2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. **Property, plant and equipment**

	Computer RM	Furniture and fittings RM	Office equipment RM	Plant and machinery RM	Total RM
Cost					
At 1 July 2023	171,274	21,205	44,952	5,102,427	5,339,858
Additions	80,350	-	-	14,050	94,400
At 30 June 2024	251,624	21,205	44,952	5,116,477	5,434,258
Additions	-	-	-	409,087	409,087
Transfer from right-of-use assets	451,371	-	-	-	451,371
Written off	(65,024)	-	-	-	(65,024)
At 30 June 2025	637,971	21,205	44,952	5,525,564	6,229,692
Accumulated depreciation					
At 1 July 2023	169,907	13,604	42,310	4,953,435	5,179,256
Charge for the financial year	12,993	1,262	1,982	124,581	140,818
At 30 June 2024	182,900	14,866	44,292	5,078,016	5,320,074
Charge for the financial year	151,425	1,266	657	140,189	293,537
Transfer from right-of-use assets	261,732	-	-	-	261,732
Written off	(62,951)	-	-	-	(62,951)
At 30 June 2025	533,106	16,132	44,949	5,218,205	5,812,392
Carrying amount					
At 30 June 2025	104,865	5,073	3	307,359	417,300
At 30 June 2024	68,724	6,339	660	38,461	114,184

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3. **Property, plant and equipment (Cont'd)**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Computers	25% - 33%
Furniture and fittings	25%
Office equipment	13%
Plant and machinery	25% - 33%

4. **Right-of-use assets**

	Office building RM	Warehouse RM	Computer RM	Software RM	Total RM
Cost					
At 1 July 2023	249,612	86,058	504,200	533,456	1,373,326
Disposal	-	-	(52,829)	-	(52,829)
Modification of lease contract	-	5,178	-	-	5,178
At 30 June 2024	249,612	91,236	451,371	533,456	1,325,675
Addition	-	134,426		-	134,426
Expiration of lease contract	-	(91,236)	-	-	(91,236)
Transfer to intangible assets	-	-	-	(533,456)	(533,456)
Transfer to property, plant and equipment	-	-	(451,371)	-	(451,371)
At 30 June 2025	249,612	134,426	-	-	384,038

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4. **Right-of-use assets (Cont'd)**

	Office building RM	Warehouse RM	Computer RM	Software RM	Total RM
Accumulated depreciation					
At 1 July 2023	3,840	21,515	110,924	17,782	154,061
Charge for the financial year	46,082	44,539	153,974	53,846	298,441
Disposal	-	-	(15,981)	-	(15,981)
Modification of lease contract	-	2,373	-	-	2,373
At 30 June 2024	49,922	68,427	248,917	71,628	438,894
Charge for the financial year	46,083	45,213	12,815	27,397	131,508
Expiration of lease contract	-	(91,236)	-	-	(91,236)
Transfer to intangible assets	-	-	-	(99,025)	(99,025)
Transfer to property, plant and equipment	-	-	(261,732)	-	(261,732)
At 30 June 2025	96,005	22,404	-	-	118,409
Carrying amount					
At 30 June 2025	153,607	112,022	-	-	265,629
At 30 June 2024	199,690	22,809	202,454	461,828	886,781

ROU assets stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of ROU assets are recognised in the profit or loss on straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term.

The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office building	Over the lease term
Warehouse	Over the lease term
Computer	Over the lease term
Software	Over the lease term

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5. **Intangible assets**

	Software
	RM
Cost	
At 1 July 2023	264,789
Additions through separately acquired	186,138
At 30 June 2024	450,927
Transfer from right-of-use assets	533,456
Disposal	(5,832)
At 30 June 2025	978,551
Accumulated amortisation	
At 1 July 2023	-
Charge for the financial year	4,040
At 30 June 2024	4,040
Charge for the financial year	45,731
Transfer from right-of-use assets	99,025
Disposal	(140)
At 30 June 2025	148,656
Carrying amount	
At 30 June 2025	829,895
At 30 June 2024	446,887

Intangible assets represent software relates to the project management to support the Company's operation.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Capitalised costs are amortised on a straight-line basis over their estimated useful lives. Amortisation begins when the assets are completed and available for use. Amortisation expenses are recognised in profit or loss and included within the administrative expenses.

