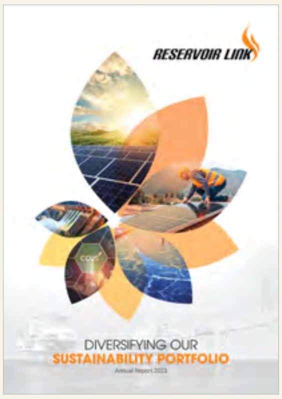
RESERVOIR LINK

DIVERSIFYING OUR SUSTAINABILITY PORTFOLIO

Annual Report 2023



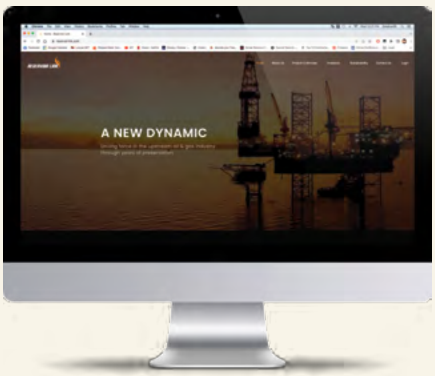
COVER RATIONALE

With the recent elevation of our listing status paired with the bright prospects of activities in the oil and gas and the growing demand for renewable energy solutions, Reservoir Link are well-positioned to cater to a diverse customer base.

The central element of the cover design portrays a vibrant and intricately detailed leaf reflecting our focus on stable income sources, diversification, and strategic partnerships for the next phase of our growth journey. The multiple warm gradient effect of the leaf design signifies our shift towards a concessions-based focus, aligning with our sustainable growth objectives and commitment to energy transition for a greener and more sustainable future.

BASIS OF THIS REPORT

This Annual Report cover the operations of the group of companies within Reservoir Link Energy Bhd ("RLEB") for a financial period from 1 January 2022 to 30 June 2023 ("FPE2023"). We offers insights into our investment rationale, accompanied by analyses of our strategic approach, business accomplishments, governance and prospective outlook.



For more information:
Scan the QR code to view our AR online
www.reservoirlink.com

INSIDE THIS REPORT

Eighth (8th) Annual General Meeting ("AGM")

of Reservoir Link Energy Bhd ("RLEB" or "the Company") will be conducted entirely on a fully **VIRTUAL** basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my

30 November 2023

10.00 a.m.

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Corporate Profile

Reservoir Link Energy Bhd is an energy related services provider focusing on Oil & Gas (O&G) and Renewable Energy & Sustainability Dimension industry.

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

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

Key Milestone

Our successful transition to renewable energy:

2008

- Incorporation of Reservoir Link Engineering Sdn Bhd and later change to Reservoir Link Sdn Bhd ("RLSB") in 2012.

2009

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

2014

- Reservoir Link Energy Bhd ("RLEB") was incorporated as an investment holding company.

2015

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

Corporate Profile

VISION

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

MISSION

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

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

Shared Values

INTEGRITY

- Work Ethics
- Professionalism
- Governance
- Honesty

LEADERSHIP

- Respect
- Competency
- Teamwork
- Innovation

EXCELLENCE

- Quality
- Performance
- Delivery
- Efficiency
- Trustworthy

SUSTAINABILITY

- Profitability
- Growth
- Environment
- Resources

2020

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

2021

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

2022

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

2023

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

Corporate Profile

Product & Services Overview

OIL & GAS

Reservoir link is primarily a provider of oil & gas well services that support operators in the upstream of the oil & gas industry.

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

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

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

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

OIL & GAS PRODUCT & SERVICES

PRODUCTION ENHANCEMENT & FLOW ASSURANCE

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

WELL ABANDONMENT

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

PRODUCTION SERVICES

- Modular Water Injection
- Wellhead Desander
- Pig Trap System

WELL INTERVENTION

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

TESTING & MEASUREMENT

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

WELL CONSTRUCTION

- Autonomous Inflow Control Device (IACD)
- Linear Hanger
- Boron Sand Screen
- Auxiliary Cementing Accessories
- Fishing Equipment

NEW TECHNOLOGY PRODUCT & SERVICES

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

MANPOWER SUPPLY

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

Product & Services Overview

RENEWABLE ENERGY & SUSTAINABILITY VENTURES

Exploring profitable growth options in low-carbon business: ventures into renewable energy space.

For more information:
Scan the QR code
to know more about our
Renewable Energy
product & services.

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

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

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

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

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

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

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

RENEWABLE ENERGY & SUSTAINABILITY VENTURES

PRODUCT & SERVICES

SOLAR PV

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

HYDROPOWER

- Hydropower plant with capacity to generate up to 12 MW

WASTEWATER TREATMENT

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

	Investment Construction SOLAR PV	Investment HYDRO	Investment WASTEWATER/ WASTE
Our Track Record (Completed / In Progress) — Investment	19.9 MW + 45 MW* (Completed); 29 MW (In Progress)	12 MW	1600 m^3 + 140 m^3
Construction	450 MW (Completed); 150 MW (In Progress)		
Our Footprint	Malaysia, Indonesia, Singapore	Indonesia	Indonesia, India

** Reservoir Link Renewable's stake in CGPP consortium is 29%*

Corporate Information

BOARD OF DIRECTORS (BOD)

Datuk Tai Hee
Non-Independent Non-Executive Chairman

Thien Chiet Chai
Non-Independent Executive Deputy Chairman
(redesignated from Non-Independent Executive Director to Non-Independent Executive Deputy Chairman on 9 October 2023)

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

Dato' Ahmad Rizal Bin Abdul Rahman
Independent Non-Executive Director
(appointed on 13 June 2022)

Siti Zurina Binti Sabarudin
Independent Non-Executive Director

Elain Binti Lockman
Independent Non-Executive Director

AUDIT COMMITTEE (AC)

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

REMUNERATION AND NOMINATION COMMITTEE (RNC)

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

RISK MANAGEMENT COMMITTEE (RMC)

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

COMPANY SECRETARY

Pauline Kon Suk Khim
(MAICSA 7014905)
CCM Practising Certificate
202008001607

HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

E-33-01, Menara SUEZCAP 2, KL Gateway
No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari
59200 Wilayah Persekutuan Kuala Lumpur
Telephone No : (603) 2711 2128
Facsimile No : (603) 2711 2120

REGISTERED OFFICE

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

AUDITORS

Crowe Malaysia PLT
2nd Floor, C378, Block C
iCom Square, Jalan Pending
93450 Kuching
Sarawak
Telephone No : (6082) 266 988
Facsimile No : (6082) 266 987

SHARE REGISTRAR

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

PRINCIPAL BANKERS

Ambank (M) Berhad
CIMB Bank Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

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

Corporate Structure

1 2 3 4 5 6

RESERVOIR LINK

- 100% Reservoir Link Sdn Bhd
  - 100% Agensi Pekerjaan RL Sdn Bhd
- 60% Reservoir Link Solutions Sdn Bhd
- 52% RL ProTec Sdn Bhd
- 100% Amsito Oilwell Services (Malaysia) Sdn Bhd
- 100% Reservoir Link (Labuan) Ltd
- 100% Reservoir Link Renewable Sdn Bhd
  - 29% SRM Utama Selambau Sdn Bhd
  - 100% RL Renewable Pte Ltd
  - 100% RL Sigma Engineering Sdn Bhd
    - 85% PT EnviroTech Akva Indonesia
  - 100% RL Hydro Assets Sdn Bhd
  - 51% RL Sunseap Energy Sdn Bhd
- 51% Founder Group Limited
  - 100% Founder Energy Sdn Bhd
    - 100% Founder Assets Sdn Bhd
    - 100% Founder Energy (Singapore) Pte Ltd
- 51% RL ADS Power Sdn Bhd
- 100% RL Healthcare Sdn Bhd

LEGENDS

Oil & Gas *Renewable Energy* *Non-RE (Sustainability)*

Board of Directors

Standing Left to Right:

DATO' WAN HASSAN BIN MOHD JAMIL
Group Chief Executive Officer/ Managing Director

DATO' AHMAD RIZAL BIN ABDUL RAHMAN
Independent Non-Executive Director

DATUK TAI HEE
Non-Independent Non-Executive Chairman

THIEN CHIET CHAI
Non-Independent Executive Deputy Chairman

Sitting Left to Right:

ELAIN BINTI LOCKMAN
Independent Non-Executive Director

SITI ZURINA BINTI SABARUDIN
Independent Non-Executive Director

Directors' Profile

DATUK TAI HEE

Malaysian Age 60 Male

Non-Independent Non-Executive Chairman

Committee:
None

Date of Appointment: 31 May 2019

Number of Board Meetings attended
8/8

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

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

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

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

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

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

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

Directors' Profile

THIEN CHIET CHAI

Malaysian | Age 56 | Male

Non-Independent Executive Deputy Chairman

Committee:
Chairman of Risk Management Committee

Date of Appointment: 2 December 2014

Number of Board Meetings attended
8/8

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

He continued his part time studies in SEGi whereby SEGi provides distance study in collaboration with the university of the Sunshine Coast, Australia ("USC") and he obtained his Master in Business Administration from the USC in 2008.

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

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

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

DATO' WAN HASSAN BIN MOHD JAMIL

Malaysian Age 49 Male

Group Chief Executive Officer/ Managing Director

Committee:
None

Date of Appointment: 2 December 2014

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

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

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

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

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

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

Directors' Profile

DATO' AHMAD RIZAL BIN ABDUL RAHMAN

Malaysian Age 54 Male

Independent Non-Executive Director

Committee:
Chairman of Audit Committee
Member of Remuneration and Nomination Committee
Member of Risk Management Committee
Date of Appointment: 13 June 2022

Number of Board Meetings attended
5/8

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

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

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

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

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

He was appointed on the Board of Labtech Berhad (a company listed on the Main Market of Bursa Securities) as an Independent Non-Executive Director on 21 April 2022. He was also appointed as an Independent Non-Executive Director on the Board of Mentiga Corporation Berhad on 1 June 2023. He has no family relationship with other Directors and/or major shareholders of Reservoir Link and does not have any conflict of interest with Reservoir Link. Further, he has not been convicted of any offences within the past five (5) years other than traffic offences.

SITI ZURINA BINTI SABARUDIN

Malaysian Age 47 Female

Independent Non-Executive Director

Committee:
Chairman of Remuneration and Nomination Committee
Member of Audit Committee
Member of Risk Management Committee
Date of Appointment: 31 May 2019

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

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

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

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

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

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

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

In March 2020, she resumed legal practice and is currently a partner at Messrs Rahana Zurina & Partners (previously known as Messrs Zurina).

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

Directors' Profile

ELAIN BINTI LOCKMAN

Malaysian Age 55 Female

Independent Non-Executive Director

Committee:
Member of Audit Committee
Member of Remuneration and Nomination Committee
Date of Appointment: 31 May 2019

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

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

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

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

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

a) from June 2006 to June 2011 - The Media Shoppe Bhd (a company listed on the ACE Market of Bursa Securities) (as Director of Business Development) responsible for business development;

b) from January 2007 to December 2008 - Digi Telecommunications Sdn Bhd (as Enterprise Business Senior Consultant) responsible for enterprise business marketing for new products and services;

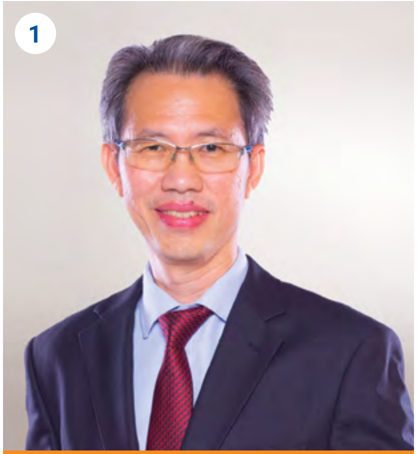
c) from January 2009 to December 2010 - Packet One Networks (Malaysia) Sdn Bhd (as Associate Director for Business Development and Special Projects) responsible for developing concepts and strategies for the underserved communities; and

d) from November 2010 to October 2011 - Green Science Sdn Bhd (as Director) responsible for developing the carbon management business.

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

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

Senior Management Team



BONG LEONG SUNG
Group Chief Financial Officer

MAD HAIMI BIN ABU HASSAN
Chief Executive Officer - RLSB

ANWARUDIN BIN SAIDU MOHAMED
Chief Executive Officer - RL Solutions

LEE SENG CHI
Chief Executive Officer -
Founder Group Limited

MOHD FADZLI BIN HAMIDON
Chief Executive Officer - RL ProTec

MOKHTAR BIN HAJI ALI
General Manager,
Group Corporate Services

EE HOOD LIANG
General Manager,
Business Development - RL Renewable

Senior Management Team

BONG LEONG SUNG

Group Chief Financial Officer

Malaysian Age 49 Male

Date of Appointment: 16 April 2021

Academic/Professional Qualifications:

- Bachelor of Accounting, University of Malaya, Malaysia
- Member of the Malaysian Institute of Accounts
- Member of the Malaysian Institute of Certified Public Accountants

Working Experience:

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

ANWARUDIN BIN SAIDU MOHAMED

Chief Executive Officer - RL Solutions

Malaysian Age 43 Male

Date of Appointment: 1 October 2022

Academic/Professional Qualifications:

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

Working Experience:

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

MAD HAIMI BIN ABU HASSAN

Chief Executive Officer - RLSB

Malaysian Age 46 Male

Date of Appointment: 1 October 2022

Academic/Professional Qualifications:

- Bachelor of Engineering (Electrical), University of Malaya, Malaysia

Working Experience:

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

LEE SENG CHI

Chief Executive Officer - Founder Group Limited

Malaysian Age 40 Male

Date of Appointment: 25 August 2021

Academic/Professional Qualifications:

- Bachelor of Engineering (Honours) Electronic, majored in Telecommunications, Multimedia University, Malaysia

Working Experience:

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

Senior Management Team

MOHD FADZLI BIN HAMIDON

Chief Executive Officer - RL ProTec

Malaysian Age 54 Male

Date of Appointment: 1 June 2022

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

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

EE HOOD LIANG

General Manager, Business Development - RL Renewable

Malaysian Age 41 Male

Date of Appointment: 15 July 2022

Academic/Professional Qualifications:
- Bachelor of Management, University of Science Malaysia

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

MOKHTAR BIN HAJI ALI

General Manager, Group Corporate Services

Malaysian Age 49 Male

Date of Appointment: 7 January 2020

Academic/Professional Qualifications:
- Bachelor of Management, University of Science Malaysia

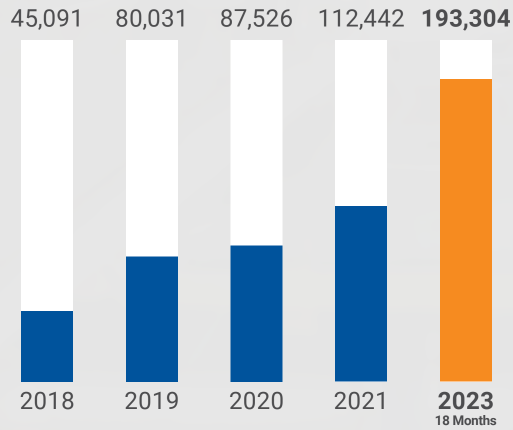
Working Experience:
Joined the Group as Senior Manager for Contract & Corporate Services in 2022. In the same year, he was redesignated to General Manager, Corporate Services. Prior to joining the Group, he was General Manager for Corporate Resources at Deleum Oilfield Services Sdn Bhd.

None of the Key Senior Management members above have:
- *Any directorship in public companies and listed issuers in Malaysia.*
- *Any family relationship with any Director and/or major shareholder of RLEB.*
- *Any conflict of interest with RLEB.*
- *Any conviction for offences within the past five (5) years other than traffic offences.*
- *Any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2023.*

Financial Highlights

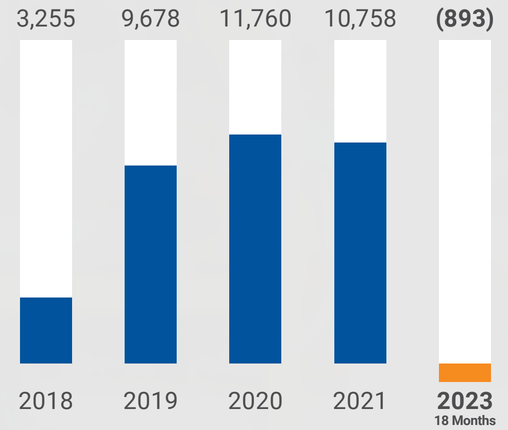
REVENUE (RM'000)

RM193,304



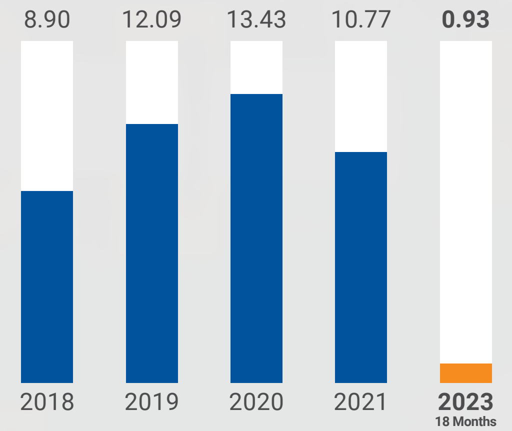
PATAMI (RM'000)

RM(893)



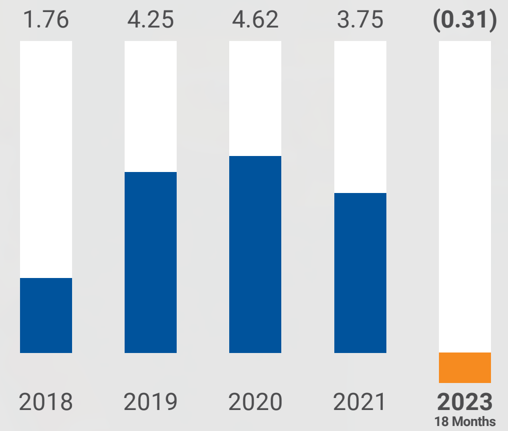
PAT MARGIN (%)

0.93%



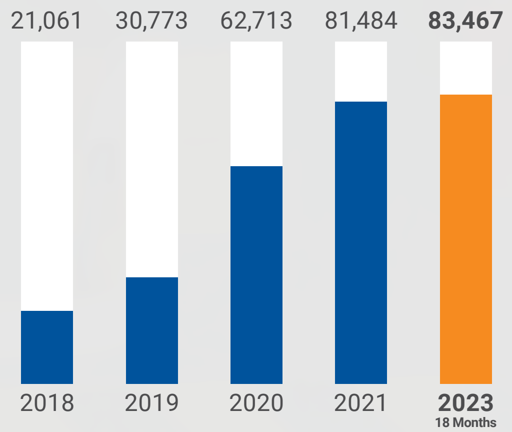
EARNING PER SHARE (CENTS)

(0.31) cents



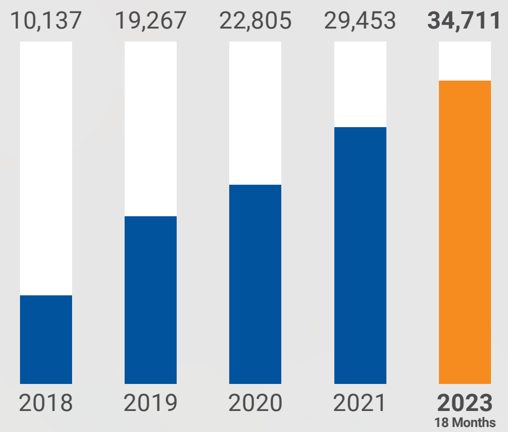
NET ASSET (RM'000)

RM83,467



PROPERTY, PLANT AND EQUIPMENT (RM'000)

RM34,711



CHAIRMAN'S STATEMENT

DATUK TAI HEE
Non-Independent
Non-Executive Chairman

Dear Valued Shareholders,

I am delighted to present to you the 18-month journey of Reservoir Link Energy Bhd ("Reservoir Link", "the Group", or "the Company") over the financial period ended 30 June 2023 ("FPE2023"). In a year marked by global and domestic economic challenges, our performance has been resilient. Reflecting on our determination and strength. I am pleased to provide an overview of the Group's performance in FPE2023, our commitment to responsible corporate practices, and our strategic direction.

FPE2023 was a year of significant progress for the Group. We successfully navigated the complexities of the market to achieve key milestones that have not only bolstered our current standing and also laid foundations for our long-term, sustainable growth.

Among these milestones, the transfer of Reservoir Link to the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") stands as a testament to our growth and commitment to creating continued shareholder value. Our success in garnering multiple solar photovoltaic ("PV") contracts has broadened our renewable energy footprint, while our triumph in securing various oil and gas contracts done much to solidify our reputation as a vital well services player. On top of this, our recent ventures into the wastewater treatment and hydropower businesses reflect our strategic foresight of expanding beyond the services sector into a more stable and sustainable concessions business.

FPE2023 was a period in which we made strong inroads into key areas of opportunity, reflecting our determination and focus on long-term growth. We continue to leverage on a two-pronged approach in the energy sector by focusing on both traditional oil and gas and emerging renewable energy opportunities.

Revenue rose

72%

to **RM193.3 million** in **FPE2023**

Profit before tax reduced by

80%

to **RM3.4 million** in **FPE2023**

Chairman's Statement

At the same time, we are pursuing more sustainable ventures. This transformation aligns with our objective of sustainable growth and our commitment to the energy transition. It is my pleasure and privilege to present the annual report and financial statements of Reservoir Link for FPE2023.

A PERIOD OF TURBULENCE AND TRANSFORMATION

The 18-month period under review was a time of tremendous turbulence and transformation for the global and domestic energy sectors. Early 2022 was characterised by volatility in the global energy sector with the Russia-Ukraine conflict sparking energy price spikes and supply chain disputes. With the lingering impact of the pandemic leading to refining capacity closures, global economic growth remained resilient, coming in at 3.4% in 2022 (2021: 6.2%).[1]

At the same time, the underlying theme of energy transition gathered renewed momentum. The call for cleaner energy intensified, with financial institutions and investors pressuring oil and gas players to meet climate change commitments. International collaboration continued with the United Nations convening the 27th Conference of the Parties of the United Nations Framework Convention on Climate Change ("COP27") in 2022.

On the domestic front, Malaysia began its transition to the endemic phase of COVID-19 in April 2022, leading to business recovery and a better-than-expected GDP growth rate of 8.7% by

the year's end (2021: 3.1%).[2] In the period under review, key initiatives like the Malaysia Renewable Energy Roadmap ("MyRER"), the National Energy Policy 2040 ("NEP 2040"), and the Bursa Carbon Exchange ("BCX") were introduced, solidifying the nation's commitment to sustainable energy.

FPE2023'S FINANCIAL PERFORMANCE

On 11 January 2023, we made the decision to change the Company's financial year-end from 31 December to 30 June. Accordingly, FPE2023 covers the 18-month period from 1 January 2022 to 30 June 2023, as compared to FY2021 which covers the 12-month period from 1 January 2021 to 31 December 2021. This change in our financial year-end was a strategic and practical move to facilitate better audit planning and resource allocation.

For the 18-month period under review or FPE2023, the Group posted revenue of RM193.3 million – a commendable 72% or RM80.9 million hike against revenue of RM112.4 million recorded in FY2021. Despite this higher revenue, we registered a lower profit before tax ("PBT") of RM3.4 million in FPE2023 – an 80% or RM13.7 million drop against PBT of RM17.0 million in FY2021. This was primarily due to the completion of the Mauritania project in October 2021 which contributed a higher profit margin. For FPE2023, the bulk of the revenue was contributed by the renewable energy segment which had a lower profit margin. In addition, FPE2023 saw us incurring some one-off costs totalling RM3.7 million.

In FPE2023, our net tangible assets per share grew by 3% to RM0.24 per share. This is in line with our investment in the renewable energy sector contributing almost 68% of our revenue. Our gearing ratio stood at 0.34 times in FPE2023. With a stable balance sheet and healthy gearing, Reservoir Link is well positioned to explore suitable new projects, and expand our operations both locally and in the region.

[1] *International Monetary Fund's (IMF) "World Economic Outlook: Inflation Peaking Amid Low Growth" publication (January 2023)*
[2] *CNBC article titled "Malaysia posts stronger-than-expected GDP in fourth quarter; global slowdown clouds outlook" dated 9 February 2023*

SHAREHOLDER VALUE CREATION

Reservoir Link's approach to shareholder value creation is both flexible and strategic. Recognising that dividends are a vital part of shareholder value, the Board carefully considers the distribution of dividends based on factors such as profits, excess of distributable reserves, and working capital needs.

In addition, we are actively exploring other measures to enhance shareholder value including making prudent strategic investments, enhancing operational efficiencies, and implementing innovative business practices that align with our core values and growth objectives. In summary, Reservoir Link's focus on shareholder value creation is a multifaceted strategy that combines dividends, growth planning, and innovative practices, thereby underscoring our commitment to delivering sustainable shareholder value.

FPE2023'S KEY CORPORATE DEVELOPMENTS

Navigating Challenges and Leveraging Opportunities

FPE2023 was a defining period for Reservoir Link, marked by both unprecedented challenges and opportunities. Challenges came by way of lower and delayed activities from both the oil and gas and renewable energy segments following the completion of the high-margin Mauritania project in October 2021.

Where we registered losses in the first two quarters of FPE2023, our strategic focus on diversification and investment in renewable energy allowed us to break even in the third and fourth quarters and recoup some losses in the fifth and sixth quarters. Although contributions from our 51% subsidiary, Founder Energy Sdn Bhd, were instrumental in the Group garnering higher revenue, our FPE2023 profits came in lower due to the lower margins from the renewable energy segment. However, Reservoir Link's resilience over FPE2023 demonstrates the Group's ability to adapt and innovate in a changing market landscape.

Challenges notwithstanding, there were also several positive developments that have laid strong foundations for the Group moving forward.

Strengthening Our Renewable Energy Solutions Reach and Capability

In April and May respectively, our wholly owned subsidiary, Reservoir Link Renewable Sdn Bhd ("RLR"), forged two pivotal joint venture and shareholder agreements ("JVSAs") to bolster the Group's renewable energy capabilities. The first was with Sunseap Energy (Malaysia) Sdn Bhd, a subsidiary of Singapore's Sunseap Group, which has an impressive portfolio of nearly 10 GWac of solar projects and installations across 3,000 buildings. This JVSA aims to co-develop, own, and operate solar PV projects in Malaysia, leveraging Sunseap's regional presence and its affiliation with global renewable leader EDP Renewables ("EDPR"). The second JVSA was with ADS Asset Holdings Sdn Bhd, targeting the development of energy storage solutions. These strategic partnerships not only expand our renewable energy portfolio but also position us to tap new markets and technologies.

In July 2022, both RLR and EDPR Sunseap entered into a JVSA to undertake the provision of solar power purchase agreement ("PPA") projects in Malaysia. This collaboration expands our reach in the solar energy market and aligns with our strategic focus on renewable energy.

Transfer to Main Market of Bursa Securities

On 27 June 2022, Reservoir Link completed its transfer from the ACE Market to the Main Market of Bursa Securities after having adhered to all the listing criteria and receiving the relevant approvals. Our transfer was a monumental achievement, reflecting our growth and commitment to delivering robust value to shareholders. This move has enhanced Reservoir Link's prestige and reputation and has accorded us greater recognition and acceptance amongst investors, in particular, institutional investors. It

has also helped reinforce the Group's corporate image and inculcated greater confidence among our clients, sub-contractors, business partners, bankers and employees. Moreover, it demonstrates our ambition and confidence in the Group's future growth trajectory.

Venturing into the Hydropower and Wastewater Treatment Sectors in Indonesia

In our bid to diversify our energy portfolio, we have ventured into Indonesia's hydropower and wastewater treatment sectors. Through our subsidiary, RL Hydro Assets Sdn Bhd, we acquired a 90% equity interest in PT. Eco Power Engineering, aligning with our asset ownership model for long-term dividend sustainability. This acquisition not only fortifies our standing in the sustainable energy sector but also promises a profitable, recurring income stream via a 12 MW hydropower plant.

Concurrently, our 85%-owned subsidiary PT EnviroTech Akva Indonesia secured a 10-year agreement with PT Unilever Oleochemical Indonesia to construct and operate a wastewater treatment plant. This venture not only enhances our capabilities in sustainable utilities but also offers stable, recurring income, providing greater visibility over our future earnings. These strategic moves in hydropower and wastewater treatment are not just business diversifications; they are calculated steps toward a more sustainable and profitable future.

All in all, the key developments during FPE2023 epitomise Reservoir Link's strategic and adaptive approach to business growth. Each milestone, whether it was financial restructuring, renewable energy investments, collaborations, acquisitions, or diversification, resonated with global trends and aligned seamlessly with the Group's future vision.

The financial period under review also saw the Group garnering multiple oil and gas as well as solar PV contracts which bode well for our overall performance moving forward. These contract details are spelled out in the Management Discussion and Analysis ("MD&A") section.

The harmonious synergy between the oil and gas sectors, coupled with our innovative expansion into the hydropower and wastewater treatment businesses, have set the stage for Reservoir Link's sustainable growth. By concentrating on stable income streams, diversification, and forging strategic partnerships, we are showcasing a cohesive and forward-thinking approach.

UPHOLDING RESPONSIBLE CORPORATE PRACTICES

At Reservoir Link, responsible corporate practices are our commitment to our stakeholders and our future. Our focus on both governance and sustainability aims to ensure that we create value responsibly.

Championing Good Governance and Effective Risk Management

In a rapidly changing business landscape, good corporate governance and risk management are essential for protecting Reservoir Link's future and ensuring sustainable shareholder value creation. The Board is committed to observing and implementing high standards of corporate governance, robust risk management, and stringent internal control measures throughout our organisation. For a detailed overview of our governance and risk practices, please refer to the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control within this Annual Report.

Embracing Sustainability for Responsible Value Creation

Sustainability is at the core of our philosophy at Reservoir Link. We are committed to building a sustainable enterprise that meets the nation's growing energy needs in a safe, environmentally responsible, socially sensitive, and profitable way. Our approach to sustainability is comprehensive, encompassing responsible business decisions that create value while protecting the environment and contributing to society. Our leadership team is fully committed to making choices that fuel our growth and protect our planet. Our focus on sustainability serves as a catalyst. It strengthens our operations, inspires our talent, and opens doors to exciting, new ventures. We have set ambitious sustainability goals and are passionately marching toward them. This commitment to performance and responsibility is not just strategic; it is our promise to create a lasting, positive impact.

THE WAY FORWARD

Reservoir Link's journey through FPE2023 has been marked by thoughtful diversification and alignment with national and global sustainability goals. As we look ahead, our strategy is clear, and our path is defined by both opportunity and responsibility.

In the oil and gas sector, our expansion into every stage of a well's lifecycle has led to multiple contracts awarded by prominent industry players. This segment remains strong and continues to contribute significantly to our earnings. Our venture into renewable energy in 2021 was a strategic move in line with PETRONAS' Net Zero Carbon Emissions by 2050 agenda. This alignment positions us strongly in the global movement toward cleaner energy.

The synergy between our traditional oil and gas and renewable energy segments has been instrumental to our stable financial growth. As we explore further diversification, we are guided by careful analysis and a commitment to long-term prospects.

Our expansion into the hydropower and wastewater plant businesses are grounded in research and market demand as well as reflects our innovative approach and focus on creating sustainable value. With the strengthening of activities in the oil and gas sector and the growing demand for renewable energy solutions, we are well-positioned to cater to a diverse customer base. Our shift from a services offering towards a concessions-based focus aligns with our sustainable growth objectives and our commitment to the energy transition.

Our recent success in being selected as a solar power producer alongside our consortium partners Sumitomo Corporation and Maqo Engineering Sdn Bhd under the Corporate Green Power Programme bodes well for our renewable energy aspirations. At the same time, there are opportunities to be gleaned under national strategic thrusts such as the MyRER, NEP 2040, BCX, and the Malaysia National Energy Transition Roadmap ("NETR") – all of which are working together to reinforce the nation's strategic focus on sustainable energy.

As we continue to work closely with a host of strategic partners and identify new opportunities, we do so with a balanced perspective, recognising both the potential for growth and the challenges of the global economic environment.

In conclusion, Reservoir Link's strategic path forward is marked by careful planning, alignment with global trends, and a commitment to innovation and sustainability. Our focus on stable income sources, diversification, and strategic partnerships reflects a cohesive and forward-thinking approach. It is with measured confidence and a clear vision that we look to the future, well-prepared for the next phase of our growth journey.

ACKNOWLEDGEMENTS

Many parties have played a crucial role in our journey to success, and it is only fitting that we acknowledge them. On behalf of the Board of Directors of Reservoir Link, I extend my heartfelt appreciation to our shareholders, customers, suppliers, contractors, financiers, business partners as well as the many non-governmental organisations and relevant authorities that we work with. Your cooperation and steadfast support have been instrumental to our success, and we remain committed to nurturing and strengthening these mutually beneficial relationships in the years to come.

