix IV**.

## DETAILS OF THE INITIAL ACQUISITION (CONT'D)

*For the avoidance of doubt, the information on the Initial Acquisition is extracted based on the announcements on Bursa Securities dated 10 April 2025 and 2 May 2025 and is provided for your information only and does not require your approval.*

### 2.4 Mode of settlement for the Initial Acquisition

Pursuant to the terms of the Initial Acquisition SSA, the purchase consideration of RM7.39 million was satisfied in the following manner:-

Payment term	Timing of settlement	Total
		(RM'000)
50.0% of the Initial Acquisition Purchase Consideration	Within 7 business days from the date all conditions precedent of the Initial Acquisition SSA are fulfilled or waived ("Initial Acquisition Unconditional Date")	3,695
50.0% of the Initial Acquisition Purchase Consideration	Within 14 business days from the Initial Acquisition Unconditional Date	3,695
<b>Total</b>		<b>7,390</b>

### 2.5 Source of funding

The Initial Acquisition Purchase Consideration of RM7.39 million was financed entirely via the placement proceeds raised from the private placement exercise undertaken by our Company on 26 March 2025.

### 2.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the Initial Acquisition SSA, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by our Group arising from the Initial Acquisition.

### 2.7 Additional financial commitment required

There are no additional financial commitments to be incurred by RLEB Group to put the business of Maxflo on-stream in view that Maxflo is already an on-going business entity with an established historical profit track record as set out in **Appendix III** of this Circular.

## 3. RATIONALE AND JUSTIFICATIONS OF THE INITIAL ACQUISITION

The Initial Acquisition presents value and potential to our Group, supported by the following reasons:-

### (a) Alignment with Petronas Vision for Oil and Gas Industry Consolidation

Petronas has long advocated for the consolidation of the oil and gas industry to create a more resilient, efficient, and competitive ecosystem. This aspiration reflects the need to address challenges such as market volatility, escalating costs and the fragmentation of service providers within the industry. A consolidated landscape contributes to the stability and long-term viability of Malaysia's oil and gas sector, aligning with Petronas' broader aspirations for industry development.

---

**DETAILS OF THE INITIAL ACQUISITION (CONT'D)**


---

*For the avoidance of doubt, the information on the Initial Acquisition is extracted based on the announcements on Bursa Securities dated 10 April 2025 and 2 May 2025 and is provided for your information only and does not require your approval.*

**(b) Enhanced Market Position**

Together, RLSB and Maxflo would command a larger market share in Malaysia's O&G services industry, positioning it as a more competitive and resilient player in the sector. Maxflo's established relationships with clients across Malaysia, Southeast Asia, Middle East and Africa provide RLSB access to new contracts and project opportunities.

**(c) Operational Efficiencies**

The post-Initial Acquisition has helped reduce redundancies in RLSB and/or Maxflo in terms of operations, personnel and logistics, leading to potential cost savings and increased efficiency across project execution, supply chains and client servicing. In addition, both companies are also able to leverage on shared expertise and resources which RLSB stands to benefit. Through synergies and optimised operations, profitability can be improved, creating better long-term value for stakeholders.

**4. OVERVIEW AND OUTLOOK OF THE OIL AND GAS INDUSTRY IN MALAYSIA**

The mining sector rebounded by 4.3% in the first half of 2024 with broad-based expansion recorded across all subsectors. The natural gas subsector posted a growth of 6%, underpinned by higher production from all regions. The crude oil and condensate subsector increased by 1.4% attributed to stable condensate production during the period. Meanwhile, the other mining & quarrying and supporting services subsector posted a steady growth of 5.9%. For the second half of the year, the sector is forecast to grow marginally by 0.3%. Despite the anticipated strong performance in the natural gas subsector owing to the operational commencement of new gas fields, overall growth of the mining sector is expected to moderate due to subdued performance in the crude oil and condensate subsector.

For the year, the mining sector is projected to grow by 2.2%, driven mainly by strong performance in the natural gas subsector. Steady output from existing fields, coupled with commencement of production from new gas blocks in the Kasawari, Jerun and Gansar gas developments as well as the Kayu Manis South East gas development, are expected to contribute significantly to the growth of the subsector. Furthermore, higher demand from major trading partners, in particular Japan and China, as well as increased domestic consumption, primarily from industrial and power sector players, are anticipated to contribute positively to the growth. In contrast, the crude oil and condensate subsector is expected to decline due to reduction in crude oil production, particularly in Sabah. In terms of prices, the Brent crude oil price is expected to remain stable between USD80 and USD85 per barrel, amid uncertainties in the global environment and the Organization of Petroleum Exporting Countries' (OPEC) decision on the production levels.

Furthermore, exports of mining goods are projected to edge up by 2.8%, attributed to higher global demand for crude petroleum and liquefied natural gas ("LNG") by 10.1% and 2.4%, respectively.

---

**DETAILS OF THE INITIAL ACQUISITION (CONT'D)**


---

For the avoidance of doubt, the information on the Initial Acquisition is extracted based on the announcements on Bursa Securities dated 10 April 2025 and 2 May 2025 and is provided for your information only and does not require your approval.

The mining sector is forecast to contract by 1% in 2025, following sluggish performance in key subsectors. The natural gas subsector is projected to decline as output decreases mainly due to the planned shutdown of two facilities in Sarawak for maintenance purposes as well as moderating demand from major importing countries such as Japan, China and the Republic of Korea. The overall production of natural gas is expected to remain below the 2024 capacity, despite several new plants being scheduled to commence operations, among others, the Bindu field in Terengganu, Gumusut-Kakap-Geronggong-Jagus East in Sabah and FaS Development in Sarawak. Similarly, the crude oil and condensate subsector is expected to contract due to lower production in Peninsular Malaysia, following the scheduled maintenance in the second half of 2025. In terms of prices, Brent crude oil is projected to average between USD75 and USD80 per barrel in 2025.

Likewise, exports of mining goods are projected to moderate by 2.1%, following softer demand for LNG and crude petroleum from major markets.

*(Source: Economic Outlook 2025, Ministry of Finance Malaysia)*

**5. RISK FACTORS**

Our Group is not aware of any risk factors arising from the Initial Acquisition other than risks inherent in the capital market and economic risk.

**6. EFFECTS OF THE INITIAL ACQUISITION**

The Initial Acquisition did not have any effect on the share capital and shareholding structure of our Group and there will not be any immediate effect on net assets per share and gearing of our Group. However, the Initial Acquisition is expected to contribute positively towards the earnings of our Group for the FYE 30 June 2025 and future earnings of our Group.

<p><b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b></p>
---

---

**SALIENT TERMS OF THE INITIAL ACQUISITION SSA**


---

*For the avoidance of doubt, the information on the Initial Acquisition SSA is provided for your information only and does not require your approval.*

**1. PAYMENT OF PURCHASE CONSIDERATION**

The Initial Acquisition Purchase Consideration of RM7.39 million for the 545,044 Sale Shares shall be paid as follows:-

- (a) within 7 Business Days from the Initial Acquisition Unconditional Date (as defined in **Section 2(c)** of this **Appendix V**), the Purchaser shall pay the Vendor the sum of Ringgit Malaysia Three Million Six Hundred and Ninety-Five Thousand (RM3,695,000.00) only, being part payment of the Initial Acquisition Purchase Consideration; and
- (b) the remaining balance of the Initial Acquisition Purchase Consideration for a sum of Ringgit Malaysia Three Million Six Hundred and Ninety-Five Thousand (RM3,695,000.00) only shall be paid by the Purchaser to the Vendor within 14 Business Days from the date of Initial Acquisition Unconditional Date.

“**Business Days**” refers to a day (other than a Saturday, Sunday or public holiday) on which banks, licensed to carry on banking business under the provisions of the Financial Services Act 2013, are open for business in Wilayah Persekutuan Kuala Lumpur, Malaysia.