Intangible assets are amortised based on the estimated useful lives as follows:

Software	10%

6. **Inventories**

	2025	**2024**
	RM	**RM**
At cost		
Consumable goods	7,069,675	7,589,775

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6. Inventories (Cont'd)

	2025 RM	2024 RM
Recognised in profit or loss:		
Inventories recognised as cost of sales	3,125,954	5,589,380
Inventories written off	-	2,156,277

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is determined based on a first-in-first-out basis.

7. Trade receivables

	2025 RM	2024 RM
Trade receivables	3,951,461	5,846,337
Less: Allowance for expected credit losses ("ECLs")	(297,550)	(197,203)
	3,653,911	5,649,134

Trade receivables are non-interest bearing and are generally on 90 (2024: 90) days. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Movements in the allowance for ECLs are as follows:

	2025 RM	2024 RM
At the beginning of the financial year	197,203	1,555,368
Charge for the financial year	112,504	158,854
Reversal for the financial year	(12,157)	(1,517,019)
At the end of the financial year	297,550	197,203

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7. **Trade receivables (Cont'd)**

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables and contract assets:

	Gross amount RM	ECLs RM	Net amount RM
2025			
Not past due	8,488,763	(14,069)	8,474,694
Past due:			
Less than 30 days	433,260	-	433,260
31 to 60 days	30,468	(19,982)	10,486
61 to 90 days	378,820	(93,918)	284,902
More than 90 days	169,581	(169,581)	-
	9,500,892	(297,550)	9,203,342
Trade receivables	3,951,461	(297,550)	3,653,911
Contract assets (Note 9)	5,549,431	-	5,549,431
	9,500,892	(297,550)	9,203,342
2024			
Not past due	9,112,920	(91,128)	9,021,792
Past due:			
Less than 30 days	639,492	-	639,492
61 to 90 days	93,918	(93,918)	-
More than 90 days	893,986	(12,157)	881,829
	10,740,316	(197,203)	10,543,113
Trade receivables	5,846,337	(197,203)	5,649,134
Contract assets (Note 9)	4,893,979	-	4,893,979
	10,740,316	(197,203)	10,543,113

8. Other receivables

	2025 RM	2024 RM
Non-trade receivables	28,844	30,903
Deposits	36,556	160,202
Prepayments	926,136	347,845
	991,536	538,950
Less: Allowance for ECLs		
- Non-trade receivables	(28,844)	(28,844)
- Deposits	(2,880)	(2,880)
	(31,724)	(31,724)
	959,812	507,226

Movements in the allowance for ECLs are as follows:

	2025 RM	2024 RM
At the beginning/end of the financial year	31,724	31,724

9. Contract assets

	2025 RM	2024 RM
At the beginning of the financial year	4,893,979	808,712
Revenue recognised during the financial year	15,849,290	15,293,657
Progress billing issued	(15,193,838)	(11,208,390)
At the end of the financial year	5,549,431	4,893,979

The contract assets primarily relate to the Company's rights to consideration for work performed but not yet billed at the reporting date for its service contract. The contract assets will be transferred to trade receivables when the rights become unconditional.

10. Amount due from ultimate holding company

Amount due from ultimate holding company is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

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11. **Amount due from immediate holding company**

Amount due from immediate holding company is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

12. **Amount due from/(to) related companies**

Amount due from/(to) related companies is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

13. **Fixed deposit with licensed bank**

Fixed deposit with licensed bank of the Company amounting to RM744,775 (2024: RM727,852) is pledged as security to secure bank guarantee facility granted to the Company.

The effective interest rate for fixed deposit with licensed bank is 2.33% (2024: 2.60%) and the maturity of fixed deposit is 1 month (2024: 1 month).

14. **Share capital**

	Number of ordinary shares		Amount	
	2025	**2024**	**2025**	**2024**
	Units	**Units**	**RM**	**RM**
Issued and fully paid:				
At the beginning/ end of the financial year	1,816,814	1,816,814	6,638,161	6,638,161

The holders of ordinary shares is entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

15. **Hire purchase and lease liabilities**

	2025	2024
	RM	**RM**
Non-current		
Lease liabilities	183,577	156,408
Current		
Hire purchase	-	130,905
Lease liabilities	89,117	71,329
	89,117	202,234
	272,694	358,642

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15. **Hire purchase and lease liabilities (Cont'd)**

The maturity analysis of hire purchase and lease liabilities at the end of the reporting period:

	2025 RM	2024 RM
Within 1 year	99,950	206,793
Between 2 - 5 years	191,926	168,000
	291,876	374,793
Less: Future finance charges	(19,182)	(16,151)
Present value of hire purchase and lease liabilities	272,694	358,642

The Company leases office building and warehouse. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rate of the hire purchase liabilities of the Company is Nil% (2024: 3.50% to 4.00%). Lease payments relating to other lease liabilities are discounted using the Company's annual increment borrowing rates is range from 3.31% to 6.65% (2024: 3.31%).