To our dedicated management and staff, I offer sincere thanks for your unwavering diligence, dedication, and commitment to excellence. Your efforts are the backbone of our success. To my esteemed colleagues on the Board, your wise counsel and prudent insights have been invaluable, guiding us through a challenging season with integrity and foresight.

We also acknowledge our Independent and Non-Executive Director, Mr. Eric Lim Swee Khoon, who retired on 12 May 2022, and thank him for his earnest contributions. Please join me in warmly welcoming our new Independent and Non-Executive Director, Dato' Ahmad Rizal Bin Abdul Rahman, who joined us on 13 June 2022. His wealth of experience promises to enrich our Board.

As we embark on this new financial year, I assure you that we will continue to work with diligence and determination to break new ground and extend our reach both regionally and globally. I call upon all our stakeholders to continue lending us their unwavering support as we face all challenges and seize opportunities in a prudent manner. Your faith in our vision and our collective efforts will be the cornerstone of not only a profitable present but also a promising and sustainable future. Thank you.

Sincerely

DATUK TAI HEE
Non-Independent Non-Executive Chairman

Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") section offers a comprehensive review of the key areas that shaped Reservoir Link Energy Bhd ("Reservoir Link" or "the Group") during the 18-month financial period from 1 January 2022 to 30 June 2023 ("FPE2023"). It aims to provide a clear understanding of the market landscape, our business operations, strategic initiatives, financial performance, risk management, and future direction. Through this MD&A, we aim to offer transparency and insight into our performance and plans.

NAVIGATING FPE2023:

MARKET CHALLENGES AND OPPORTUNITIES

The 18-month period under review will be remembered as a period of profound transformation and turbulence, marked by unprecedented challenges and opportunities. For Reservoir Link, it was a period that tested our resilience and adaptability in the face of a rapidly changing landscape.

The Global Energy Landscape

January 2022 to June 2023 was a defining era for the global energy sector, marked by a series of unprecedented challenges and opportunities. The Russia-Ukraine conflict in early 2022 emerged as a significant disruptor, causing not just regional but global ramifications. The conflict led to significant volatility in energy prices, with the price of Brent crude oil futures spiking to a 14-year high of over USD133 per barrel on 7 March 2022 – a stark contrast to the initial levels of around USD80 per barrel at the start of the year.[1] This spike was not just a reflection of geopolitical tensions but also an indicator of the fragile state of global energy security.

However, these gains were short-lived as the market braced for a global economic slowdown. Inflation rates began to rise, affecting consumer spending and business investments. Despite these headwinds, the global economy demonstrated resilience, achieving a growth rate of 3.4% for 2022. This resilience was partly due to diversification strategies employed by various nations and the rapid adoption of renewable energy sources to mitigate the impact of fossil fuel price volatility.[2]

The Sustained Impact of the Pandemic

In the midst of all this, the COVID-19 pandemic continued to cast its shadow over the global energy landscape. Refining capacity closures amounted to three million barrels per day, significantly affecting the supply chain. This, coupled with the Russia-Ukraine conflict, led to a constrained petroleum product supply, pushing global refining margins to record levels.[3] The pandemic also accelerated the adoption of remote working, reducing the demand for oil in transportation but increasing the demand for electricity

1. *ScienceDirect's preview of an article titled "Unveiling the impact of geopolitical conflict on oil prices: A case study of the Russia-Ukraine War and its channels' in "Energy Economics"*
2. *International Monetary Fund's (IMF) "World Economic Outlook: Inflation Peaking Amid Low Growth" publication (January 2023)*
3. *Reuters' article titled "White House demands U.S. refiners make more gasoline and diesel", dated June 17, 2022*

and natural gas for home heating and cooling, thereby creating a complex demand matrix for energy resources.[4]

The Global and Domestic Renewable Energy Transition

During the 18-month period under review, the global call for cleaner energy and sustainable growth gained momentum. As 2022 progressed, the focus shifted towards energy transition and sustainability. International collaborations, such as the United Nations' conference on climate change (COP27) in 2022, gained momentum. Transformative policies began to drive large-scale shifts into renewable and low-carbon energy value chains, including wind, solar, and hydrogen.[5] The year also saw significant investments in battery technologies, aimed at making renewable energy more viable. Governments around the world started offering incentives for electric vehicles, further driving the demand for clean energy.[6]

As Malaysia transitioned to the endemic phase of COVID-19 in April 2022, this led to a resurgence in business activities and lower unemployment rates. Despite challenges like a weakening Ringgit and rising inflation, Malaysia's GDP growth rate exceeded expectations, reaching 8.7% by the end of 2022. This growth was partly due to the government's proactive measures in supporting small and medium-sized enterprises and incentivising foreign investments, particularly in the technology and renewable energy sectors.[7]

In late December 2021, the Malaysia Renewable Energy Roadmap ("MyRER") was introduced setting the stage for the country's transition to renewable energy. The MyRER emphasised the importance of solar, wind, and hydropower, setting ambitious targets for renewable energy adoption in the coming years. It also laid the groundwork for subsequent domestic policies and roadmaps, providing a comprehensive strategy for reducing carbon emissions and enhancing energy security.[8]

September 2022 was a landmark month for Malaysia with the launch of the National Energy Policy 2040 ("NEP 2040"). Outlining the nation's low-carbon growth pathways, the NEP 2040 serves as a comprehensive framework aimed not only at optimising the value of national oil and gas resources but also enabling the nation to capitalise on growth opportunities from the global energy transition.[9]

In December 2022, Malaysia took another significant step with the launch of the Bursa Carbon Exchange ("BCX"), the world's first shariah-compliant carbon exchange. Aligned with global sustainability goals, the innovative BCX platform aligns new opportunities for investment and talent attraction, further bolstering Malaysia's position as a leader in sustainable energy.[10]

This was followed by the introduction of the Malaysia National Energy Transition Roadmap ("NETR") in July 2023, which further outlines the strategic direction for the country's shift towards sustainable energy. The NETR builds upon the foundations laid by the MyRER and NEP 2040, focusing on renewable energy sources, energy efficiency, and carbon emissions reduction. It also spells out plans for the integration of smart grids and the adoption of electric vehicles, aiming to reduce Malaysia's carbon footprint significantly by 2030. This is a significant step in aligning Malaysia's energy policies with global sustainability goals and making the country a regional leader in renewable energy adoption.[11]

Navigating the Renewable Energy Frontier

Today, we are witnessing a surge in opportunities within the renewable energy sector. Financial institutions and investors globally have started to shift their focus towards renewable

[4] *National Center for Biotechnology Information website titled "The impact of the COVID-19 pandemic and behavioral restrictions on electricity consumption and the daily demand curve in Turkey"*
[5] *PETRONAS Integrated Report 2022*
[6] *Electric vehicles trends on the International Energy Agency website*
[7] *Bank Negara Malaysia's "Economic & Monetary Review 2022" publication (March 2023)*
[8] *The Edge Malaysia titled "Putrajaya kicks off Renewable Energy Roadmap to achieve 40% RE capacity by 2035" dated 30 December 2022*
[9] *National Energy Policy 2022-2040*
[10] *Bursa Carbon Exchange website at https://bcx.bursamalaysia.com/web*
[11] *Malaysia National Energy Transition Roadmap publication*

Management Discussion and Analysis

energy projects, pressuring traditional oil and gas companies to diversify their portfolios. In Malaysia, the rollout of the MyRER, NEP 2040 and NETR have opened up new avenues for investment in renewable energy technologies, including solar, wind, and hydroelectric power.

For Reservoir Link, the NETR and other initiatives offer a frontier rich with opportunities. While specific plans are yet to be outlined, we stand to benefit from the broader shifts in policy and funding, particularly in areas like grid infrastructure and renewable energy sectors. Given our expertise in solar photovoltaic ("PV") solutions, the NETR is setting the stage for companies like us to make strong strides forward amidst Malaysia's evolving energy landscape.

OVERVIEW OF OUR BUSINESSES

Reservoir Link Energy Bhd was incorporated in Malaysia under the Companies Act 1965 on 2 December 2014, and is deemed registered under the Companies Act 2016. The Group had its origins in 2008 as Reservoir Link Engineering Sdn Bhd and has since evolved into an investment holding company with subsidiaries that are primarily providers of well services for the oil and gas industry as well as providers of renewable energy solutions.

The Group achieved a significant milestone by being listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 15 July 2020. Demonstrating its growth and stability, Reservoir Link successfully transferred to the Main Market of Bursa Securities on 27 June 2022.

The Pioneering Spirit in Oil and Gas Well Services

In the complex and ever-evolving landscape of the oil and gas industry, Reservoir Link stands out as a beacon of innovation and reliability. The Group's core services in well leak repair, perforation, and well testing are not just routine operations; they are the backbone of upstream activities. Each service is meticulously designed to ensure the optimal functionality of wells, thereby maximising productivity and minimising downtime.

When it comes to enhancing production, Reservoir Link goes beyond conventional methods. The Group employs state-of-the-art production enhancement, sand management systems, cutting-edge production technologies, and specialised chemical treatments. These are not mere add-ons; they are integral components that breathe new life into aging wells, ensuring that each well remains a valuable asset for as long as possible.

As wells reach the twilight of their operational life, Reservoir Link steps in with its well abandonment and facilities decommissioning services. The Group takes on the responsibility of safely decommissioning wells, ensuring that each step, from perforation to cementing, adheres to the highest environmental standards.

Leading Malaysia's Renewable Energy Frontier

As the world pivots towards a more sustainable future, Reservoir Link has embraced the renewable energy sector with open arms. Having grown from strength to strength, we are today one of the largest solar installation companies by project size in Malaysia. Our solar energy projects are a testament to our commitment to sustainability. Each project, whether commercial or industrial, is meticulously planned and executed. Customised engineering solutions ensure that every solar panel, every circuit, and every battery operates at peak efficiency.

However, the Group has ambitions that go well beyond solar energy. Plans are underway to venture into other forms of renewable energy, including hydropower, wind, biomass, biogas and geothermal. Each new venture is a step towards a greener, more sustainable future, not just for the Group but for the planet.

Our Foray into Wastewater Services

Understanding the critical need for sustainable waste management, Reservoir Link has recently ventured into wastewater services in Indonesia. Through 85%-owned subsidiary PT

Management Discussion and Analysis

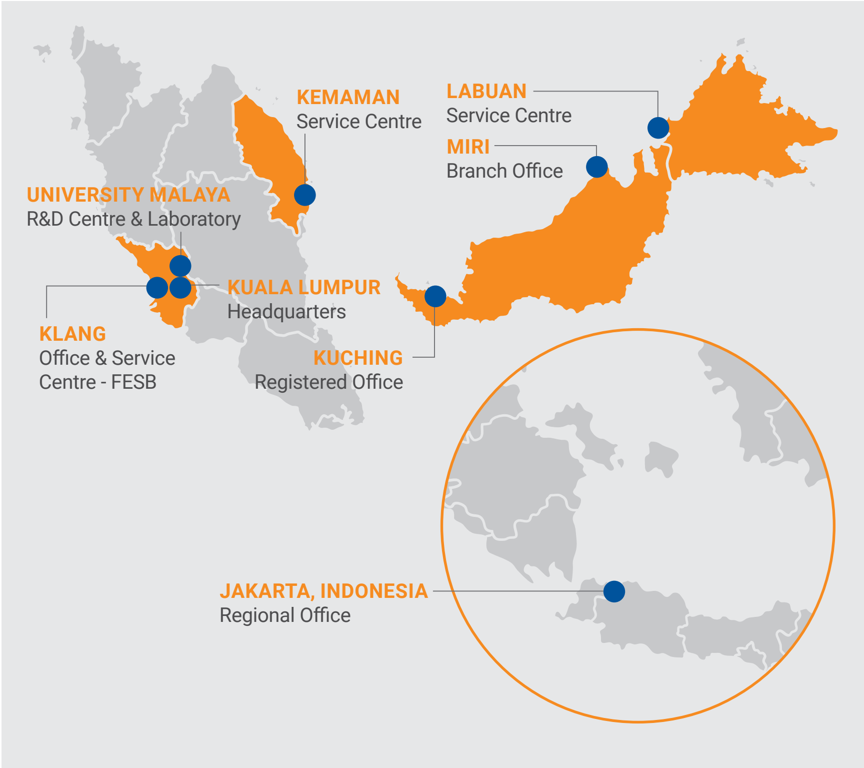
EnviroTech Akva Indonesia, the Group has entered into a 10-year agreement with PT Unilever Oleochemical Indonesia to construct and operate a wastewater treatment plant. This serves as a stepping stone into this essential sector. With a focus on eco-friendly technologies and efficient waste treatment methods, Reservoir Link aims to set new industry standards.

Expanding into Hydropower

The Group's vision for sustainability extends to harnessing the power of water. Plans are underway to explore opportunities in hydropower in Indonesia via Group subsidiary, RL Hydro Assets Sdn Bhd. Its acquisition of equity interest in PT Eco Power Engineering, as well as prospective profit and continuing income stream from a 12 MW hydropower plant project, align the Group's asset ownership model for sustainable and long-term dividends. This sector represents a new chapter in Reservoir Link's ongoing narrative of growth and environmental stewardship.

Our Growing Operational Footprint

The Group has seven operational facilities to date. Our headquarters is located in Menara Suezcap, Kuala Lumpur, while we have service centres at two of the main marine supply bases that support the offshore oil and gas industry in Malaysia, namely the Kemaman Supply Base in Terengganu and the Asian Supply Base in Labuan. The Group also has an office in Miri, Sarawak, a laboratory at Universiti Malaya, an office and service centre for Founder Energy Sdn Bhd ("Founder Energy") in Klang, Selangor and regional office at Jakarta, Indonesia for PT Envirotech Akva Indonesia.



While Malaysia remains the Group's stronghold, our operational footprint has expanded to foreign shores. From the arid landscapes of Mauritania to the bustling energy markets in this region, namely Vietnam, Brunei, Singapore and Indonesia, Reservoir Link's presence is becoming truly global. This geographical diversification serves as a robust shield against market volatility, ensuring steady growth and revenue streams.

OUR BUSINESS OBJECTIVES AND STRATEGIES

Charting the Course for Sustainable Growth

At Reservoir Link, our vision extends beyond immediate gains; we aim to build a sustainable enterprise that stands as an integrated service provider in both the oil and gas and renewable energy sectors. With a focus primarily on Malaysia and a fair international presence, our objective is twofold: to cultivate mutually beneficial relationships with our stakeholders and to grow our business in a responsible and sustainable manner.

Technological Innovation and Customer Service

Central to our approach is a commitment to technological innovation and unparalleled customer service. We strive to offer high-quality solutions that not only meet but exceed customer expectations. This is part of our broader commitment to achieving sustainability goals that align with the growing energy needs of society, all while adhering to environmental and social responsibilities.

Management Discussion and Analysis

Principles and Shared Values

To achieve our objectives, we are guided by our principles and shared values:

INTEGRITY
- Work Ethics
- Professionalism
- Governance
- Honesty

LEADERSHIP
- Respect
- Competency
- Teamwork
- Innovation

EXCELLENCE
- Quality
- Performance
- Delivery
- Efficiency
- Trustworthy

SUSTAINABILITY
- Profitability
- Growth
- Environment
- Resources

The Six Pillars of the Group's Strategy

Our strategic roadmap is built on six main themes:

DIVERSIFICATION

We aim to expand our portfolio by developing new products and services and entering new markets.

INVESTMENT IN ESG

Economic, environmental, and social sustainability are integral to our business model and impact all our operations.

DIGITAL TRANSFORMATION

The integration of digital technologies is changing how we operate and deliver value, enhancing efficiency and customer satisfaction.

TECHNOLOGY-DRIVEN

We actively seek technology-based diversification through collaborations, partnerships, mergers, and acquisitions.

COST AND CASH MANAGEMENT

A focus on maintaining positive cash flow and prudent operational expense management supports our growth and sustains the business.

HUMAN CAPITAL DEVELOPMENT

Leadership development, succession planning, and talent management are key to fostering a culture of innovation and adaptability.

Our Strategic Approach Thus Far

ADVANCEMENTS IN OIL AND GAS TECHNOLOGIES

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

CONTINUOUSLY PURSUING TECHNOLOGICAL INNOVATION

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

BOLSTERING OUR RENEWABLE ENERGY CAPABILITY

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

SCIENTIFIC RESEARCH FOR OPERATIONAL EXCELLENCE

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

OUR COMPETITIVE STRENGTHS

In a challenging and fast-paced energy industry, the team at Reservoir Link works hard to set itself apart with its unique expertise and innovative strategies. These key strengths not only support our current business but also pave the way for future growth. The following is an overview of the many attributes that accord us a competitive edge.

OIL & GAS SEGMENT

Specialisation in well services: Since our inaugural project in 2009, we have carved a niche in well services. Our portfolio is diverse, catering to various well types and applications, and spans multiple countries including Malaysia, Vietnam, Brunei, and Mauritania.

An established track record: With over 13 years in well perforation and shorter but significant periods in other services like well leak repair and production enhancement, we have built a robust track record. Our clientele includes PACs and other service providers in the oil and gas industry, both in Malaysia and abroad.

PETRONAS licensing: We are a PETRONAS-licensed company, a prerequisite for operating in Malaysia's oil and gas sector. This license, covering 78 Standard Work Equipment Codes ("SWEC"), enables us to sustain and grow our business effectively.

Comprehensive lifecycle services: Our offerings span the entire lifecycle of an oil and gas well, from start-up to end-of-life. This comprehensive service range ensures sustained demand.

Experienced management team: Guided by a seasoned management team, we are well-positioned for future growth and expansion.

Management Discussion and Analysis

RENEWABLE ENERGY SEGMENT

Market leadership: We are one of the largest solar installation company by project size in Malaysia. Operating initially as Solar Bina Engineering Sdn Bhd, our team has over a decade of industry experience in solar energy engineering, construction and installation, as well as supplying solar PV mounting structural systems.

End-to-end expertise: Our unique business model allows us to act both as an asset owner and an EPCC service provider. We are also a major supplier of solar PV mounting systems designed in-house.

Strategic partnerships: Our joint venture with strategic partners such as Sunseap Energy enhances our capabilities and market reach. Sunseap is part of EDP Renewables, one of the world's largest renewable energy producers, and has a strong presence in Asia Pacific.

Industry expertise: Our team comprises experienced personnel who are adept at developing the renewable energy business, further strengthening our competitive edge. These competitive strengths not only underscore our commitment to quality and customer satisfaction but also reflect our strategic positioning in a rapidly evolving energy landscape.

AN OVERVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

The Group's financial performance for the 18-month period labelled "FPE2023" and the preceding 12-month period labelled "FY2021" are summarised in the following table. Seeing that the two financial periods differ in terms of the number of months, they should not be deemed comparable in an absolute manner.

(In RM'000 unless otherwise stated)

Financial Performance Review	FPE2023 (18-Months)	FY2021 (12-Months)	Variance	
			(In value)	%
Revenue	**193,304**	112,442	80,862	72%
Gross Profit	**29,495**	29,210	285	1%
Profit Before Tax	**3,357**	17,030	-13,673	-80%
Profit After Tax and Non-controlling Interest	**1,794**	12,111	-10,317	-85%
Gross Profit Margin	**15%**	26%		
Profit Before Tax Margin	**2%**	15%		

For FPE2023, the Group garnered revenue of RM193.3 million – 72% or RM80.8 million hike against revenue of RM112.4 million registered in FY2021. Approximately 68% of the FPE2023's revenue was contributed by the renewable energy segment while the remaining 32% came from the oil and gas well services segment.

Note that the renewable energy segment only came into being following the Group's shareholders approving the acquisition of our renewable energy arm, Founder Energy, in August 2021. As such, for FY2021, we were only able to capture some three months of revenue from this segment, whereas in FPE2023, we were able to capture the full 18-months' of revenue contributions. The surge in demand for renewable energy services over that 18-month period further helped strengthen the segment's revenue contributions.

Management Discussion and Analysis

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

(In RM'000 unless otherwise stated)

	Financial Year Ended			
Business Segments	FPE2023 (18-Months)	%	FY2021 (12-Months)	%
A. O&G Well Services	**59,997**	**31.8%**	**87,278**	**77.6%**
Well Leak Repair	15,135		11,823	
Well Perforation	20,371		39,621	
Well Testing	9,118		617	
Wash and Cement	545		26,699	
Wireline Services	4,009		249	
O&G Production Enhancement	10,819		8,269	
B. Renewable Energy	**131,926**	**68.2%**	**24,905**	**22.1%**
C. Other Services	**1,381**		**259**	
Total	**193,304**	**100.0%**	**112,442**	**100.0%**

Other Services – denoting services related to supplying technical personnel and healthcare products contributed a combined revenue of RM1.38 million.

Gross Profit

In FPE2023, the Group recorded a gross profit of RM29.5 million, a marginal 1% rise against gross profit of RM29.2 million in FY2021. Our gross profit was flat due to the completion of the Mauritania project in October 2021 which contributed a higher profit margin in FY2021; whereas in FPE2023, the majority of our revenue was contributed by the renewable energy segment which has an overall lower profit margin.

Profit Before Taxation

Despite FPE2023's higher revenue, the Group posted a lower profit before tax ("PBT") of RM3.4 million representing an 80% or RM13.7 million decline against PBT of RM17.0 million in FY2021. This was mainly attributable to the completion of the Mauritania project in October 2021 which had contributed a higher profit margin. Although the bulk of revenue was generated by the renewable energy segment, it contributed a lower profit margin. FPE2023 also saw us incurring some one-off costs which included corporate exercises totalling RM1.9 million, a general provision for expected credit losses amounting to RM0.9 million, and a write-down on healthcare stocks totalling RM0.9 million.

Management Discussion and Analysis

Net Cash Flow Position

As at 30 June 2023, the Group's net cash and cash equivalents stood at RM1.6 million, a significant 88% decline against net cash and cash equivalent of RM13.5 million as at 31 December 2021.

(In RM'000 unless otherwise stated)

	FPE2023 RM'000	FY2021 RM'000
Net Cash (for)/from Operating Activities	**(16,642)**	9,530
Net Cash (for)/from Investing Activities	**(11,828)**	4,650
Net Cash from/(for) Financing Activities	**16,391**	(2,585)
Net (Decrease)/Increase in Cash and Cash Equivalent	**(12,079)**	11,595
Foreign Exchange Translation	**198**	-
Opening Balance of Cash and Cash Equivalents	**13,491**	1,896
Cash and Cash Equivalents at the End of the Financial Year	**1,610**	13,491

Net Cash Used in Operating Activities

The net cash used in operating activities as at 30 June 2023 is recorded at RM16.6 million. It is mainly due to the increase of RM27.0 million net receivables, purchase of inventories for RM4.0 million, tax instalments amounting to RM3.8 million and higher interest expenses totalling RM1.3 million.

Net Cash Used in Investing Activities

The net cash used in investing activities as at 30 June 2023 was higher, primarily due to the purchase of slickline, well leak pumps and triplex pumps for current and upcoming projects, and investments in two joint ventures, namely RL Sunseap Energy Sdn Bhd and RL ADS Power Sdn Bhd.

Net Cash from Financing Activities

Net cash from financing activities as at 30 June 2023 stood at RM16.4 million, which mainly from the drawdown of banking facilities.

Utilisation of Proceeds Raised from the Public Issue

The gross proceeds raised from the Public Issue of RM23.42 million are intended to be utilised in the following manner:

No.	Purpose	Proposed Utilisation RM'000	Transfer RM'000	Actual Utilisation up to 30 June 2023 RM'000	Balance Unutilised RM'000	Estimated Timeframe for Utilisation
1	Repayment of Bank Borrowings	5,000	-	(5,000)	-	Within 6 months
2	Estimated Listing Expenses	3,500	(295)(1)	(3,205)	-	Immediate
3	Capital Expenditure (LWWT Equipment)	10,000	(2,814)(2)	(7,186)	-	Within 24 months
4	Capital Expenditure (Solar Equipment)	-	2,814(2)	(2,814)	-	Within 12 months
5	Working Capital	4,922	295(1)	(5,217)	-	Within 12 months
		23,422	**-**	**(23,422)**	**-**	

Notes:
(1) The unutilised balance of RM295,000 allocated for listing-related expenses had been re-allocated to the working capital during the three-month financial period ended 31 March 2021 as the actual listing-related expenses incurred are lower than the budgeted listing-related expenses.
(2) The unutilised balance of RM2,814,000 allocated for capital expenditure for light weight well testing (LWWT) equipment had been re-allocated to the capital expenditure for solar equipment as the actual capital expenditure for LWWT equipment are lower than the budgeted figures. The estimated timeframe for utilisation of capital expenditure for solar equipment is within 12 months from 1 April 2022.

CONTRACTUAL MILESTONES FY2020 - FPE2023

The Group continues to solidify its trajectory towards sustainable growth by securing a range of strategic contracts across the oil and gas and renewable energy segments. The following are the details of ongoing client contracts we acquired in previous years as well as those we bagged and completed over the FPE2023 period.

Oil and Gas Contracts Secured

FY2020 - FY2021

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

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

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

Management Discussion and Analysis

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

FPE2023

5. **Tanjung Offshore Services Sdn Bhd:** A four-month contract, effective from 7 January 2022 to May 2022, for well integrity solutions, including cementing and perforation wash services. (Contract completed)

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

7. **Roc Oil (Sarawak) Sdn Bhd:** A one-year contract, effective from 11 April 2022 to 10 April 2023, for the provision of specialised cutting tools and services for well tubing operations. (Contract completed)

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

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

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

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

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

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

Renewable Energy Contracts Secured

FY2021

1. **Solar Bina Engineering Sdn Bhd:** A contract for subcontracting works related to a 100 MWac large-scale solar PV project in Marang, Terengganu, effective from 7 September 2021. The contract involves installation, testing, and communication of photovoltaic or PV modules, inverter, DC cables, and associated works. (Contract completed)

FPE2023

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

3. **Osram Opto Semiconductors (Malaysia) Sdn Bhd:** A contract to develop solar rooftops as well as building integrated photovoltaic ("BIPV") power generation facilities on rooftops, existing covered carparks and BIPV carparks located in Kulim, Kedah. The BIPV contract entails developing a combined installed capacity of 7,708.6 kWp and export capacity of 6,285 kWac effective from 7 June 2022.

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

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

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

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

As Reservoir Link demonstrates a consistent performance in securing contracts across multiple sectors, not only does this affirm the Group's strong market position but also underscores our commitment to contributing to a sustainable energy future. Moving forward, we will maintain a steadfast focus on operational excellence and strategic growth, while fortifying this with strong technical expertise in each contractual engagement that we undertake.

RISK AND MITIGATION STRATEGIES

Reservoir Link operates in a complex and dynamic environment subject to a variety of risks that could potentially impact our financial performance and operational stability. While some of these risks are beyond the Group's control, proactive strategies have been put in place to mitigate their impact. This narrative summarises the key risks faced by the Group in the oil and gas as well as renewable energy sectors, their potential impact, and the measures taken to manage them effectively.

OIL & GAS SECTOR

Key Risks	Potential Consequences	Mitigation Strategies
#1: Loss of Operational Licenses	The loss of operational licenses, such as the PETRONAS license and other specialised permits, could halt our operations entirely. This would not only result in financial losses but also damage our reputation and credibility in the industry.	A robust monitoring process is in place to track the expiry and renewal dates of all operational licenses. We continue to build good rapport and working relationships with authorities to stay updated on any new regulatory requirements.
#2: Low Call-Out by Clients on Existing Contracts	A low level of activities by clients could result in fewer contracts, affecting revenue streams and potentially leading to financial instability.	Regular visits to client offices are conducted to understand their forward plans. Customer Account Representatives are assigned to each client to ensure regular updates and to manage expectations effectively.
#3: Escalating Cost of Materials	The rising costs of resources and materials, especially steel, can impact profitability and may necessitate price adjustments that could make us less competitive.	A centralised purchasing function reviews and negotiates prices with vendors. Scheduled cost tracking reports are generated to monitor any variances and take corrective actions.
#4: Liquidity Risk	Delays in contract awards and low levels of activities can result in cash flow issues, affecting our ability to meet financial obligations and potentially leading to insolvency.	Working capital and cash flow forecasts are regularly updated to monitor the financial health of the Group. Cost variance analysis is performed to identify differences between budgets and actual spending.
#5: Over-Reliance on Key Customers	Over-reliance on a few key clients could expose us to significant financial risk if any of these clients were to reduce their business with us.	Regular engagement meetings with clients are conducted. Business development activities are reviewed and action plans are developed to diversify the range of services and solutions offered.

RENEWABLE ENERGY SECTOR

Key Risks	Potential Consequences	Mitigation Strategies
#1: Over-Reliance on Key Customers	At least 40% of the order book value is contributed by one key customer. This over-reliance could expose us to significant financial risk if this client were to reduce their business with us.	Regular engagement meetings with a variety of customers are conducted. Business development activities are reviewed, and action plans are developed. New business opportunities, such as energy storage solutions, are also being identified.
#2: Project Delay	Project commencement may be delayed or not completed within the planned timeline. This could affect project costs, resource availability, and customer relationships.	Pre-job meetings are conducted prior to project commencement. The consequences of delays are considered, and financial arrangements are re-planned. Project schedules are revised according to new timelines.
#3: Change in Government's Policy Regulations	Changes in government policy and regulations, especially concerning renewable energy quotas, could severely limit our operations and affect the entire industry.	We maintain an updated understanding of all applicable laws and regulations. Diversification into the Solar Investment segment is pursued, and good rapport is built with authorities to be alerted on any new updates on regulatory requirements.
#4: Loss of Operational License	Among the operational licenses maintained are those under the ambit of the Construction Industry Development Board and the Registered Solar Photovoltaic Investor regulated by the Sustainable Energy Development Authority Malaysia. The loss of any of these could impede our operations.	A monitoring process is in place to track the expiry and renewal dates of all operational licenses. Good rapport is built with authorities to be alerted on any new updates on regulatory requirements.
#5: Liquidity Risk	This refers to the ability to fulfil financial obligations and manage working capital. Poor management could lead to cash flow issues.	Working capital is closely monitored, and timely billing to customers is ensured. Cash flow forecasts are prepared, and cost variance analysis is performed to identify differences between budget and actual spending.

The Group is acutely aware of the risks we face in our operational landscape. Through a combination of diversification, quality enhancement, effective communication, financial prudence, and compliance, the Group is well-positioned to navigate these challenges. These strategies not only enable us to effectively mitigate risks but also facilitate growth, operational stability and financial resilience, thereby safeguarding the interests of all our stakeholders.

NAVIGATING THE FUTURE: OUR GROWTH STRATEGIES AND FUTURE PLANS

Reservoir Link's journey over the past 18 months has been nothing short of transformative, pivoting from a focus on oil and gas services to renewable energy and concessions. This strategic shift is not just a reaction to market trends; it is a well-calculated move, underpinned by compelling global and domestic data.

Sustaining Excellence in the Oil and Gas Sector

While the global energy sector is undergoing significant changes, the oil and gas industry remains a vital part of the energy mix. According to the PETRONAS Activity Outlook 2023-2025, a total of 96 wells are planned to be drilled in 2023 alone.[12] This presents a ripe opportunity for Reservoir Link, given our specialised focus on well services and maintenance.

[12] *PETRONAS Activity Outlook 2023-2025*

Our strategy in this sector is threefold:

Enhancing capabilities in well decommissioning and plug and abandonment: Our experience from 2018 until today has provided us with a strong foundation to offer specialised decommissioning services. The industry has identified 28 wells for plug and abandonment activities, signalling a demand for our expertise.

Investing in R&D: Our long-term research agreement with the UTM aims to develop new chemical formulations and technologies for IOR and flow assurance services locally, thereby reducing reliance on foreign-owned ones. This will ultimately strengthen our supply chain, expand our market participation and enhance our price competitiveness in this business.

Leveraging Artificial Intelligence ("AI"): Our AI Smart Prediction Model aims to predict maintenance requirements in gas pipelines, offering a new revenue stream and adding value to our existing customer relationships.

Leading the Renewable Energy Frontier

The renewable energy sector is on the cusp of exponential growth, particularly in Malaysia, where the government aims to increase the share of renewable energy to 31% by 2025 and 40% by 2035.[13] Our strategies in this sector are equally ambitious:

Solar energy projects: In collaboration with Sunseap Energy, we aim to deliver 20 MWp worth of solar PV projects by 2023. We have already achieved 60% of this goal, positioning us well to capture a significant market share.

Diversification into other renewable energy segments: Beyond solar energy, we are exploring opportunities in hydropower, biomass, and geothermal energy. This aligns with our broader decarbonisation goals and opens new avenues for revenue generation.