**2. CONDITIONS PRECEDENT**
**(a) Conditions**

The completion of the Initial Acquisition SSA shall be subject to the following list of conditions precedent being fulfilled to the satisfaction of the Purchaser or waived in accordance with the Initial Acquisition SSA:-

- (i) the Purchaser obtaining all necessary internal and corporate approvals and authorisations, including but not limited to the Purchaser's board approval, if any; and
- (ii) the Vendor obtaining all necessary internal and corporate approvals and authorisations, including but not limited to the Vendor's board approval, if any.

**(b) Non-fulfilment of the conditions precedent**

Subject to the terms as set out in the Initial Acquisition SSA, unless specifically waived by the Purchaser in writing at its absolute discretion, if any of the conditions precedent are not fulfilled, the Purchaser shall be entitled to terminate the Initial Acquisition SSA with immediate effect by notice in writing to the Vendor.

Thereafter, neither the Vendor or the Purchaser (collectively, the “**Parties**” and each a “**Party**”) shall have any claims against the other for costs, damages, compensations or otherwise, save for any antecedent breach of any Vendor's warranties, representation, undertaking and any of the terms of the Initial Acquisition SSA.

**(c) When agreement becomes unconditional**

The Initial Acquisition SSA shall be deemed unconditional upon fulfilment of all the conditions precedent or waived by the Purchaser in writing. The date the conditions precedent are fulfilled or waived (as applicable) shall be known as the “**Initial Acquisition Unconditional Date**”.

---

**SALIENT TERMS OF THE INITIAL ACQUISITION SSA (CONT'D)**


---

For the avoidance of doubt, the information on the Initial Acquisition SSA is provided for your information only and does not require your approval.

**3. TERMINATION**

- (a) The Purchaser shall be entitled to terminate this Initial Acquisition SSA with immediate effect by giving written notice to the Vendor, in the event the Vendor defaults or commits any breach, non-performance or non-observance of the conditions precedent or the conditions subsequent (if any), provided such breach of the conditions precedent is not due to any delay, default or breach caused by the Purchaser. Both Parties then shall cooperate and take all necessary measures to restore each Party to its original position before this Agreement and the Vendor shall within 3 Business Days refund to the Purchaser any and all parts of the Initial Acquisition Purchase Consideration, that have been paid, transferred, or otherwise effected by the Purchaser in favour of the Vendor under the Initial Acquisition SSA.
- (b) If prior and/or after the fulfilment of all the conditions precedent, any of the terms, conditions, provisions, representations, Vendor's warranties or undertakings on the part of Maxflo or the Vendor under this Initial Acquisition SSA have been breached or have not been carried out or complied with or are otherwise untrue or incorrect or misleading, or any event shall occur which constitutes or is likely to adversely affect Maxflo, and/or upon the occurrence of any of the events stated hereunder ("**Event of Default**"):-
  - (i) the Vendor breaches any terms and/or conditions of the Initial Acquisition SSA, including breach of the Vendor's warranties or if it fails to perform or observe any undertakings, obligations, covenants and/or agreements expressed or implied in the Initial Acquisition SSA;
  - (ii) if a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Vendor and/or Maxflo;
  - (iii) if the Vendor and/or Maxflo enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of its creditors or any class of them;
  - (iv) if an application or order is made for the winding up or dissolution of Maxflo or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of Maxflo otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Purchaser;
  - (v) if Maxflo ceases or threatens to cease carrying on its business;
  - (vi) if a winding up petition shall be presented against the Vendor and/or Maxflo; and
  - (vii) if the Vendor and/or Maxflo commits any act or omits to do any act which results in the breach or non-fulfilment of any terms or conditions under the Initial Acquisition SSA which may have the effect of causing the aforesaid events to occur,

---

**SALIENT TERMS OF THE INITIAL ACQUISITION SSA (CONT'D)**


---

*For the avoidance of doubt, the information on the Initial Acquisition SSA is provided for your information only and does not require your approval.*

the Purchaser then shall be entitled by notice in writing to the Vendor specify the default and/or breach committed by the Vendor and/or Maxflo, and to require the Vendor and/or Maxflo to remedy the said default or breach within 14 days from the Vendor's receipt of such notice. If the Vendor and/or Maxflo fails, refuses and/or neglects to remedy the relevant default or breach within the said 14 days period stipulated herein, the Purchaser shall be entitled to:-

- (i) proceed with completion of the Initial Acquisition or fix a new date for completion of the Initial Acquisition; or
  - (ii) terminate and rescind the Initial Acquisition SSA, and the Vendor and/or Maxflo shall within 3 Business Days refund to the Purchaser the Purchase Consideration paid by the Purchaser under the Initial Acquisition SSA.
- (c) In the event that, at any time prior and/or after the fulfilment of all the conditions precedent, any of the terms, conditions, provisions, representations and/or undertaking on the part of the Purchaser under the Initial Acquisition SSA have been breached or have not been carried out or complied with or are otherwise untrue or incorrect or misleading, the Vendor shall be entitled by notice in writing to the Purchaser specify the default and/or breach committed by the Purchaser, and to require the Purchaser to remedy the said default or breach within 14 days from the Purchaser's receipt of such notice. If the Purchaser fails, refuses and/or neglects to remedy the relevant default or breach within the said 14 days period stipulated herein, the Vendor shall be entitled to:-
- (i) proceed with completion of the Initial Acquisition or fix a new date for completion of the Initial Acquisition; or
  - (ii) terminate and abort the Initial Acquisition SSA and the Vendor shall within 3 Business Days refund the Initial Acquisition Purchase Consideration paid by the Purchaser under the Initial Acquisition SSA.

The Initial Acquisition has been completed following the payment of the Initial Acquisition Purchase Consideration made on 2 May 2025.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

---

AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025

---

**PROPEL MAXFLO SDN. BHD.**  
**[Registration No.: 200501004667 (681714-M)]**  
**(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS**

**30 JUNE 2025**

**Registered office:**  
**D-2-5, Megan Avenue 1**  
**No. 189, Jalan Tun Razak**  
**50400 Kuala Lumpur**

**Principal place of business:**  
**Level 12, Mercu 3**  
**Jalan Bangsar, KL Eco City**  
**59200 Kuala Lumpur**

---

**AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)**

---

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)**REPORTS AND FINANCIAL STATEMENTS****30 JUNE 2025****INDEX**

\*\*\*\*\*

	<b>Page No.</b>
DIRECTORS' REPORT	1 - 5
STATEMENT BY DIRECTORS	6
STATUTORY DECLARATION	7
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	8 - 12
STATEMENT OF FINANCIAL POSITION	13
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	14
STATEMENT OF CHANGES IN EQUITY	15
STATEMENT OF CASH FLOWS	16 - 18
NOTES TO THE FINANCIAL STATEMENTS	19 - 47

---

**AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)**


---

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 30 June 2025.

**Principal activities**

The Company is principally engaged in providing products and services for exploration, drilling and well intervention, enhanced oil recovery ("EOR")/improved oil recovery ("IOR") and production technologies specifically for offshore and onshore oil and gas, refining, chemical and petro-chemical.

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

**Financial results**

	<b>RM</b>
Profit for the financial year	<u>1,607,402</u>

**Reserves and provisions**

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

**Dividends**

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any final dividend in respect of the current financial year.

**Issue of shares and debentures**

There was no issuance of shares or debentures during the financial year.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

### Directors

The Directors in office during the financial year until the date of this report are:

Hafiz Zaim Bin Hussin (Appointed on 20 March 2025)  
 Mad Haimi Bin Abu Hassan (Appointed on 17 April 2025)  
 Mohd Fahmie Idzul Bin Mohd Rodzi (Resigned on 16 April 2025)  
 Azzrizal Bin Zolhaili (Resigned on 16 April 2025)

### Directors' interests in shares

The interests in the shares of the Company and of its related corporations of those who was Director at financial year according to the Register of Director's Shareholdings is as follows:

	Number of ordinary shares			
	At 1.7.2024	Bought	Sold	At 30.6.2025
Interests in the ultimate holding company (Propel Global Berhad)				
Direct interests				
Hafiz Zaim Bin Hussin	-	7,000	-	7,000

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

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) 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.