16. **Deferred tax liabilities**

	2025 RM	2024 RM
At the beginning of the financial year	44,630	182,415
Recognised in profit or loss	54,310	(137,785)
At the end of the financial year	98,940	44,630

The components of deferred tax liabilities are made up of temporary differences arising from:

	2025 RM	2024 RM
Property, plant and equipment	129,653	66,501
Provisions	(30,713)	(21,871)
	98,940	44,630

17. **Trade payables**

The normal credit terms granted to the Company is 30 (2024: 30) days depending on the terms of the contracts.

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18. Other payables

	2025 RM	2024 RM
Non-trade payables	89,384	149,288
Accruals	765,422	1,492,465
Deposit received	1,000,000	-
	1,854,806	1,641,753

19. Revenue

	2025 RM	2024 RM
Revenue from contracts with customers:		
Rendering of services	16,735,542	19,219,177
Timing of revenue recognition:		
Over time	16,735,542	19,219,177

Rendering of services - Specialised oilfield and well intervention services

Rendering of services comprises multiple deliverables which represent a combined output for which the customer has contracted for or is a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer and are therefore recognised as a single performance obligation. Otherwise, each deliverable is recognised as separate performance obligations.

The Company recognises revenue from rendering of services over time because the customer simultaneously receives and consumes the benefits provided. The Company has availed the practical expedient to recognise revenue in the amount to which it has a right to invoice as it has the right to consideration from a customer in amount that corresponds directly with the value to the customer of the entity's performance complete to-date. For certain arrangements, revenue is recognised at a point in time when the customer obtains control of the assets or services.

20. Finance costs

	2025 RM	2024 RM
Interest expenses on hire purchase and lease liabilities	12,929	36,967

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21. Profit before tax

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	2025 RM	2024 RM
Allowance for ECLs on trade receivables	112,504	158,854
Amortisation of intangible assets	45,731	4,040
Auditors' remuneration	39,000	38,000
Depreciation of:		
- property, plant and equipment	293,537	140,818
- right-of-use assets	131,508	298,441
Director's fee	-	12,500
Interest income	(17,382)	(124,095)
Inventories written off	-	2,156,277
Lease expenses relating to:		
- lease of low value assets (a)	1,188	2,127
- short-term leases (a)	218,418	982,608
Loss on modification of lease contract	-	2,532
Property, plant and equipment written off	2,073	-
Realised loss/(gain) on foreign exchange	477,551	(625,414)
Rental income	(137,171)	(141,014)
Reversal of allowance for ECLs on trade receivables	(12,157)	(1,517,019)
Unrealised loss on foreign exchange	271,514	489,070

(a) The Company leases a premise, warehouse and equipment with contract terms of not more than one year or value of the asset is less than RM20,000. These leases are short-term lease and leases of low value assets. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

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22. Taxation

	2025 RM	2024 RM
Tax expense recognised in profit or loss		
Current tax		
Current financial year provision	261,003	564,784
Under/(Over) provision in prior financial year	259,490	(281,512)
	520,493	283,272
Deferred tax		
Origination and reversal of temporary differences	73,639	90,630
Over provision in prior financial year	(19,329)	(228,415)
	54,310	(137,785)
	574,803	145,487

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Company is as follows:

	2025 RM	2024 RM
Profit before tax	2,182,205	4,794,781
At Malaysian statutory tax rate of 24% (2024: 24%)	523,729	1,150,747
Expenses not deductible for tax purposes	389,207	782,859
Income not subject to tax	(32,921)	(439,595)
Under/(Over) provision of current tax in prior financial year	259,490	(281,512)
Over provision of deferred tax in prior financial year	(19,329)	(228,415)
Tax relief	(545,373)	(838,597)
	574,803	145,487

23. Dividend

	2025 RM	2024 RM
In respect of financial year ended 30 June 2024		
A first interim single-tier dividend of RM0.8256 per ordinary share declared on 1 December 2023 and paid on 29 December 2023	-	1,500,000

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23. **Dividend (Cont'd)**

The Board of Directors does not recommend any final dividend in respect of the current financial year.