Aligning with Global and Domestic Initiatives

Our transition to renewable energy aligns perfectly with PETRONAS' and the UN's Net Carbon Zero agenda by 2050. On a global scale, oil demand is projected to climb by 2.2 million barrels per day in 2023, reaching a new record of 102.1 mb/d, according to the International Energy Agency.[14] These figures underscore the importance of our dual focus on both traditional and renewable energy sectors.

Upholding Stakeholder Value Creation

As we adapt to these shifts, we anticipate our income to stabilise over the next few years. As at October 2023, the Group's order book stands at RM195 million for both the oil and gas and renewable energy segments, whereas our tender book stands at some RM634 million. All of these are expected to contribute positively to the Group's revenue streams for FY2024 and beyond.

In conclusion, Reservoir Link's strategic transformation positions us for long-term success in a dynamically evolving energy market. Our dual focus on both traditional and renewable energy sectors is not just a business strategy; it is a commitment to a brighter, more sustainable future. Our strategic moves are meticulously planned, backed by data, and aimed at long-term sustainability and value creation. We are not merely adapting to change; we are leading it.

With a robust strategy, a commitment to innovation, and a focus on sustainable growth, the future of Reservoir Link is not just promising – it is assured – barring unforeseen circumstances. This assurance serves as the bedrock of our operations, guiding us as we make significant strides in both the oil and gas and renewable energy sectors. Thank you for being part of the Group's transformative journey.

[13] *Reuters Plus for MIDA on 20 June 2023 titled "Malaysia's renewable energy transition"*
[14] *International Energy Agency's "Oil Market Report - July 2023" publication*

Sustainability Statement

TO BUILD SUSTAINABLE ENTERPRISE

Reservoir Link Energy Bhd ("Reservoir Link" or "the Company"), and its subsidiaries, (collectively referred to as "the Group" or "we" or "our"), has established itself as a leading service provider in the upstream oil and gas well services sector. Recent years have seen a significant evolution in our business strategy where we have embraced diversification by venturing into new opportunities within the renewable energy and sustainability sectors. Our commitment to sustainability has become a cornerstone of our corporate philosophy and guides our business activities.

In pursuit of this vision, we are committed to building a sustainable business across the energy sector. We aim to become an integrated service provider, effectively bridging the oil and gas and renewable energy sectors. While our focus remains rooted in Malaysia, we are committed to nurturing and driving the growth of renewable energy in the country. In addition, we are determined to build a balanced international presence.

In line with our mission, we prioritise technological innovation, exceptional customer service and the delivery of high-quality solutions that add value and secure returns for our customers. Our commitment extends to achieving sustainability goals by meeting the growing demand for energy in a way that's safe, environmentally responsible, socially conscious and profitable. This holistic approach underscores our commitment to excellence, innovation and responsible energy in today's ever-changing.

OUR COMMITMENT TO BUSINESS SUSTAINABILITY

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

This annual Sustainability Statement ("the Statement") explains our journey towards becoming a Group that integrates environmental, social, as well as economic issues in our business operations. Our ultimate goal is to become a company that is known for its commitment to sustainability. In addition, this report provides an explanation of the management's strategy for prioritising information on sustainability programmes.

REPORTING STANDARDS

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

- Malaysia Code of Corporate Governance, Updated April 2021

- Practice Note 9 of the Main Market Listing Requirements
- Sustainability Reporting Guide, 2nd Edition ("SRG")

- Global Reporting Initiative ("GRI"), 2021

At this stage, our Group recognises the importance of aligning with the disclosure framework of the Task Force on Climate-related Financial Disclosures ("TCFD"). In reflecting our commitment to more transparent and responsible reporting, we are actively engaged in the process of compiling and disclosing our TCFD-related information, with an anticipated disclosure date in FY2024.

REPORTING PERIOD

This Sustainability Statement focuses on the sustainability activities and performance of Reservoir Link and its subsidiaries for the 18 months financial period from 1 January 2022 to 30 June 2023 ("FPE2023"), in line with change of the company's financial year end from 31 December to 30 June.

REPORTING SCOPE

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

Resevoir Link Sdn Bhd	Resevoir Link Solutions Sdn Bhd
Amsito Oilwell Services (Malaysia) Sdn Bhd	RH Healthcare Sdn Bhd
Resevoir Link Renewable Sdn Bhd	Founder Energy Sdn Bhd

FEEDBACK

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

SUSTAINABILITY GOVERNANCE

We have established a governance structure to ensure the effective implementation and integration of sustainability initiatives in FPE2023. Our governance framework is tailored to promote the integration of sustainability principles into all aspects of our business, including our decision-making processes. This commitment is at the heart of our mission to deliver on our promise to create value for all stakeholders through sustainable practices.

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

BOARD OF DIRECTORS (“BOARD”)

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

SENIOR MANAGEMENT (“SM”)

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

OPERATIONAL MANAGEMENT (“OM”)

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

SUSTAINABILITY POLICY

The Sustainability Policy, updated and approved by the Board on 25 August 2023, sets out the Group’s commitment to govern various aspects of ethical business practices and sets specific targets for reducing our environmental impact, promoting social responsibility and ensuring the economic viability.

The Policy aims to achieve the following objectives:

1. Endeavour to integrate the principles of sustainability into the Group’s strategies, policies and procedures.
2. Facilitate the involvement, cooperation and oversight of the Company’s Board of Directors (“Board”), the Senior Management and sustainability working teams in the implementation of the Policy, as well as the setting and monitoring of EES performance targets.
3. Fostering a sustainability culture within the Group and the community by developing a comprehensive set of sustainable practices within the Economic, Environment, and Social (“EES”) principles.

Our Sustainability Policy is complemented by a well-established framework of policies and guidelines for the effective management of economic, environmental and social activities. These policies and guidelines provide clear direction and set standards to guide our actions and decisions, helping us to maintain our commitment to sustainability in all aspects of our business. These include, but are not limited to:

STAKEHOLDER ENGAGEMENT

Our commitment to stakeholder engagement provides a foundation to create sustainable value to the Group. In light of our evolving business landscape, stakeholder engagement takes on an increasingly pivotal role in ensuring that our stakeholders are well-informed about our strategies to address the challenges affecting our business.

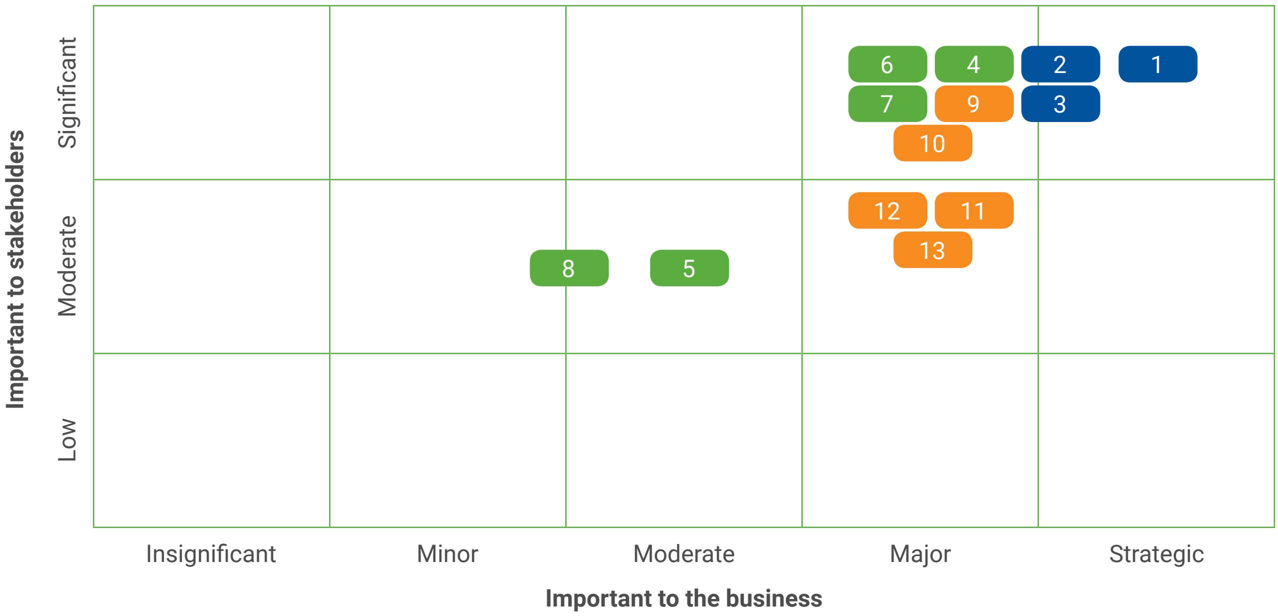
We engage with our key stakeholders across our operations, seeking insights that influence our strategic direction and align the interests and meet the expectations of our stakeholders with our business goals. The following summary outlines our interactions with key stakeholders throughout the year, engagement and communication platform utilised with the key areas of concern discussed during these engagement sessions.

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

MATERIALITY

Material matters encompasses of economic, environmental and social factors that possess substantial influence over our ability to create value for our stakeholders. We prioritise these matters by assessing their relevancy to aligning them with our business and meet the interests of our stakeholders.

We used the material matters identified in the previous assessments and in ensuring a comprehensive and effective approach, we subject these material topics to an annual review and approval process overseen by our Board. In FPE2023, the key material matters were reviewed by the Senior Management and the Board decided to incorporate additional material matters in line with the requirements outlined under Sustainability Reporting Guide (3rd Edition) and changing business environment.



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

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

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

KEY PERFORMANCE INDICATORS ("KPIs")

A set of sustainability targets and Key Performance Indicators ("KPIs") have been set for both the Board and Management, organised around three sustainability pillars. To ensure we meet these KPIs, we've implemented a number of supporting initiatives, as shown in the table below.

Target and KPI for Board

ESG Areas	Sustainability Target	FPE2023 Performance
Increase Revenue Associate to Sustainability Dimension	• Percentage (%) increase in revenue from investment in environmental protection	• 431% increase in revenue contributed from renewable energy from previous financial year

Target and KPI for Board

ESG Areas	Sustainability Target	FPE2023 Performance
Increased Use of Renewable Sources	• At least 50% of company revenue from renewable source activities • Investment in solar panel/solar projects	• 68% of the Group revenue from renewable energy segment • 924.75 MWdc of power was generated contributed by our solar projects
Reduce Superfluous Resources Consumption	• Energy used per man-hours • Average water consumption	• 1.03 KWh energy used per man-hours • RM176.82 average of water bill per month
Stakeholders' Relationship	• Employee working environment and satisfaction level – more than 80% • Average customer rating results – average 75% achievement	• 67% employee satisfaction rate • 89% yearly customer satisfaction rate

Target and KPI for Management

ESG Areas	Sustainability Target	FPE2023 Performance
Economic Presence and Sustainability Profitability	• Revenue from Renewable Energy Business and Healthcare segment	• 68% of revenue contribution from other segments • 148 proposals participated • Success rate of 13% and 38% for Oil & Gas and Renewable Energy respectively
Anti-Corruption	• Zero cases on bribery and corruption • Awareness sessions annually	• Zero cases on bribery & corruption • One (1) awareness session conducted in FPE2023
Environmental Compliance	• Zero penalties/fines by authorities • Certification and awards	• Zero cases of non-compliances and penalties imposed • Certified ISO 9001:2015, ISO/TS 29001:2010 and ISO 45001:2018 • Received Appreciation Award for safety contribution from Petronas
Waste Management	• Roll out waste recycling initiatives/awareness on recyclable waste	• 4.86 metric tonnes of waste was generated
	• Awareness initiatives to employees (reduce, reuse, recycle)	• Establishment of 3R Framework • 1 awareness session conducted in relation to 3R's of sustainability • Reduction of 17% paper usage • RM13,825 printing cost
Occupational Health & Safety	• Zero non-compliance OHS regulatory • Zero lost time accidents • Zero fatalities	• Zero non-compliances, case of fatalities and accident
Training and Development	• Number of training hours/Average training hours per employee	• 3,364 hours of training • 12 hours of average training conducted per employee
Employee Turnover, Retention and Hiring	• Employee happiness survey rating • Low employee turnover	• 67% of happiness survey rating • 29.88% of employee turnover rate

Target and KPI for Management

ESG Areas	Sustainability Target	FPE2023 Performance
Diversity and Equal Opportunities	• Percentage of staff gender diversity – male to female	• 76:24 of male to female staff ratio • 33% of Board members comprises of female • Zero case of sexual harassment reported
Engagement with Employee	• Number of activities carried out • Townhall session	• 13 activities carried out with employees • 1 townhall session conducted
Engagement with Local Communities	• Percentage contribution to local communities (total expenditure)	• RM45,312 spent on charity • Sponsored/Donated to 18 events • 24 interns hired in FPE2023

ECONOMIC

Generated
68%
of revenue contribution from Renewable Energy Business

Achieved
ZERO
bribery and corruption case reported

ENVIRONMENT

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

Generated
924.75 MWDc
our solar projects

SOCIAL

Recorded
12
hours of training in average per employee

Recorded
RM297k
spent in cost of training

Contributed
RM45k
to our communities

RISK, OPPORTUNITIES AND MANAGEMENT APPROACH

Recognising material matters plays a pivotal role in shaping our strategic decisions, as it empowers us to pinpoint both risks and opportunities. Through a comprehensive understanding of the importance of these matters, we can set future targets and develop action plans that address the associated risks and leverage the potential opportunities. Listed below is a summary that outlines the risks, opportunities and the management strategies to manage these material matters.

ECONOMIC

ECONOMIC PRESENCE AND SUSTAINABILITY PROFITABILITY

Affected Key Stakeholders
- Shareholders/Investors/Board of Directors
- Supplier, Subcontractors and Vendors
- Employees

Risk
- Liquidity risk

Opportunities
- Market expansion
- Enhanced reputation

Management Approach
- Perform an effective working capital management by ensuring optimal level of current assets and liabilities
- Conduct cash flow forecasting where expected cash inflows and outflows are estimated over a specific period

ANTI-CORRUPTION

Affected Key Stakeholders
- Shareholders/Investors/Board of Directors
- Customers
- Supplier, Subcontractors and Vendors
- Employees

Risk
- Corruption risk

Opportunities
- Enhance trust and credibility of stakeholders
- Strengthen the corporate governance practices in the organisation

Management Approach
- Awareness training and / or communication on anti-bribery and corruption for employees and business associates
- Guidelines and procedures are established for gifts, entertainment, hospitality and travel
- Embed effectivement corporate governance practices in business operations

SUPPLY CHAIN MANAGEMENT

Affected Key Stakeholders
- Supplier, Subcontractors and Vendors
- Customers

Risk
- Health, safety & environmental risk

Opportunities
- Minimise emissions generation

Management Approach
- Invest in renewable energy and sustainability ventures business

ENVIRONMENTAL

ENVIRONMENTAL COMPLIANCE

Affected Key Stakeholders
- Customers
- Supplier, Subcontractors and Vendors
- Local Authorities/Regulators/ Government Ministries
- Local Communities

Risk
- Health, safety & environmental risk
- Operational disruption

Opportunities
- Enhanced trust and credibility of stakeholders

Management Approach
- Conduct safety awareness and induction training to relevant staff
- Conduct regular inspections check to ensure the compliance with relevant regulatory requirements
- Perform process safety review for certain projects

WASTE MANAGEMENT

Affected Key Stakeholders
- Customers
- Local Communities

Risk
- Health, safety & environmental risk
- Non-compliance to local business/ statutory/regulatory requirements

Opportunities
- Minimise waste generation
- Cost saving benefits

Management Approach
- Management of generated wastes are outsourced to a third-party contractor
- Implementation of recycling programme across the Group
- Conduct awareness sessions relating to recycling programme initiative in Reservoir Link
- Exploring practical and holistic approaches to be embedded in the 3Rs programme to align with circular economy principles

EMISSIONS MANAGEMENT

Affected Key Stakeholders
- Shareholders/Investors/Board of Directors
- Employees
- Customers
- Supplier, Subcontractors and Vendors
- Local Authorities/Regulators/ Government Ministries

Risk
- Health, safety & environmental risk

Opportunities
- Minimise emission generation

Management Approach
- Invest in renewable energy and sustainability ventures business

ENERGY MANAGEMENT

Affected Key Stakeholders
- Shareholders/Investors/Board of Directors
- Employees
- Customers
- Supplier, Subcontractors and Vendors
- Local Authorities/Regulators/ Government Ministries

Risk
- Environmental risk

Opportunities
- Encourage innovation in energy-efficient technologies and practices
- Cost saving benefits

Management Approach
- Monthly monitoring of energy bills
- Upgrading to LED-saving lights

WATER MANAGEMENT

Affected Key Stakeholders
- Shareholders/Investors/Board of Directors
- Employees
- Customers
- Supplier, Subcontractors and Vendors
- Local Authorities/Regulators/ Government Ministries

Risk
- Pollution/ environmental risk

Opportunities
- Water conservation

Management Approach
- Employee awareness to help create a culture of water conservation within
- Set up water conservation projects

SOCIAL

OCCUPATIONAL HEALTH & SAFETY

Affected Key Stakeholders

- Customers
- Supplier, Subcontractors and Vendors
- Local Authorities/Regulators/ Government Ministries
- Employees

Risk

- Health, safety & environmental risk
- Non-compliance to local business/ statutory/regulatory requirements

Opportunities

- Positive workplace culture
- Reduce Non Productive Time (NPT)

Management Approach

- Regular meeting conducted by OSH Committee members discussing on matters pertaining to health and safety of the employees at the workplace
- Conduct health and safety awareness trainings for the employees
- Regular housekeeping of OSH processes

TRAINING AND DEVELOPMENT

Affected Key Stakeholders

- Employees

Risk

- Lack of competent/ skilled employees

Opportunities

- Talent retention
- Improved productivity and employees' performance

Management Approach

- Conduct training need analysis and provide required trainings for the employees on an annual basis
- Establish Talent Management Framework

DIVERSITY AND EQUAL OPPORTUNITIES

Affected Key Stakeholders

- Shareholders/Investors/Board of Directors
- Employees

Risk

- Lack of competent/ skilled employees
- Challenge to attract talent from diverse background

Opportunities

- Ability contribute diverse ideas, improving quality of decisions

Management Approach

- Incorporate a zero-tolerance policy against discrimination in any form and provide equal opportunities regardless of race, religion or gender
- Implementation of inclusive hiring practices that attract diverse talent during recruitment process

DATA PRIVACY & SECURITY

Affected Key Stakeholders

- Shareholders/Investors/Board of Directors
- Employees
- Customers
- Supplier, Subcontractors and Vendors

Risk

- Leakage/Loss of confidential information
- Cybersecurity risk
- Non-compliance to local business/ statutory/regulatory requirements

Opportunities

- Enhanced customer trust
- Improved operational efficiency and streamline data management process

Management Approach

- Provide awareness to employees when managing confidential information
- Implementation of access control measures

OUR SUSTAINABILITY PROGRESS

ECONOMIC

ESG Areas	Sustainability Target	FPE2023 Performance
Economic Presence and Sustainability Profitability	• Revenue from contracts, Renewable Energy Business and Healthcare segment	• 68% of revenue contribution from other segments • 148 proposals participated • Success rate of 13% and 38% for Oil & Gas and Renewable Energy respectively
Anti-Corruption	• Zero cases on bribery and corruption • Awareness sessions annually	• Zero cases on bribery & corruption • One (1) awareness session conducted in FPE2023

ECONOMIC PRESENCE AND SUSTAINABLE PROFITABILITY

At Reservoir Link, our commitment is rooted in creating financial value through our operations and investments in other businesses. We believe that by creating a significant economic footprint we can play a pivotal role in enhancing the prosperity of communities, thereby benefiting the wider economy.

Oil & Gas Division

At the Group's Oil and Gas Well Services division, we recognise that the oil and gas industry play a vital role in global energy production and consumption and with this role comes the responsibility to manage economic resources prudently and contribute to the long-term economic well-being of the regions in which we operate.

In FPE2023, our division secured additional four (4) framework contracts and 13 call-off contracts for a range of services including well testing, well perforation, well leak repair, well intervention, production enhancement and sand management. At the same time, we actively engaged in research collaborations with a few universities such as UTM (Skudai, Johor), UTP (Perak), UM (Kuala Lumpur) focusing on the production enhancement technologies. These strategic partnerships are integral to broadening our business offering and strengthening our competitive edge within the industry. These efforts position us for continued growth and prosperity by securing even more contracts in the future.

Renewable Energy Division

We aim to make a positive contribution by delivering long-term benefits to our key stakeholders. Our primary objective is to make a positive impact by delivering long-term benefits to our key stakeholders. In FPE2023, we successfully created and distributed value, which is particularly evident in the financial performance, where the Renewable Energy division has become Reservoir Link's primary source of revenue.

During the financial year, the division executed 26 solar projects with a combined capacity to generate 924.75 MWDc upon completion. We also invested in ten (10) commercial and industrial rooftop solar projects, contributing 17.62 MWp of solar power.

Looking ahead, we're committed to enhancing our competitiveness in the renewable energy sector, including exploring energy generation other than solar to further strengthen our position.

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

ESTABLISHMENT OF RESPONSIBLE BUSINESS PRACTICES

We recognise that our actions extend beyond the confines of our Group, impacting a wide range of stakeholders and the communities in which we operate. Therefore, we are committed to operating ethically, sustainably, and with a strong sense of responsibility. Through the establishment of these responsible business practices, we aim to set a standard of excellence that not only aligns with our core values but also fosters a culture of responsibility throughout our organisation.

The following table represents the frameworks and policies that governs the responsible business practices in the Group.

FRAMEWORK/POLICIES	DESCRIPTION
CODE OF BUSINESS CONDUCT/EMPLOYEES' HANDBOOK	We hold ourselves to the highest standards of ethical conduct and integrity. Our Code of Business Conduct ("COBC") is more than just a set of rules; it is a reflection of our commitment to responsible and ethical business practices. There were no reports of employee non-compliance or violations of the COBC for the FPE2023. Our guiding principles continue to be the highest possible levels of honesty, integrity and work ethics.
ANTI-BRIBERY AND CORRUPTION POLICY/ ANTI-BRIBERY MANAGEMENT SYSTEM	The Group adheres to a zero-tolerance approach on bribery and corruption, as outlined in our Anti-Bribery and Corruption ("ABC") Policy. This policy governs our activities and serves as a guiding framework for all employees to act professionally, fairly and with integrity in all our business dealings. The Group established Standard Operating Procedures and guidelines under AMBS as follow: • Guideline on Declaring Conflict of Interest • Guideline on Providing and Receiving of Gifts, Entertainment, Hospitality and Travel • Guideline on Granting of Donations and Sponsorships • Guideline on Due Diligence on Employees and Business Associates • Guideline on Training and Communication The Group organised a training session to all employees and provide virtual training on corporate liability to Directors and Senior Management in order to raise awareness of the ABC policy. As in FPE2023, no instances of corruption or bribery have been reported. The ABC Policy is available on our corporate website at www.reservoirlink.com.
WHISTLEBLOWING POLICY	Whistleblowing Policy established by the Group provides an avenue for all employees and business associates to report any concerns outlined under the policy and provide protection for whistleblower(s). Any concerns shall be reported to Chairman of Audit Committee or Chairman of Reservoir Link as follows: a. Report via email to whistleblowing@reservoirlink.com; or b. Letter/Documents/Report marked "STRICTLY PRIVATE AND CONFIDENTIAL TO BE OPENED BY THE ADDRESSEE ONLY" addressed to the Chairman of Audit Committee. The Whistleblowing Policy is available on our corporate website at www.reservoirlink.com. No whistleblowing incidents were reported in FPE2023.
RISK MANAGEMENT POLICY	Risk management acts as an integral part of our strategic planning and decision-making. By being proactive, transparent, and responsive, we ensure that our Group remains resilient, adaptable and capable of navigating challenges while seizing opportunities in an ever-changing business landscape. Our commitment to effective risk management underscores our dedication to safeguarding the interests of all our stakeholders.

SUPPLY CHAIN MANAGEMENT/PROCUREMENT PRACTICE

The Group has established a Procurement Policy that outlines the ethical standards to be adhered to throughout the procurement process, from the Request for Quotation ("RFQ")/tendering phase to the final award of Purchase Order ("PO")/ contracts to suppliers. Our procurement policy mandates that procurement decisions are made using fair and transparent evaluation criteria, which consider factors such as quality, pricing, timeliness of delivery, and service levels. Furthermore, we hold our suppliers to stringent ethical standards and expect them to comply with all relevant laws and regulations.

We are dedicated to engaging with diverse range of local and international suppliers. The figure below shows the composition of suppliers we currently engage with. In FPE2023, 37.1% of suppliers are local and the remaining 62.9% comprises of international suppliers. While we recognise the importance and benefits of engaging with local suppliers, there are several limitations arise due to the nature of our industry. However, we strive to work with international suppliers who uphold ethical business practices, respect human rights, and demonstrate a commitment to sustainability.

The transport and logistics involved in moving equipment to and from reservoirs and other facilities is a significant challenge for the industry. We recognise this and are actively researching environmentally friendly transport solutions to reduce carbon emissions.

We are currently in the process of compiling relevant data and establishing performance measurement targets. By establishing measurable targets, we aim to enhance the sustainability of our entire supply chain while minimising its environmental and social footprint.

ENVIRONMENT

ESG Areas	Sustainability Target	FPE2023 Performance
Environmental Compliance	Zero penalties/fines by authorities Certification and awards	• Zero cases of non-compliances and penalties imposed • Certified ISO 9001:2015, ISO/TS 29001:2010 and ISO 45001:2018 • Received Appreciation Award for safety contribution from Petronas
Waste Management	Roll out waste recycling initiatives/ awareness on recyclable waste	• 4.86 metric tonnes of waste generated
	Awareness initiatives to employees (reduce, reuse, recycle)	• Establishment of 3R Framework • 1 awareness session conducted in relation to 3R's of sustainability • Reduction of 17% paper usage • RM13,825 printing cost

EMISSIONS MANAGEMENT

As part of our main business activities, the Group is in both oil and gas as well as renewable energy, therefore we recognise the significance of emissions management as a crucial responsibility for our Group. Our Group can contribute to the global efforts in managing climate change and the transition to a sustainable future by identifying their environmental impact and putting reduction initiatives into place.

In order to show our commitment to addressing the climate change, we have started to record the Scope 1 and 2 emissions. The coverage for Scope 1 is only limited to emission related to vehicle (forklift and crane) operation, while Scope 2 covers the electricity usage.

SCOPE 1

7,451.89
Carbon Emission
(Metric Tonnes) tCO_2e in FPE2023

SCOPE 2

79.74
Carbon Emission
(Metric Tonnes) tCO_2e in FPE2023

Scope 1: *Emission related to vehicle (forklift and crane) operation*

Scope 2: *UK Electricity Emission Factor used in 2022 = 0.19338 kg CO_2e /kWh as per UK Government GHG Reporting Conversion Factors for Company Year 2022. Greenhouse gas reporting: conversion factors 2022 - GOV.UK (www.gov.uk)*

It is important to note that our emission data currently pertains to specific business activities within Scope 1 and 2. However, recognise the importance of Scope 3 emissions, which encompass indirect emissions from sources such as employee commuting and business travel. While we have yet to include Scope 3 emissions in our reporting, we remain committed to gathering more comprehensive and meaningful data in the future. This will enable us to track, analyse and measure our emissions and implement action plans for continuous improvement.

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

ENVIRONMENTAL COMPLIANCE

We strive to protecting the environment, reducing our impact and contributing to a sustainable future by complying with environmental regulations issued by various authorities such as the Department of Environment ("DOE"), Construction Industry Development Board ("CIDB"), Atomic Energy Licensing Board ("AELB"), Department of Occupational Safety and Health ("DOSH") and others. In FPE2023, the Group did not incur any fines or penalties for non-compliance with environmental regulations (FY2021: Nil).

CERTIFICATION

In addition to our environmental commitment, we hold several certifications including ISO 9001:2023 (Quality Management System), ISO/TS 29001:2010 (Quality Management System) and ISO 45001:2018 (Occupational Health and Safety Management System). These certifications demonstrate our proactive efforts to ensure that our equipment, personnel and operating processes are under strict control. Additionally, they reinforce our commitment to providing a safe working environment for our employees. In FPE2023, we receive recognition for our dedication to safety excellence and contribution by PCSB SKA.

WASTE MANAGEMENT

At Reservoir Link, we hold responsibility in managing wastes as a key commitment in our effort to protect and preserve the environment. We have structured waste management practices that focus primarily on waste generated from offshore operations, maintenance and services. To ensure the safe and compliant disposal of these wastes, we've partnered with a third-party contractor approved by the Department of Environment ("DOE").

Our wastes categories encompass oil waste, used gloves, sealmaker, lithium batteries, etc. In FPE2023, we managed a total waste of 4.86 metric tonnes (FY2021: 1.4 metric tonnes). We do not receive any report on scheduled waste incidents or fines from the local authorities (FY2021: Nil)

3Rs of Sustainability

The principles of "reduce, reuse and recycle" (3Rs) are fundamental to our approach to sustainable resource management. In FPE2023, the implementation of the 3Rs and awareness sessions accelerated our journey towards sustainability. In particular, we have achieved a 17% reduction in paper consumption, resulting in cost savings. This shows that sustainability not only benefits the planet, but also our business.

Cost and Process Savings Initiatives

Our commitment to minimising our environmental impact and optimising cost-effective processes is demonstrated by our cost and process savings initiatives. These initiatives include the appointment of a dedicated 3Rs coordinator and the establishment of a Green Committee/3Rs team to lead our sustainability efforts.

We actively conduct waste audit management to identify areas where we can minimise waste and improve resource utilisation. Our approach is to continually evaluate opportunities to reduce, reuse and recycle materials and resources, fostering a culture of sustainability within our Group.

To ensure the effectiveness of our 3Rs programme, we closely monitor, evaluate and make improvements as needed, striving for continuous progress. Furthermore, we extend our commitment to sustainability beyond the Group by conducting 3Rs programs in collaboration with local communities.

These initiatives not only contribute to cost savings but also reflect our dedication to environmental stewardship and responsible resource management. We believe that by integrating sustainable practices into our operations, we can create a more sustainable future for the Company and the communities we serve.

ENERGY MANAGEMENT

In our efforts to minimise our environmental footprint, we are actively working to improve energy efficiency. Our energy consumption was monitored and reported a total usage of 230,408 kwH as in FPE2023.

As part of our ongoing efforts, we implement energy saving strategies such as turning off air conditioning and lights during lunch breaks. In addition, we are actively exploring ways to promote responsible electricity use and raise awareness among our employees.

We are currently in the process of gathering relevant data and setting sustainability target for our energy management efforts. By establishing clear and measurable targets, our aim is to improve the sustainability of our energy practices.

WATER MANAGEMENT

Our commitment to sustainability has responsible water management at its core. At the heart of our commitment to sustainability is the responsible use of water. In FPE2023, we made significant efforts to reduce water consumption across our offices. Our aim is to minimise our impact on local water resources and promote sustainable water management by continually assessing and improving our water use practices. While we do not currently have monitoring systems in place, we are committed to researching methods to quantify and monitor our water use.

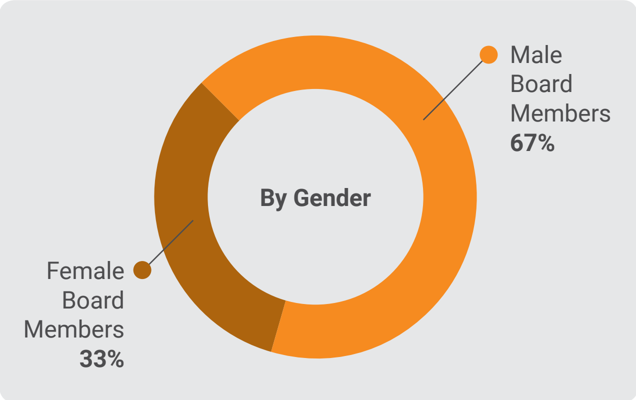
SOCIAL

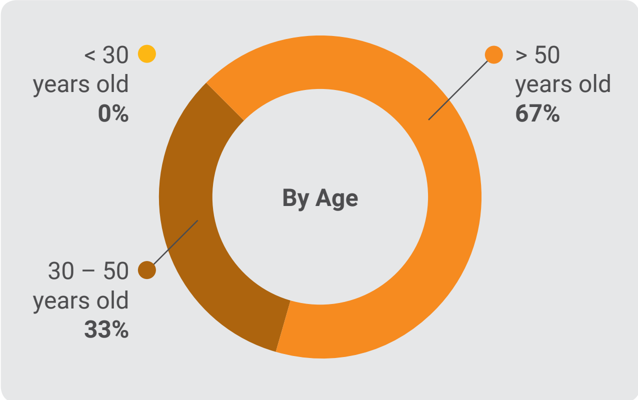
ESG Areas	Sustainability Target	FPE2023 Performance
Occupational Health & Safety	• Zero non-compliance OHS regulatory • Zero lost time accidents • Zero fatalities	• Zero non-compliances, case of fatalities and accident
Training and Development	• Number of training hours/Average training hours per employee	• 3,364 hours of training • 12 hours of average training conducted per employee
Employee Turnover, Retention and Hiring	• Employee happiness survey rating • Low employee turnover	• 67% of happiness survey rating • 29.88% of employee turnover rate
Diversity and Equal Opportunities	• Percentage of staff gender diversity – male to female	• 76:24 of male to female staff ratio • 33% of Board members comprises of female • Zero case of sexual harassment reported
Engagement with Employee	• Number of activities carried out • Townhall session	• 13 activities carried out with employees • 1 townhall session conducted
Engagement with Local Communities	• Percentage contribution to local communities (total expenditure)	• RM45,312 spent on charity • Sponsored/Donated to 18 events • 24 interns hired in FPE2023

DIVERSITY AND EQUAL OPPORTUNITIES

At Reservoir Link, we put emphasis to our Board and employee diversity as a key driver of sustainable and responsible governance. We actively seek to bring together individuals of different genders, ages and backgrounds to cultivate a diverse and inclusive organisation. This approach enables us to build a company that truly reflects and understands the needs and viewpoints of our diverse stakeholders.