The Directors' fee and remuneration for the Company as set out in Note 27(c) to the financial statements is RM258,482.

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.

---

**AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)**


---

Registration No.: 200501004667 (681714-M)

**Indemnity and insurance costs**

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

**Other statutory information**

- (a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due;

---

**AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)**

---

Registration No.: 200501004667 (681714-M)

**Other statutory information (Cont'd)**

(d) In the opinion of the Directors: (Cont'd)

- (ii) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

**Immediate holding company**

The immediate holding company is Propel Oilfield Services Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

**Ultimate holding company**

The ultimate holding company is Propel Global Berhad, a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

---

AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

---

Registration No.: 200501004667 (681714-M)

**Auditors**

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Company as set out in Note 21 to the financial statements is RM39,000.

Signed by the Board of Directors in accordance with a resolution of the Directors dated 13 October 2025.



HAFIZ ZAIM BIN HUSSIN



MAD HAIMI BIN ABU HASSAN

KUALA LUMPUR

---

**AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)**

---

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS****Pursuant to Section 251(2) of the Companies Act 2016**

We, the undersigned, being the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 13 to 47 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 Company as at 30 June 2025 and of its financial performance and cash flows for the financial year then ended.

Signed by the Board of Directors in accordance with a resolution of the Directors dated 13 October 2025.



HAFIZ ZAIM BIN HUSSIN



MAD HAIMI BIN ABU HASSAN

KUALA LUMPUR

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**

(Incorporated in Malaysia)

**STATUTORY DECLARATION****Pursuant to Section 251(1) of the Companies Act 2016**

I, Lim Shi Jin, being the Officer primarily responsible for the financial management of Propel Maxflo Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 13 to 47 are 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 at Kuala Lumpur in the  
Federal Territory on 13 October 2025

)  
)  
)



LIM SHI JIN

Before me,



## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
PROPEL MAXFLO SDN. BHD.**

[Registration No.: 200501004667 (681714-M)]  
(Incorporated in Malaysia)

TGS TW PLT  
202106000004 (LLP0026851-LCA) & AF002345  
Chartered Accountants  
Unit E-16-2B,  
Level 16, Icon Tower (East)  
No.1, Jalan 1/68F, Jalan Tun Razak  
50400 Kuala Lumpur.  
Tel : +603 9771 4326  
Email: tgsaudit@tgs-tw.com  
www.tgs-tw.com

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Propel Maxflo Sdn. Bhd., which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the financial 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 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.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
PROPEL MAXFLO SDN. BHD. (CONT'D)**

[Registration No.: 200501004667 (681714-M)]  
(Incorporated in Malaysia)

**Report on the audit of the financial statements (Cont'd)**

**Information other than the financial statements and auditors' report thereon**

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

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, 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 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
PROPEL MAXFLO SDN. BHD. (CONT'D)**

[Registration No.: 200501004667 (681714-M)]  
(Incorporated in Malaysia)

**Report on the audit of the financial statements (Cont'd)**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
PROPEL MAXFLO SDN. BHD. (CONT'D)**

[Registration No.: 200501004667 (681714-M)]  
(Incorporated in Malaysia)

**Report on the audit of the financial statements (Cont'd)**

**Auditors' responsibilities for the audit of the financial statements (Cont'd)**

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: (Cont'd)

- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
PROPEL MAXFLO SDN. BHD. (CONT'D)**

[Registration No.: 200501004667 (681714-M)]  
(Incorporated in Malaysia)

**Other matters**

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

TGS TW PLT

TGS TW PLT  
202106000004 (LLP0026851-LCA) & AF002345  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Quek Keng Yee'.

QUEK KENG YEE  
03852/10/2026 J  
Chartered Accountant

KUALA LUMPUR  
13 October 2025

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	417,300	114,184
Right-of-use assets	4	265,629	886,781
Intangible assets	5	829,895	446,887
		<u>1,512,824</u>	<u>1,447,852</u>
<b>Current assets</b>			
Inventories	6	7,069,675	7,589,775
Trade receivables	7	3,653,911	5,649,134
Other receivables	8	959,812	507,226
Contract assets	9	5,549,431	4,893,979
Amount due from ultimate holding company	10	938,131	77,794
Amount due from immediate holding company	11	288,814	31,251
Amount due from related companies	12	85,533	160,846
Tax recoverable		359,721	393,700
Fixed deposit with licensed bank	13	744,775	727,852
Cash and bank balances		682,149	1,624,614
		<u>20,331,952</u>	<u>21,656,171</u>
<b>Total assets</b>		<u>21,844,776</u>	<u>23,104,023</u>
<b>EQUITY</b>			
Share capital	14	6,638,161	6,638,161
Retained earnings		12,141,657	10,534,255
<b>Total equity</b>		<u>18,779,818</u>	<u>17,172,416</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Hire purchase and lease liabilities	15	183,577	156,408
Deferred tax liabilities	16	98,940	44,630
		<u>282,517</u>	<u>201,038</u>
<b>Current liabilities</b>			
Hire purchase and lease liabilities	15	89,117	202,234
Trade payables	17	838,518	140,170
Other payables	18	1,854,806	1,641,753
Amount due to a related company	12	-	3,746,412
		<u>2,782,441</u>	<u>5,730,569</u>
<b>Total liabilities</b>		<u>3,064,958</u>	<u>5,931,607</u>
<b>Total equity and liabilities</b>		<u>21,844,776</u>	<u>23,104,023</u>

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

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	Note	2025 RM	2024 RM
Revenue	19	16,735,542	19,219,177
Cost of sales		<u>(10,513,832)</u>	<u>(13,676,496)</u>
Gross profit		6,221,710	5,542,681
Other income		244,436	1,205,148
Selling and distribution expenses		(37,224)	(68,394)
Administrative expenses		(3,382,303)	(2,714,250)
Other expenses		(751,138)	(491,602)
Net (loss)/reversal on impairment of financial assets		<u>(100,347)</u>	<u>1,358,165</u>
<b>Profit from operations</b>		2,195,134	4,831,748
Finance costs	20	<u>(12,929)</u>	<u>(36,967)</u>
<b>Profit before tax</b>	21	2,182,205	4,794,781
Taxation	22	<u>(574,803)</u>	<u>(145,487)</u>
<b>Profit for the financial year, representing total comprehensive income for the financial year</b>		<u><u>1,607,402</u></u>	<u><u>4,649,294</u></u>

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

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	Note	Share capital RM	Retained earnings RM	Total equity RM
<b>At 1 July 2023</b>		6,638,161	7,384,961	14,023,122
Profit for the financial year, representing total comprehensive income for the financial year		-	4,649,294	4,649,294
<b>Transaction with owner:</b>				
Dividend	23	-	(1,500,000)	(1,500,000)
<b>At 30 June 2024</b>		6,638,161	10,534,255	17,172,416
<b>At 1 July 2024</b>		6,638,161	10,534,255	17,172,416
Profit for the financial year, representing total comprehensive income for the financial year		-	1,607,402	1,607,402
<b>At 30 June 2025</b>		6,638,161	12,141,657	18,779,818

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

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,182,205	4,794,781
Adjustments for:		
Allowance for expected credit losses on trade receivables	112,504	158,854
Amortisation of intangible assets	45,731	4,040
Depreciation of:		
- property, plant and equipment	293,537	140,818
- right-of-use assets	131,508	298,441
Interest expenses	12,929	36,967
Interest income	(17,382)	(124,095)
Inventories written off	-	2,156,277
Loss on modification of lease contract	-	2,532
Property, plant and equipment written off	2,073	-
Reversal of allowance for expected credit losses on trade receivables	(12,157)	(1,517,019)
Unrealised loss on foreign exchange	271,514	489,070
Operating profit before working capital changes	3,022,462	6,440,666
Changes in working capital:		
Inventories	520,100	(3,219,025)
Contract balances	(655,452)	(4,085,267)
Receivables	1,262,540	2,509,842
Payables	888,110	59,493
Cash generated from operations	5,037,760	1,705,709
Tax paid	(486,514)	(960,179)
Net cash from operating activities	4,551,246	745,530