24. **Staff costs**

	2025 RM	2024 RM
Salaries, wages and other emoluments	3,253,567	4,772,679
Defined contribution plans	236,449	274,509
	3,490,016	5,047,188

25. **Reconciliation of liabilities arising from financing activities**

The table below shows the detailed changes in the liabilities of the Company arising from financing activities, including both cash and non-cash changes:

	At 1.7.2024 RM	New lease RM	Financing cash flows RM	At 30.6.2025 RM
Hire purchase and lease liabilities	358,642	134,426	(220,374)	272,694
Amount due to a related company	3,746,412	-	(3,746,412)	-
	4,105,054	134,426	(3,966,786)	272,694

	At 1.7.2023 RM	Financing cash flows RM	Other changes (i) RM	At 30.6.2024 RM
Hire purchase and lease liabilities	906,534	(553,229)	5,337	358,642
Amount due to a related company	4,997,147	(1,250,735)	-	3,746,412
	5,903,681	(1,803,964)	5,337	4,105,054

(i) Other changes include modification of lease contracts.

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26. Financial guarantee

	2025 RM	2024 RM
Secured		
Bank guarantee for performance bond given to a third party	632,663	708,808

27. Related party disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	2025 RM	2024 RM
Transactions with ultimate holding company		
Management fees	(1,068,000)	(996,000)
Rental expenses	(50,400)	(50,400)
Rental income	61,566	62,715
Shared services expenses	(399,180)	-
Transaction with immediate holding company		
Dividend	-	(1,500,000)

27. Related party disclosures

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows: (Cont'd)

	2025 RM	2024 RM
Transactions with related companies		
Disposal of intangible asset	5,692	-
Rental income	75,605	73,544
Transactions with a former related company		
Rental income	-	4,755
Sale of ROU asset	-	36,848

(c) Compensation of key management personnel

Remuneration of key management personnel are as follows:

	2025 RM	2024 RM
Directors		
Fee	-	12,500
Salaries and other emoluments	231,332	330,059
Defined contribution plans	27,150	39,468
	258,482	382,027

28. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

28. **Financial instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2025	**2024**
	RM	**RM**
At amortised cost		
Financial assets		
Trade receivables	3,653,911	5,649,134
Other receivables	33,676	159,381
Amount due from ultimate holding company	938,131	77,794
Amount due from immediate holding company	288,814	31,251
Amount due from related companies	85,533	160,846
Fixed deposit with licensed bank	744,775	727,852
Cash and bank balances	682,149	1,624,614
	6,426,989	8,430,872

	2025	**2024**
	RM	**RM**
At amortised cost		
Financial liabilities		
Trade payables	838,518	140,170
Other payables	1,854,806	1,641,753
Amount due to a related company	-	3,746,412
	2,693,324	5,528,335

(b) Financial risk management objectives and policies

The Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Company's operations whilst managing its credit, liquidity and market risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

28. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from trade receivables, other receivables, amount due from ultimate holding company, amount due from immediate holding company, amount due from related companies, fixed deposits pledged with licensed banks and cash and bank balances. There are no significant changes as compared to prior financial year.

The Company has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Company assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statement of financial position at the end of the reporting date represent Company's maximum exposure to credit risk except for financial guarantee provided to bank for banking facilities granted to a third party.

There are no significant changes as compared to previous financial year.

Credit risk concentration

As at the end of the financial year, the Company has 3 (2024: 2) major customers and accounted for approximately 82% (2024: 90%) of the trade receivables outstanding.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities.

28. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Company finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Company can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2025				
Trade payables	838,518	-	838,518	838,518
Other payables	1,854,806	-	1,854,806	1,854,806
Hire purchase and lease liabilities	99,950	191,926	291,876	272,694
	2,793,274	191,926	2,985,200	2,966,018
Financial guarantee	632,663	-	632,663	
2024				
Trade payables	140,170	-	140,170	140,170
Other payables	1,641,753	-	1,641,753	1,641,753
Amount due to a related company	3,746,412	-	3,746,412	3,746,412
Hire purchase and lease liabilities	206,793	168,000	374,793	358,642
	5,735,128	168,000	5,903,128	5,886,977
Financial guarantee	708,808	-	708,808	

28. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily Saudi Riyal ("SAR") and United States Dollar ("USD").