Board Diversity

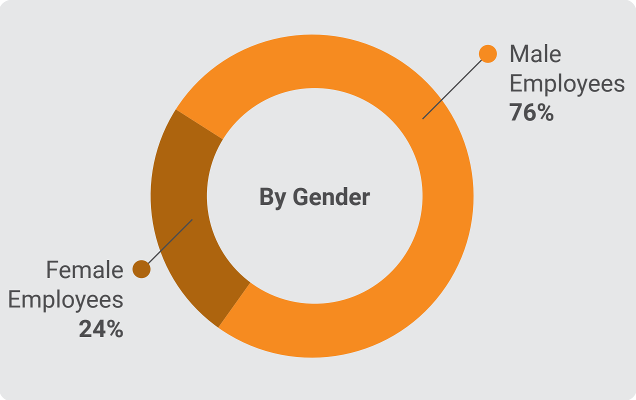


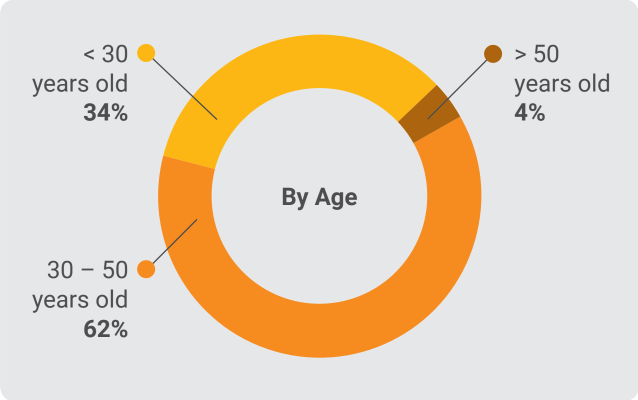


The diagram above shows the overall number and percentage of the Board members by gender and age in Reservoir Link. In FPE2023, there were 4 male Board members and 2 female Board members. The percentage of the Board Composition by age remains the same in FPE2023. The Board's diverse gender, age and ethnic representation contributes various viewpoints and experiences to Reservoir Link.

We comply with MCCG practices of diversity ratio of 30% female at board level, however we continue to face challenges to achieve within company level as result of women's low participation in the oil and gas industry, but Reservoir Link is committed to achieving it in three years.

Employee Diversity





Our total workforce strength of 164 in FPE2023 (FY2021: 112), comprising of Male: 76% and Female: 24% respectively and comprises of diverse people with different background, experience and skillsets as well as gender, age groups, ethnicities, cultures and geographies who come together to generate transformative ideas, deliver sustained environmental, economic and social impact for ourselves and our communities at large.

LABOUR PRACTICES AND STANDARDS

Talent Attraction and Retention

We believe in nurturing and developing local talents as we constantly engage in initiatives that promote the training, education and skill development of talents. By investing in the local workforce, we contribute to building a skilled and capable talent pool that can drive sustainable economic growth and development. In FPE2023, we hired local talents for both Oil & Gas and Renewable Energy segments showcasing our commitment in the continuous effort to nurture the growth of local talent.

In FPE2023, we hired a total of 55 employees (FY2021: 7 new hires). However, the employee turnover rate increased to 29.9% in FPE2023 (FY2021: 10%) due to demand for skilled and experienced talent from other industry players following the increase of industry activities after COVID-19 pandemic.

New Hires

Employee Category	FPE2023	FY2022 (Annualised)
Management	6	4
Executive	35	23
Non-Executive	14	9
Total	55	37

Employee Turnover Rate

Year	Turnover Rate
FY2021	12.3%
FY2022 (Annualised)	19.9%
FPE2023	29.9%

Contract vs Permanent

Employee Category	FPE2023	Percentage (%)	FY2022 (Annualised)	Percentage (%)
Permanent staff	155	95%	103	95%
Contract/Temporary	9	5%	6	5%
Total Number of Staff	164	100%	109	100%

Internship Programmes

Our internship programme is an important aspect of our corporate social responsibility, enabling us to contribute to society. Through this initiative, we actively partner with local universities and colleges to offer young talents the opportunity to gain work experience at Reservoir Link. In FPE2023, we welcomed 24 interns and six (6) of them were employed by Reservoir Link.

Employees Engagement

During FPE2023, Reservoir Link organised a number of employee engagement initiatives, utilising both formal and informal channels to promote healthy communication, engagement and a sense of belonging among all employees. As part of our ongoing efforts to engage with our employees, we held an annual town hall session to share the Group's achievements and future plans, including EES and digital transformation.

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

We recognise that strong employee bonds are essential for supporting one another in the workplace. During FPE2023, we engaged our staff in various events and activities in order to foster a positive and harmonious working environment.

Compensation and Benefits

We've put in place a remuneration and reward system to ensure our employees are competitively rewarded. Salary levels are regularly reviewed and benchmarked against the local market. In addition, all employees are subject to performance reviews based on both business and individual performance against objectives agreed in advance with their superiors.

Compensation and benefit for full-time and permanent employees are as follows:

Insurance

- Group Health & Outpatient Plan
- Personal Accident
- Hospitalisation & Surgical

Allowance

- Mobile Phone
- Work Site
- Overstay, Offshore

Leaves

- Annual
- Sick
- Hospitalisation
- In-Lieu Saturday
- Pilgrimage
- Examination
- Marriage
- Paternity

Medical

- Medical Benefits
- Dental Treatment

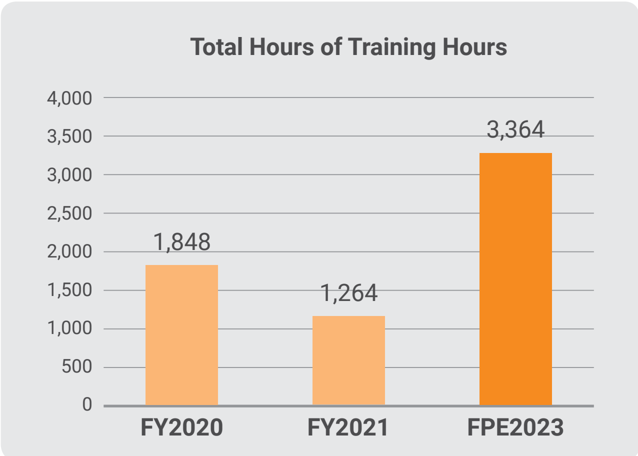
Others

- Club Membership
- Professional Membership Benefits
- Vehicle
- Transfer/Relocation Benefits

Training and Development

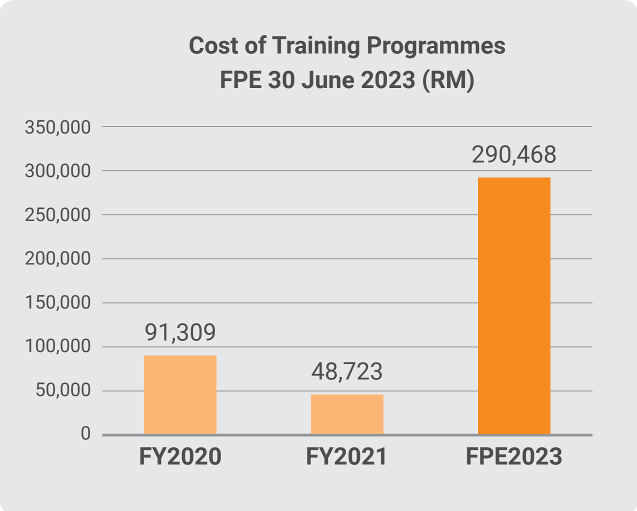
We recognise the key role of continuous learning and development in driving sustainable practices within our business. We are dedicated to equipping our people with the knowledge, skills and attitudes they need to excel. To achieve this, we offer a wide range of training programmes tailored to all levels of employment, from management to executive and non-executive personnel.

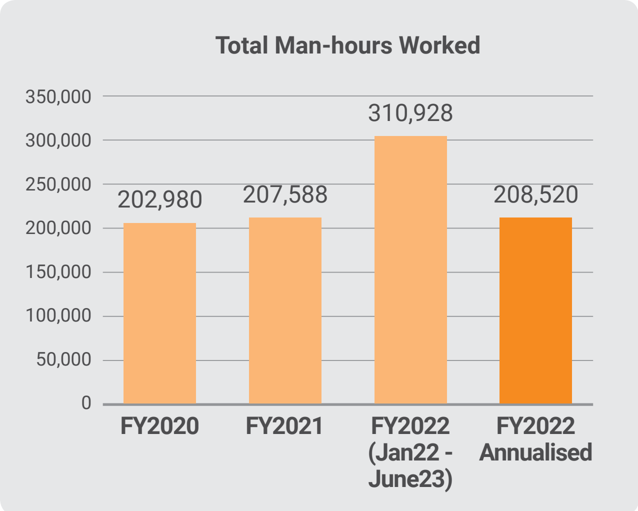
The chart below illustrates the training hours and total cost of training programmes in recent years. These training initiatives cover a variety of areas, including soft skills, mandatory operational courses and other programmes related to corporate responsibility, sustainability awareness and health and safety.



Average Training Hours Per Employee

Year	Average Training Hours Per Employee
FY2021	13
FPE2023	12





OCCUPATIONAL SAFETY AND HEALTH

We are deeply committed to achieving excellence in Quality and Health, Safety and Environment ("HSE"). Our safety slogan "SAFETY IS THE PRIORITY, QUALITY IS THE STANDARD" reflects our commitment to maintaining high standards of integrity, respect and success while ensuring HSE excellence.

In FY2022, we recorded 208,520 man-hours with zero Lost Time Injuries ("LTI"). In the first six months of 2023, we recorded 102,408 man-hours (FY2021: 207,588) also without an LTI, resulting in a total of 1,235,295 LTI-free man-hours and 5,294 LTI-free days since 2009 (FY2021: 4,747). Prioritising safety allows us to protect our people, maintain equipment functionality and maintain a safe working environment. We firmly believe that a strong safety culture is integral to the overall success and reputation of our organisation.

Our HSE Committee held eight (8) meetings during FPE2023 to discuss occupational health and safety matters. These discussions included HSE performance, updates, emergency preparedness and risk management plans, among other important topics.

ZERO TOLERANCE FOR HARASSMENT

We place a high priority on a safe and respectful work environment and makes it clear that we will not tolerate any form of harassment or discrimination. This includes verbal or physical harassment, sexual harassment and any form of discrimination.

We deal with cases of harassment in accordance with our Code of Business Conduct, Human Rights Policy, Sexual Harassment Policy and other relevant human resources policies. We're pleased to report that no cases of harassment were reported in FPE2023 (FY2021: Nil).

DATA PRIVACY & SECURITY

At Reservoir Link, we prioritise the privacy of our customers and strictly adhere to the guidelines of the Personal Data Protection Act 2010 ("PDPA"). Our commitment to compliance ensures the proper collection, processing and retention of personal data. To reinforce this commitment, confidentiality is built into our Code of Conduct, Employment Letters and Employee Handbook.

We have rigorous measures in place to protect customer data, including anti-virus applications and regular security updates. In addition, our Group has an IT policy that sets out clear guidelines for access management, network security and the use of IT equipment by all employees.

We are pleased to report that we didn't receive any complaints relating to data breaches in FPE2023. This is in line with our track record as there were no reported incidents in the previous financial year (FY2021: Nil).

We are actively engaged in the compilation of pertinent data and the establishment of measurable targets to gauge our performance in managing data privacy and security.

ENGAGEMENT WITH LOCAL COMMUNITIES

Enhancing the capabilities of the communities where we operate, reinforces Reservoir Link's commitment to social community engagement and development. We believe that working together with local communities enable us to create positive impacts, a more sustainable and equitable future for all.

In FPE2023, a total of RM45,312 comprises of sponsorships and donations to various parties such as charitable organisation, non-profitable organisation and schools (FY2021: RM69,450). Some of the notable sponsorships and donations by Reservoir Link included:

- **Events sponsorship**
- **Sponsorship for paper presentation**
- **University education programme**
- **Assisting Society of Petroleum Engineers ("SPE") members affected by flood**
- **Donation to Rumah Anak-Anak Yatim Al-Hijrah and Rumah Anak Yatim Huzai for Iftar and Ramadhan**
- **Donation to school upgrade proposal and needy children**

Highlights of Sponsorships & Donations


1

2

3


4


5

Sponsorships

1. Wintec Well Intervention
2. UMP Program Karnival

Donations

3. School Upgrade
4. Back to School Programme
5. Program CSR Ramadhan

EMPLOYEE ENGAGEMENT

FESTIVE CELEBRATIONS

Aidilfitri 2023

Aidilfitri 2022

Chinese New Year 2023

SPORT ACTIVITIES

Badminton

Go-kart

Jersey World Cup Day

RECREATIONAL ACTIVITIES

Hiking Denai Tiga Puteri

Hiking Tasik Cermin

Hiking Bukit Harimau Menangis

MOVING FORWARD

As we look ahead to FY2024, we're determined to drive positive change and sustainability across the Group. Our initiatives for the coming year cover several key areas:

TCFD Disclosure: We're actively working to complete and disclose our TCFD-related information, which is required to be disclosed by 2025.

FTSE4Good Bursa Malaysia Index: We aim to be recognised as one of the constituents of the FTSE4Good Bursa Malaysia Index.

Dedicated Sustainability Unit: We're in the process of establishing a dedicated sustainability unit which will be placed under the Corporate Services Department.

Climate Change Commitment: We aim to establish a Climate Change Policy and commit to setting targets with the aim of achieving carbon neutrality by 2050.

EESG Material Matters: We've refocused and reaffirmed our focus on economic, environmental, social and governance ("EESG") material issues.

Enhancement of Sustainability Governance Structure: We're working to strengthen and enforce our sustainability governance structure, which will include internal periodic reporting on sustainability indicators.

GRI Content Index

Statement of use : Reservoir Link Energy Bhd has reported information cited in this GRI content index for the period of 1 January 2022 to 30 June 2023 in accordance to the GRI Standards.

GRI 1 used : GRI 1: Foundation 2021

GRI STANDARD /OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION/STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
GR1 2: General Disclosures 2021			
1. The organisation and its reporting practice			
2-1	Organisation details	Corporate Information and Corporate Structure	Pages 8 - 9
2-2	Entities included in the organisation's sustainability reporting	Reporting Scope	Page 41
2-3	Reporting period, frequency and contact point	Reporting Period	Page 41
2-4	Restatement of information	Diversity and Equal Opportunities, Labour Practices and Standards	Pages 57 - 60
2-5	External assurance	No external assurance was conducted on this report	N/A
2. The organisation and its reporting practice			
2-6	Activities, value chain and other business relationship	Stakeholder Engagement	Page 44
2-7	Employees	Diversity and Equal Opportunities, Labour Practices and Standards	Pages 57 - 60
2-8	Workers who are not employees	Labour Practices and Standards	Pages 58 - 60
3. Governance			
2-9	Governance structure and composition	Board Responsibilities and Board Composition	Pages 71 - 73
2-10	Nomination and selection of highest governance body	Remuneration and Nomination Committee	Page 74
2-11	Chair of the highest governance body	Board Composition and Diversity	Pages 73 - 74
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	Pages 42 - 43
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	Pages 42 - 43

GRI STANDARD /OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION/STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
GR1 2: General Disclosures 2021			
3. Governance			
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	Pages 42 - 43
2-15	Conflict of interest	Establishment of Responsible Business Practices – Anti-Bribery and Corruption Policy/ Anti-Bribery Management System	Page 53
2-16	Communication of critical concerns	Establishment of Responsible Business Practices – Whistleblowing Policy Other Key Elements of Risk Management and Internal Control	Page 53 Page 81
2-17	Collective knowledge of the highest governance body	Labour Practices and Standards – Training and Development Board Composition – Director's Training	Pages 59 - 60 Pages 74 - 76
2-18	Evaluation of the performance of the highest governance body	Board Composition – Remuneration and Nomination Committee	Page 74
2-19	Remuneration policies	Remuneration	Pages 76 - 77
2-20	Process to determine remuneration	Remuneration	Pages 76 - 77
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Sustainability Governance	Pages 42 - 43
2-26	Mechanism for seeking advice and raise concerns	Establishment of Responsible Business Practices – Whistleblowing Policy Other Key Elements of Risk Management and Internal Control	Page 53 Pages 81 - 82
2-27	Compliance with laws and regulations	Stakeholder Engagement Enviromental Compliance	Page 44 Page 55
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	Page 44
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality	Page 45
3-2	List of material topics	Materiality	Page 45
3-3	Management of material topics	Materiality Key Performance Indicators ("KPIs")	Page 45 Pages 45 - 47

Sustainability Statement

GRI STANDARD /OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION/STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic Presence and Sustainability Profitability	Page 53
201-2	Financial implications and other risks and opportunities due to climate change	Environmental – Emission Management, Environmental Compliance, Waste Management, Energy Management and Water Management	Pages 55 - 56
GRI 203: Indirect Economic Impacts 2016			
203-2	Significant indirect economic impacts	Economic Presence and Sustainability Profitability	Page 53
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Supply Chain Management/Procurement Practice	Page 54
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Target and KPI for Management – Anti-Corruption	Page 46
205-3	Confirmed incidents of corruption and actions taken	Target and KPI for Management – Anti-Corruption	Page 46
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Target and KPI for Management – Reduce Superfluous Resources Consumption Risk, Opportunities and Management Approach – Energy Management	Page 46 Page 49
GRI 303: Water and Effluents 2016			
303-5	Water consumption	Target and KPI for Management – Reduce Superfluous Resources Consumption	Page 46
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Target and KPI for Management – Waste Management	Page 46
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Labour Practices and Standards – Talent Attraction and Retention	Page 58
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	Labour Practices and Standards – Compensation and Benefits	Page 59
401-3	Parental leave	Labour Practices and Standards – Compensation and Benefits	Page 59

GRI STANDARD /OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION/STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Occupational Safety and Health	Page 60
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Labour Practices and Standards – Training and Development	Pages 59 - 60
404-2	Programs for upgrading employee skills and transition assistance programs	Labour Practices and Standards – Training and Development	Pages 59 - 60
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunities, Employee Diversity	Pages 57 - 58

Audit Committee Report

INTRODUCTION

The Board of Directors ("Board") of Reservoir Link Energy Bhd ("RLEB" or "the Company") is pleased to present this Audit Committee ("AC") Report for the financial period from 1 January 2022 to 30 June 2023 ("FPE 2023").

OBJECTIVE

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

COMPOSITION OF THE AUDIT COMMITTEE

The composition of the AC are as follows:

AC Members	Designation	Directorship
Dato' Ahmad Rizal Bin Abdul Rahman *(Appointed on 13 June 2022)*	Chairman	Independent Non-Executive Director
Eric Lim Swee Khoon *(Retired on 12 May 2022)*	Chairman	Independent Non-Executive Director
Siti Zurina Binti Sabarudin	Member	Independent Non-Executive Director
Elain Binti Lockman	Member	Independent Non-Executive Director

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

Details of the members of the AC are contained in the Profile of Directors as set out on pages 10 to 16 of this Annual Report.

MEETINGS AND ATTENDANCE

During the FPE2023, the AC convened a total of seven (7) meetings and the details of attendance of each member of the Committee were as follows:

Name of AC Members	No. of the meeting attended	Percentage
Dato' Ahmad Rizal Bin Abdul Rahman (Chairman) *(Appointed on 13 June 2022)*	4 of 4	100%
Eric Lim Swee Khoon (Chairman) *(Retired on 12 May 2022)*	2 of 2	100%
Siti Zurina Binti Sabarudin	7 of 7	100%
Elain Binti Lockman	7 of 7	100%

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

TERM OF REFERENCE

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

SUMMARY OF WORK OF THE AC

During the FPE2023 , the works carried out by the AC are summarized as follows:

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

Financial Reporting
- Reviewed the Group's unaudited quarterly financial statements including the announcement with management pertaining thereto prior to recommending to the Board for approval and release to Bursa Malaysia.
- Reviewed the Group's audited financial statements for FPE2023 prior to recommending to the Board for consideration and approval, to ensure that statements and disclosures presented gives a true and fair view of the Group's financial performance in accordance with the Malaysian Financial Reporting Standards as well as the applicable disclosure provisions of MMLR and Companies Act 2016.
- Received and reviewed regular updates from management on the status and implication of major accounting policies and financial reporting standards of the Group. There were no new or revised MFRS in FPE2023 that had a material effect on the financial performance or position of the Group.

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

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

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

AUDIT COMMITTEE PERFORMANCE REVIEW

For FPE2023 , the performance and effectiveness of the AC were reviewed and assessed by the Board through its Remuneration and Nomination Committee ("RNC"). The Board was satisfied that the AC has effectively discharged its duties, functions and responsibilities in accordance with the TOR.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional service firm, Tricor Axcelasia Sdn Bhd, which is free from any conflict of interest or relationship that could impair its independence. The Engagement Director is Mr. Chang Ming Chew, who is a member of Malaysian Institute of Accountants and professional member with the Institute of Internal Auditors of Malaysia ("IIAM").

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

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

During the FPE2023, the internal auditors performed its work in accordance with the internal audit plan approved by the AC. The results of the internal audit activities were reviewed and its recommendations were presented to the AC covering, amongst others, the following areas:

1. Project Management of Reservoir Link Sdn Bhd ("RLSB")
   - Project planning and communication to respective departments to have required resources in place for project execution
   - Analyse data to identify jobs that have not commented on time, not completed on-time and not within permitted resources allocated
   - Root cause analysis, proposed action plan and monitoring mechanism to ascertain whether there is improvement

2. Knowledge Management – Trade Secret and Proprietary information of Reservoir Link Solutions Sdn Bhd ("RLS")
   - Policy and procedures in categorise sensitivity and/or criticality of information and relevant control to prevent them from leaking to third party
   - Communication of organisation data protection policy and its consequences if non-compliance to stakeholders
   - User access control to ascertain whether access level granted is consistent with employee authority and responsibility

3. Corporate Liability – Anti-bribery Management System of RLEB
   - Conduct of due diligence procedures on customers, vendors, sub-contractors and employees
   - Financial controls over payment processing
   - Gift, entertainment, donations & sponsorship process
   - Whistle-blowing procedures
   - Training programs for employees
   - Communication of anti-bribery/anti-corruption policies in general

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

The cost incurred for the internal audit function for the FPE2023 under review was approximately RM45,500 excluding Sales and Service Tax and out-of-pocket expenses.

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

Corporate Governance Overview Statement

INTRODUCTION

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

As part of this commitment, the Board is pleased to present this Corporate Governance Overview Statement ("this Statement") to provide shareholders and stakeholders an overview of the Company's Corporate Governance practices for the financial period ended from 1 January 2022 to 30 June 2023 ("FPE2023").

This Statement is made pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read together with the Corporate Governance Report 2023 ("CG Report") which is available at the Company's website at www.reservoirlink.com. The detailed applications of the Company's Practices of the Malaysian Code on Corporate Governance ("MCCG") can be found in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board's Role

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

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

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

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

Board Committees

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

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

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

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

Board Leadership

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

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

Company Secretary

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

Board & Committee Meetings

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

During the FPE2023, the Board had eight (8) Board Meetings, the Board and its Committee meeting attendance are outlined below for the FPE2023:

Directors	BOD Meeting	AC Meeting	RMC Meeting	RNC Meeting
Datuk Tai Hee	8/8	-	-	-
Dato' Wan Hassan Bin Mohd Jamil	8/8	-	-	-
Thien Chiet Chai	8/8	-	1/1	-
Eric Lim Swee Khoon *(Retired on 12 May 2022)*	2/2	2/2	-	1/1
Dato' Ahmad Rizal Bin Abdul Rahman *(Appointed on 13 June 2022)*	5/5	4/4	1/1	-
Siti Zurina Binti Sabarudin	8/8	7/7	1/1	2/2
Elain Binti Lockman	8/8	7/7	-	2/2

Good Business Conduct

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

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

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

Sustainability Governance

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

The Board is mindful of the development of the Enhanced Sustainability Reporting Framework announced by Bursa Securities in September 2022, which requires companies on the Main Market to disclose common sustainability matters for the financial year ending on or after 31 December 2023.

Details on sustainability governance are discussed in the Sustainability Statement section on pages 42 to 43 of this Annual Report.

II. BOARD COMPOSITION

Board Composition and Diversity

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

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

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

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

Remuneration and Nomination Committee

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

During the FPE2023, the RNC had carried out the following key activities:-
- reviewed the appointment of a new Independent Director of the Company;
- reviewed the required size, mix of skills, experiences and other qualities of the Board Members;
- evaluated the effectiveness of the Board and the Committees of the Board;
- reviewed the terms of office and performance of the Audit Committee;
- reviewed the re-election of Directors due for retirement by rotation;
- reviewed the remuneration package of Senior Management of the Group;
- reviewed the remuneration package of the Executive Directors;
- reviewed and recommended the Remuneration Policy for Directors and Senior Management prior to Board's approval;
- reviewed the Directors' Fees for the FPE2023;
- recommended the other benefits payable to Directors for the FPE2023; and
- recommended the training or workshop for the Directors.

Based on the evaluation results performed by RNC and the Board on 17 October 2023, the Board was satisfied with the performance of each individual Director and its Board Committees. All Independent Non-Executive Directors have fulfilled the independence standards prescribed under the MMLR.

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

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

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

Directors' Training

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia. During the FPE2023, the Directors attended the following training programmes to ensure that they keep abreast of various issues faced in the challenging business environment within which the Group operates.

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The following are the trainings, seminars, workshops and conferences attended by the Directors during the FPE2023:

DIRECTORS	SEMINARS, WORKSHOPS, CONFERENCES AND COURSE ATTENDED	DATE
Datuk Tai Hee	Company Analysis and Valuation with Discounted Cashflow Technique Program	22 – 23 Nov 2022
Dato' Wan Hassan Bin Mohd Jamil	Offshore Technology Conference (OTC) Asia 2022	22 – 25 Mar 2022
	Malaysia Oil and Gas Services Exhibition and Conference (MOGSEC) 2022	13 – 15 Sept 2022
	National OGSE Roadshow 2022	4 Oct 2022
	Energy Asia – Charting Pathway for Sustainable Asia	26 – 28 Jun 2023
	2023 World Green & Sustainability Summit	4 Sept 2023
	Oil and Gas Asia (OGA) 2023	25 – 27 Sept 2023
Mr. Thien Chiet Chai	Malaysia Oil and Gas Services Exhibition and Conference (MOGSEC) 2022	13 – 15 Sept 2022
	All-Energy 2022 Exhibition & Conference	26 – 27 Oct 2022
	Energy Asia – Charting Pathway for Sustainable Asia	26 – 28 Jun 2023
	The Energy Transition Conference – Accelerating a Responsible Energy Transition	28 – 29 Aug 2023
	International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM)	4 – 6 Oct 2023
Dato' Ahmad Rizal Bin Abdul Rahman	Steward Leadership for Sustainability	12 Apr 2022
	ESG Training – Sustainability Concept and its Myth by Malaysian Rubber Council, Kuala Lumpur	12 July 2022
	Building Islamic Finance Industry Future – Creating role model economics, inclusive institutions and impact driven model	18 Aug 2022
	Corporate Governance & Remuneration for ESG World	6 Sept 2022
	National Rubber Economic Forum by Malaysian Rubber Board, Penang	13 Oct 2022
	Inflation, Looming Recession & Climate Change – A Tricky Balancing Act	7 Nov 2022
	Remuneration Committee Beyond Box Ticking Enhancing Effectiveness	7 Aug 2023
	Sustainability In the Digital Age	14 Sept 2023

DIRECTORS	SEMINARS, WORKSHOPS, CONFERENCES AND COURSE ATTENDED	DATE
Ms. Siti Zurina Binti Sabarudin	A Dialogue with Bursa Malaysia – FTSE4GOOD ESG Rating for All PLCs	14 Apr 2023
	Beyond Box-Ticking: Essentials for Effective Remuneration Committee by Asia School of Business; Kuala Lumpur	7 Aug 2023
	Board's Role in Value Creation	8 Aug 2023
Ms. Elain Binti Lockman	Sustainability Management and Reporting – Coming To Grips With The "ESG" Agenda : What Has Changed	7 Dec 2022
	ICDM Advocacy Dialogue – A Dialogue with Bursa Malaysia FTSE4GOOD ESG Rating for all PLCs	13 Apr2023
	Bursa's Sustainability Reporting Requirement for Listed Companies	20 Jul 2023

III. REMUNERATION

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

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

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

On 17 October 2023, the RNC reviewed and recommended the remuneration package and directors' fee to the Board.

A summary remuneration of the Directors for the FPE2023 distinguishing between Executive and Non-Executive Directors in aggregate received/receivable from the Company and the Group, with categorization into appropriate components are set out in the CG Report 2023 of the Company.

	Director Fees	Salaries	Meeting Allowances	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)
Executive Directors					
Dato' Wan Hassan Bin Mohd Jamil	36,000	693,000	-	231,969	960,969
Thien Chiet Chai	36,000	693,000	-	231,969	960,969
Non-Executive Directors					
Datuk Tai Hee	90,000	-	8,000	-	98,000
Eric Lim Swee Khoon *(Retired on 12 May 2022)*	21,935	-	6,000	-	27,935
Dato' Ahmad Rizal Bin Abdul Rahman *(Appointed on 13 June 2022)*	68,065	-	10,000	-	78,065
Siti Zurina Binti Sabarudin	72,000	-	19,000	-	91,000
Elain Binti Lockman	72,000	-	17,000	-	89,000
TOTAL (RM)	**396,000**	**1,386,000**	**60,000**	**463,938**	**2,305,938**

- The Company's director fees are subject to the shareholders' approval at the Annual General Meeting, as set out in the Notice of AGM.
- Meeting attendance allowance has been approved during the previous Annual General Meeting held on 12 May 2022.

The top five (5) Key Senior Management personnel's remuneration received during the FPE2023 is categorized within the band as follows:

Remuneration Band (RM)	Number of Key Senior Management
550,001 - 600,000	1
650,001 - 700,000	2
700,001 - 750,000	1
750,001 - 800,000	1

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

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

- Dato' Ahmad Rizal Bin Abdul Rahman (Chairman) – Independent Non-Executive (appointed on 13 June 2022)
- Eric Lim Swee Khoon (Chairman) – Independent Non-Executive (retired on 12 May 2022)
- Ms Siti Zurina Binti Sabarudin – Independent Non-Executive
- Ms Elain Binti Lockman – Independent Non-Executive

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

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

Details of activities carried out by the AC in FPE2023 are disclosed on page 69 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

The Statement on Risk Management and Internal Control set out on pages 79 to 82 of this Annual Report provides further details of risk management activities and internal audit functions within the Group.

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

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

I. COMMUNICATION WITH STAKEHOLDERS

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

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

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

Details on relevant focused areas, engagement approach and frequency of engagement with the stakeholders are discussed in the Sustainability Statement section on page 44 of this Annual Report.

II. CONDUCT OF GENERAL MEETING

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

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

COMPLIANCE STATEMENT

The Board believes that the Company has adopted the Principles and Recommendations of the MCCG in all material aspects, save as disclosed therein, for the FPE2023.

This Corporate Governance Overview Statement was approved by the Board of Directors on 17 October 2023.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Reservoir Link Energy Bhd ("Reservoir Link" or "the Group") is pleased to present its Statement on Risk Management and Internal Control ("SORMIC") for financial year ended 2023 ("FPE2023") cover 18-months financial period from 1 January 2022 to 30 June 2023, which has been prepared in accordance to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Practice 10.1 and 10.2 of Malaysia Code on Corporate Governance ("MCCG"), as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). The Group's risk management and internal control activities are described in this statement together with their nature and scope during FPE2023.

BOARD'S RESPONSIBILITIES

The Board of Reservoir Link is committed to upholding an effective internal control and risk management system for the Group. The Board has established a risk management and internal control framework and system, comprising activities, processes, and structures, which are constantly reviewed to ensure their adequacy and effectiveness in safeguarding shareholders' investments and the Group's assets.