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)**

	Note	2025 RM	2024 RM
<b>Cash flows from investing activities</b>			
Advance to immediate holding company		(257,563)	(17,203)
Interest received		17,382	124,095
Placement of fixed deposits pledged with licensed banks		(16,923)	(18,627)
Proceed from disposals of right-of-use assets		-	36,848
Purchase of intangible assets		-	(186,138)
Purchase of property, plant and equipment		(409,087)	(94,400)
Repayment from/(Advance to) related companies	A	81,005	(135,409)
(Advance to)/Repayment from ultimate holding company		(860,337)	806,915
Net cash (used in)/from investing activities		<u>(1,445,523)</u>	<u>516,081</u>
<b>Cash flows from financing activities</b>			
Dividend paid		-	(1,500,000)
Interest paid		(12,929)	(36,967)
Repayments to a related company		(3,746,412)	(1,250,735)
Repayments of hire purchase and lease liabilities	B	(220,374)	(553,229)
Net cash used in financing activities		<u>(3,979,715)</u>	<u>(3,340,931)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(873,992)</b>	<b>(2,079,320)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>1,624,614</b>	<b>3,718,946</b>
Effect of exchange translation differences on cash and cash equivalents		<u>(68,473)</u>	<u>(15,012)</u>
<b>Cash and cash equivalents at the end of the financial year</b>		<b><u>682,149</u></b>	<b><u>1,624,614</u></b>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>			
Cash and bank balances		682,149	1,624,614
Fixed deposits placed with licensed banks		<u>744,775</u>	<u>727,852</u>
		1,426,924	2,352,466
Less: Fixed deposits pledged with licensed banks	13	<u>(744,775)</u>	<u>(727,852)</u>
		<b><u>682,149</u></b>	<b><u>1,624,614</u></b>

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)**

**NOTES TO THE STATEMENT OF CASH FLOWS****A. Repayment from/(Advance to) related companies**

	Note	2025 RM	2024 RM
Net changes during the financial year		75,313	(135,409)
Add: Controlled transfer of intangible assets to a related company	5	5,692	-
		81,005	(135,409)

**B. Cash outflows for leases as a lessee**

	Note	2025 RM	2024 RM
<u>Included in net cash from operating activities</u>			
Payment relating to short-term leases	21	218,418	982,608
Payment relating low value assets	21	1,188	2,127
		219,606	984,735
<u>Included in net cash used in financing activities</u>			
Payment of hire purchase and lease liabilities		220,374	553,229
Payment on interest expenses of hire purchase and lease liabilities	20	12,929	36,967
		233,303	590,196
		452,909	1,574,931

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

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**PROPEL MAXFLO SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
30 JUNE 2025**

**1. Corporate information**

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at D-2-5, Megan Avenue 1, No. 189, Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business of the Company is located at Level 12, Mercu 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The Company is principally engaged in providing products and services for exploration, drilling and well intervention, enhanced oil recovery ("EOR")/improved oil recovery ("IOR") and production technologies specifically for offshore and onshore oil and gas, refining, chemical and petro-chemical.

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

The immediate holding company is Propel Oilfield Services Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

The ultimate holding company is Propel Global Berhad, a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

**2. Basis of preparation**

**(a) Statement of compliance**

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

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Company has consistently applied the accounting policies throughout all periods presented in the financial statements unless otherwise stated.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 2. Basis of preparation (Cont'd)

## (a) Statement of compliance (Cont'd)

## (i) Adoption of new and amended standards

During the financial year, the Company has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Company.

## (ii) Standards issued but not yet effective

The Company has not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**2. Basis of preparation (Cont'd)****(a) Statement of compliance (Cont'd)****(ii) Standard issued but not yet effective (Cont'd)**

The Company has not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Company intends to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Company.

**(b) Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM, unless otherwise stated.

**(c) Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

**Judgements**

The following are the judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Company includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relations to contracts with customers

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Company recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- (ii) the Company does not create an asset with an alternative use to the Company and has an enforceable right to payment for performance completed to date; and

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

**Judgements (Cont'd)**

Satisfaction of performance obligations in relations to contracts with customers (Cont'd)

The Company recognises revenue over time in the following circumstances: (Cont'd)

- (iii) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Company assesses each contract with customers to determine when the performance obligation of the Company under the contract is satisfied.

**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/amortisation of property, plant and equipment, right-of-use ("ROU") assets and intangible assets

The Company regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and intangible assets would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and intangible assets. The carrying amount at the reporting date for property, plant and equipment, ROU assets and intangible assets are disclosed in Notes 3, 4 and 5 to the financial statements respectively.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Company estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Company's products, the Company might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 6 to the financial statements.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

**Key sources of estimation uncertainty (Cont'd)**

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Company uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Company assesses the impact of any variable consideration in the contracts, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoices values. Discounts are not considered as they are only given in rare circumstances.

Provision for expected credit loss of financial assets at amortised cost and contract assets

The Company reviews the recoverability of its receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions at the end of each reporting period.

The Company uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The carrying amounts at the reporting date for receivables and contract assets are disclosed in Notes 7, 8, 9, 10, 11 and 12 to the financial statements respectively.

---

AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

---

Registration No.: 200501004667 (681714-M)

**2. Basis of preparation (Cont'd)**

**(c) Significant accounting judgements, estimates and assumptions (Cont'd)**

**Key sources of estimation uncertainty (Cont'd)**

Income taxes

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.

The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. 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.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 3. Property, plant and equipment

	Computer RM	Furniture and fittings RM	Office equipment RM	Plant and machinery RM	Total RM
<b>Cost</b>					
At 1 July 2023	171,274	21,205	44,952	5,102,427	5,339,858
Additions	80,350	-	-	14,050	94,400
At 30 June 2024	251,624	21,205	44,952	5,116,477	5,434,258
Additions	-	-	-	409,087	409,087
Transfer from right-of-use assets	451,371	-	-	-	451,371
Written off	(65,024)	-	-	-	(65,024)
At 30 June 2025	637,971	21,205	44,952	5,525,564	6,229,692
<b>Accumulated depreciation</b>					
At 1 July 2023	169,907	13,604	42,310	4,953,435	5,179,256
Charge for the financial year	12,993	1,262	1,982	124,581	140,818
At 30 June 2024	182,900	14,866	44,292	5,078,016	5,320,074
Charge for the financial year	151,425	1,266	657	140,189	293,537
Transfer from right-of-use assets	261,732	-	-	-	261,732
Written off	(62,951)	-	-	-	(62,951)
At 30 June 2025	533,106	16,132	44,949	5,218,205	5,812,392
<b>Carrying amount</b>					
At 30 June 2025	104,865	5,073	3	307,359	417,300
At 30 June 2024	68,724	6,339	660	38,461	114,184

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**3. Property, plant and equipment (Cont'd)**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Computers	25% - 33%
Furniture and fittings	25%
Office equipment	13%
Plant and machinery	25% - 33%

**4. Right-of-use assets**

	Office building RM	Warehouse RM	Computer RM	Software RM	Total RM
<b>Cost</b>					
At 1 July 2023	249,612	86,058	504,200	533,456	1,373,326
Disposal	-	-	(52,829)	-	(52,829)
Modification of lease contract	-	5,178	-	-	5,178
At 30 June 2024	249,612	91,236	451,371	533,456	1,325,675
Addition	-	134,426	-	-	134,426
Expiration of lease contract	-	(91,236)	-	-	(91,236)
Transfer to intangible assets	-	-	-	(533,456)	(533,456)
Transfer to property, plant and equipment	-	-	(451,371)	-	(451,371)
At 30 June 2025	249,612	134,426	-	-	384,038