The Company has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in	
	SAR	**USD**
	RM	**RM**
2025		
Financial assets		
Trade receivables	-	3,928,519
Cash and bank balances	-	568,855
	-	4,497,374
Financial liability		
Trade payables	(60,746)	(776,922)
	(60,746)	3,720,452
2024		
Financial assets		
Trade receivables	-	5,846,337
Cash and bank balances	-	869,177
	-	6,715,514
Financial liability		
Trade payables	-	(138,140)
	-	6,577,374

28. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Company's profit before tax for the financial year to a reasonably possible change in the SAR and USD exchange rates the functional currency of the Company, with all other variables held constant.

	Change in currency rate	**Effect on profit before tax 2025 RM**	**2024 RM**
SAR	Strengthened by 1% (2024: 1%)	(607)	-
	Weakened by 1% (2024: 1%)	607	-
USD	Strengthened by 1% (2024: 1%)	37,205	65,774
	Weakened by 1% (2024: 1%)	(37,205)	(65,774)

(b) Interest rate risk

The Company's fixed rate deposits with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Company manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Company manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Company does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

28. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025 RM	2024 RM
Fixed rate instruments		
Fixed deposits with licensed banks	744,775	727,852
Hire purchase and lease liabilities	(272,694)	(358,642)
	472,081	369,210

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair value of financial instruments

The carrying amount of short-term receivables, payables, cash and cash equivalents approximate their fair value due to the relatively short-term nature if these financial instruments and insignificant impact of discounting.

29. **Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

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29. **Capital management (Cont'd)**

The Company monitors capital using a gearing ratio. The Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	2025 RM	2024 RM
Hire purchase liabilities	-	130,905
Less: Cash and bank balances	(682,149)	(1,624,614)
Less: Fixed deposits with licensed banks	(744,775)	(727,852)
Net cash	(1,426,924)	(2,221,561)
Total equity	18,779,818	17,172,416
Gearing ratio	*	*

* Gearing ratio is not applicable to the Company as the cash and bank balances as at 30 June 2025 and 30 June 2024 are sufficient to cover the entire borrowing obligations.

There were no changes in the Company's approach to capital management during the financial year.

30. **Date of authorisation for issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 October 2025.

Nexia SSY

Reservoir Link Energy Bhd.

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(Incorporated in Malaysia)

Reports and financial statements
for the financial year ended 30 June 2025

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Reservoir Link Energy Bhd.

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Directors' Report
for the financial year ended 30 June 2025

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

Principal activities

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in oil and gas field services, trading in petroleum drilling equipment and the provision of related engineering services, provision of well perforation and well leak repair services, developing and providing oil and gas production enhancement services and sand management solutions, investment holding and renewable energy activities, oil and gas extraction service activities, installation of non-electric solar energy collectors, and provision of wastewater treatment services. The principal activities of its subsidiaries are disclosed in Note 10 to the financial statements.

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

Financial results

	Group RM	Company RM
Profit for the year, net of tax	27,839,362	35,067,954
Profit attributable to:		
Owners of the Company	27,458,300	35,067,954
Non-controlling interests	381,062	-
	27,839,362	35,067,954

Dividends

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

The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2025.

Reserves and provisions

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

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Issue of shares and debentures

During the financial year, the Company increased its total number of issued and paid-up share capital from 316,823,000 ordinary shares amounting to RM55,763,117 to 362,423,000 ordinary shares amounting to RM69,985,043, by way of:

(a) issuance of 5,330,000 new ordinary shares through private placement exercise at an issue price of RM0.3050 per ordinary share on 25 July 2024;

(b) issuance of 12,705,000 new ordinary shares at an issue price of RM0.70 per ordinary share on 9 August 2024, for the settlement of the contingent consideration of RM3,910,119 being the balance of the purchase consideration for the acquisition of Founder Energy Sdn. Bhd;

(c) issuance of 50,000 new ordinary shares through Employees' Share Option Scheme ("ESOS") at an issue price of RM0.2756 per ordinary share on 4 March 2025;

(d) issuance of 14,500,000 new ordinary shares through private placement exercise at an issue price of RM0.3150 per ordinary share on 16 April 2025;

(e) issuance of 11,460,000 new ordinary shares through private placement exercise at an issue price of RM0.3150 per ordinary share on 28 April 2025;

(f) issuance of 55,000 new ordinary shares through ESOS at an issue price of RM0.2756 per ordinary share on 2 May 2025; and

(g) issuance of 1,500,000 new ordinary shares through private placement exercise at an issue price of RM0.3150 per ordinary share on 19 May 2025.