The Board believes that rather than eliminating the risk of not fulfilling the Group's aims and objectives, the risk management framework and internal control system are created to manage the Group's risks within the acceptable risk appetite. Due to inherent limitations in the internal control and risk management system, the Board recognises that such system is designed to manage the risk within the Group's tolerance level. As a result, these systems can only provide reasonable but not absolute assurance against substantial misstatement or loss.

The Audit Committee ("AC") and Risk Management Committee ("RMC") have been entrusted with the task of assisting the Board in discharging its fiduciary duties reviewing the adequacy, effectiveness and integrity of the Group's risk management and internal control systems.

The Board through RMC is responsible for reviewing the Group report on risk management and to communicate Group risks issues back to the Management. The Board's duty also includes identifying new and emerging risks affecting the Group. The accountability to approve the Group's risk management framework which defines the objectives, principles, activities, and areas of responsibility of risk management sits with the Board. Furthermore, the Group's Board is also in-charge of overseeing the effectiveness of the framework and to delegate the responsibility for implementing the related policies and procedures to Management.

RISK MANAGEMENT FRAMEWORK

Reservoir Link recognises that risk management contributes to sound management practice and good corporate governance by improving decision making and enhancing results and accountability. The Group has adopted the ISO 31000:2018 principles and general guidelines on risk management, which help the Group to identify, assess, manage and monitor significant risks in order to align its risk management process with industry best practice.

ENTERPRISE-WIDE RISK MANAGEMENT ("ERM")

The design and implementation of the Group's ERM are critical components that enable Reservoir Link to proactively manage its business risks and build resilience across the Group. The following risk governance structure depicts the communication flow at Reservoir Link for risk management policies, procedures and key principles on an on-going basis:

The Senior Management prepares the Risk Management Report ("RMR") that serves to provide regular update to the Risk Management Committee RMC on risks which may have potential negative impact on the Group's performance, including the mitigating actions as well as key indicators

Statement on Risk Management and Internal Control

measuring the extent of the risks. The RMC reviews the RMR and provides feedback and input on the RMR and monitors the mitigating actions and risk indicators on an on-going basis.

The Senior Management also maintains a risk register containing the strategic and operational risks of the business, including financial and compliance risks. The document is formally reviewed annually while emerging risks are added as and when required. The key risk register is discussed at all regular meetings of the Senior Management and reported on an annual basis to the Board through RMC. The following are the seven steps to management of risks assessed in the risk register:

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

The Group regularly reviews and monitors the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the Group.

Top Five (5) Group Risks

A risk assessment exercise was conducted in FPE2023, demonstrating our commitment to proactive risk management. The results of this assessment were discussed by the RMC as part of our rigorous governance process before being presented to the Board for approval on 29 August 2022. The top five (5) risks that the Group identified are summarised below, along with the brief explanation of its mitigation actions:

a. Loss of operational license – Non-renewal of operational license could lead to a loss of revenue and inability of the Company to operate. To mitigate this risk, monitoring process is in place to monitor and ensure compliance of the expiry/renewal dates and other relevant license requirements.

b. Low call-out by client on existing contracts – There is a risk associated with the company's inability to execute work due to clients not actively engaging the company for the contracts it currently holds. This lack of client call-out poses a challenge as it may result in under utilisation of resources and potential revenue loss. RLEB proactively engage with clients by conducting regular visit to the client office and seek client forward plan in advance on the operation planning.

c. Escalating cost of materials – One of the challenges faced by the Company relates to the increasing costs and uncertainties associated with acquiring resources and materials, particularly for perforating jobs. RLEB will schedule cost tracking reports.

d. Liquidity risk – Refers to constrained cash flow, which may hinder the company's ability to fulfill its financial obligations. Working capital management to monitor the use of current assets and liabilities.

e. Over-reliance on key customers – loss of major client may have an adverse impact on our operating results as their contribution to our revenue are significant. RLEB will regularly engage with customers.

The above-mentioned risk management practices of the Group serve as an on-going process used to identify, evaluate and manage significant risks of the Group from the year under review and up to the date of approval of this Statement. The Board shall continue to evaluate the Group's risk management process to ensure it remains relevant to the Group's requirements.

INTERNAL AUDIT

The Group's internal audit function is outsourced to an independent audit service provider, Tricor Axcelasia to manage and conduct an independent assessment on the adequacy, effectiveness and integrity of the Group's risk management and internal control systems. All personnel deployed by Tricor Axcelasia involved on the engagement are free from any relationships or conflicts of interest which could impair their objectivity and independence of the internal audit of the Group during the course of their work.

In carrying out its activities, the internal audit function had unrestricted access to the relevant records, personnel and physical properties of the Group. The internal audit review was conducted and concluded in accordance with an approved risk-based internal audit plan and in compliance with the International Professional Practice Framework.

The results of the internal audit reviews and the recommendations for improvement are presented to the Board through the Audit Committee. Based on the internal audit reviews conducted, the Board is of the opinion that none of the identified control weaknesses that could result any material losses and adversely affect the Group that would require separate disclosure in the Annual Report. Nevertheless, for areas requiring attention, measures have been and are being taken to ensure on-going adequacy and effectiveness of internal controls and safeguard shareholders' investments and the Group's assets. In FPE2023, the Board received and reviewed the internal audit report on 23 May 2022, 17 November 2022 and 22 May 2023. Three (3) audit cycle was performed in the financial year under review and the cost incurred for the internal audit function was approximately RM45,500 excluding Sales and Service Tax and out-of-pocket expenses.

Further details of the internal audit function are outlined in the Audit Committee Report on page 70 of this Annual Report.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The following outlines additional integral components of the Group's risk management and internal control systems, reinforcing our commitment to sound corporate governance.

Components	Key Internal Control Elements
Organisation Structure and Authorisation Procedures	The Group has implemented a comprehensive organisational structure that includes a clearly defined limits of authority, delegation of responsibility and reporting lines to facilitate effective and efficient decision-making processes. The Board committees that have been established including Audit Committee, Remuneration and Nomination Committee and Risk Management Committee which further enhance governance oversight and contribute to the Group's overall strategic direction.
Monitoring and Review	The Management Committee meets on monthly basis to deliberate and update on business and financial performance, Health, Safety & Environment ("HSE"), Anti Bribery and Corruption ("ABC") updates, sustainability matters, business development and operations across the organisation, other department updates and any other business. The meetings are participated by Group Chief Executive Officer/Managing Director ("GCEO/MD"), Executive Director, Chief Executive Officers, Chief Financial Officer, Senior Management and/or Heads of Department. The Management provides regular performance updates to the Audit Committee, Remuneration and Nomination Committee and Risk Management Committee and the Board, either quarterly or as needed. This reporting mechanism enables the Board to stay informed about significant control-related matters, including internal control, risk management, and regulatory compliance. By maintaining this communication channel, the Board ensures that business objectives remain on track and that the Management takes timely corrective actions within the established timelines.
Group Policies and Procedures	Internal policies, procedures and guidelines are maintained and reviewed on a periodic basis as they serve as operational guide for achieving compliance with relevant laws and regulations as well as internal control standards.
ISO Certification	The Group remains dedicated to meeting customer requirements and maintaining exceptional quality, while upholding compliance with relevant oil and gas regulations and prioritising the health and safety of our workers. To support these efforts, our operations have obtained certifications in ISO 9001:2015 (Quality Management System), ISO/TS 29001:2010 (Quality Management System), and ISO 45001:2018 (Occupational Health and Safety Management System standard).

Statement on Risk Management and Internal Control

Components	Key Internal Control Elements
Integrity and Ethical Conduct	Recognising the critical role of leadership in shaping a healthy organisation, the Board emphasises on the significance of setting the "tone from the top." To uphold this principle, the Board has embraced the Code of Business Conduct ("COBC") and Anti-Bribery Management System ("ABMS"). These frameworks instill essential ethical values that Directors, Management, employees and business associates of the Group are expected to foster a corporate culture rooted in ethical business practices across the entire organisation.
Whistleblowing Policy	The Whistleblowing Policy was established to provide a platform for stakeholders to report any improper conduct within the Group in a secure and confidential environment. The policy provides a clear guideline on the oversight and responsibilities of the whistleblowing process, the reporting process and protection of whistleblowers.

REVIEW BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2023, in compliance with the paragraph 15.23 of Bursa Malaysia Securities Bhd's Main Market Listing Requirements in accordance with guidelines issued by the Malaysian Institute of Accountant ("MIA").

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of this Statement, the Board is of the opinion that the internal control and risk management system have been satisfactorily adequate and effective. There have been no material internal control failures, deficiencies or breakdowns in the Group's internal control system that led to major losses experienced by the Group for FPE2023.

Measures will continue to continuously be undertaken to ensure ongoing adequacy and effectiveness of the internal control and risk management systems, and to meet the changing and challenging business environment.

This Statement on Risk Management and Internal Control was approved by Board of Directors dated 17 October 2023.

Additional Information

UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

For details and analysis of our utilisation of proceeds from initial public offering, please refer to Management Discussion and Analysis in page 35 of this Annual Report.

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

Details of statutory audit and non-audit fees paid/payable to the external auditors for the FPE2023 are set out as below:

	The Group RM	The Company RM
Audit services	202,338	53,000
Non-audit services	6,000	-
Total	**208,338**	**53,000**

MATERIAL CONTRACTS OR LOANS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

During the FPE2023, there were no material contracts or loan entered by the Company and its subsidiaries involving Directors and major shareholder's interest.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

ESOS was approved by shareholders at the EGM on 1 April 2021. However, the Board of Directors of the Company has yet to grant any share options to the eligible employees of the Group during FPE2023.

FINANCIAL STATEMENTS

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 January 2022 to 30 June 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company has changed its financial year end from 31 December to 30 June.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial period	1,794,003	(4,497,523)
Attributable to:-		
Owners of the Company	(893,447)	(4,497,523)
Non-controlling interests	2,687,450	-
	1,794,003	(4,497,523)

DIVIDENDS

No dividend was recommended by the directors for the financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

ISSUES OF SHARES AND DEBENTURES

During the financial period:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial period, the Company purchased a total of 1,400,000 of its issued ordinary shares from the open market at an average price of RM0.36 per share. The total consideration paid for the purchase was RM504,964 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

TREASURY SHARES (CONT'D)

As at 30 June 2023, the Company held as treasury shares a total of 1,400,000 of its 290,445,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM504,964. The details of the treasury shares are disclosed in Note 24(c) to the financial statements.

WARRANTS

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

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

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

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

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

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

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

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

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

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

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

The number of unexercised Warrants at the end of the reporting period is 71,249,995.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 44 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

ITEMS OF AN UNUSUAL NATURE (CONT'D)

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial period and up to the date of this report are as follows:-

Datuk Tai Hee
Dato' Wan Hassan Bin Mohd Jamil
Thien Chiet Chai
Siti Zurina Binti Sabarudin
Elain Binti Lockman
Dato' Ahmad Rizal Bin Abdul Rahman (Appointed on 13 June 2022)
Eric Lim Swee Khoon (Resigned on 12 May 2022)

The names of directors of the Company's subsidiaries who served during the financial period and up to the date of this report, not including those directors mentioned above, are as follows:-

Mad Haimi Bin Abu Hassan
Anwarudin Bin Saidu Mohamed
Lee Seng Chi
Mohd Fadzli Bin Hamidun

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares and warrants of the Company and its related corporations during the financial period are as follows:-

	Number of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 30.6.2023
The Company				
Direct Interests				
Datuk Tai Hee	500,000	-	-	500,000
Dato' Wan Hassan Bin Mohd Jamil	10,408,605	-	(3,495,400)	6,913,205
Thien Chiet Chai	16,355,035	8,835,000	(7,000,000)	18,190,035
Siti Zurina Binti Sabarudin	138,400	-	(138,400)	-
Indirect Interests				
Datuk Tai Hee *	29,333,503	-	-	29,333,503
Dato' Wan Hassan Bin Mohd Jamil #	90,200,000	4,975,000	(29,965,000)	65,210,000
Thien Chiet Chai #	90,200,000	4,975,000	(29,965,000)	65,210,000

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

DIRECTORS' INTERESTS (CONT'D)

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

	At 1.1.2022	Bought	Sold	Number of Warrants At 30.6.2023
The Company				
Direct Interests				
Datuk Tai Hee	125,000	-	-	125,000
Dato' Wan Hassan Bin Mohd Jamil	1,944,051	-	(1,929,051)	15,000
Thien Chiet Chai	3,803,858	37,500	(2,641,300)	1,200,058
Siti Zurina Binti Sabarudin	34,600	-	(34,600)	-
Indirect Interests				
Datuk Tai Hee *	7,330,875	-	-	7,330,875
Dato' Wan Hassan Bin Mohd Jamil #	6,795,100	-	(6,795,100)	-
Thien Chiet Chai #	6,795,100	-	(6,795,100)	-

* *Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad.*

\# *Deemed interested by virtue of his direct substantial shareholding in Reservoir Link Holdings Sdn. Bhd.*

By virtue of their shareholdings in the Company, Datuk Tai Hee, Dato' Wan Hassan Bin Mohd Jamil and Thien Chiet Chai are deemed to have interests in shares in its related corporations during the financial period to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial period had no interest in shares and warrants of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is 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.

INDEMNIFICATION OF OFFICERS

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Group and of the Company were RM68,243 and RM24,920 respectively.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial period are as follows:-

	The Group RM	The Company RM
Fees	432,000	396,000
Salaries, bonuses and other benefits	3,860,464	1,721,896
Defined contribution expenses	451,553	188,042
	4,744,017	2,305,938

There were no estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group and the Company has agreed to indemnify its auditors, Crowe Malaysia PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Crowe Malaysia PLT during the financial period and up to the date of this report.

SUBSIDIARIES

The details of the subsidiaries' name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiaries are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT EVENTS

The significant events during the financial period and subsequent events are disclosed in Note 46 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, do not express their willingness to continue in office.

The details of the auditors' remuneration for the financial period are as follows:-

	The Group RM	The Company RM
Audit fees	202,338	53,000
Non-audit fees	6,000	-
	208,338	53,000

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 October 2023.

Dato' Wan Hassan Bin Mohd Jamil

Thien Chiet Chai

Statement by Directors

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

We, Dato' Wan Hassan Bin Mohd Jamil and Thien Chiet Chai, being two of the directors of Reservoir Link Energy Bhd., state that, in the opinion of the directors, the financial statements set out on pages 98 to 184 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial period ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 October 2023.

Dato' Wan Hassan Bin Mohd Jamil **Thien Chiet Chai**

Statutory Declaration

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

I, Bong Leong Sung, MIA Membership Number: 19682, being the officer primarily responsible for the financial management of Reservoir Link Energy Bhd., do solemnly and sincerely declare that the financial statements set out on pages 98 to 184 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Bong Leong Sung
at Petaling Jaya
in the State of Selangor Darul Ehsan
on this

Bong Leong Sung

Before me

Vasanthi a/p Ramadass
Commissioner for Oaths
No. B 467

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. (Incorporated in Malaysia) Registration No: 201401044508 (1120690-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Reservoir Link Energy Bhd., which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 98 to 184.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><td colspan="2">Impairment of Goodwill
Refer to Note 13 to the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key Audit Matter</td></tr>
<tr><td>For the financial period ended 30 June 2023, the Group recorded goodwill of RM13,972,961.

The Group is required to perform annual impairment test of its cash generating units ("CGUs") to which goodwill has been allocated. The Group estimated the recoverable amount of its CGUs to which the goodwill is allocated based on value-in-use ("VIU").

Estimating the VIU of CGUs involves estimating the future cash inflows and outflows and discounting them at an appropriate rate.

We determined this to be a key audit matter because the complexity and judgmental nature of the key assumptions used in determining the VIU to which goodwill have been allocated.</td><td>We performed the following audit procedures:

• We assessed the reasonableness of the key judgements and basis of major assumptions or estimation used by the management with regards to computation of VIU including:
- Compared the key assumptions used in the approved budgets against historical results;
- Compared the discount rates used with other organisations in similar industry;
- Evaluated the terminal value and growth rate of the cash flows projections;
- Performed sensitivity analysis on the value-in-use by applying reasonably possible change; and
• We evaluated the adequacy of the disclosure of each key assumption on which the Group has based its cash flow projections.</td></tr>
<tr><td colspan="2">Revenue Recognition
Refer to Note 30 to the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key Audit Matter</td></tr>
<tr><td>For the financial period ended 30 June 2023, the Group recorded revenue of RM193,303,996 primarily derived from provision of oil and gas well services and renewable energy services.

The timing and quantum of revenue recognised for oil and gas well services is dependent on the nature and the different contractual terms as set out in the agreements with the respective customers.

The amount of revenue from renewable energy services is recognised over the period of the contract with reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is determined with reference to the proportion of costs incurred for work performed to date over the estimated total costs.

We determined this to be a key audit matter because significant estimates and judgments are required.</td><td>We performed the following audit procedures:

• We tested on occurrence and accuracy of revenue transactions to supporting evidence such as customers' contracts, invoices and relevant supporting documents;
• We assessed the effectiveness of internal controls by performing test of controls and walkthrough tests;
• We evaluated and assessed the reasonableness of estimates and judgements used in recognizing revenue;
• We verified the assessment on the potential deduction to revenue such as delays resulting on liquidated and ascertained damages against the contractual handover date, and estimated handover dates;
• We checked subsequent documentations to identify if there are any deferment in completion of contracts;
• We reviewed the accrued revenue recognised and assessed appropriateness of the accrued revenue by checking to subsequent billed invoices; and
• We assessed the completeness and appropriateness of disclosures in accordance with MFRS 15.</td></tr>
</table>

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report. (Cont'd)

Recoverability of Trade Receivables and Contract Assets Refer to Note 16 and 20 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The trade receivables and contract assets of the Group amounted to RM36,095,092 and RM28,173,457, and it constituted 22.4% and 17.5% of the Group's total assets as at 30 June 2023. The Group recognises loss allowance for expected credit losses ("ECL") on trade receivables and contract assets based on specific known facts or circumstances or the abilities of customers to pay. We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default and appropriate forward looking information.	Our procedures included, amongst others:- • We evaluated the reasonableness of management's key judgement and estimates made in determining the ECL, including the assessment in the selection of methods, assumptions, and data sources for measurement decisions; • We reviewed the recoverability of major receivables and contract assets including but not limited to, subsequent collection; • We reviewed receivables' turnover period; • We evaluated the effectiveness of credit control process; • We evaluated the compliance with payment schedules; • We discussed with management with regards to the payment trends, collectability of debts and existence of any collateral assets of the debts; • We evaluated the adequacy of impairments; and • We ensured compliance with the requirements of MFRS 9.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of Directors for the Financial Statements

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

Independent Auditors' Report

To the Members of Reservoir Link Energy Bhd. (Incorporated in Malaysia) Registration No: 201401044508 (1120690-K)

Responsibilities of Directors for the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

To the Members of Reservoir Link Energy Bhd. (Incorporated in Malaysia) Registration No: 201401044508 (1120690-K)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817–LCA) & AF 1018
Chartered Accountants

Chin Su Su
03436/05/2025 J
Chartered Accountant

Kuching

17 October 2023

Statements of Financial Position

As at 30 June 2023

		The Group		The Company	
	NOTE	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	39,204,706	39,267,347
Investments in joint ventures	7	1,160,270	-	51,000	-
Property, plant and equipment	8	34,710,552	29,453,299	254,820	73,559
Investment properties	9	4,873,995	5,049,109	-	-
Right-of-use assets	10	404,406	663,374	279,228	185,309
Other receivable	11	-	134,251	-	-
Deferred tax assets	12	1,270,578	1,191,535	-	-
Goodwill	13	13,972,961	13,972,961	-	-
		56,392,762	50,464,529	39,789,754	39,526,215
CURRENT ASSETS					
Inventories	14	9,327,032	7,634,379	-	-
Contract cost assets	15	959,005	-	-	-
Trade receivables	16	36,095,092	13,846,670	-	-
Other receivables, deposits and prepayments	11	13,495,522	1,827,609	62,890	1,211,213
Amount owing by subsidiaries	17	-	-	10,349,900	6,822,122
Amount owing by joint ventures	18	911,312	-	-	-
Amount owing by a related company	19	-	3,261,520	-	-
Contract assets	20	28,173,457	2,790,049	-	-
Short-term investments	21	693,230	5,030,700	686,375	4,721,213
Fixed deposits with licensed banks	22	7,139,481	3,630,315	-	-
Cash and bank balances		6,070,518	13,491,130	213,244	532,202
Current tax assets		2,068,485	633,053	214,588	-
		104,933,134	52,145,425	11,526,997	13,286,750
TOTAL ASSETS		161,325,896	102,609,954	51,316,751	52,812,965

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

Statements of Financial Position

As at 30 June 2023

		The Group		The Company	
	NOTE	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	23	47,967,910	47,967,910	47,967,910	47,967,910
Merger deficit	24(a)	(15,779,300)	(15,779,300)	-	-
Foreign exchange translation reserve	24(b)	1,051,195	886,076	-	-
Treasury shares	24(c)	(504,964)	-	(504,964)	-
Contingent consideration	25	3,910,119	3,910,119	3,910,119	3,910,119
Retained profits/(accumulated losses)		40,990,649	41,884,096	(4,428,900)	68,623
		77,635,609	78,868,901	46,944,165	51,946,652
Non-controlling interests		5,831,853	2,614,675	-	-
TOTAL EQUITY		83,467,462	81,483,576	46,944,165	51,946,652
NON-CURRENT LIABILITIES					
Bank borrowings	26	9,754,880	6,185,844	-	-
Lease liabilities	27	168,636	228,234	95,162	-
Deferred tax liabilities	12	171,440	1,275,995	-	-
		10,094,956	7,690,073	95,162	-
CURRENT LIABILITIES					
Bank borrowings	26	18,793,315	796,288	4,964	-
Lease liabilities	27	241,162	460,135	187,794	190,300
Contract liabilities	20	943,061	-	-	-
Amount owing to subsidiaries	17	-	-	1,403,372	-
Trade payables	28	41,791,660	9,564,148	-	-
Other payables and accruals	29	5,364,051	2,068,193	2,681,294	593,177
Current tax liabilities		630,229	547,541	-	82,836
		67,763,478	13,436,305	4,277,424	866,313
TOTAL LIABILITIES		77,858,434	21,126,378	4,372,586	866,313
TOTAL EQUITY AND LIABILITIES		161,325,896	102,609,954	51,316,751	52,812,965

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

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Period from 1 January 2022 to 30 June 2023

	NOTE	The Group 1.1.2022 to 30.6.2023 RM	The Group 1.1.2021 to 31.12.2021 RM	The Company 1.1.2022 to 30.6.2023 RM	The Company 1.1.2021 to 31.12.2021 RM
REVENUE	30	193,303,996	112,441,900	4,869,497	6,577,619
COST OF SALES		(163,809,140)	(83,231,775)	-	-
GROSS PROFIT		29,494,856	29,210,125	4,869,497	6,577,619
OTHER INCOME	31	1,483,856	1,160,351	764,381	556,722
		30,978,712	30,370,476	5,633,878	7,134,341
ADMINISTRATIVE EXPENSES		(24,540,877)	(12,915,618)	(9,308,318)	(5,762,687)
FINANCE COSTS	32	(1,995,698)	(424,433)	(83,274)	(15,594)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	33	(919,565)	-	(652,690)	(95,700)
SHARE OF LOSS OF EQUITY ACCOUNTED JOINT VENTURES		(165,730)	-	-	-
PROFIT/(LOSS) BEFORE TAXATION	34	3,356,842	17,030,425	(4,410,404)	1,260,360
INCOME TAX EXPENSE	35	(1,562,839)	(4,919,297)	(87,119)	(225,340)
PROFIT/(LOSS) AFTER TAXATION		1,794,003	12,111,128	(4,497,523)	1,035,020
Items that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		198,579	(417)	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL PERIOD/YEAR		1,992,582	12,110,711	(4,497,523)	1,035,020
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(893,447)	10,758,208	(4,497,523)	1,035,020
Non-controlling interests		2,687,450	1,352,920	-	-
		1,794,003	12,111,128	(4,497,523)	1,035,020
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		(728,328)	10,757,791	(4,497,523)	1,035,020
Non-controlling interests		2,720,910	1,352,920	-	-
		1,992,582	12,110,711	(4,497,523)	1,035,020
(LOSSES)/EARNINGS PER SHARE (SEN)					
Basic	36	(0.31)	3.75		
Diluted	36	N/A	N/A		

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

Statements of Changes in Equity

For the Financial Period from 1 January 2022 to 30 June 2023

					Non-Distributable	Distributable			
	NOTE	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Contingent Consideration RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group									
Balance at 1.1.2021		45,082,060	(15,779,300)	886,493	-	32,578,113	62,767,366	(54,860)	62,712,506
Profit after taxation for the financial year		-	-	-	-	10,758,208	10,758,208	1,352,920	12,111,128
Other comprehensive expense for the financial year:									
- Foreign currency translation differences		-	-	(417)	-	-	(417)	-	(417)
Total comprehensive (expense)/income for the financial year		-	-	(417)	-	10,758,208	10,757,791	1,352,920	12,110,711
Contributions by and distribution to owners of the Company:									
- Issuance of ordinary shares	23	2,885,850	-	-	-	-	2,885,850	-	2,885,850
- Acquisition of a subsidiary	37	-	-	-	3,910,119	-	3,910,119	1,236,615	5,146,734
- Changes in a subsidiary's interests that do not result in a loss of control	-	-	-	-	-	-	-	80,000	80,000
- Dividends	38	-	-	-	-	(1,452,225)	(1,452,225)	-	(1,452,225)
Total transactions with owners		2,885,850	-	-	3,910,119	(1,452,225)	5,343,744	1,316,615	6,660,359
Balance at 31.12.2021		47,967,910	(15,779,300)	886,076	3,910,119	41,884,096	78,868,901	2,614,675	81,483,576

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

Statements of Changes in Equity

For the Financial Period from 1 January 2022 to 30 June 2023

						Non-Distributable	Distributable			
	NOTE	Share Capital RM	Treasury Shares RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Contingent Consideration RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group										
Balance at 1.1.2022		47,967,910	-	(15,779,300)	886,076	3,910,119	41,884,096	78,868,901	2,614,675	81,483,576
Profit after taxation for the financial period		-	-	-	-	-	(893,447)	(893,447)	2,687,450	1,794,003
Purchase of treasury shares	24(c)	-	(504,964)	-	-	-	-	(504,964)	-	(504,964)
Other comprehensive expense										
- Foreign currency translation differences		-	-	-	165,119	-	-	165,119	33,460	198,579
Total comprehensive (expense)/income for the financial period		-	(504,964)	-	165,119	-	(893,447)	(1,233,292)	2,720,910	1,487,618
Contributions by and distribution to owners of the Company:										
- Issuance of shares pursuant to incorporation of subsidiaries		-	-	-	-	-	-	-	496,268	496,268
Total transactions with owners		-	-	-	-	-	-	-	496,268	496,268
Balance at 30.6.2023		47,967,910	(504,964)	(15,779,300)	1,051,195	3,910,119	40,990,649	77,635,609	5,831,853	83,467,462

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

Statements of Changes in Equity

For the Financial Period from 1 January 2022 to 30 June 2023

	NOTE	Share Capital RM	Treasury Shares RM	Retained Profits/ (Accumulated losses) RM	Contingent Consideration RM	Total Equity RM
The Company						
Balance at 1.1.2021		45,082,060	-	485,828	-	45,567,888
Profit after taxation/ Total comprehensive income for the financial year		-	-	1,035,020	-	1,035,020
Contributions by and distribution to owners of the Company:						
- Issuance of shares pursuant to acquisition of a subsidiary	37	2,885,850	-	-	-	2,885,850
- Acquisition of a subsidiary	37	-	-	-	3,910,119	3,910,119
- Dividends	38	-	-	(1,452,225)	-	(1,452,225)
Total transactions with owners		2,885,850	-	(1,452,225)	3,910,119	5,343,744
Balance at 31.12.2021/1.1.2022		47,967,910	-	68,623	3,910,119	51,946,652
Loss after taxation/ Total comprehensive expenses for the financial period		-	-	(4,497,523)	-	(4,497,523)
Contributions by and distribution to owners of the Company:						
- Purchase of treasury shares	24(c)	-	(504,964)	-	-	(504,964)
Total transactions with owners		-	(504,964)	-	-	(504,964)
Balance at 30.6.2023		47,967,910	(504,964)	(4,428,900)	3,910,119	46,944,165

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

Statements of Cash Flows

For the Financial Period from 1 January 2022 to 30 June 2023

	NOTE	The Group 1.1.2022 to 30.6.2023 RM	The Group 1.1.2021 to 31.12.2021 RM	The Company 1.1.2022 to 30.6.2023 RM	The Company 1.1.2021 to 31.12.2021 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		3,356,842	17,030,425	(4,410,404)	1,260,360
Adjustments for:-					
Amortisation of intangible asset		-	1,564,427	-	-
Bad debts written off		134,251	-	-	-
Depreciation of property, plant and equipment	8	6,170,126	2,962,658	99,039	39,609
Depreciation of investment properties	9	175,114	116,742	-	-
Depreciation of right-of-use assets	10	691,365	441,446	274,303	185,309
Dividend income		-	-	-	(3,555,552)
Fair value loss/(gain) on short-term investments		120,000	(356,586)	120,000	-
Finance costs	32	1,995,698	424,433	83,274	15,594
Gain on lease modification		(4,691)	-	(4,991)	-
Gain on disposal of short-term investment		(19,898)	-	(19,898)	-
(Gain)/Loss on disposal of property, plant and equipment		(166,930)	6,488	-	-
Impairment loss:					
- trade receivables	16	622,789	-	-	-
- contract assets	20	296,776	-	-	-
- investments in subsidiaries		-	-	100,514	109,000
- amount owing by subsidiaries		-	-	652,690	95,700
Interest income		(255,649)	(66,097)	(730,384)	(552,016)
Property, plant and equipment written off	8	225,645	156,875	2,520	6,007
Unrealised (gain)/loss on foreign exchange		(57,806)	35,586	(9,026)	(237)
Share of loss of joint ventures		165,730	-	-	-
Operating profit/(loss) before working capital changes		13,449,362	22,316,397	(3,842,363)	(2,396,226)
BALANCE CARRIED FORWARD		13,449,362	22,316,397	(3,842,363)	(2,396,226)

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

Statements of Cash Flows

For the Financial Period from 1 January 2022 to 30 June 2023

	NOTE	The Group 1.1.2022 to 30.6.2023 RM	The Group 1.1.2021 to 31.12.2021 RM	The Company 1.1.2022 to 30.6.2023 RM	The Company 1.1.2021 to 31.12.2021 RM
BALANCE BROUGHT FORWARD		13,449,362	22,316,397	(3,842,363)	(2,396,226)
(Increase)/Decrease in inventories		(1,692,653)	23,619,988	-	-
Increase in contract cost assets		(959,005)	-	-	-
(Increase)/Decrease in trade and other receivables		(34,539,124)	(9,535,750)	1,148,323	(886,546)
Increase/(Decrease) in trade and other payables		35,581,178	(17,297,115)	2,088,117	230,581
Increase in contract assets		(24,737,123)	(2,790,049)	-	-
Increase in amount owing by subsidiaries		-	-	(4,171,442)	(6,639,527)
Increase in amount owing by joint ventures		(911,312)	-	-	-
Increase/(Decrease) in amount owing to a related company		3,261,520	(3,261,520)	-	-
Increase/(Decrease) in amount owing to a subsidiary		-	-	1,366,019	(10,795)
CASH (FOR)/FROM OPERATIONS		(10,547,157)	13,051,951	(3,411,346)	(9,702,513)
Interest paid		(1,995,698)	(424,433)	(83,274)	(15,594)
Income tax paid		(4,874,615)	(3,096,791)	(384,543)	(146,400)
Income tax refunded		775,432	-	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(16,642,038)	9,530,727	(3,879,163)	(9,864,507)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents acquired	37	-	(8,464,080)	-	(8,464,080)
Acquisition of joint ventures	7	(1,326,000)	-	(51,000)	-
Additional investment in existing subsidiaries		-	-	-	(1,219,996)
Dividend received		-	-	-	3,555,552
Incorporation of new subsidiaries		-	-	(520)	(2)
Additions to pledged fixed deposits		(3,509,166)	(216,485)	-	-
Interest income received		255,649	66,097	730,384	552,016
Proceeds from disposal of property, plant and equipment		3,660,969	77,620	-	-
Proceeds from disposal of short-term investments		9,237,368	26,079,410	8,934,736	17,635,579
Purchase of property, plant and equipment	39(a)	(15,147,063)	(9,382,353)	(282,820)	(119,175)
Purchase of short-term investments		(5,000,000)	(3,510,000)	(5,000,000)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(11,828,243)	4,650,209	4,330,780	11,939,894

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

Statements of Cash Flows

For the Financial Period from 1 January 2022 to 30 June 2023

	NOTE	The Group 1.1.2022 to 30.6.2023 RM	The Group 1.1.2021 to 31.12.2021 RM	The Company 1.1.2022 to 30.6.2023 RM	The Company 1.1.2021 to 31.12.2021 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Acquisition of non-controlling interests		496,268	80,000	-	-
Dividend paid		-	(1,452,225)	-	(1,452,225)
Drawdown of bankers' acceptance	39(b)	22,087,714	-	-	-
Drawdown of factoring payables	39(b)	11,781,151	-	-	-
Drawdown of invoice financing	39(b)	15,771,318	-	-	-
Drawdown of margin financing		4,964	-	4,964	-
Drawdown of revolving credit	39(b)	4,000,000	-	-	-
Drawdown of term loans	39(b)	6,000,000	-	-	-
Purchase of treasury shares	24(c)	(504,964)	-	(504,964)	-
Repayment of bankers' acceptance	39(b)	(21,105,214)	-	-	-
Repayment of factoring payables	39(b)	(8,542,086)	-	-	-
Repayment of invoice financing	39(b)	(10,336,660)	-	-	-
Repayment of lease liabilities	39(b)	(706,277)	(435,467)	(270,575)	(180,318)
Repayment of revolving credit	39(b)	(1,072,000)	-	-	-
Repayment of term loans	39(b)	(1,483,072)	(777,414)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		16,391,142	(2,585,106)	(770,575)	(1,632,543)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(12,079,139)	11,595,830	(318,958)	442,844
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		198,579	(417)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		13,491,130	1,895,717	532,202	89,358
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	39(d)	1,610,570	13,491,130	213,244	532,202

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

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	E289, 1st Floor, Block E, iCom Square, Jalan Pending, 93450 Kuching, Sarawak.
Principal place of business	:	E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2 Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur, Wilayah Persekutuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 October 2023.