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 4. Right-of-use assets (Cont'd)

	Office building RM	Warehouse RM	Computer RM	Software RM	Total RM
<b>Accumulated depreciation</b>					
At 1 July 2023	3,840	21,515	110,924	17,782	154,061
Charge for the financial year	46,082	44,539	153,974	53,846	298,441
Disposal	-	-	(15,981)	-	(15,981)
Modification of lease contract	-	2,373	-	-	2,373
At 30 June 2024	49,922	68,427	248,917	71,628	438,894
Charge for the financial year	46,083	45,213	12,815	27,397	131,508
Expiration of lease contract	-	(91,236)	-	-	(91,236)
Transfer to intangible assets	-	-	-	(99,025)	(99,025)
Transfer to property, plant and equipment	-	-	(261,732)	-	(261,732)
At 30 June 2025	96,005	22,404	-	-	118,409
<b>Carrying amount</b>					
At 30 June 2025	153,607	112,022	-	-	265,629
At 30 June 2024	199,690	22,809	202,454	461,828	886,781

ROU assets stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of ROU assets are recognised in the profit or loss on straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term.

The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office building	Over the lease term
Warehouse	Over the lease term
Computer	Over the lease term
Software	Over the lease term

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 5. Intangible assets

	Software RM
<b>Cost</b>	
At 1 July 2023	264,789
Additions through separately acquired	186,138
At 30 June 2024	450,927
Transfer from right-of-use assets	533,456
Disposal	(5,832)
At 30 June 2025	978,551
<b>Accumulated amortisation</b>	
At 1 July 2023	-
Charge for the financial year	4,040
At 30 June 2024	4,040
Charge for the financial year	45,731
Transfer from right-of-use assets	99,025
Disposal	(140)
At 30 June 2025	148,656
<b>Carrying amount</b>	
At 30 June 2025	829,895
At 30 June 2024	446,887

Intangible assets represent software relates to the project management to support the Company's operation.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Capitalised costs are amortised on a straight-line basis over their estimated useful lives. Amortisation begins when the assets are completed and available for use. Amortisation expenses are recognised in profit or loss and included within the administrative expenses.

Intangible assets are amortised based on the estimated useful lives as follows:

Software	10%
----------	-----

## 6. Inventories

	2025 RM	2024 RM
<b>At cost</b>		
Consumable goods	7,069,675	7,589,775

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 6. Inventories (Cont'd)

	2025 RM	2024 RM
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	3,125,954	5,589,380
Inventories written off	-	2,156,277

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is determined based on a first-in-first-out basis.

## 7. Trade receivables

	2025 RM	2024 RM
Trade receivables	3,951,461	5,846,337
Less: Allowance for expected credit losses ("ECLs")	(297,550)	(197,203)
	<u>3,653,911</u>	<u>5,649,134</u>

Trade receivables are non-interest bearing and are generally on 90 (2024: 90) days. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Movements in the allowance for ECLs are as follows:

	2025 RM	2024 RM
At the beginning of the financial year	197,203	1,555,368
Charge for the financial year	112,504	158,854
Reversal for the financial year	(12,157)	(1,517,019)
At the end of the financial year	<u>297,550</u>	<u>197,203</u>

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 7. Trade receivables (Cont'd)

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables and contract assets:

	Gross amount RM	ECLs RM	Net amount RM
<b>2025</b>			
Not past due	8,488,763	(14,069)	8,474,694
Past due:			
Less than 30 days	433,260	-	433,260
31 to 60 days	30,468	(19,982)	10,486
61 to 90 days	378,820	(93,918)	284,902
More than 90 days	169,581	(169,581)	-
	<u>9,500,892</u>	<u>(297,550)</u>	<u>9,203,342</u>
Trade receivables	3,951,461	(297,550)	3,653,911
Contract assets (Note 9)	5,549,431	-	5,549,431
	<u>9,500,892</u>	<u>(297,550)</u>	<u>9,203,342</u>
<b>2024</b>			
Not past due	9,112,920	(91,128)	9,021,792
Past due:			
Less than 30 days	639,492	-	639,492
61 to 90 days	93,918	(93,918)	-
More than 90 days	893,986	(12,157)	881,829
	<u>10,740,316</u>	<u>(197,203)</u>	<u>10,543,113</u>
Trade receivables	5,846,337	(197,203)	5,649,134
Contract assets (Note 9)	4,893,979	-	4,893,979
	<u>10,740,316</u>	<u>(197,203)</u>	<u>10,543,113</u>

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**8. Other receivables**

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
Non-trade receivables	28,844	30,903
Deposits	36,556	160,202
Prepayments	926,136	347,845
	<u>991,536</u>	<u>538,950</u>
Less: Allowance for ECLs		
- Non-trade receivables	(28,844)	(28,844)
- Deposits	(2,880)	(2,880)
	<u>(31,724)</u>	<u>(31,724)</u>
	<u>959,812</u>	<u>507,226</u>

Movements in the allowance for ECLs are as follows:

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
At the beginning/end of the financial year	<u>31,724</u>	<u>31,724</u>

**9. Contract assets**

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
At the beginning of the financial year	4,893,979	808,712
Revenue recognised during the financial year	15,849,290	15,293,657
Progress billing issued	(15,193,838)	(11,208,390)
At the end of the financial year	<u>5,549,431</u>	<u>4,893,979</u>

The contract assets primarily relate to the Company's rights to consideration for work performed but not yet billed at the reporting date for its service contract. The contract assets will be transferred to trade receivables when the rights become unconditional.

**10. Amount due from ultimate holding company**

Amount due from ultimate holding company is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**11. Amount due from immediate holding company**

Amount due from immediate holding company is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

**12. Amount due from/(to) related companies**

Amount due from/(to) related companies is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

**13. Fixed deposit with licensed bank**

Fixed deposit with licensed bank of the Company amounting to RM744,775 (2024: RM727,852) is pledged as security to secure bank guarantee facility granted to the Company.

The effective interest rate for fixed deposit with licensed bank is 2.33% (2024: 2.60%) and the maturity of fixed deposit is 1 month (2024: 1 month).

**14. Share capital**

	Number of ordinary shares		Amount	
	2025	2024	2025	2024
	Units	Units	RM	RM
<b>Issued and fully paid:</b>				
At the beginning/				
end of the				
financial year	1,816,814	1,816,814	6,638,161	6,638,161

The holders of ordinary shares is entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

**15. Hire purchase and lease liabilities**

	2025	2024
	RM	RM
<b>Non-current</b>		
Lease liabilities	183,577	156,408
<b>Current</b>		
Hire purchase	-	130,905
Lease liabilities	89,117	71,329
	89,117	202,234
	272,694	358,642

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**15. Hire purchase and lease liabilities (Cont'd)**

The maturity analysis of hire purchase and lease liabilities at the end of the reporting period:

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	99,950	206,793
Between 2 - 5 years	191,926	168,000
	<u>291,876</u>	<u>374,793</u>
Less: Future finance charges	(19,182)	(16,151)
Present value of hire purchase and lease liabilities	<u>272,694</u>	<u>358,642</u>

The Company leases office building and warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rate of the hire purchase liabilities of the Company is Nil% (2024: 3.50% to 4.00%). Lease payments relating to other lease liabilities are discounted using the Company's annual increment borrowing rates is range from 3.31% to 6.65% (2024: 3.31%).