The above (a) is the third tranche of the private placement announced on 8 May 2023. The private placement exercise was for the development of wastewater treatment plant and renewable projects and working capital. An amount of RM1,625,650 from the proceeds raised in Tranche 3 has been utilised for the development of wastewater treatment plant. The Company issued 31,708,000 shares under the proposed private placement of 86,713,500 shares, raising total proceeds of RM9,539,050. The private placement 2023 was deemed completed on 1 November 2024, following the lapse of the extended implementation period on 7 November 2024, as the Company decided not to place out the remaining shares.

During the year, on 18 April 2025 the Company proposed to undertake private placement of up to 33,356,300 new ordinary shares in the Company. The above (d), (e), and (g) are the first to third tranches. The remaining funds will be raised to finance the working capital requirements for the next 12 months.

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

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

Treasury shares

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

As at 30 June 2025, the Company held a total of 1,400,000 treasury shares which were repurchased in the financial year 2023 and are held at a carrying amount of RM504,964. Details of treasury shares are disclosed in Note 28 to the financial statements.

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Employees' Share Option Scheme ("ESOS")

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

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

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

	Number of options granted over ordinary shares					
	At 1.7.2024	**Granted**	**Exercised**	**Forfeited**	**At 30.6.2025**	**Expiry date**
ESOS	4,783,500	-	(105,000)	(343,100)	4,335,400	27 July 2026

Details on the exercise price, exercise period, basis upon which the share options may be exercised and other information about the ESOS of the Company are set out in Note 30 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 statutory Warrant not exercised by then will cease to be valid for any purpose;

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

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Warrants (continued)

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

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

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

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

The number of unexercised Warrants at the end of the reporting year is 71,249,995 (2024: 71,249,995).

Directors

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

Datuk Tai Hee
Dato' Wan Hassan Bin Mohd Jamil
Thien Chiet Chai
Siti Zurina Binti Sabarudin
Elain Binti Lockman
Dato' Ahmad Rizal Bin Abdul Rahman
Rewi Hamid Bugo (Appointed on 20.6.2025)

The directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report, excluding those Directors mentioned above, are:

Mad Haimi Bin Abu Hassan
Anwarudin Bin Saidu Mohamed
Mohd Fadzli Bin Hamidun
Venkata Ramana Chary Prathapuram
Chan Yew Ping (Resigned on 18.11.2024)
Dominic Liew Thiam Teck (Resigned on 18.11.2024)

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Directors' interests

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

	Number of ordinary shares in the Company			
	At 1.7.2024	**Additions**	**Disposals**	**At 30.6.2025**
Direct interest:				
Datuk Tai Hee	500,000	-	-	500,000
Dato' Wan Hassan Bin Mohd Jamil	6,656,205	-	(4,201,700)	2,454,505
Thien Chiet Chai	18,190,035	5,960,000	-	24,150,035
Rewi Hamid Bugo	-	1,000,000	-	1,000,000
Indirect interest:				
Datuk Tai Hee *	29,333,503	-	-	29,333,503
Dato' Wan Hassan Bin Mohd Jamil #	65,210,000	-	(29,914,800)	35,295,200
Thien Chiet Chai #	65,210,000	-	(29,914,800)	35,295,200

	Number of ESOS in the Company			
	At 1.7.2024	**Granted**	**Exercised**	**At 30.6.2025**
Direct interest:				
Siti Zurina Binti Sabarudin	200,000	-	-	200,000

	Number of warrants in the Company			
	At 1.7.2024	**Additions**	**Disposals**	**At 30.6.2025**
Direct interest:				
Datuk Tai Hee	125,000	-	-	125,000
Dato' Wan Hassan Bin Mohd Jamil	15,000	-	-	15,000
Thien Chiet Chai	200,058	-	-	200,058
Indirect interest:				
Datuk Tai Hee *	7,330,875	-	-	7,330,875

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

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

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

Directors' benefits

In respect of the Directors or past Directors of the Company, no fees and other benefits distinguished separately, have been paid to or receivable by them as remuneration for their services to the Company and its related corporations, other than Directors' remuneration, as disclosed in Note 42 to the financial statements.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in the financial statements.