2. CHANGE OF FINANCIAL YEAR END

During the current financial period, the Group and the Company has changed its financial year end from 31 December to 30 June.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6. There have been no significant changes in the nature of these activities during the financial period.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under signifcant accounting policies and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

4.1 During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2021

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

4. BASIS OF PREPARATION (CONT'D)

4.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property, Plant and Equipment

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

(c) Written down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(d) Impairment of Investment Properties

The Group determines whether an item of its investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

(e) Impairment of Right-of-use Assets

The Group determines whether an item of its right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

(f) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables of the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(i) Deferred Tax Asset

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses and unused capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unabsorbed tax losses and unused capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

(j) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

(k) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(l) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

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

(a) Merger Accounting for Common Control Business Combinatons

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Merger Accounting for Common Control Business Combinatons (Cont'd)

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

(b) Business Combinations

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

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

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

(c) Non-controlling Interests

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

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

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

(e) Loss of Control

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(e) Loss of Control (Cont'd)

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

5.3 GOODWILL

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

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

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

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

5.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(b) Foreign Currency Transactions and Balances (Cont'd)

The principal closing rates using in translation of foreign currency amount is stated as below:-

	30.6.2023	31.12.2021
United States Dollar	4.6650	4.1650
Great British Pounds	5.8849	5.6309
Chinese Renminbi	0.6420	0.6547
Singapore Dollar	3.4379	-
Indonesian Rupiah	0.0003	-

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of joint ventures that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in joint ventures that includes a foreign operation while retaining significant influence joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

5.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

5. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

5.5 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instrument when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequent measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designed to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is establish unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(i) Ordinary Shares

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

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

(ii) Treasury Shares

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

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

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

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

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

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

5.8 INVESTMENT PROPERTIES

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

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

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

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

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

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

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

5.9 LEASES

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

5.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

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

5.11 CONTRACT COST ASSETS

Costs to Fulfill A Contract

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

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

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

5.12 CONTRACT ASSETS AND CONTRACT LIABILITY

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 CASH AND CASH EQUIVALENTS

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

5.14 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investment in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognizes lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (Cont'd)

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

5.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. Where effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

5.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

5.18 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5.20 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but are not fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

5.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.22 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Rendering of Services

Revenue from providing product and services in relation to oil and gas services industry is recognised over time in the period in which the services are rendered. As a practical expedient, the Group recognises revenue to the extent of the expenses incurred that are recoverable.

The Group involves in the renewable energy and contracts with customers. Under the terms of the contracts, control is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

(b) Sales of Goods

Revenue is recognised at a point in time when the goods have been delivered to the customer and upon its acceptance, and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the goods sold.

(c) Sales of Electricity through Solar Energy Generation

The Group sells electricity generated through its self-constructed solar plant to the contract customers, under power purchase agreements ranging from 15 to 20 years. Revenue is recognised upon delivery of electricity by kilowatt-hour to the contract customer's grid and acceptance.

5.23 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rendering of Management Services

Revenue from providing management services is recognised over time in the period in which the services are rendered.

(d) Rental Income

Rental income from investment properties is accounted for on a straight-line method over the lease term.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.24 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

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

(a) Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

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

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2023. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

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

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

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

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	30.6.2023 RM	31.12.2021 RM
Unquoted shares, at cost	39,414,226	39,376,353
Accumulated impairment losses	(209,520)	(109,006)
	39,204,706	39,267,347

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2021 %	Principal Activities
Subsidiaries of the Company				
Reservoir Link Sdn. Bhd.	Malaysia	100	100	Providing well perforation, well testing, well leak repair, wash and cement services, wireline services and supply of specialised oilfield chemicals
Amsito Oilwell Services (Malaysia) Sdn. Bhd.	Malaysia	100	100	Providing wireline and related services
Reservoir Link (Labuan) Ltd # ^	Labuan, Malaysia	100	100	Dormant
Reservoir Link Solutions Sdn. Bhd.	Malaysia	60	60	Developing and providing oil and gas production enhancement services and sand management solutions
Reservoir Link Renewable Sdn. Bhd.	Malaysia	100	100	Investment holding and renewable energy activities
RL Healthcare Sdn. Bhd. ^	Malaysia	100	100	Trading of healthcare products and investment holding
RL Protec Sdn. Bhd. ^	Malaysia	52	-	Provision of production technologies products and services
Founder Group Limited #	British Virgin Islands	51	-	Investment holding
Subsidiary of Founder Group Limited.				
Founder Energy Sdn. Bhd.	Malaysia	51	51	Providing renewable energy activities and related business
Subsidiaries of Reservoir Link Renewable Sdn. Bhd.				
RL Hydro Assets Sdn. Bhd. ^ (Formerly known as Skyline Energy Sdn. Bhd.)	Malaysia	100	100	Dormant
RL Sigma Engineering Sdn. Bhd. ^	Malaysia	100	100	Dormant

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2021 %	Principal Activities
Subsidiaries of Founder Energy Sdn. Bhd.				
Founder Energy (Singapore) Pte Ltd. #^	Singapore	51	-	Dormant
Founder Assets Sdn Bhd.	Malaysia	51	-	Dormant
Subsidiary of Reservoir Link Sdn. Bhd.				
Agency Pekerjaan RL Sdn. Bhd.	Malaysia	100	-	Dormant
Subsidiaries of RL Sigma Engineering Sdn. Bhd.				
PT EnviroTech Akva Indonesia #^	Indonesia	85	-	Providing waste water treatment

\# *These subsidiaries were audited by other firms of chartered accountants.*

^ *The auditors' report on the financial statements of the subsidiaries includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiaries to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiaries.*

(i) On 9 June 2022, the Company subscribed 520 ordinary shares in a subsidiary, RL Protec Sdn. Bhd., ("RLP") representing 52% equity interest of the issued and paid-up share capital of RLP for a total consideration of RM520.

(ii) On 31 May 2022, the subsidiary, Reservoir Link Sdn. Bhd. incorporated Agency Pekerjaan RL Sdn. Bhd. ("APR") as a wholly-owned subsidiary with an issued and paid-up share capital of RM100,000 comprising 100,000 ordinary shares. On 25 July 2022, the Company subscribed for an additional 150,000 ordinary shares in APR for a total cash consideration of RM150,000.

(iii) On 11 October 2022, the 100% owned subsidiary, RL Sigma Engineering Sdn. Bhd. subscribed for 85% equity interest in PT EnviroTech Akva for a cash consideration of RM2,606,100.

(iv) On 27 May 2022 and 21 September 2022, the 51% owned subsidiary, Founder Energy Sdn. Bhd. had incorporated Founder Energy (Singapore) Pte. Ltd. for a cash consideration of RM96,022 and Founder Assets Sdn Bhd. for a cash consideration of RM100 respectively. On 24 February 2023, the Company subscribed for an additional 999,900 ordinary shares in Founder Assets Sdn. Bhd. for a total cash consideration of RM999,900.

(v) On 18 May 2023, Reservoir Link Energy Bhd. incorporated Founder Group Limited ("FGL") as a 51% owned subsidiary with an issued and paid-up share capital of USD15,700 comprising 15,700,000 ordinary shares. The Company's 51% equity interest in Founder Energy Sdn. Bhd. was restructured to be held under FGL.

(vi) In the previous financial year, the Company subscribed for additional 99,998 ordinary shares in RL Healthcare Sdn. Bhd. at an issue price of RM1 each for a total cash consideration of RM99,998. There is no change in the Company's effective ownership as results of the additional shares purchased.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(vii) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2023 %	2021 %	30.6.2023 RM	31.12.2021 RM
Reservoir Link Solutions Sdn. Bhd.	40	40	526,246	876,245
Founder Group Limited and subsidiaries	49	49	4,912,797	1,738,430
RL Protec Sdn. Bhd.	48	-	(95,086)	-
PT Envirotech Akva	15	-	487,896	-
			5,831,853	2,614,675

(viii) The summarised financial information (before intra-group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows:-

	Reservoir Link Solutions Sdn. Bhd.	
	30.6.2023 RM	31.12.2021 RM
At 30 June/31 December		
Non-current assets	3,333,789	1,788,156
Current assets	3,682,760	4,876,931
Non-current liabilities	(1,240,639)	(116,694)
Current liabilities	(4,460,294)	(4,357,781)
Net assets	1,315,616	2,190,612
Financial Period/Year Ended 30 June/31 December		
Revenue	9,881,335	8,225,832
(Loss)/Profit for the financial period/year	(874,996)	2,127,762
Total comprehensive (expenses)/income	(874,996)	2,127,762
Total comprehensive (expenses)/income attributable to non-controlling interests	(349,999)	851,105
Net cash flows from operating activities	972,159	1,387,553
Net cash flows for investing activities	(2,192,734)	(1,349,600)
Net cash flows from financing activities	1,204,778	111,656

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(viii) The summarised financial information (before intra-group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows:- (Cont'd)

	Founder Group Limited and subsidiaries	
	30.6.2023 RM	31.12.2021 RM
At 30 June/31 December		
Non-current assets	1,905,552	730,741
Current assets	60,360,585	8,447,010
Non-current liabilities	(581,104)	(221,955)
Current liabilities	(51,658,917)	(5,407,979)
Net assets	10,026,116	3,547,817
Financial Period/Year Ended 30 June/31 December		
Revenue	132,240,882	25,152,295
Profit for the financial period/year	8,607,716	1,024,113
Total comprehensive income	6,405,058	1,024,113
Total comprehensive income attributable to non-controlling interests	3,138,479	501,815
Net cash flows (for)/from operating activities	(6,212,708)	578,845
Net cash flows for investing activities	(3,774,776)	(543,908)
Net cash flows (for)/from financing activities	(9,991,801)	1,254,862

	RL Protec Sdn. Bhd. 30.6.2023 RM
At 30 June	
Non-current assets	6,059
Current assets	609,565
Current liabilities	(813,720)
Net liabilities	(198,096)
Financial Period Ended 30 June	
Revenue	1,405,563
Loss for the financial period	(199,096)
Total comprehensive expenses	(199,096)
Total comprehensive expenses attributable to non-controlling interests	(95,566)
Net cash flows from operating activities	27,092
Net cash flows for investing activities	(10,593)
Net cash flows from financing activities	1,000

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(viii) The summarised financial information (before intra-group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows:- (Cont'd)

	PT Envirotech Akva 30.6.2023 RM
At 30 June	
Non-current assets	4,133,268
Current assets	6,208,096
Current liabilities	(7,088,723)
Net assets	3,252,641
Financial Period Ended 30 June	
Loss for the financial period	(12,859)
Total comprehensive expenses	(12,859)
Total comprehensive expenses attributable to non-controlling interests	(1,929)
Net cash flows from operating activities	917,473
Net cash flows for investing activities	(4,133,268)
Net cash flows from financing activities	3,265,500

7. INVESTMENTS IN JOINT VENTURES

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Unquoted shares, at cost	1,326,000	-	51,000	-
Share of post acquisition losses	(165,730)	-	-	-
	1,160,270	-	51,000	-

The details of the joint ventures are as follows:-

Name of Joint Ventures	Principal Place of Business	Percentage of Ownership 2023 %	Percentage of Ownership 2021 %	Principal Activities
Joint Venture of the Company				
RL ADS Power Sdn. Bhd. ("ADS")	Malaysia	51	-	Construction and development of energy storage solution

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

Name of Joint Ventures	Principal Place of Business	Percentage of Ownership 2023 %	2021 %	Principal Activities
Joint Venture of Reservoir Link Renewable Sdn Bhd				
RL Sunseap Energy Sdn. Bhd. ("RLSE")	Malaysia	51	-	Renewable energy business

(a) On 17 May 2022, the Company subscribed 51,000 ordinary shares in a joint venture, RL ADS Sdn. Bhd. ("ADS") representing 51% equity interest of the issued and paid-up share capital of ADS for a total consideration of RM51,000.

(b) On 30 August 2022, the subsidiary, Reservoir Link Renewable Sdn. Bhd. subscribed 1,275,000 ordinary shares in a joint venture, RL Sunseap Energy Sdn. Bhd. ("RLSE") representing 51% equity interest of the issued and paid-up share capital of ADS for a total consideration of RM1,275,000.

(c) The Group's involvement in joint arrangements are structured through separate vehicles which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified these investments as joint ventures.

(d) Although the Group holds more than 50% of the voting power in ADS and RLSE, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by all shareholders.

The summarised financial information for each joint venture that is material to the Group is as follows:-

	ADS RM	RLSE RM	Total RM
At 30 June			
Non-current assets	-	4,117,762	4,117,762
Current assets	64,242	2,501,522	2,565,764
Non-current liabilities	-	(2,618,065)	(2,618,065)
Current liabilities	(4,146)	(1,793,552)	(1,797,698)
Net assets	60,096	2,207,667	2,267,763
Included in assets and liabilities are:			
- Cash and cash equivalents	64,242	2,397,443	2,461,685
- Non current financial liabilities (excluding trade and other payables)	-	(2,618,065)	(2,618,065)
- Current financial liabilities (excluding trade and other payables)	-	(1,793,552)	(1,793,552)
Financial Period Ended 30 June			
Revenue	-	104,079	104,079
Depreciation of plant and equipment	-	(14,334)	(14,334)
Loss for the financial period	(32,627)	(292,333)	(324,960)
Total comprehensive expenses	(32,627)	(292,333)	(324,960)
Group's share of loss for the financial period	(16,640)	(149,090)	(165,730)
Carrying amount of the Group's interests in this joint ventures	34,360	1,125,910	1,160,270

8. **PROPERTY, PLANT AND EQUIPMENT**

The Group	At 1.1.2022 RM	Additions RM	Disposals RM	Written Off RM	Reclassification RM	Grant Received RM	Depreciation Charges RM	At 30.6.2023 RM
Carrying Amount								
Building	9,533,333	-	-	-	-	-	(300,000)	9,233,333
Equipment and tools	12,498,858	5,919,134	(4,408)	(32,696)	6,251,685	(3,486,030)	(4,568,729)	16,577,814
Furniture and fittings	219,353	27,291	-	-	-	-	(49,450)	197,194
Motor vehicles	9,897	65,000	-	-	-	-	(17,322)	57,575
Office equipment	495,187	314,054	(3,601)	(2,520)	-	-	(445,234)	357,886
Plant and machineries	391,542	-	-	-	-	-	(128,141)	263,401
Portable cabin	452,055	239,020	-	(3,109)	-	-	(136,934)	551,032
Portable workshop	7,670	-	-	-	-	-	(3,540)	4,130
Renovation	334,564	65,348	-	(36,402)	-	-	(84,824)	278,686
Signboard	2,519	8,637	-	-	-	-	(4,230)	6,926
Solar assets	-	879,479	-	-	-	-	(13,446)	866,033
Wireline equipment	553,419	504,092	-	(104,523)	133,043	-	(418,276)	667,755
Equipment work-in-progress	4,954,902	1,476,221	-	(46,395)	(6,384,728)	-	-	-
Capital work-in-progress	-	5,648,787	-	-	-	-	-	5,648,787
	29,453,299	15,147,063	(8,009)	(225,645)	-	(3,486,030)	(6,170,126)	34,710,552

8. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group	At 1.1.2021 RM	Acquisition of a subsidiary RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charges RM	At 31.12.2021 RM
Carrying Amount							
Building	9,733,333	-	-	-	-	(200,000)	9,533,333
Equipment and tools	9,144,835	411,055	5,051,818	-	(117,324)	(1,991,526)	12,498,858
Furniture and fittings	248,368	-	16,226	(12,976)	-	(32,265)	219,353
Motor vehicles	-	10,305	-	-	-	(408)	9,897
Office equipment	559,586	47,780	334,736	(71,132)	(6,254)	(369,529)	495,187
Plant and machineries	1	-	430,668	-	(3,297)	(35,830)	391,542
Portable cabin	564,746	-	-	-	(30,000)	(82,691)	452,055
Portable workshop	25,810	-	-	-	-	(18,140)	7,670
Renovation	377,256	-	11,696	-	-	(54,388)	334,564
Signboard	3,835	-	-	-	-	(1,316)	2,519
Wireline equipment	698,702	-	31,282	-	-	(176,565)	553,419
Equipment work-in-progress	1,448,975	-	3,505,927	-	-	-	4,954,902
	22,805,447	469,140	9,382,353	(84,108)	(156,875)	(2,962,658)	29,453,299

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
30.6.2023				
Building	10,000,000	(766,667)	-	9,233,333
Equipment and tools	29,205,235	(12,627,421)	-	16,577,814
Furniture and fittings	383,899	(186,705)	-	197,194
Motor vehicles	427,486	(369,911)	-	57,575
Office equipment	2,034,641	(1,676,755)	-	357,886
Plant and machineries	491,136	(227,735)	-	263,401
Portable cabin	1,462,839	(911,807)	-	551,032
Portable workshop	181,400	(177,270)	-	4,130
Renovation	492,161	(213,475)	-	278,686
Signboard	20,765	(13,839)	-	6,926
Solar assets	879,479	(13,446)	-	866,033
Wireline equipment	22,619,260	(19,567,148)	(2,384,357)	667,755
Capital work-in-progress	5,648,787	-	-	5,648,787
	73,847,088	(36,752,179)	(2,384,357)	34,710,552
31.12.2021				
Building	10,000,000	(466,667)	-	9,533,333
Equipment and tools	20,908,590	(8,409,732)	-	12,498,858
Furniture and fittings	356,608	(137,255)	-	219,353
Motor vehicles	362,486	(352,589)	-	9,897
Office equipment	1,702,560	(1,207,373)	-	495,187
Plant and machineries	491,136	(99,594)	-	391,542
Portable cabin	1,252,519	(800,464)	-	452,055
Portable workshop	181,400	(173,730)	-	7,670
Renovation	544,845	(210,281)	-	334,564
Signboard	12,128	(9,609)	-	2,519
Wireline equipment	24,435,099	(21,497,323)	(2,384,357)	553,419
Equipment work-in-progress	4,954,902	-	-	4,954,902
	65,202,273	(33,364,617)	(2,384,357)	29,453,299

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2022 RM	Additions RM	Written off RM	Depreciation Charges RM	At 30.6.2023 RM
Carrying Amount					
Office equipment	73,559	95,520	(2,520)	(99,039)	67,520
Capital work-in-progress	-	187,300	-	-	187,300
	73,559	282,820	(2,520)	(99,039)	254,820

The Company	At 1.1.2021 RM	Additions RM	Written off RM	Depreciation Charges RM	At 31.12.2021 RM
Carrying Amount					
Office equipment	-	119,175	(6,007)	(39,609)	73,559

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2023			
Office equipment	203,441	(135,921)	67,520
Capital work-in-progress	187,300	-	187,300
	390,741	(135,921)	254,820

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2021			
Office equipment	112,961	(39,402)	73,559

The building of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 26.

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

9. INVESTMENT PROPERTIES

	The Group	
	30.6.2023 RM	31.12.2021 RM
Cost:-		
At 1 January	5,837,120	5,837,120
Accumulated depreciation:-		
At 1 January	(788,011)	(671,269)
Depreciation during the financial period/year	(175,114)	(116,742)
At 30 June/31 December	(963,125)	(788,011)
	4,873,995	5,049,109
Represented by:-		
Freehold commercial office building, at cost	4,873,995	5,049,109
Fair value	5,000,000	5,836,264

(a) The building has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26.

(b) The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

10. RIGHT-OF-USE ASSETS

The Group	At 1.1.2022 RM	Additions RM	Derecognition Due to Lease RM	Depreciation Charges RM	At 30.6.2023 RM
Carrying amount					
Buildings	597,041	526,779	(94,382)	(641,615)	387,823
Laboratory	66,333	-	-	(49,750)	16,583
	663,374	526,779	(94,382)	(691,365)	404,406

The Group	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 30.6.2023 RM
Carrying Amount				
Office buildings	722,175	283,145	(408,279)	597,041
Laboratory	-	99,500	(33,167)	66,333
	722,175	382,645	(441,446)	663,374

10. RIGHT-OF-USE ASSETS (CONT'D)

The Company	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	Derecognition Due to Lease Liabilities RM	At 30.6.2023 RM
Carrying Amount					
Office buildings	185,309	553,531	(274,303)	(185,309)	279,228

The Company	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 31.12.2021 RM
Carrying Amount				
Office buildings	-	370,618	(185,309)	185,309

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Analysed by:-				
Cost	1,095,771	1,104,820	553,531	370,618
Accumulated depreciation	(691,365)	(441,446)	(274,303)	(185,309)
	404,406	663,374	279,228	185,309

The Group and the Company leases buildings of which the leasing activities are summarised below:-

(i) Office buildings — The Group and the Company has leased buildings for 1 year (2021 – 1 year), with an option to renew the lease of 2 years (2021 – 2 years) after that date. Lease payments are contracts for buildings used in its operations with lease terms of 3 years (2021 – 3 years).

(ii) Laboratory — The Group has leased laboratory for 2 years (2021 – 1 year), with an option to renew the lease of 1 year (2021 – 2 years) after that date. Lease payments are contracts for laboratory used in its operations with lease terms of 3 years (2021 – 3 years).

Notes to the Financial Statements

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11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Non-current				
Third party	-	134,251	-	-
Current				
Third parties	1,048,563	56,889	-	-
Deposits	489,070	208,665	-	-
Dividend receivable	-	-	-	888,888
Prepayments	11,957,889	1,562,055	62,890	322,325
	13,495,522	1,827,609	62,890	1,211,213
	13,495,522	1,961,860	62,890	1,211,213

Included in non-current and current other receivables was an amount owing from a third party amounting to Nil (2021 – RM158,339) which is charged interest at Nil (2021 – 6.90%) per annum.

The Group has made partial payment as a purchase consideration to PT Eco Power Engineering, for acquisition purpose and EPCC supplier for the fabrication of waste water treatment equipment for Unilever project.

12. DEFERRED TAXATION

The Group	At 1.1.2022 RM	Recognised in Profit or Loss (Note 35) RM	At 30.6.2023 RM
30.6.2023			
Deferred Tax Liability			
Property, plant and equipment	(1,275,995)	1,104,555	(171,440)
Deferred Tax Assets			
Provisions	-	74,000	74,000
Property, plant and equipment	2,455	(56,522)	(54,067)
Unabsorbed tax losses	488,504	84,180	572,684
Unused capital allowances	700,562	(22,601)	677,961
Others	14	(14)	-
	1,191,535	79,043	1,270,578
	(84,460)	1,183,598	1,099,138

12. DEFERRED TAXATION (CONT'D)

The Group	At 1.1.2021 RM	Recognised in Profit or Loss (Note 35) RM	Acquisition of a subsidiary (Note 37) RM	At 31.12.2021 RM
31.12.2021				
Deferred Tax Liability				
Property, plant and equipment	(423,827)	(852,168)	-	(1,275,995)
Others	-	375,462	(375,462)	-
	(423,827)	(476,706)	(375,462)	(1,275,995)
Deferred Tax Assets				
Property, plant and equipment	2,455	-	-	2,455
Deferred revenue	2,164,170	(2,164,170)	-	-
Unabsorbed tax losses	572,684	(84,180)	-	488,504
Unused capital allowances	766,302	(65,740)	-	700,562
Others	1,148	(1,134)	-	14
	3,506,759	(2,315,224)	-	1,191,535
	3,082,932	(2,791,930)	(375,462)	(84,460)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group 30.6.2023 RM	The Group 31.12.2021 RM
Unused tax losses:		
- expires year of assessment 2029	2,386,183	2,386,183
- expires year of assessment 2032	47,481	47,481
- expires year of assessment 2034	1,225,057	-
Unabsorbed capital allowances	4,183,884	2,980,126
	7,842,605	5,413,790

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

13. GOODWILL

The Group	At 1.1.2022 RM	Acquisition of a subsidiary RM	At 30.6.2023 RM
Carrying Amount			
Goodwill	13,972,961	-	13,972,961

The Group	At 1.1.2021 RM	Acquisition of a subsidiary (Note 37) RM	At 31.12.2021 RM
Carrying Amount			
Goodwill	-	13,972,961	13,972,961

The Group	At Cost RM	Accumulated Impairment RM	Carrying Amount RM
30.6.2023			
Goodwill	13,972,961	-	13,972,961

The Group	At Cost RM	Accumulated Impairment RM	Carrying Amount RM
31.12.2021			
Goodwill	13,972,961	-	13,972,961

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from cash generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

(i)	Budgeted gross margin	Average gross margin of 13%
(ii)	Growth factor	2%
(iii)	Discount rate (pre-tax)	11%

The Group believes that any reasonable possible change in the above key assumptions applied is not likely to materially cause the recoverable amount to be lower than its carrying amount.

14. INVENTORIES

	The Group	
	30.6.2023 RM	31.12.2021 RM
At cost:-		
Oilfield chemicals	83,160	93,301
Perforating explosives	4,061,187	3,465,177
Perforating hardware	3,694,848	3,327,939
Pharmaceutical goods	9,954	2,776
Raw materials - chemicals	106,037	120,400
Trading goods	1,371,846	624,786
	9,327,032	7,634,379
Recognised in profit or loss:-		
Inventories recognised as cost of sales	49,789,153	25,881,047

15. CONTRACT COST ASSETS

	The Group	
	30.6.2023 RM	31.12.2021 RM
Costs to fulfill a contract	959,005	-

The costs to fulfill a contract represent costs incurred in contract that is used to fulfill the contract in future. The costs are to be recognised on a progressive basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

16. TRADE RECEIVABLES

	The Group	
	30.6.2023 RM	31.12.2021 RM
Third parties	25,628,142	8,866,457
Retention sum	2,195,631	-
Accrued trade receivables	8,894,108	4,980,213
	36,717,881	13,846,670
Allowance for impairment losses	(622,789)	-
	36,095,092	13,846,670
Allowance for impairment losses:-		
At 1 January	-	-
Addition during the financial period	(622,789)	-
At 30 June/31 December	(622,789)	-

The Group's normal trade credit term range from 30 to 90 (2021 – 30 to 75) days. Other credit terms are assessed by and approved on a case-by-case basis.

17. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	30.6.2023 RM	31.12.2021 RM
Amount owing by subsidiaries		
Non-trade balances	11,098,290	6,917,822
Allowance for impairment losses	(748,390)	(95,700)
	10,349,900	6,822,122
Allowance for impairment losses:-		
At 1 January	95,700	-
Addition during the financial period/year	652,690	95,700
At 30 June/31 December	748,390	95,700

The amount owing by subsidiaries are non-trade in nature, unsecured, bear interest of 1.5% above BLR (2021 – Nil) per annum and are repayable on demand.

The amount owing to subsidiaries are non-trade in nature which interests is charged at 1.5% above BLR (2021 – 1.5% above BLR) per annum and is repayable on demand.

18. AMOUNT OWING BY JOINT VENTURES

The amount owing by joint ventures are non-trade in nature which interests is charged at 1.3% above BLR (2021 – Nil) per annum and is repayable on demand.

19. AMOUNT OWING BY A RELATED COMPANY

The amount owing by a related company is trade in nature, unsecured, interest-free and is repayable on demand. The related company is a Company in which one of the director of its subsidiary company has significant controlling interest.

20. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	30.6.2023 RM	31.12.2021 RM
Contract Assets		
At 1 January	2,790,049	-
Performance obligations performed	80,503,230	3,638,566
Transfer to trade receivables	(54,823,046)	(848,517)
Allowance for impairment losses	(296,776)	-
At 30 June/31 December	28,173,457	2,790,049
Represented by:-		
Construction of solar photovoltaic power plant and related services	28,173,457	2,790,049
Allowance for impairment losses:-		
At 1 January	-	-
Addition during the financial period	(296,776)	-
At 30 June/31 December	(296,776)	-

The contract assets primarily relate to the Group's right to consideration for work completed on contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billings in the manner as established in the contracts with customers.

	The Group	
	30.6.2023 RM	31.12.2021 RM
Contract Liabilities		
At 1 January	-	-
Performance obligations performed	674,367	-
Transfer to trade receivables	(1,617,428)	-
At 30 June/31 December	(943,061)	-
Represented by:-		
Construction of solar photovoltaic power plant and related services	(943,061)	-

The contract liabilities primarily relate to advances received from customers for construction contracts which revenue is recognised over time during the construction work.

21. SHORT-TERM INVESTMENTS

	The Group			
	Carrying amount 30.6.2023 RM	Market value 30.6.2023 RM	Carrying amount 31.12.2021 RM	Market value 31.12.2021 RM
Fixed income unit trust funds, at fair value	693,230	693,230	5,030,700	5,030,700

	The Company			
	Carrying amount 30.6.2023 RM	Market value 30.6.2023 RM	Carrying amount 31.12.2021 RM	Market value 31.12.2021 RM
Fixed income unit trust funds, at fair value	686,375	686,375	4,721,213	4,721,213

22. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group that are denominated in Ringgit Malaysia at the end of the reporting period bore effective interest rates of 1.70% to 3.10% (2021 – 1.60% to 1.65%) per annum. The fixed deposits have maturity periods ranging from 1 month to 12 months (2021 – 1 month to 3 months).

(b) The fixed deposits with licensed banks of the Group that are denominated in United States Dollar at the end of the reporting period bore effective interest rates of 0.05% to 0.15% (2021 – 0.15% to 0.20%) per annum. The fixed deposits have maturity period of 1 month (2021 – 1 month).

(c) The fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM7,139,481 (2021 – RM3,630,315) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 26.

23. SHARE CAPITAL

	The Group and The Company			
	30.6.2023	31.12.2021	30.6.2023	31.12.2021
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	290,445,000	285,000,000	47,967,910	45,082,060
Issuance of new shares for acquisition of a subsidiary	-	5,445,000	-	2,885,850
At 30 June/31 December	290,445,000	290,445,000	47,967,910	47,967,910

(a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

23. SHARE CAPITAL (CONT'D)

(b) In the previous financial year, the Company increased its issued and paid-up share capital from RM45,082,060 to RM47,967,910 by way of:-

(i) Issuance of 5,445,000 new ordinary shares at RM0.53 each for a total purchase consideration of RM2,885,850 to acquire a subsidiary; and

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

24. MERGER DEFICIT AND FOREIGN EXCHANGE TRANSLATION RESERVE

(a) Merger Deficit

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currencies are different from the Group's presentation currency.

(c) Treasury Shares

During the financial period, the Company purchased a total of 1,400,000 of its issued ordinary shares from the open market at an average price of RM0.36 per share. The total consideration paid for the purchase was RM504,964 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 June 2023, the Company held as treasury shares a total of 1,400,000 of its 290,445,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM504,964.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

25. CONTINGENT CONSIDERATION

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Contingent consideration	3,910,119	3,910,119	3,910,119	3,910,119

Contingent consideration

On 11 June 2021, Reservoir Link Energy Bhd. ('the Company'') entered into a Share Sale Agreement (''SSA'') to acquire 51.0% equity interest in Founder Energy Sdn. Bhd. (''FESB'') from Lee Seng Chi (''the Vendor'') for a purchase consideration of RM21,169,080 which is to be satisfied by a combination of cash amounting to RM8,464,080 and issuance of 18,150,000 new ordinary shares of the Company at an issue price of RM0.70 per share to the Vendor. As of 30 June 2023, 5,445,000 new ordinary shares have been issued to the Vendor on 25 August 2021.