**16. Deferred tax liabilities**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
At the beginning of the financial year	44,630	182,415
Recognised in profit or loss	54,310	(137,785)
At the end of the financial year	<u>98,940</u>	<u>44,630</u>

The components of deferred tax liabilities are made up of temporary differences arising from:

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Property, plant and equipment	129,653	66,501
Provisions	(30,713)	(21,871)
	<u>98,940</u>	<u>44,630</u>

**17. Trade payables**

The normal credit terms granted to the Company is 30 (2024: 30) days depending on the terms of the contracts.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 18. Other payables

	2025 RM	2024 RM
Non-trade payables	89,384	149,288
Accruals	765,422	1,492,465
Deposit received	1,000,000	-
	<u>1,854,806</u>	<u>1,641,753</u>

## 19. Revenue

	2025 RM	2024 RM
<b>Revenue from contracts with customers:</b>		
Rendering of services	<u>16,735,542</u>	<u>19,219,177</u>
<b>Timing of revenue recognition:</b>		
Over time	<u>16,735,542</u>	<u>19,219,177</u>

Rendering of services - Specialised oilfield and well intervention services

Rendering of services comprises multiple deliverables which represent a combined output for which the customer has contracted for or is a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer and are therefore recognised as a single performance obligation. Otherwise, each deliverable is recognised as separate performance obligations.

The Company recognises revenue from rendering of services over time because the customer simultaneously receives and consumes the benefits provided. The Company has availed the practical expedient to recognise revenue in the amount to which it has a right to invoice as it has the right to consideration from a customer in amount that corresponds directly with the value to the customer of the entity's performance complete to-date. For certain arrangements, revenue is recognised at a point in time when the customer obtains control of the assets or services.

## 20. Finance costs

	2025 RM	2024 RM
Interest expenses on hire purchase and lease liabilities	<u>12,929</u>	<u>36,967</u>

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 21. Profit before tax

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	2025 RM	2024 RM
Allowance for ECLs on trade receivables	112,504	158,854
Amortisation of intangible assets	45,731	4,040
Auditors' remuneration	39,000	38,000
Depreciation of:		
- property, plant and equipment	293,537	140,818
- right-of-use assets	131,508	298,441
Director's fee	-	12,500
Interest income	(17,382)	(124,095)
Inventories written off	-	2,156,277
Lease expenses relating to:		
- lease of low value assets (a)	1,188	2,127
- short-term leases (a)	218,418	982,608
Loss on modification of lease contract	-	2,532
Property, plant and equipment written off	2,073	-
Realised loss/(gain) on foreign exchange	477,551	(625,414)
Rental income	(137,171)	(141,014)
Reversal of allowance for ECLs on trade receivables	(12,157)	(1,517,019)
Unrealised loss on foreign exchange	271,514	489,070

- (a) The Company leases a premise, warehouse and equipment with contract terms of not more than one year or value of the asset is less than RM20,000. These leases are short-term lease and leases of low value assets. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 22. Taxation

	2025 RM	2024 RM
<b>Tax expense recognised in profit or loss</b>		
<b>Current tax</b>		
Current financial year provision	261,003	564,784
Under/(Over) provision in prior financial year	259,490	(281,512)
	<u>520,493</u>	<u>283,272</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	73,639	90,630
Over provision in prior financial year	(19,329)	(228,415)
	<u>54,310</u>	<u>(137,785)</u>
	<u>574,803</u>	<u>145,487</u>

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Company is as follows:

	2025 RM	2024 RM
Profit before tax	<u>2,182,205</u>	<u>4,794,781</u>
At Malaysian statutory tax rate of 24% (2024: 24%)	523,729	1,150,747
Expenses not deductible for tax purposes	389,207	782,859
Income not subject to tax	(32,921)	(439,595)
Under/(Over) provision of current tax in prior financial year	259,490	(281,512)
Over provision of deferred tax in prior financial year	(19,329)	(228,415)
Tax relief	(545,373)	(838,597)
	<u>574,803</u>	<u>145,487</u>

## 23. Dividend

	2025 RM	2024 RM
<u>In respect of financial year ended 30 June 2024</u>		
A first interim single-tier dividend of RM0.8256 per ordinary share declared on 1 December 2023 and paid on 29 December 2023	<u>-</u>	<u>1,500,000</u>

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 23. Dividend (Cont'd)

The Board of Directors does not recommend any final dividend in respect of the current financial year.

## 24. Staff costs

	2025 RM	2024 RM
Salaries, wages and other emoluments	3,253,567	4,772,679
Defined contribution plans	236,449	274,509
	<u>3,490,016</u>	<u>5,047,188</u>

## 25. Reconciliation of liabilities arising from financing activities

The table below shows the detailed changes in the liabilities of the Company arising from financing activities, including both cash and non-cash changes:

	At 1.7.2024 RM	New lease RM	Financing cash flows RM	At 30.6.2025 RM
Hire purchase and lease liabilities	358,642	134,426	(220,374)	272,694
Amount due to a related company	3,746,412	-	(3,746,412)	-
	<u>4,105,054</u>	<u>134,426</u>	<u>(3,966,786)</u>	<u>272,694</u>

	At 1.7.2023 RM	Financing cash flows RM	Other changes (i) RM	At 30.6.2024 RM
Hire purchase and lease liabilities	906,534	(553,229)	5,337	358,642
Amount due to a related company	4,997,147	(1,250,735)	-	3,746,412
	<u>5,903,681</u>	<u>(1,803,964)</u>	<u>5,337</u>	<u>4,105,054</u>

(i) Other changes include modification of lease contracts.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 26. Financial guarantee

	2025 RM	2024 RM
<b>Secured</b>		
Bank guarantee for performance bond given to a third party	632,663	708,808

## 27. Related party disclosures

## (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

## (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	2025 RM	2024 RM
<b>Transactions with ultimate holding company</b>		
Management fees	(1,068,000)	(996,000)
Rental expenses	(50,400)	(50,400)
Rental income	61,566	62,715
Shared services expenses	(399,180)	-
<b>Transaction with immediate holding company</b>		
Dividend	-	(1,500,000)

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 27. Related party disclosures

## (b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows: (Cont'd)

	2025 RM	2024 RM
<b>Transactions with related companies</b>		
Disposal of intangible asset	5,692	-
Rental income	75,605	73,544
<b>Transactions with a former related company</b>		
Rental income	-	4,755
Sale of ROU asset	-	36,848

## (c) Compensation of key management personnel

Remuneration of key management personnel are as follows:

	2025 RM	2024 RM
<b>Directors</b>		
Fee	-	12,500
Salaries and other emoluments	231,332	330,059
Defined contribution plans	27,150	39,468
	258,482	382,027

## 28. Financial instruments

## (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 28. Financial instruments (Cont'd)

## (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2025 RM	2024 RM
<b>At amortised cost</b>		
<b>Financial assets</b>		
Trade receivables	3,653,911	5,649,134
Other receivables	33,676	159,381
Amount due from ultimate holding company	938,131	77,794
Amount due from immediate holding company	288,814	31,251
Amount due from related companies	85,533	160,846
Fixed deposit with licensed bank	744,775	727,852
Cash and bank balances	682,149	1,624,614
	<u>6,426,989</u>	<u>8,430,872</u>
<b>At amortised cost</b>		
<b>Financial liabilities</b>		
Trade payables	838,518	140,170
Other payables	1,854,806	1,641,753
Amount due to a related company	-	3,746,412
	<u>2,693,324</u>	<u>5,528,335</u>

## (b) Financial risk management objectives and policies

The Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Company's operations whilst managing its credit, liquidity and market risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 28. Financial instruments (Cont'd)

### (b) Financial risk management objectives and policies (Cont'd)

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from trade receivables, other receivables, amount due from ultimate holding company, amount due from immediate holding company, amount due from related companies, fixed deposits pledged with licensed banks and cash and bank balances. There are no significant changes as compared to prior financial year.

The Company has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Company assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statement of financial position at the end of the reporting date represent Company's maximum exposure to credit risk except for financial guarantee provided to bank for banking facilities granted to a third party.

There are no significant changes as compared to previous financial year.

#### *Credit risk concentration*

As at the end of the financial year, the Company has 3 (2024: 2) major customers and accounted for approximately 82% (2024: 90%) of the trade receivables outstanding.