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

Indemnity and insurance costs for Directors, Officers and Auditors

(a) Directors and Officers

The Directors and Officers of the Group and of the Company are covered by Directors' and Officers' Liability Insurance ("DOL Insurance") basis for the purpose of Section 289 of the Companies Act 2016. During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the Officers of the Group and of the Company are RM10,000,000 and RM24,675 respectively.

(b) Auditors

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

Other statutory information

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

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

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

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Other statutory information (continued)

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

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

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

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

In the opinion of the Directors:

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

(b) no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due, except as disclosed in the financial statements.

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

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

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

Significant and subsequent events

The details of significant and subsequent events are disclosed in Note 53 to the financial statements.

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Auditors

The auditors, Nexia SSY PLT, do not express their willingness to continue in office.

The auditors' remuneration is disclosed in Note 41 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 October 2025.

Thien Chiet Chai
Executive Deputy Chairman

Dato' Wan Hassan Bin Mohd Jamil
Managing Director

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Statements of Financial Position as at 30 June 2025

	Note	Group		Company	
			Restated		
		2025	2024	**2025**	2024
		RM	RM	**RM**	RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**81,036,629**	76,455,335	**111,511**	166,715
Investment properties	7	**4,640,510**	4,757,253	**-**	-
Right-of-use assets	8	**657,510**	181,931	**281,691**	281,691
Intangible assets	9	**3,157,948**	3,226,739	**-**	-
Investment in subsidiaries	10	**-**	-	**27,163,054**	38,395,586
Investment in associates	11	**60,269,260**	290,000	**53,600,082**	-
Investment in joint ventures	12	**965,523**	1,134,193	**-**	51,000
Deferred tax assets	13	**-**	542,274	**-**	-
Goodwill	14	**-**	13,972,961	**-**	-
		150,727,380	100,560,686	**81,156,338**	38,894,992
Current assets					
Inventories	15	**7,505,724**	8,820,878	**-**	-
Contract assets	16	**13,398,016**	47,829,651	**-**	-
Trade receivables	17	**10,770,493**	27,698,153	**-**	-
Other receivables, deposits and prepayments	18	**14,904,308**	18,446,493	**294,640**	534,411
Amount owing by subsidiaries	19	**-**	-	**15,736,841**	12,756,548
Amount owing by associates	20	**728,273**	45,898	**437,545**	-
Amount owing by joint ventures	21	**304,418**	869,056	**-**	-
Amount owing by related parties	22	**-**	392,696	**-**	138,170
Short-term investments	23	**1,052,715**	1,020,970	**1,052,715**	1,020,970
Current tax assets		**3,336,274**	2,866,123	**68,033**	336,187
Derivative financial assets	24	**-**	3,565	**-**	-
Fixed deposits with licensed banks	25	**4,912,341**	9,676,772	**-**	-
Cash and bank balances	26	**11,134,355**	13,482,607	**1,280,347**	242,628
		68,046,917	131,152,862	**18,870,121**	15,028,914
TOTAL ASSETS		**218,774,297**	231,713,548	**100,026,459**	53,923,906

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

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Statements of Financial Position as at 30 June 2025 (continued)