25. CONTINGENT CONSIDERATION (CONT'D)

Contingent consideration (Cont'd)

The issuance of remaining 12,705,000 ordinary shares is contingent on FESB meeting a minimum profit-after tax (''PAT'') of RM13,836,000 over 2 years from the acquisition date ("Profit Guarantee Period"). If FESB is not able to achieve the minimum PAT over the profit guarantee period, any shortfall shall be reimbursed in cash by the vendor.

The Group provided for a contingent consideration of ordinary shares to be issued to the Vendor. The valuation of the contingent consideration is measured at RM0.53 per share concurrent with the Group's market share price discounted to its present value at 13.5% discount rate.

The Group had on August 2023 announced revisions to the term of the Share Sale Agreement where the vendor guarantees that FESB shall acheive a PAT of RM14,989,000 for the 26 months ended 31 October 2023 ("First Extended Profit Guarantee"). In the event the First Extended Profit Guarantee is met, then the profit Guarantee shall be deemed to be fulfilled. However, if the First Extended Profit Guarantee is not fulfilled, the vendor shall be granted an further extended period up to 31 December 2023 to meet an aggregrate PAT of RM16,142,000 for the 28 months ended 31 December 2023 ("Second Extended Profit Guarantee").

Save for the above Proposed Profit Guarantee Extension ("PGE"), all other terms and conditions contained in the SSA remain unchanged and shall continue to be in full force and effect. The proposed PGE is subject to the approval of the shareholders of the Company at an extraordinary general meeting to be convened.

26. BANK BORROWINGS

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Non-current				
Term loans	9,754,880	6,185,844	-	-
Current				
Bankers' acceptances	982,500	-	-	-
Bank overdrafts	4,459,948	-	-	-
Invoice financing	5,434,658	-	-	-
Term loans	1,744,180	796,288	-	-
Factoring payables	3,239,065	-	-	-
Revolving credit	2,928,000	-	-	-
Margin financing facility	4,964	-	4,964	-
	18,793,315	796,288	4,964	-
	28,548,195	6,982,132	4,964	-

(a) The bank borrowings of the Group and of the Company are secured by:-
   (i) corporate guarantee provided by the Group;
   (ii) legal charge over the commercial buildings of the Group as disclosed in Note 8 and Note 9;
   (iii) pledge of fixed deposits of the Group as disclosed in Note 22;
   (iv) assignment over contract of bank guarantees and fixed or floating charge over equipment financed by the Bank;
   (v) assignment over contract proceeds of specific customers; and
   (vi) securities quoted on the Bursa Malaysia Securities Berhad ("BMSB").

26. BANK BORROWINGS (CONT'D)

(b) The bankers' acceptances of the Group at the end of the reporting period bore effective interest rate of 3.79% (2021 – Nil) per annum.

(c) The bank overdrafts of the Group at the end of the reporting period bore interest rate ranging from 0.50% to 1.00% (2021 – Nil) per annum above the banker's Base Financing Rate.

(d) The bank overdraft of the Group at the end of the reporting period bore interest rate of 0.50% (2021 – Nil) per annum above the banker's Base Lending Rate.

(e) The invoice financing of the Group at the end of the reporting period bore effective interest rate ranging from 6.45% to 6.70% (2021 – Nil) per annum.

(f) The repayment terms of the term loans are as follows:-

Term loan 1 at BFR – 2.30% per annum	Repayable by 240 monthly instalments of RM13,343, revised to RM14,116 starting from April 2023 until full payment.
Term loan 2 at BLR + 1.25% per annum	Repayable by 60 monthly instalments of RM8,160, revised to RM8,226 starting from June 2023 until full payment.
Term loan 3 at COF + 1.25% per annum	Repayable by 120 monthly instalments of RM63,230 until full payment, effective from October 2019.
Term loan 4 at BLR + 0.50% per annum	Repayable by 60 monthly instalments of RM79,838 until full payment, effective from February 2023.
Term loan 5 at BFR + 1.00% per annum	Repayable by 66 monthly instalments of RM29,519 until full payment, effective from December 2022.
Term loan 6 at BFR + 1.00% per annum	Repayable by 120 monthly instalments of RM5,474 until full payment, effective from November 2022.

(g) The factoring payables of the Group at the end of the reporting period bore effective interest rate ranging from 5.45% to 5.70% (2021 – Nil) per annum.

(h) The revolving credit of the Group at the end of the reporting period bore interest rate ranging bore interest rate of 2.75% (2021 – Nil) per annum above the banker's Cost of Funds.

(i) The margin financing facility of the Group and the Company at the end of the reporting period bore interest rate of 3.95% (2021 – Nil) per annum above the banker's Base Rate.

27. LEASE LIABILITIES

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
At 1 January	688,369	741,191	190,300	-
Additions (Note 10)	526,779	382,645	553,531	370,618
Interest expense recognised in profit or loss (Note 32)	49,013	43,317	19,422	15,594
Derecognition due to lease modification	(99,073)	-	(190,300)	-
Repayment of principal	(706,277)	(435,467)	(270,575)	(180,318)
Repayment of interest expense	(49,013)	(43,317)	(19,422)	(15,594)
At 30 June/31 December	409,798	688,369	282,956	190,300
Analysed by:-				
Current liabilities	241,162	460,135	187,794	190,300
Non-current liabilities	168,636	228,234	95,162	-
	409,798	688,369	282,956	190,300

28. TRADE PAYABLES

The Group's dealing with supplier is either on cash or credit terms. The suppliers that deal with the Group on credit terms generally grant credit terms of 30 to 60 (2021 – 30 to 60) days. Other credit terms may be negotiated with suppliers on a case-by-case basis.

29. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Other payables:-				
Third parties	1,719,504	376,426	111,254	43,533
Sales tax payable	13,369	53	-	-
	1,732,873	376,479	111,254	43,533
Accruals	1,569,325	1,629,861	570,040	549,644
Deposits	2,061,853	61,853	2,000,000	-
	5,364,051	2,068,193	2,681,294	593,177

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

30. REVENUE

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Revenue from Contracts with Customers				
Recognised over time				
Supply of renewable energy and related activities	81,179,064	3,638,566	-	-
Recognised at a point in time				
Supply of renewable energy equipment and related activities	50,756,393	21,265,470	-	-
Oil and gas well services and related work	61,312,497	87,537,864	-	-
Supply of pharmaceutical and medical goods	56,042	-	-	-
Dividend income	-	-	-	3,555,552
Management fee income	-	-	4,869,497	3,022,067
	193,303,996	112,441,900	4,869,497	6,577,619

31. OTHER INCOME

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Fair value gain on short-term investments	-	356,586	-	-
Fixed deposits interest income	121,236	38,117	-	-
Gain on foreign exchange:				
- realised	173,888	342,174	-	-
- unrealised	134,752	49,253	9,026	237
Gain on disposal of property, plant and equipment	166,930	-	-	-
Gain on disposal of short-term investment	19,898	-	19,898	-
Gain on lease modification	4,691	-	4,991	
Other interest income	134,413	27,980	730,384	552,016
Other income	330,410	82,822	82	4,469
Lease income	397,638	263,419	-	-
	1,483,856	1,160,351	764,381	556,722

32. FINANCE COSTS

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Bank guarantee commission	276,325	92,749	-	-
Bank overdrafts interest	225,662	69	-	-
Bankers' acceptance interest	242,497	-	-	-
Commitment fees	56,787	48,921	-	-
Factoring charges	61,434	-	-	-
Interest expenses	38,818	-	63,852	-
Invoice financing interest	193,356	-	-	-
Lease liabilities interest	49,013	43,317	19,422	15,594
Letter of credit commission	18,882	-	-	-
Revolving credit interest	274,470	-	-	-
Term loans interest	558,454	239,377	-	-
	1,995,698	424,433	83,274	15,594

33. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Impairment losses:				
- trade receivables (Note 16)	622,789	-	-	-
- contract assets (Note 20)	296,776	-	-	-
- amount owing by subsidiaries (Note 17)	-	-	652,690	95,700
	919,565	-	652,690	95,700

34. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Profit/(Loss) before taxation is arrived at after charging:-				
Amortisation of intangible asset	-	1,564,427	-	-
Auditors' remuneration:				
- current period/year provision	202,338	93,330	53,000	24,500
- underprovision in the previous financial year	21,798	-	8,500	-
Bad debts written off	134,251	-	-	-
Depreciation:				
- property, plant and equipment	6,170,126	2,962,658	99,039	39,609
- investment properties	175,114	116,742	-	-
- right-of-use assets	691,365	441,446	274,303	185,309
Directors' fees (Note 40)	432,000	204,000	396,000	180,000
Directors' non-fee emoluments (Note 40)	4,312,017	2,163,062	1,909,938	1,241,159
Fair value loss on short-term investments	120,000	-	120,000	-
Lease expenses:				
- short-term leases	8,841,363	1,520,268	-	-
Loss on foreign exchange:				
- realised	296,480	25,271	6,738	-
- unrealised	76,946	84,839	-	-
Property, plant and equipment written off	225,645	156,875	2,520	6,007
Staff costs (including other key management personnel as disclosed in Note 40):				
- salaries, bonuses and allowances	21,559,326	12,099,635	3,345,046	1,815,846
- E.I.S. contribution	22,162	10,571	3,392	1,605
- E.P.F. contribution	2,525,805	1,453,284	373,217	215,764
- H.R.D.F. contribution	159,724	-	30,349	-
- SOCSO contribution	195,870	93,028	30,640	14,029
- staff welfare	62,799	25,490	16,831	543
Loss on disposal of property, plant and equipment	-	6,488	-	-

35. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Current tax expense:				
- for the financial period/year	2,612,945	2,292,759	-	225,337
- under/(over)provision in the previous financial year	133,492	(165,392)	87,119	3
	2,746,437	2,127,367	87,119	225,340
Deferred taxation (Note 12):				
- for the financial period/year	(1,051,762)	2,634,223	-	-
- (over)/underprovision in the previous financial year	(131,836)	157,707	-	-
	(1,183,598)	2,791,930	-	-
	1,562,839	4,919,297	87,119	225,340

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Profit/(Loss) before taxation	3,356,842	17,030,425	(4,410,404)	1,260,360
Tax at the statutory tax rate of 24% (2021 - 24%)	805,642	4,087,302	(1,058,497)	302,486
Tax effects of:-				
Non-deductible expenses	1,242,345	2,229,650	290,737	248,424
Non-taxable income	46,695	(667,309)	-	(325,573)
Deferred tax assets not recognised	753,706	-	767,760	-
Tax relief	(1,287,205)	(722,661)	-	-
Under/(over)provision in the previous financial year:				
- income tax	133,492	(165,392)	87,119	3
- deferred tax	(131,836)	157,707	-	-
	1,562,839	4,919,297	87,119	225,340

36. (LOSSES)/EARNINGS PER SHARE

Basic (losses)/earnings per share are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.

The following table reflects the profit and share data used in the computation of basic (losses)/earning per share for financial period ended 30 June 2023:-

	The Group	
	30.6.2023	31.12.2021
(Loss)/Profit attributable to owners of the Company (RM)	(893,447)	10,758,208
Weighted average number of ordinary shares at 30 June/31 December	289,541,612	286,924,397
Basic earning per ordinary share (sen)	(0.31)	3.75

The diluted earning per share are not shown as the effect of the warrants on the basic earning per share is anti-dilutive.

37. ACQUISITION OF A SUBSIDIARY

In the previous financial year, the Group acquired 51% equity interests in Founder Energy Sdn. Bhd..

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	The Group 31.12.2021 RM
Plant and equipment	469,140
Other receivables	206,865
Inventories	18,056,694
Other deposits and prepayments	48,779
Intangible asset	1,564,427
Deferred tax liability	(375,462)
Trade payables	(15,066,100)
Other payables and accruals	(265,640)
Amount owing to a director	(2,115,000)
Net identifiable assets acquired	2,523,703
Add: Goodwill on acquisition	13,972,961
Less: Non-controlling interests	(1,236,615)
Total purchase consideration	15,260,049
Less: Contingent consideration	(3,910,119)
Less: Ordinary shares issued at RM0.53 per share	(2,885,850)
Net cash outflow from the acquisition of a subsidiary	8,464,080

	The Company 31.12.2021 RM
Net cash outflow from the acquisition of subsidiaries	8,464,080

38. DIVIDENDS

	The Company 1.1.2021 to 31.12.2021 RM
First interim dividend of RM0.0050 per ordinary share in respect of the previous financial year	1,452,225

39. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 8)	15,147,063	9,382,353	282,820	119,175
Right-of-use assets				
Cost of right-of-use assets acquired (Note 10)	526,779	382,645	553,531	370,618
Less: Addition of new lease liabilities	(526,779)	(382,645)	(553,531)	(370,618)
	-	-	-	-

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bankers' Acceptances RM	Factoring Payables RM	Invoice Financing RM	Lease Liabilities RM	Revolving Credits RM	Term Loans RM	Total RM
30.6.2023							
At 1 January	-	-	-	688,369	-	6,982,132	7,670,501
Changes in Financing Cash Flows							
Proceeds from drawdown	22,087,714	11,781,151	15,771,318	-	4,000,000	6,000,000	59,640,183
Repayment of principal	(21,105,214)	(8,542,086)	(10,336,660)	(706,277)	(1,072,000)	(1,483,072)	(43,245,309)
Repayment of interests	(242,497)	(61,434)	(193,356)	(49,013)	(274,470)	(558,454)	(1,379,224)
	740,003	3,177,631	5,241,302	(755,290)	2,653,530	3,958,474	15,015,650
Other Changes							
Acquisition of new leases (Notes 27 and 39(a))	-	-	-	526,779	-	-	526,779
Derecognition due to lease modification (Note 27)	-	-	-	(99,073)	-	-	(99,073)
Interest expense recognised in profit or loss (Note 32)	242,497	61,434	193,356	49,013	274,470	558,454	1,379,224
	242,497	61,434	193,356	476,719	274,470	558,454	1,806,930
At 30 June	982,500	3,239,065	5,434,658	409,798	2,928,000	11,499,060	24,493,081

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Lease Liabilities RM	Term Loans RM	Total RM
31.12.2021			
At 1 January	741,191	7,759,546	8,500,737
Changes in Financing Cash Flows			
Repayment of principal	(435,467)	(777,414)	(1,212,881)
Repayment of interests	(43,317)	(239,377)	(282,694)
	(478,784)	(1,016,791)	(1,495,575)
Other Changes			
Acquisition of new leases (Notes 27 and 39(a))	382,645	-	382,645
Interest expense recognised in profit or loss (Note 32)	43,317	239,377	282,694
	425,962	239,377	665,339
At 31 December	688,369	6,982,132	7,670,501

The Company	Lease Liabilities RM	Total RM
30.6.2023		
At 1 January	190,300	190,300
Changes in Financing Cash Flows		
Repayment of principal	(270,575)	(270,575)
Repayment of interests	(19,422)	(19,422)
	(289,997)	(289,997)
Other Changes		
Acquisition of new leases (Notes 27 and 39(a))	553,531	553,531
Derecognition due to lease modification (Note 27)	(190,300)	(190,300)
Interest expense recognised in profit or loss (Note 32)	19,422	19,422
	382,653	382,653
At 30 June	282,956	282,956
31.12.2021		
At 1 January	-	-
Changes in Financing Cash Flows		
Repayment of principal	(180,318)	(180,318)
Repayment of interests	(15,594)	(15,594)
	(195,912)	(195,912)
Other Changes		
Acquisition of new leases (Notes 27 and 39(a))	370,618	370,618
Interest expense recognised in profit or loss (Note 32)	15,594	15,594
	386,212	386,212
At 31 December	190,300	190,300

39. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Payment of short-term leases	8,841,363	1,520,268	-	-
Interest paid on lease liabilities	49,013	43,317	19,422	15,594
Payment of lease liabilities	706,277	435,467	270,575	180,318
	9,596,653	1,999,052	289,997	195,912

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Fixed deposits with licensed banks	7,139,481	3,630,315	-	-
Cash and bank balances	6,070,518	13,491,130	213,244	532,202
Bank overdrafts	(4,459,948)	-	-	-
	8,750,051	17,121,445	213,244	532,202
Less: Fixed deposits pledged to a licensed bank (Note 22(c))	(7,139,481)	(3,630,315)	-	-
	1,610,570	13,491,130	213,244	532,202

40. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial period/year are as follows:-

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	396,000	180,000	396,000	180,000
- salaries, bonuses, and other benefits	1,721,896	1,122,800	1,721,896	1,122,800
Defined contribution benefits	188,042	118,359	188,042	118,359
	2,305,938	1,421,159	2,305,938	1,421,159
Directors of the Subsidiaries				
Short-term employee benefits:				
- fees	36,000	24,000	-	-
- salaries, bonuses, and other benefits	2,138,568	824,310	-	-
Defined contribution benefits	263,511	97,593	-	-
	2,438,079	945,903	-	-
Total directors' remuneration (Note 34)	4,744,017	2,367,062	2,305,938	1,421,159
(b) Other Key Management Personnel				
Short-term employee benefits	1,785,602	1,160,312	-	-
Defined contribution benefits	221,517	136,479	-	-
Total compensation for other key management personnel (Note 34)	2,007,119	1,296,791	-	-

41. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationship with its directors, key management personnel and entities within the same group of companies.

41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial period:-

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Dividend income received from a subsidiary	-	-	-	(3,555,552)
Management fee received or receivable from subsidiaries	-	-	(4,869,497)	(3,022,067)
Short-term lease expenses paid to a related company	-	69,600	-	-
Short-term lease expenses paid to subsidiaries	-	-	289,998	195,912
Subcontractor income received or receivable from a joint venture	(6,084,005)	-	-	-
Interest income received or receivable from subsidiaries	-	-	(689,119)	(230,370)

42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a periodly basis. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 3 main reportable segments as follows:-

(i) Investment holding;

(ii) Oil and gas related and other activities segment; and

(iii) Renewable energy and related activities segment.

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

42. OPERATING SEGMENTS (CONT'D)

42.1 BUSINESS SEGMENTS

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Consolidation adjustments RM	The Group RM
30.6.2023					
Revenue					
External revenue	-	71,608,144	132,299,477	(10,603,625)	193,303,996
Consolidated revenue					193,303,996
Results					
Segment profit	(4,327,130)	664,772	8,985,640	194,988	5,518,270
Finance costs	(83,274)	(1,732,915)	(1,387,049)	1,207,540	(1,995,698)
Share of loss of equity-accounted joint ventures	-	-	-	(165,730)	(165,730)
Consolidated profit before taxation					3,356,842
<u>Other information</u>					
Depreciation:					
- property, plant and equipment	99,039	5,839,113	231,974	-	6,170,126
- investment properties	-	175,114	-	-	175,114
- right-of-use assets	274,303	702,010	141,572	(426,520)	691,365
Loss/(Gain) on foreign exchange:					
- realised	6,738	(101,973)	217,827	-	122,592
- unrealised	(9,026)	45,694	(94,474)	-	(57,806)
Property, plant and equipment written off	2,520	223,125	-	-	225,645
Fair value loss on short-term investment	120,000	-	-	-	120,000
Impairment loss:					
- trade receivables	-	211,712	411,077	-	622,789
- contract assets	-	-	296,776	-	296,776
Assets					
Segment assets	51,316,751	81,350,401	89,800,128	(61,141,384)	161,325,896
Consolidated total assets					161,325,896

Notes to the Financial Statements

For the Financial Period from 1 January 2022 to 30 June 2023

42. OPERATING SEGMENTS (CONT'D)

42.1 BUSINESS SEGMENTS (CONT'D)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Consolidation adjustments RM	The Group RM
30.6.2023					
Liabilities					
Segment liabilities	4,372,586	30,885,314	76,891,452	(34,290,918)	77,858,434
Consolidated total liabilities					77,858,434
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- property, plant and equipment	282,820	8,239,425	6,661,220	(36,402)	15,147,063
- right-of-use assets	553,531	411,370	285,014	(723,136)	526,779
31.12.2021					
Revenue					
External revenue	-	96,339,148	25,152,295	(9,049,543)	112,441,900
Consolidated revenue					112,441,900
Results					
Segment profit	1,275,954	18,502,125	2,978,554	(5,301,775)	17,454,858
Finance costs	(15,594)	(662,498)	(5,862)	259,521	(424,433)
Consolidated profit before taxation					17,030,425
Other information					
Amortisation of intangible asset	-	-	1,564,427	-	1,564,427
Depreciation:					
- property, plant and equipment	39,609	2,899,609	45,824	(22,384)	2,962,658
- investment properties	-	116,742	-	-	116,742
- right-of-use assets	185,309	507,931	47,191	(298,985)	441,446
Loss on foreign exchange:					
- realised	-	25,271	-	-	25,271
- unrealised	-	84,839	-	-	84,839
Property, plant and equipment written off	6,007	147,571	3,297	-	156,875
Loss on disposal of property, plant and equipment	-	6,488	-	-	6,488
Fair value gain on short-term investment	-	(356,586)	-	-	(356,586)

42. OPERATING SEGMENTS (CONT'D)

42.1 BUSINESS SEGMENTS (CONT'D)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Consolidation adjustments RM	The Group RM
31.12.2021					
Assets					
Segment assets	52,812,965	74,911,167	9,177,751	(34,291,929)	102,609,954
Consolidated total assets					102,609,954
Liabilities					
Segment liabilities	866,313	28,728,770	5,629,934	(14,098,639)	21,126,378
Consolidated total liabilities					21,126,378
Other Segment Items					
Additions to non-current assets other than financial instruments:					
- property, plant and equipment	119,175	9,259,916	3,262	-	9,382,353
- right-of-use assets	-	346,691	35,954	-	382,645

42.2 GEOGRAPHICAL INFORMATION

Revenue is based on the countries in which the customers are located.

The Group	Revenue 1.1.2022 to 30.6.2023 RM	Revenue 1.1.2021 to 31.12.2021 RM
Malaysia	192,099,059	59,180,106
Mauritania	-	52,283,243
Australia	32,240	-
Brunei	1,004,846	978,551
Vietnam	167,851	-
	193,303,996	112,441,900

Notes to the Financial Statements

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42. OPERATING SEGMENTS (CONT'D)

42.2 GEOGRAPHICAL INFORMATION (CONT'D)

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point in Time		Over Time		Group	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Malaysia	110,919,995	55,541,540	81,179,064	3,638,566	192,099,059	59,180,106
Mauritania	-	52,283,243	-	-	-	52,283,243
Australia	32,240	-	-	-	32,240	-
Brunei	1,004,846	978,551	-	-	1,004,846	978,551
Vietnam	167,851	-	-	-	167,851	-
	112,124,932	108,803,334	81,179,064	3,638,566	193,303,996	112,441,900

42.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	
Customer A	25,472,045	60,669,560	Oil and gas
Customer B	56,880,931	22,886,535	Renewable energy

43. CAPITAL COMMITMENTS

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Investments in companies	10,029,753	-	-	-
Purchase of property, plant and equipment	30,295,744	5,517,619	11,238	-
	40,325,497	5,517,619	11,238	-

44. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	30.6.2023 RM	31.12.2021 RM
Secured:-		
Performance and other guarantees extended by subsidiaries to third parties	10,944,361	2,901,811

45. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

45.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Yuan ("RMB"), and Indonesian Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM	Singapore Dollar RM	Chinese Yuan RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
30.6.2023						
Financial Assets						
Trade receivables	18,571	-	-	-	36,076,521	36,095,092
Other receivables	-	-	-	489,825	558,738	1,048,563
Short-term investments	-	-	-	-	693,230	693,230
Fixed deposits with licensed banks	158,447	-	-	-	6,981,034	7,139,481
Cash and bank balances	28,728	120,333	-	49,705	5,871,752	6,070,518
Amount owing by joint ventures	-	-	-	-	911,312	911,312
	205,746	120,333	-	539,530	51,092,587	51,958,196

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Singapore Dollar RM	Chinese Yuan RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
30.6.2023						
Financial Liabilities						
Bank borrowings	-	-	-	-	28,548,195	28,548,195
Lease liabilities	-	-	-	-	409,798	409,798
Trade payables	3,262,959	-	17,457,234	-	21,071,467	41,791,660
Other payables and accruals	9,329	-	-	-	5,354,722	5,364,051
	3,272,288	-	17,457,234	-	55,384,182	76,113,704
Net financial (liabilities)/assets	(3,066,542)	120,333	(17,457,234)	539,530	(4,291,595)	(24,155,508)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	119,339	(120,333)	-	(539,530)	4,291,595	3,751,071
Currency Exposure	(2,947,203)	-	(17,457,234)	-	-	(20,404,437)

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Great British Pounds RM	Chinese Yuan RM	Ringgit Malaysia RM	Total RM
31.12.2021					
Financial Assets					
Trade receivables	4,598,535	-	-	9,248,135	13,846,670
Other receivables	-	-	-	191,140	191,140
Amount owing by a related company	-	-	-	3,261,520	3,261,520
Short-term investments	-	-	-	5,030,700	5,030,700
Fixed deposits with licensed banks	954,159	-	-	2,676,156	3,630,315
Cash and bank balances	8,658,676	-	-	4,832,454	13,491,130
	14,211,370	-	-	25,240,105	39,451,475
Financial Liabilities					
Bank borrowings	-	-	-	6,982,132	6,982,132
Lease liabilities	-	-	-	688,369	688,369
Trade payables	3,809,316	33,659	180,327	5,540,846	9,564,148
Other payables and accruals	8,330	-	-	2,059,863	2,068,193
	3,817,646	33,659	180,327	15,271,210	19,302,842
Net financial assets/(liabilities)	10,393,724	(33,659)	(180,327)	9,968,895	20,148,633
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	-	(9,968,895)	(9,968,895)
Currency Exposure	10,393,724	(33,659)	(180,327)	-	10,179,738

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Effects On Profit After Taxation		
USD/RM		
- strengthened by 10%	294,720	1,039,372
- weakened by 10%	(294,720)	(1,039,372)
GBP/RM		
- strengthened by 10%	-	(3,357)
- weakened by 10%	-	3,357
RMB/RM		
- strengthened by 10%	1,745,723	(18,033)
- weakened by 10%	(1,745,723)	18,033

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 26 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, contract assets, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted approximately 49% (2021 – 25%) of its trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile for trade receivables at the end of the reporting period is as follows:-

	The Group	
	30.6.2023 RM	31.12.2021 RM
Malaysia	17,757,828	10,738,240
United States	-	3,108,430
	17,757,828	13,846,670

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 18 months (2021 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
30.6.2023				
Current (not past due)	14,050,793	(47,121)	(17,425)	13,986,247
1 to 30 days past due	6,908,024	(36,462)	(11,253)	6,860,309
31 to 60 days past due	7,742,401	(71,096)	(97)	7,671,208
61 to 90 days past due	7,082,781	(94,393)	(5,081)	6,983,307
91 to 120 days due	401,036	(84)	(62,923)	338,029
> 120 days past due	532,846	(218,696)	(58,158)	255,992
Trade receivables	36,717,881	(467,852)	(154,937)	36,095,092
Contract assets	28,470,233	-	(296,776)	28,173,457
	65,188,114	(467,852)	(451,713)	64,268,549
31.12.2021				
Current (not past due)	7,736,686	-	-	7,736,686
1 to 30 days past due	4,312,666	-	-	4,312,666
31 to 60 days past due	1,388,895	-	-	1,388,895
61 to 90 days past due	408,423	-	-	408,423
Trade receivables	13,846,670	-	-	13,846,670
Contract assets	2,790,049	-	-	2,790,049
	16,636,719	-	-	16,636,719

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 16 and 20 to the financial statements respectively.

The Company

The Company believes that no impairment allowance is necessary in respect of its trade receivables because they are subsidiaries with a strong financial position.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing by Joint Ventures

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by joint ventures.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 180 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing by Joint Ventures (Cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Cont'd)

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Company	Gross Amount RM	Lifetime Allowance RM	Carrying Amount RM
30.6.2023			
Low credit risk	10,349,900	-	10,349,900
Credit impaired	748,390	(748,390)	-
	11,098,290	(748,390)	10,349,900
31.12.2021			
Low credit risk	6,822,122	-	6,822,122
Credit impaired	95,700	(95,700)	-
	6,917,822	(95,700)	6,822,122

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-months expected credit losses.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
30.6.2023						
Non-derivative Financial Liabilities						
Bank borrowings	3.15% - 7.97%	28,548,195	29,161,926	20,162,489	6,446,557	2,552,880
Lease liabilities	5.40%	409,798	431,927	213,074	218,853	-
Trade payables	-	41,791,660	41,791,660	41,791,660	-	-
Other payables and accruals	-	5,364,051	5,364,051	5,364,051	-	-
		76,113,704	76,749,564	67,531,274	6,665,410	2,552,880
31.12.2021						
Non-derivative Financial Liabilities						
Bank borrowings	3.17% - 7.97%	6,982,132	7,433,112	712,582	3,029,259	3,691,271
Lease liabilities	5.40%	688,369	733,339	492,781	240,558	-
Trade payables	-	9,564,148	9,564,148	9,564,148	-	-
Other payables and accruals	-	2,068,193	2,068,193	2,068,193	-	-
		19,302,842	19,798,792	12,837,704	3,269,817	3,691,271

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
30.6.2023						
Non-derivative Financial Liabilities						
Bank borrowings	6.75%	4,964	5,299	5,299	-	-
Amount owing to subsidiaries	6.95% - 8.20%	1,403,372	1,518,449	1,518,449	-	-
Lease liabilities	5.40%	282,956	298,236	197,935	100,301	-
Other payables and accruals	-	2,681,294	2,681,294	2,681,294	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	28,589,607	28,589,607	-	-
		4,372,586	33,092,885	32,992,584	100,301	-
31.12.2021						
Non-derivative Financial Liabilities						
Lease liabilities	5.40%	190,300	195,912	195,912		
Other payables and accruals	-	593,177	593,177	593,177		
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	7,027,956	7,027,956		
		783,477	7,817,045	7,817,045		

45. FINANCIAL INSTRUMENTS (CONT'D)

45.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions and payables less cash and bank balances and fixed deposits with licensed banks. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Bank borrowings	28,548,195	6,982,132	4,964	-
Lease liabilities	409,798	688,369	282,956	190,300
Amount owing to subsidiaries	-	-	1,403,372	-
Trade payables	41,791,660	9,564,148	-	-
Other payables and accruals	5,364,051	2,068,193	2,681,294	593,177
	76,113,704	19,302,842	4,372,586	783,477
Less: Cash and bank balances	(6,070,518)	(13,491,130)	(213,244)	(532,202)
Less: Fixed deposits with licensed banks (Note 22)	(7,139,481)	(3,630,315)	-	-
Net debt	62,903,705	2,181,397	4,159,342	251,275
Total equity	83,467,462	81,483,576	46,944,165	51,946,652
Debt-to-equity ratio	0.754	0.027	0.089	0.005

There was no change in the Group's approach to capital management during the financial period.

45. FINANCIAL INSTRUMENTS (CONT'D)

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	30.6.2023 RM	31.12.2021 RM	30.6.2023 RM	31.12.2021 RM
Financial Assets				
Fair Value Through Profit or Loss				
Short-term investments	693,230	5,030,700	686,375	4,721,213
Amortised Cost				
Trade receivables	36,095,092	13,846,670	-	-
Other receivables	1,048,563	191,140	-	-
Amount owing by a related company	-	3,261,520	-	-
Amount owing by joint ventures	911,312	-	-	-
Amount owing by subsidiaries	-	-	10,349,900	6,822,122
Fixed deposits with licensed banks	7,139,481	3,630,315	-	-
Cash and bank balances	6,070,518	13,491,130	213,244	532,202
	51,229,078	34,420,775	10,563,144	7,354,324
Financial Liabilities				
Amortised Cost				
Bank borrowings	28,548,195	6,982,132	4,964	-
Lease liabilities	409,798	688,369	282,956	190,300
Amount owing to subsidiaries	-	-	1,403,372	-
Trade payables	41,791,660	9,564,148	-	-
Other payables and accruals	5,364,051	2,068,193	2,681,294	593,177
	76,113,704	19,302,842	4,372,686	783,477

45.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2023 RM	1.1.2021 to 31.12.2021 RM
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	7,393	356,586	-	-
Amortised Cost				
Net (losses)/gains recognised in profit or loss	(1,415,716)	393,744	(1,031,141)	552,016
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	(2,670,514)	(431,080)	-	-

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value				
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
30.6.2023								
Financial Asset								
Short-term investments:								
- Fixed income unit trust funds	-	693,230	-	-	-	-	693,230	693,230
Financial Liability								
Term loans:								
- floating rate	-	-	-	-	11,499,060	-	11,499,060	11,499,060
31.12.2021								
Financial Asset								
Short-term investments:								
- Fixed income unit trust funds	-	5,030,700	-	-	-	-	5,030,700	5,030,700
Financial Liability								
Term loans:								
- floating rate	-	-	-	-	6,982,132	-	6,982,132	6,982,132

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (Cont'd)

The Company	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
30.6.2023								
Financial Asset								
Short-term investments:								
- Fixed income unit trust funds	-	686,375	-	-	-	-	686,375	686,375
31.12.2021								
Financial Asset								
Short-term investments:								
- Fixed income unit trust funds	-	4,721,213	-	-	-	-	4,721,213	4,721,213

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.