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 28. Financial instruments (Cont'd)

## (b) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

The Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Company finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Company can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>2025</b>				
Trade payables	838,518	-	838,518	838,518
Other payables	1,854,806	-	1,854,806	1,854,806
Hire purchase and lease liabilities	99,950	191,926	291,876	272,694
	<u>2,793,274</u>	<u>191,926</u>	<u>2,985,200</u>	<u>2,966,018</u>
Financial guarantee	<u>632,663</u>	-	<u>632,663</u>	
<b>2024</b>				
Trade payables	140,170	-	140,170	140,170
Other payables	1,641,753	-	1,641,753	1,641,753
Amount due to a related company	3,746,412	-	3,746,412	3,746,412
Hire purchase and lease liabilities	206,793	168,000	374,793	358,642
	<u>5,735,128</u>	<u>168,000</u>	<u>5,903,128</u>	<u>5,886,977</u>
Financial guarantee	<u>708,808</u>	-	<u>708,808</u>	

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 28. Financial instruments (Cont'd)

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk

## (a) Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily Saudi Riyal ("SAR") and United States Dollar ("USD").

The Company has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in	
	SAR RM	USD RM
<b>2025</b>		
<b>Financial assets</b>		
Trade receivables	-	3,928,519
Cash and bank balances	-	568,855
	-	4,497,374
<b>Financial liability</b>		
Trade payables	(60,746)	(776,922)
	(60,746)	3,720,452
<b>2024</b>		
<b>Financial assets</b>		
Trade receivables	-	5,846,337
Cash and bank balances	-	869,177
	-	6,715,514
<b>Financial liability</b>		
Trade payables	-	(138,140)
	-	6,577,374

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 28. Financial instruments (Cont'd)

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Company's profit before tax for the financial year to a reasonably possible change in the SAR and USD exchange rates the functional currency of the Company, with all other variables held constant.

Change in currency rate	Effect on profit before tax	
	2025 RM	2024 RM
SAR Strengthened by 1% (2024: 1%)	(607)	-
Weakened by 1% (2024: 1%)	607	-
USD Strengthened by 1% (2024: 1%)	37,205	65,774
Weakened by 1% (2024: 1%)	(37,205)	(65,774)

## (b) Interest rate risk

The Company's fixed rate deposits with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Company manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Company manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Company does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

## 28. Financial instruments (Cont'd)

## (b) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (b) Interest rate risk (Cont'd)

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025 RM	2024 RM
<b>Fixed rate instruments</b>		
Fixed deposits with licensed banks	744,775	727,852
Hire purchase and lease liabilities	(272,694)	(358,642)
	<u>472,081</u>	<u>369,210</u>

**Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

## (c) Fair value of financial instruments

The carrying amount of short-term receivables, payables, cash and cash equivalents approximate their fair value due to the relatively short-term nature if these financial instruments and insignificant impact of discounting.

## 29. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

## AUDITED FINANCIAL STATEMENTS OF MAXFLO FOR THE FYE 30 JUNE 2025 (CONT'D)

Registration No.: 200501004667 (681714-M)

**29. Capital management (Cont'd)**

The Company monitors capital using a gearing ratio. The Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Hire purchase liabilities	-	130,905
Less: Cash and bank balances	(682,149)	(1,624,614)
Less: Fixed deposits with licensed banks	(744,775)	(727,852)
Net cash	<u>(1,426,924)</u>	<u>(2,221,561)</u>
Total equity	<u>18,779,818</u>	<u>17,172,416</u>
Gearing ratio	<u>*</u>	<u>*</u>

\* Gearing ratio is not applicable to the Company as the cash and bank balances as at 30 June 2025 and 30 June 2024 are sufficient to cover the entire borrowing obligations.

There were no changes in the Company's approach to capital management during the financial year.

**30. Date of authorisation for issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 October 2025.

---

**FURTHER INFORMATION**


---

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement or information in this Circular false or misleading.

The information on Maxflo and the Vendor was provided by the management and/or the board of directors of Maxflo. Therefore, the responsibility of our Board with respect to such information is limited to ensuring that the information thereon is accurately reproduced in this Circular.

**2. CONSENT**

UOBKH, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTEREST**

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Proposals.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

**5. MATERIAL COMMITMENTS**

As at the LPD, save as disclosed below, our Board confirmed that there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	(RM'000)
<b>Approved and contracted for:-</b>	
- Purchase of equipment	768
- Purchase of solar assets	12,481
- Purchase of motor vehicle	322
- Investment in a company	8,982
<b>Approved but not contracted for:-</b>	
- Purchase of equipment	747
<b>Total</b>	<b>23,300</b>

---

**FURTHER INFORMATION (CONT'D)**


---

**6. CONTINGENT LIABILITIES**

As at the LPD, save as disclosed below, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	<b>(RM'000)</b>
Bank guarantee for performance	10,020
Bank guarantee for tenancy agreement	86
<b>Total</b>	<b>10,106</b>

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at E289, 1st Floor, Block E, iCom Square, Jalan Pending, 93450 Kuching, Sarawak during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the Constitution of our Company;
- (ii) the SSA;
- (iii) the Initial Acquisition SSA;
- (iv) the draft LTIP By-Laws as set out in **Appendix II** of this Circular;
- (v) the audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 30 June 2025 as well as the unaudited consolidated financial statements of our Group for the 3-month FPE 30 September 2025;
- (vi) the audited consolidated financial statements of Maxflo for the past 2 financial years up to the FYE 30 June 2025; and
- (vii) the letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix VII**.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--



**RESERVOIR LINK ENERGY BHD**  
(Registration No. 201401044508 (1120690-K))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting (“**EGM**”) of Reservoir Link Energy Bhd (“**RLEB**” or the “**Company**”) will be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 30 December 2025 at 2.00 p.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

### **ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION BY RESERVOIR LINK SDN BHD (“RLSB” OR THE “PURCHASER”), A WHOLLY-OWNED SUBSIDIARY OF RLEB, OF THE REMAINING 70% EQUITY INTEREST IT DOES NOT ALREADY OWN IN PROPEL MAXFLO SDN BHD (“MAXFLO”), FOR A PURCHASE CONSIDERATION OF APPROXIMATELY RM17.24 MILLION TO BE SATISFIED VIA A COMBINATION OF CASH PAYMENT OF APPROXIMATELY RM13.79 MILLION AND THE BALANCE OF APPROXIMATELY RM3.45 MILLION BY WAY OF ISSUANCE OF 18,688,347 NEW ORDINARY SHARES IN RLEB (“RLEB SHARE(S)” OR SHARE(S)”) (“CONSIDERATION SHARE(S)”) AT AN ISSUE PRICE OF RM0.1845 (“PROPOSED ACQUISITION”)**

**“THAT**, subject to the approvals of all relevant authorities and/or parties including the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities being obtained, approval be and is hereby given to RLEB to undertake the Proposed Acquisition (details of which are set out in the circular to the shareholders of RLEB dated 15 December 2025 (“**Circular**”)) in accordance with the terms and conditions as stipulated in the conditional share sale agreement (“**SSA**”) dated 7 October 2025 entered into between RLSB and Propel Oilfield Services Sdn Bhd (the “**Vendor**”), a 49%-owned subsidiary of Propel Global Berhad (“**PGB**”), a company listed on the Main Market of Bursa Securities, (salient terms of which are set out in **Appendix I** of the Circular), and on such other terms and conditions as the parties to the SSA may mutually agree upon in writing or which are imposed by the relevant authorities;

**THAT** approval be and is hereby given to the Board of Directors of RLEB (“**Board**”) to allot and issue the Consideration Shares at an issue price of RM0.1845 per Consideration Share to PGB for the purpose of the partial satisfaction of the Purchase Consideration;

**THAT** the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing RLEB Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of the Consideration Shares;

**AND THAT** approval be and is hereby given to the Board to give effect to the Proposed Acquisition with full powers and authority to:-

- (i) enter into any arrangement, transaction, agreement and/or undertaking and to execute, sign and deliver for and on behalf of RLEB, all such agreements, instruments, documents and/or deeds as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition;
- (ii) assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Acquisition and/or any provision, term and condition thereof as may be required or permitted by any relevant authorities and to deal with matters relating thereto and/or as the Board may in its absolute discretion deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition in the best interest of RLEB; and

- (iii) take all such steps and do all such acts, deeds and things including giving undertakings as the Board may from time to time deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete all transactions contemplated under the Proposed Acquisition.”

## ORDINARY RESOLUTION 2

**PROPOSED ESTABLISHMENT OF A NEW LONG-TERM INCENTIVE PLAN (“LTIP”) COMPRISING AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) AND A SHARE GRANT SCHEME, OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN RLEB (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE LTIP FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF RLEB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) (“RLEB GROUP” OR THE “GROUP”) (“ELIGIBLE PERSONS”) WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BY-LAWS GOVERNING THE LTIP, AFTER THE TERMINATION OF THE COMPANY’S EXISTING ESOS (“PROPOSED LTIP”)**

“**THAT** subject to the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the constitution of the Company, the Board, be and is hereby authorised and empowered to:-

- (i) establish, implement and administer the Proposed LTIP during the duration of the Proposed LTIP for the Eligible Persons who fulfil the eligibility criteria in accordance with the provisions of the by-laws governing the rules, terms and conditions of the Proposed LTIP (“**By-Laws**”), a draft of which is set out in **Appendix II** of the Circular;
- (ii) determine the exercise price of the ESOS options based on the terms and conditions set out in the By-Laws;
- (iii) allot and issue new RLEB Shares, acquire existing RLEB Shares from the open market of Bursa Securities and/or transfer such number of RLEB Shares from time to time to the Eligible Persons upon the vesting of any award of RLEB Shares in writing (“**LTIP Award(s)**”) to the Eligible Persons, provided that the total number of such RLEB Shares to be issued under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares, if any) in the Company at any point in time over the duration of the Proposed LTIP.

Any new RLEB Shares to be allotted and issued shall, upon allotment and issuance, rank equally in all respects with the existing RLEB Shares save and except that such RLEB Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid to shareholders where the entitlement date of which precedes the relevant date of issuance and allotment of such RLEB Shares.

Any transfer of any existing RLEB Shares by the Company (vide treasury shares) pursuant to the vesting of any LTIP Award(s), shall be subject to the provisions of the constitution of RLEB and rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the existing RLEB Shares, the record date for which is on or after the date on which the RLEB Shares are transferred to the Central Depository System accounts of the Proposed LTIP participants and shall in all other respects rank equally with other existing RLEB Shares in issue;

- (iv) add, amend, modify and/or delete all or any part of the terms and conditions as set out in the By-Laws governing the Proposed LTIP from time to time provided that such addition, amendment, modification and/or deletion are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed LTIP;
- (v) do all things necessary and make the necessary applications to Bursa Securities for the listing of and quotation for new RLEB Shares that may, hereafter from time to time, be allotted and issued under the Proposed LTIP; and
- (vi) to appoint and authorise a committee (“**LTIP Committee**”) by which the Proposed LTIP will be administered in accordance with the By-Laws by the said LTIP Committee, who will be responsible for, amongst others, implementing and administering the Proposed LTIP. The members of the LTIP Committee shall comprise such number of Directors and/or senior management personnel of the Group to be identified from time to time,

**THAT** the Board be and is hereby authorised to give effect to the Proposed LTIP with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/or expedient to implement, finalise and give full effect to the Proposed LTIP;

**AND THAT** the draft By-Laws as set out in **Appendix II** of the Circular and which is in compliance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), be and is hereby approved and adopted."

### **ORDINARY RESOLUTIONS 3 TO 9**

#### **PROPOSED ALLOCATION OF LTIP AWARDS TO THE ELIGIBLE DIRECTORS, CHIEF EXECUTIVE OFFICER AND MAJOR SHAREHOLDER OF RLEB UNDER THE PROPOSED LTIP ("PROPOSED ALLOCATION")**

**"THAT**, subject to the passing of the Ordinary Resolution 2 and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, at any time and from time to time during the duration of the Proposed LTIP, to offer and grant to each of the following persons:-

<b>No.</b>	<b>Name</b>	<b>Ordinary Resolution</b>
1.	Datuk Tai Hee	Ordinary Resolution 3
2.	Thien Chiet Chai	Ordinary Resolution 4
3.	Dato' Wan Hassan Bin Mohd Jamil	Ordinary Resolution 5
4.	Dato' Ahmad Rizal Bin Abdul Rahman	Ordinary Resolution 6
5.	Elain Binti Lockman	Ordinary Resolution 7
6.	Rewi Hamid Bugo	Ordinary Resolution 8
7.	Mad Haimi Bin Abu Hassan	Ordinary Resolution 9

provided always that:-

- (i) he/she does not participate in the deliberation or discussion of his/her own allocation;
- (ii) not more than 10% of the new RLEB Shares which may be made available under the Proposed LTIP shall be allocated to him/her, if he/she, either singly or collectively through persons connected to him/her, holds 20% or more of the total number of issued shares of RLEB (excluding treasury shares, if any);
- (iii) not more than 70% of the total number of RLEB Shares which may be made available under the Proposed LTIP shall be allocated to the Directors and senior management of the Group (excluding dormant subsidiaries); and
- (iv) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time;

**AND THAT** subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws, the Board be and is hereby authorised to take such steps as necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/ or permitted by the relevant authorities."

By Order of the Board,

**Wong Youn Kim** (MAICSA 7018778) (SSM Practicing Certificate No. 201908000410)  
Company Secretary

Selangor  
15 December 2025

**Notes:**

1. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 December 2025 (EGM Record of Depositors) shall be eligible to attend, speak and vote at the EGM or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*
2. *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 EGM 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 EGM of the Company shall have the same rights as the members to speak at the EGM.*
3. *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.*
4. *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.*
5. *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 EGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.*
6. *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 EGM 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 for the electronic deposit of proxy form.*
7. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
8. *Last date and time for lodging the proxy form is Sunday, 28 December 2025 at 2.00 p.m.*
9. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of EGM 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 EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

**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 extraordinary general meeting of the Company ("EGM") to be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 30 December 2025 at 2.00 p.m. and any adjournment thereof in respect of my/our shareholding in the manner indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Proposed Acquisition		
2.	Proposed LTIP		
3.	Proposed Allocation to Datuk Tai Hee		
4.	Proposed Allocation to Thien Chiet Chai		
5.	Proposed Allocation to Dato' Wan Hassan Bin Mohd Jamil		
6.	Proposed Allocation to Dato' Ahmad Rizal Bin Abdul Rahman		
7.	Proposed Allocation to Elain Binti Lockman		
8.	Proposed Allocation to Rewi Hamid Bugo		
9.	Proposed Allocation to Mad Haimi Bin Abu Hassan		

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 \_\_\_\_\_ 2025

Signature of Member/Common Seal

For appointment of two proxies, percentage of shareholdings to be represented by proxies:

	No. of Shares	Percentage
1 <sup>st</sup> proxy		
2 <sup>nd</sup> proxy		
<b>Total</b>		<b>100%</b>



Fold this flap for sealing

**Notes:**

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 December 2024 (EGM Record of Depositors) shall be eligible to attend, speak and vote at the EGM or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.
2. 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 EGM of the Company shall have the same rights as the members to speak at the EGM.
3. 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.
4. 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.
5. 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 EGM, 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

**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

**AFFIX  
STAMP**

1st fold here

6. 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 EGM 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 for the electronic deposit of proxy form.
7. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
8. Last date and time for lodging the proxy form is Sunday, 28 December 2025 at 2.00 p.m.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of EGM 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 EGM and/or any adjournment thereof, a member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of EGM dated 15 December 2025.