(ii) There were no transfers between level 1 and level 2 during the financial period.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of the Group's term loan that carrying floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

46. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT EVENTS

(i) Reservoir Link Renewable Sdn. Bhd. ("RLR"), a wholly owned subsidiary of the Group, had on 28 April 2022, executed a Term Sheet with Sunseap Energy (Malaysia) Sdn. Bhd. ("SSEM") for the potential Joint Venture and Shareholders' Agreement ("JVSA") between both parties. RL Sunseap Energy was incorporated with a paid-up capital of Ringgit Malaysia One Million and Two Hundred Seventy-Five Thousand (RM1,275,000). The Group subscribed for 51% equity interest in the Company.

(ii) The Company had, on 17 May 2022, executed the JVSA with ADS Asset Holdings Sdn. Bhd. ("AAH") as joint venture strategic and collaborative partners, to bring their respective expertise together for the purposes of construction and development of energy storage solution and system business ("ESS"). RL ADS Power Sdn. Bhd. was incorporated with a paid-up capital of Ringgit Malaysia Fifty One Thousand (RM51,000). The Group subscribed for 51% equity interest in the Company.

(iii) Founder Energy Sdn. Bhd. ("Founder Energy"), had on 27 May 2022, incorporated a subsidiary company in Singapore known as Founder Energy (Singapore) Pte. Ltd. ("FES"). FES was incorporated on 27 May 2022 with an issued and paid-up share capital of SGD30,000 comprising thirty thousand (30,000) ordinary shares.

(iv) On 27 June 2022, the listing and quotation for the entire share capital and warrants of the Company have been transferred from the ACE Market to the Main Market of Bursa Securities marking the completion of the Transfer.

(v) The Board of Directors of the Company has approved the change in the financial year end ("FYE") of the Company from 31 December to 30 June. The current period financial statements is made up from 1 January 2022 to 30 June 2023 covering a period of 18 months.

(vi) Skyline Energy Sdn. Bhd. ("SESB" or "Purchaser"), a wholly-owned subsidiary of the Group, had on 31 January 2023, entered into a Term Sheet ("TS") for the acquisition of 90% equity interest in PT Eco Power Engineering, a company incorporated in Indonesia, for a cash consideration of USD 3,000,000. The objective of the new company is to enter into a Power Purchase Agreement ("PPA") with Perseroan Listrik Negara ("PLN") for a 9.6 MW Mini Hydro Power Plant.

46. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT EVENTS (CONT'D)

(vii) On 3 March 2023, the Group announced its intention that the Company proposed to undertake the following:

(a) proposed diversification of the existing business activities of the Company and its subsidiaries to include the provision of wastewater treatment services as well as the engineering, procurement, construction and commissioning of wastewater treatment plant and related infrastructure; and

(b) proposed private placement of up to 86,713,500 new ordinary shares in the Company's shares, representing not more than 30% of the total issued Shares (excluding treasury shares) to independent third-party investors to be identified later and at an issue price to be determined later.

(viii) Bursa Securities had, vide its letter dated 8 May 2023, approved the listing of and quotation for up to 86,713,500 Shares to be issued pursuant to its Proposed Private Placement Exercise.

(ix) The Company announced that offer of options has been made to the Company's directors on 26 May 2023 to subscribe for new shares in the Company ("Options") under the Employee Share Option Scheme ("ESOS").

(x) On 1 August 2023, the Company issued 11,511,000 shares and on 29 September 2023, issued an additional 14,867,000 shares at an issue price of RM0.30 per share under the private placement exercise.

(xi) On 30 August 2023, the Company announced its intention to vary the terms in the Share Sales Agreement signed dated 11 June 2021 in connection with acquisition of 51% equity interest in Founder Energy Sdn. Bhd. ("FESB") from Lee Seng Chi ("Vendor") for a purchase consideration of RM21.169 million to be satisfied via combination of cash and issuance of new ordinary shares in the Company. The details of the revisions are disclosed in note 25.

(xii) On 3 October 2023, the Company announced that its 51% owned subsidiary, Founder Group Limited is considering to list on the National Association of Securities Dealers Automated Quotations ("NASDAQ") Stock Exchange. The Company will obtain the necessary approvals from relevant authorities for the proposed listing of subsidiary, as well as shareholders' approval at a general meeting to be held.

47. COMPARATIVE FIGURES

The Company has changed its financial year end from 31 December to 30 June. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not comparable to that for the current 18-months period ended 30 June 2023.

List of Properties

No.	Registered Owner/ Beneficial Owner	Title Identification/Postal Address	Description/ Existing Use	Date of Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at 31.12.2021 (RM'000)
1.	RLSB	**Title:** Parcel No. E-33-A1, E-33-A4, E-33-A5, E-33-A8, E-33-B2, E-33-B3, E-33-B6 and E-33-B7, held under Master Title PN 51531, Lot 480578, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (formerly known as H.S.(D) 118779, PT 9114, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur). **Postal Address:** E-33-01, E-33-02, E-33-03, E-33-3A, E-33-05, E-33-06, E-33-07 and E-33-08, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.	**Description:** Eight (8) office units on the thirty third (33rd) floor of an office building. **Existing Use:** Office.	30.11.2017	This land is to be used for trade buildings for the purpose of service apartments, offices and shopping complexes only.	(i) 1,200 sq ft for each Parcel No. E-33-A1, E-33-A4, E-33-A5 and E-33-A8. (ii) 1,700 sq ft for each Parcel No. E-33-B2, E-33-B3, E-33-B6 and E-33-B7.	99 years expiring on 11 April 2111.	Charged to United Overseas Bank (Malaysia) Bhd	9,733
2.	RLSB	**Title:** No. Geran 70251, No. Lot 60493, No. Bangunan M2-A, No. Tingkat 30, No. Petak 419, Mukim Batu, Negeri Wilayah Persekutuan Kuala Lumpur. **Postal Address:** Unit 29-1, Level 29, Menara 1 Mont Kiara, Kompleks 1 Mont Kiara, No. 1, Jalan Kiara, Mont Kiara, 50480 Wilayah Persekutuan, Kuala Lumpur.	**Description:** One (1) office unit on the twenty ninth (29th) floor of an office building. **Existing Use:** Office. RLSB (landlord) has rented out this office unit to Messrs Lee & Koh (tenant).	25.11.2010	This land is to be used for trade buildings, for the purpose of shopping complexes, office towers and service apartments with recreational facilities and parking lots only.	775 sq m	Freehold	Charged to Public Islamic Bank Berhad	5,166

Analysis of Shareholdings

As at 10 October 2023

Issued share capital : 316,823,000 ordinary shares
Class of shares : Ordinary Shares
Voting rights : One (1) vote per ordinary share

Distribution of Shareholdings

Holdings	No. of Holders	%	No. of Shares	%
1 – 99 shares	7	0.157	191	0.000
100 – 1,000 shares	351	7.895	210,600	0.066
1,001 – 10,000 shares	1,942	43.680	12,180,800	3.845
10,001 – 100,000 shares	1,811	40.733	62,423,405	19.703
100,001 – 14,522,249 shares (*)	333	7.490	185,684,501	58.608
14,522,250 AND ABOVE (**)	2	0.045	56,323,503	17.778
Total	**4,446**	**100.000**	**316,823,000**	**100.000**

*** LESS THAN 5% OF ISSUED SHARES**
**** 5% AND ABOVE OF ISSUED SHARES**

Thirty Largest Shareholders (Based on Record of Depositors)

No.	Account Holders	Shareholdings	% of Issued Capital
1.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pansar Berhad	29,323,503	9.255
2.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd	27,000,000	8.522
3.	UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	7,775,900	2.454
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yi-Lai Marketing Sdn Bhd (7004625)	6,667,100	2.104
5.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Chee Lip	6,666,000	2.104
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd (MY4334)	6,510,000	2.055
7.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd	6,500,000	2.052
8.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	6,000,000	1.894
9.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Reservoir Link Holdings Sdn Bhd	5,200,000	1.641
10.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wan Hassan Bin Mohd Jamil	4,830,000	1.525
11.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ong Soon Ho (Dato) (KLC/UOB)	4,750,000	1.499
12.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Seng Chi	4,745,000	1.498
13.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ong Soon Lim (MY4640)	4,040,000	1.275

Analysis of Shareholdings

As at 10 October 2023

No.	Account Holders	Shareholdings	% of Issued Capital
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Kok Choy (8092812)	3,900,000	1.231
15.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	3,410,000	1.076
16.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai (MY2529)	3,405,000	1.075
17.	SWC Capital Sdn Bhd	3,392,300	1.071
18.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	2,375,035	0.750
19.	HSBC Nominees (Asing) Sdn Bhd - J.P. Morgan Securities PLC	2,060,800	0.650
20.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Wing Cheong	2,024,000	0.639
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wan Hassan Bin Mohd Jamil (7001990)	2,000,000	0.631
22.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – Ambank (M) Berhad for Yi-Lai Industry Berhad (SMART)	2,000,000	0.631
23.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Seah Seng Kheng (MY4660)	2,000,000	0.631
24.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	2,000,000	0.631
25.	Mad Haimi Bin Abu Hassan	1,766,335	0.558
26.	HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co. International PLC (Firm A/C)	1,719,600	0.543
27.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ee Hood Liang	1,571,000	0.496
28.	Alvin Wong Yu Chuan	1,539,300	0.486
29.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Gan Chee Peng (Connaught-CL)	1,500,000	0.473
30.	Ch'ng Geik Ling	1,500,000	0.473
	Total	**158,170,873**	**49.924**

Analysis of Shareholdings

As at 10 October 2023

Substantial Shareholders (Based on Register of Substantial Shareholders)

		Direct	No. of Ordinary Shares% of Issued Capital	Indirect	% of Issued Capital
1.	Reservoir Link Holdings Sdn Bhd	65,210,000	20.582	-	-
2.	Dato' Wan Hassan Bin Mohd Jamil	6,913,205	2.182	65,210,000 (a)	20.582
3.	Mad Haimi Bin Abu Hassan	2,626,335	0.829	65,210,000 (a)	20.582
4.	Thien Chiet Chai	18,190,035	5.741	65,210,000 (a)	20.582
5.	Pansar Berhad	29,323,503	9.255	-	-
6.	Pan Sarawak Holdings Sdn Bhd	-	-	29,323,503 (b)	9.255
7.	Tai Sing Chii & Sons Sdn Bhd	-	-	29,323,503 (b)	9.255
8.	Inplaced Capital Sdn Bhd	-	-	29,323,503 (b)	9.255
9.	Puan Sri Datin Sri Ling Lah Kiong	-	-	29,323,503 (b)	9.255
10.	Dato' James Tai Cheong @ Tai Chong	-	-	29,323,503 (b)	9.255
11.	Datuk Tai Hee	500,000	0.158	29,333,503 (c)	9.259
12.	David Tai Wei	-	-	29,323,503 (b)	9.255

Notes:

(a) Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
(b) Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.
(c) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.

Directors' Interest In Shares (Based on Register of Directors' Shareholdings)

		Direct	No. of Ordinary Shares% of Issued Capital	Indirect	% of Issued Capital
1.	Dato' Wan Hassan Bin Mohd Jamil	6,913,205	2.182	65,210,000 (i)	20.582
2.	Datuk Tai Hee	500,000	0.158	29,333,503 (ii)	9.259
3.	Elain Binti Lockman	-	-	-	-
4.	Dato' Ahmad Rizal Bin Abdul Rahman	-	-	-	-
5.	Siti Zurina Binti Sabarudin	-	-	-	-
6.	Thien Chiet Chai	18,190,035	5.741	65,210,000 (i)	20.582

Notes:

(i) Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
(ii) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.

Analysis of Warrant Holdings

As at 10 October 2023

Total number of warrants issued : 71,249,995
Total number of outstanding warrants : 71,249,995

Distribution of Warrant Holdings

Holdings	No. of Holders	%	No. of Warrants	%
1 – 99 shares	419	20.261	19,645	0.028
100 – 1,000 shares	371	17.940	180,399	0.253
1,001 – 10,000 shares	676	32.689	2,856,175	4.009
10,001 – 100,000 shares	472	22.824	17,002,078	23.863
100,001 – 14,522,249 shares (*)	129	6.238	43,860,823	61.559
14,522,250 AND ABOVE (**)	1	0.048	7,330,875	10.289
Total	**2,068**	**100.000**	**71,249,995**	**100.000**

*** LESS THAN 5% OF ISSUED WARRANTS**
**** 5% AND ABOVE OF ISSUED WARRANTS**

Thirty Largest Warrant Holders (Based on Record of Depositors)

No.	Account Holders	Warrant Holdings	Percentage (%)
1.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pansar Berhad	7,330,875	10.289
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Kok Choy (8092812)	2,700,000	3.789
3.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yi-Lai Industry Berhad	2,460,000	3.453
4.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Heng Sue Khe (E-BPT/EDU)	2,072,000	2.908
5.	Ter Leong Swee	1,619,000	2.272
6.	Kong Kok Choy	1,100,000	1.544
7.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Thien Chiet Chai	1,000,058	1.404
8.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Honsin Apparel Sdn Bhd (SMART)	1,000,000	1.404
9.	Chong Yeh Mei	1,000,000	1.404
10.	Yak Meng Hock	874,600	1.228
11.	Chia Boon Haw	800,000	1.123
12.	Mohammad Faizal Fais Bin Zahri	737,400	1.035
13.	Yap Eng Tiong	689,000	0.967
14.	Mad Haimi Bin Abu Hassan	654,083	0.918
15.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Goh Yoon Sen	650,000	0.912
16.	Yap Eng Tiong	610,000	0.856
17.	Kee Yong Long	603,350	0.847
18.	Kamalullisan Bin Omar	591,000	0.829

Analysis of Warrant Holdings

As at 10 October 2023

No.	Account Holders	Warrant Holdings	Percentage (%)
19.	Muhamad Anuar Bin Hj Pechak	570,000	0.800
20.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mohd Zulkefli Bin Mohd Abdah (MY1571)	500,000	0.702
21.	Koh Eng Hong	500,000	0.702
22.	Lee Kong Lam	500,000	0.702
23.	PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Kok Choy (B)	500,000	0.702
24.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lai Yen Soon (E-KLG)	500,000	0.702
25.	Sarmila Binti Sahidan	500,000	0.702
26.	Chow Tsah Wei	470,000	0.660
27.	Yap Kian Wee	435,000	0.611
28.	Wong Ing Ping	420,000	0.589
29.	Lew Kuo Ming	400,000	0.561
30.	Lim Kok Leang	400,000	0.561
	Total	**32,186,366**	**45.174**

Substantial Shareholders (Based on Register of Substantial Shareholders)

		Direct	No. of Warrants Percentage (%)	Indirect	Percentage (%)
1.	Reservoir Link Holdings Sdn Bhd	-	-	-	-
2.	Dato' Wan Hassan Bin Mohd Jamil	15,000	0.021	-	-
3.	Mad Haimi Bin Abu Hassan	656,583	0.922	-	-
4.	Thien Chiet Chai	1,200,058	1.684	-	-
5.	Pansar Berhad	7,330,875	10.289	-	-
6.	Pan Sarawak Holdings Sdn Bhd	-	-	7,330,875 (b)	10.289
7.	Tai Sing Chii & Sons Sdn Bhd	-	-	7,330,875 (b)	10.289
8.	Inplaced Capital Sdn Bhd	-	-	7,330,875 (b)	10.289
9.	Puan Sri Datin Sri Ling Lah Kiong	-	-	7,330,875 (b)	10.289
10.	Dato' James Tai Cheong @ Tai Chong	-	-	7,330,875 (b)	10.289
11.	Datuk Tai Hee	125,000	0.175	7,333,375 (c)	10.292
12.	David Tai Wei	-	-	7,330,875 (b)	10.289

Notes:

(a) *Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*
(b) *Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.*
(c) *Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.*

Analysis of Warrant Holdings

As at 10 October 2023

Directors' Interest In Warrants (Based on Register of Directors' Warrant Holdings)

		No. of Warrants			
		Direct	Percentage (%)	Indirect	Percentage (%)
1.	Dato' Wan Hassan Bin Mohd Jamil	15,000	0.021	-	-
2.	Datuk Tai Hee	125,000	0.175	7,333,375 (i)	10.292
3.	Elain Binti Lockman	-	-	-	-
4.	Dato' Ahmad Rizal Bin Abdul Rahman	-	-	-	-
5.	Siti Zurina Binti Sabarudin	-	-	-	-
6.	Thien Chiet Chai	1,200,058	1.684	-	-

Notes:

(i) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth (8th) Annual General Meeting ("**AGM**") of Reservoir Link Energy Bhd ("**RLEB**" or "**the Company**") will be conducted on a fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Thursday, 30 November 2023 at 10.00 a.m., to transact the following business:-

AGENDA

ORDINARY BUSINESS

1.	To lay before the meeting the Audited Financial Statements of the Company for the financial period ended 30 June 2023 together with the Reports of the Directors and Auditors thereon.	**Please refer to explanatory note (A)**
2.	To approve the payment of Directors' fees amounting to RM396,000 for the financial period ended 30 June 2023.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' benefits from the date of the passing of this Ordinary Resolution until the next AGM of the Company.	**Ordinary Resolution 2**
4.	To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company's Constitution and being eligible, offer themselves for re-election:-	
	a) Datuk Tai Hee	**Ordinary Resolution 3**
	b) Dato' Wan Hassan Bin Mohd Jamil	**Ordinary Resolution 4**
5.	To re-elect Dato' Ahmad Rizal Bin Abdul Rahman who was appointed during the year retires pursuant to Clause 90 of the Company's Constitution and being eligible, offers himself for re-election.	**Ordinary Resolution 5**
6.	To appoint Messrs Nexia SSY PLT as the Auditors of the Company in place of the retiring auditors, Messrs Crowe Malaysia PLT and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

SPECIAL BUSINESS
To consider and, if thought fit, pass the following Resolutions:

7. **Authority to Issue Shares Pursuant to Sections 75 And 76 of the Companies Act 2016 ("Act")** — **Ordinary Resolution 7**

"THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and the Constitution of the Company and subject to the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant government/regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being; AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities ("General Mandate").

THAT, pursuant to Section 85 of the Act read together with Clause 16 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND THAT the Board of Directors is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the issuance and allotment of new shares pursuant to the General Mandate."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

PAULINE KON SUK KHIM
(CCM Practicing Certificate No. 202008001607)
(MAICSA 7014905)
Company Secretary

Date: 31 October 2023

Notes: -

(i) *The 8th AGM will be conducted as a fully virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities provided by Boardroom Share Registrars Sdn. Bhd. via online meeting platform at https://meeting.boardroomlimited.my. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the meeting to participate remotely**.*

(ii) *According to the Revised Guidance Note and FAQ on the conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, an online meeting platform located in Malaysia is recognised as the meeting venue, and the broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

(iii) *In respect of deposited securities, only members whose names appear on the Record of Depositors on **24 November 2023** (AGM Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*

(iv) *A member [other than an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak, and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak, and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.*

(v) *Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) shareholdings to be represented by each proxy.*

(vi) *Where a member of the Company is an Exempt Authorised Nominee who holds 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.*

(vii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.

(viii) The appointment of a proxy may be made in a hard copy form or by electronic means by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised. The proxy form must be received by the Share Registrar of the Company not less than forty-eight (48) hours before the time appointed for holding the 8th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(a) 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.

(b) Electronic means

In the case of an appointment made by electronic means, the proxy form can be deposited through the Boardroom Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedure as set out in the Administrative Guide of the 8th AGM for the electronic deposit of proxy form.

(ix) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

(x) Last date and time for lodging the proxy form is Tuesday, 28 November 2023 at 10.00 a.m.

(xi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

EXPLANATORY NOTES:

(A) Audited Financial Statements

The Audited Financial Statements are laid before the shareholders for discussion only as they do not require a formal shareholders' approval pursuant to Sections 248(2) and 340(1) of the Companies Act 2016. Hence, this Agenda item will not be put forward for voting.

(B) Ordinary Resolution 1 and 2 – Payment of Directors' Fees and Directors' Benefits

Section 230(1) of the Companies Act 2016 requires that the directors' fees and any benefits payable to the Directors of a listed Company and its subsidiaries must be approved at a general meeting. Accordingly, shareholders' approval is sought for the payment of the directors' fee for the financial period ended 30 June 2023, amounting to RM396,000.

The Proposed Directors' benefits payable comprise of meeting allowance and other benefits. The estimated amount of Directors' benefit is based on the size of the Board and Board Committees and the number of scheduled Board and Board Committee meetings for the period from the 8th AGM until the next AGM of the Company. The payment of the Directors' meeting attendance allowance and any other benefits will be as follows:

a) Board of Directors meeting allowance of RM1,000.00 per meeting; and
b) Board Committee meeting allowance of RM1,000.00 per meeting.

(C) Ordinary Resolution 3, 4 and 5 – Re-election of Directors Pursuant to Clause 91 and 90 of the Constitution

In accordance with Clause 91 of the Company's Constitution, one third (1/3) of the Directors shall retire by rotation at the AGM. As such, Datuk Tai Hee and Dato' Wan Hassan Bin Mohd Jamil are due for retirement as the Directors of the Company in this AGM. Both are eligible for re-election.

In furtherance to Clause 90 of the Company's Constitution, any new Director appointed during the year shall retire at the AGM. Therefore, Dato' Ahmad Rizal Bin Abdul Rahman, appointed on 13 June 2022, is due for retirement and eligible for re-election.

Upon the recommendation and assessment of the Remuneration and Nomination Committee, the Board is supportive of the re-election of Dato' Wan Hassan Bin Mohd Jamil, Datuk Tai Hee and Dato' Ahmad Rizal Bin Abdul Rahman ("the Retiring Directors").

The Retiring Directors have offered themselves for re-election. The profiles of the Retiring Directors are set out in the Annual Report 2023 under the Board of Directors Profiles section.

(D) Ordinary Resolution 6 – Appointment of Auditors

Messrs Crowe Malaysia PLT, the retiring Auditors, have expressed their decision not to seek re-appointment as the auditors of the Company at the forthcoming 8th AGM.

The Audit Committee had on 17 October 2023 conducted an assessment of the suitability and independence of potential firms and subsequently recommended the appointment of Messrs Nexia SSY PLT as the External Auditors of the Company in place of the retiring Auditors, Messrs Crowe Malaysia, for the financial period ending 30 June 2024.

The Board concurred with the Audit Committee's recommendation and recommends the same for shareholders approval at the forthcoming 8th AGM of the Company. Messrs Nexia SSY PLT have consented to act as the auditors of the Company.

(E) Ordinary Resolution 7 – Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016

This Ordinary Resolution, if passed, a renewal of the general mandate pursuant to Sections 75 and 76 of the Act ("General Mandate") obtained from the shareholders of the Company at the previous AGM and, if passed, will empower the Directors of the Company to issue new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued share capital of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future investment project(s), working capital, acquisition and/or for issuance of shares as settlement of purchase consideration.

Pursuant to Section 85 of the Act and Clause 16 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

As at the date of this notice, no new shares in the Company were issued pursuant to the general mandate which was approved at the Seventh (7th) AGM held on 12 May 2022, which will lapse at the conclusion of this Eighth (8th) AGM to be held on 30 November 2023.

The Statement Accompanying the Notice of Annual General Meeting

There is no person seeking election as Director of the Company at this AGM.

Personal Data Privacy:

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

Administrative Guide for Eighth Annual General Meeting ("8th AGM")

Day and Date	Thursday, 30 November 2023
Time	10.00 a.m.
Fully Virtual via online meeting platform	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	1) Type text in the meeting platform. The Messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e., one (1) hour before the Meeting. 2) Email questions in advance to Investor Relations at investor.relation@reservoirlink.com in relation to the agenda items for Meeting, commencing from 31 October 2023 and in any event no later than Tuesday, 28 November 2023.

A. Entitlement to Participate in the AGM

In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 November 2023 (Meeting Record of Depositors) shall be eligible to participate in the meeting or appoint proxy(ies) to participate on his/her behalf.

B. Form(s) of Proxy

If you are unable to attend the AGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Please ensure that the original form is deposited at our Share Registrar's office not less than forty-eight (48) hours before the time appointed for holding the meeting. Details of our Share Registrar's office can be found in the enquiry section of this document.

Alternatively, you may deposit your proxy form(s) by electronic means through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com (kindly refer to **section E** below).

C. Revocation of Proxy

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our electronic Meeting yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

D. Voting Procedure

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Administrative Guide for Eighth Annual General Meeting ("8th AGM")

E. Virtual Meeting Facilities

	Procedure	Action
Before the day of the AGM		
1.	Register Online with Boardroom Smart Investor Portal *(For first time registration only)*	**Step 1 – Register Online with Boardroom Smart Investor Portal ("BSIP") (for first time registration only)** *[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 - Submit request for Remote Participation user ID and password.]* (a) Access BSIP website https://investor.boardroomlimited.com; (b) Click "**Register**" to sign up as a user; (c) Please select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder"; (d) Complete registration with all required information. Upload and attach softcopy of NRIC/MyKAD (front and back) or passport in JPEG, PNG or PDF format; (e) For Corporate Holder, kindly upload the authorization letter as well. Click "**Sign Up**"; (f) You will receive an email from Boardroom for email address verification. Click "**Verify Email Address**" from the email received to continue with the registration; (g) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click "**Request OTP Code**" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click "**Enter**" to complete the process; (h) Your registration will be verified and approved within one business day and an email notification will be provided to you.
2.	Submit request for remote participation	**Step 2 – Submit Request for Remote Participation User ID and Password** *[Note: The registration for remote access will be opened on 25 May 2023.]* **Individual Shareholders** - Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above; - Select "**RESERVOIR LINK ENERGY BHD ANNUAL GENERAL MEETING (AGM)**" from the list of meeting Event(s) and click "**Enter**"; - Click on "**Register for RPEV**"; - Read and accept the General Terms and Conditions by clicking "**Next**"; and - Enter your CDS account number and thereafter submit your request. **Appointment of Proxy or Proxies** - Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above; - Select "**RESERVOIR LINK ENERGY BHD ANNUAL GENERAL MEETING (AGM)**" from the list of Meeting Event(s) and click "**Enter**"; - Click on "**Submit eProxy Form**"; - Read and accept the General Terms and Conditions by clicking "**Next**"; - Enter your CDS Account Number and number of securities held; - Select your proxy – either the Chairman of the meeting or individual named proxy or proxies and enter the required particulars of your proxy or proxies.

Administrative Guide for Eighth Annual General Meeting ("8th AGM")

Procedure		Action
Before the day of the AGM		
2.	Submit request for remote participation	**Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee** **(Via Email)** - Write in to bsr.helpdesk@boardroomlimited.com by providing the name of shareholder, CDS account number accompanied by the certificate of appointment of corporate representative or proxy form (as the case may be) to submit the request; and - Provide a photocopy of the corporate representative's or proxy or proxies holder's NRIC/MyKad (front and back) or passport in JPEG, PNG or PDF format together with his/her email address. **(Via BSIP)** - Login to https://investor.boardroomlimited.com using you user ID and password from Step 1 above; - Select "**RESERVOIR LINK ENERGY BHD ANNUAL GENERAL MEETING (AGM)**" from the list of Meeting Event(s) and click "**Enter**"; - Click on "**Submit eProxy Form**"; - Proceed to download the file format for "**Submission of Proxy Form**" from BSIP; - Prepare the file for the appointment of proxies by inserting the required date; - Proceed to upload the duly completed proxy appointment file; - Review and confirm your proxy appointment and click "**Submit**"; - Download or print the eProxy form as acknowledgement.
3.	Email notification	(a) You will receive a notification from Boardroom that your request has been received and is being verified; (b) Upon system verification of your registration against the AGM's register of members and/or record of depositors as at 31 May 2023, you will receive an email from Boardroom either approving or rejecting your registration for remote participation. Remote access user ID and password will be provided if your registration is approved; and (c) Closing for submission of request is at 10.00 a.m. on 7 June 2023 (48 hours before the AGM).
On the day of the AGM		
4.	Login to Meeting Platform	(a) The Meeting Platform will be open for login one (1) hour before the commencement of the AGM. (b) The Meeting Platform can be accessed via one of the following: - Scan the QR Code provided in the email notification; or - Navigate to the website at https://meeting.boardroomlimited.my (c) Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.
5.	Participate	*[Note: Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions and vote.]* (a) If you would like to view the live webcast, select the broadcast icon. (b) If you would like to ask a question during the GM, select the messaging icon. (c) Type your message within the chat box and once completed, click the send button.

Administrative Guide for
Eighth Annual General Meeting ("8th AGM")

On the day of the AGM		
6.	Voting	(a) Once polling has been opened, the polling icon will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session. (b) To vote, select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received. (c) To change your vote, re-select your voting preference. (d) If you wish to cancel your vote, please press "**Cancel**".
7.	End of Participation	Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end.

F. No Distribution of Door Gifts

There will be no distribution of door gifts for shareholders/proxies who join or participate in the virtual AGM.

G. No Recording or Photography

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

H. Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.):

Boardroom Share Registrars Sdn. Bhd.
Address : 11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
General Line : 603-7890 4700
Fax Number : 603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

FORM OF PROXY

RESERVOIR LINK

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

No. of shares held	CDS Account no.
Telephone no.	**Email address**

*I/We ______________________ NRIC/Passport no./Registration no. ______________________

of ____

being a *member/members of RESERVOIR LINK ENERGY BHD, hereby appoint:

(1) Name of proxy : ______________ NRIC/ Passport no. : ______________

Address : ______________________________

Email address : ______________ Telephone no. : ______________

(2) Name of proxy : ______________ NRIC/ Passport no. : ______________

Address : ______________________________

Email address : ______________ Telephone no. : ______________

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the *8th Annual General Meeting* ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Thursday, 30 November 2023 at 10.00 a.m. and any adjournment thereof in respect of my/our shareholding in the manner indicated below:

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

Resolution No.	Ordinary Business	For	Against
Ordinary Resolution 1	To approve the payment of Directors' fees		
Ordinary Resolution 2	To approve the payment of Directors' benefits from the date of the passing of this Ordinary Resolution until the next AGM of the Company		
Ordinary Resolution 3	To re-elect Datuk Tai Hee		
Ordinary Resolution 4	To re-elect Dato' Wan Hassan Bin Mohd Jamil		
Ordinary Resolution 5	To re-elect Dato' Ahmad Rizal Bin Abdul Rahman		
Ordinary Resolution 6	To appoint Messrs Nexia SSY PLT as Auditors for the ensuing year		
	Special Business		
Ordinary Resolution 7	Authority to issue and allot shares		

Dated this ______________ day of ______________ 2023

For the appointment of two proxies, the percentage of shareholdings to be represented by the proxies:		
	No. of shares	**Percentage (%)**
Proxy 1		
Proxy 2		
Total		**100**

____
Signature/Seal

** Strike out whichever is not applicable*

Fold this flap for sealing

Notes:-

(i) The 8th AGM will be conducted as a fully virtual meeting through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities provided by Boardroom Share Registrars Sdn. Bhd. via online meeting platform at https://meeting.boardroomlimited.my. ***Please read these Notes carefully and follow the Procedures in the Administrative Guide for the meeting to participate remotely****.*

(ii) According to the Revised Guidance Note and FAQ on the conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022, an online meeting platform located in Malaysia is recognised as the meeting venue, and the broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

(iii) In respect of deposited securities, only members whose names appear on the Record of Depositors on ***24 November 2023*** *(AGM Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*

(iv) A member [other than an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak, and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak, and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.

(v) Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) shareholdings to be represented by each proxy.

(vi) Where a member of the Company is an Exempt Authorised Nominee who holds 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.

(vii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.

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AFFIX STAMP

THE SHARE REGISTRAR OF

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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(viii) The appointment of a proxy may be made in a hard copy form or by electronic means by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised. The proxy form must be received by the Share Registrar of the Company not less than forty-eight (48) hours before the time appointed for holding the 8th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(a) 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.

(b) Electronic means

In the case of an appointment made by electronic means, the proxy form can be deposited through the Boardroom Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedure as set out in the Administrative Guide of the 8th AGM for the electronic deposit of proxy form.

(ix) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

(x) Last date and time for lodging the proxy form is Tuesday, 28 November 2023 at 10.00 a.m.

(xi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

www.reservoirlink.com

E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari,
59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tel : +603 2711 2128 **Fax** : +603 2711 2120 **Email** : investor.relation@reservoirlink.com