	Note	Group 2025 RM	Group Restated 2024 RM	Company 2025 RM	Company 2024 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	27	**69,985,043**	55,763,117	**69,985,043**	55,763,117
Treasury shares	28	**(504,964)**	(504,964)	**(504,964)**	(504,964)
Merger deficit	29	**(15,779,300)**	(15,779,300)	**-**	-
Share option reserve	30	**302,177**	319,470	**302,177**	319,470
Foreign exchange translation reserve	29	**(159,775)**	889,101	**-**	-
Contingent consideration	31	**-**	4,410,119	**-**	3,910,119
Retained earnings/ (accumulated losses)	29	**68,149,735**	40,681,461	**27,314,954**	(7,762,974)
Equity attributable to owners of the Company		**121,992,916**	85,779,004	**97,097,210**	51,724,768
Non-controlling interests	10(c)	**3,348,899**	7,900,991	**-**	-
TOTAL EQUITY		**125,341,815**	93,679,995	**97,097,210**	51,724,768
Non-current liabilities					
Borrowings	32	**39,255,658**	37,444,198	**-**	-
Lease liabilities	33	**2,042,673**	1,502,815	**95,162**	95,162
Deferred tax liabilities	13	**565,022**	-	**-**	-
		41,863,353	38,947,013	**95,162**	95,162
Current liabilities					
Trade payables	34	**8,245,041**	41,618,736	**-**	-
Other payables and accruals	35	**6,651,928**	7,810,116	**1,276,705**	685,754
Contract liabilities	16	**3,620,562**	2,315,843	**-**	-
Amount owing to directors of subsidiaries	36	**-**	502,000	**-**	-
Amount owing to subsidiaries	19	**-**	-	**298,369**	180,092
Amount owing to associates	20	**4,058,449**	-	**217,995**	-
Amount owing to joint ventures	21	**-**	1	**-**	-
Amount owing to related parties	22	**-**	1,172,135	**-**	-
Borrowings	32	**25,294,194**	43,436,894	**853,224**	1,050,336
Lease liabilities	33	**613,898**	312,206	**187,794**	187,794
Current tax liabilities		**3,085,057**	1,918,609	**-**	-
		51,569,129	99,086,540	**2,834,087**	2,103,976
TOTAL LIABILITIES		**93,432,482**	138,033,553	**2,929,249**	2,199,138
TOTAL EQUITY AND LIABILITIES		**218,774,297**	231,713,548	**100,026,459**	53,923,906

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

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Statements of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2025

	Note	Group		Company	
		2025	2024	**2025**	2024
		RM	RM	**RM**	RM
Revenue	37	**125,396,832**	186,202,799	**3,554,154**	3,501,834
Cost of sales		**(101,713,003)**	(157,077,198)	**-**	-
Gross profit		**23,683,829**	29,125,601	**3,554,154**	3,501,834
Other income	38	**2,392,304**	1,701,805	**1,075,247**	1,077,921
Administrative expenses		**(21,347,708)**	(22,321,248)	**(7,828,187)**	(7,945,638)
Finance costs	39	**(4,527,021)**	(3,627,947)	**(42,272)**	(63,891)
Gain on deemed disposal of subsidiaries	41	**84,700,327**	-	**89,890,098**	-
(Allowance for)/reversal of impairment loss on financial assets and contract assets - net	40	**(150,913)**	(759,238)	**(176,898)**	95,700
Reversal of impairment loss on investment in subsidiaries - net		**-**	-	**183,230**	-
Impairment loss on investment in associates	11	**(50,203,970)**	-	**(51,587,418)**	-
Share of loss of equity accounted for associates	11	**(2,713,671)**	-	**-**	-
Share of loss of equity accounted for joint ventures	12	**(117,669)**	(26,078)	**-**	-
Profit/(loss) before taxation	41	**31,715,508**	4,092,895	**35,067,954**	(3,334,074)
Taxation	43	**(3,876,146)**	(3,355,922)	**-**	-
Profit/(loss) for the year		**27,839,362**	736,973	**35,067,954**	(3,334,074)
Other comprehensive expenses					
Items that will be reclassified subsequently to Profit or Loss					
Foreign currency translation differences		**(1,217,219)**	(189,333)	**-**	-
Total comprehensive income/(expenses) for the year		**26,622,143**	547,640	**35,067,954**	(3,334,074)

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

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Statements of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2025 (continued)

	Note	Group **2025** **RM**	Group 2024 RM	Company **2025** **RM**	Company 2024 RM
Profit/(loss) for the year attributable to:					
Owners of the Company		**27,458,300**	(844,798)	**35,067,954**	(3,334,074)
Non-controlling interests		**381,062**	1,581,771	**-**	-
		27,839,362	736,973	**35,067,954**	(3,334,074)
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		**26,409,424**	(1,006,892)	**35,067,954**	(3,334,074)
Non-controlling interests		**212,719**	1,554,532	**-**	-
		26,622,143	547,640	**35,067,954**	(3,334,074)
Earnings/(losses) per share (sen)					
- Basic	44(a)	**8.15**	(0.27)		
- Diluted	44(b)	**8.15**	(0.27)		

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

Registration No: 201401044508 (1120690-K)

Reservoir Link Energy Bhd.
(Incorporated in Malaysia)

Statements of Changes in Equity for the financial year ended 30 June 2025

		Non-distributable						Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Share option reserve RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group											
At 1 July 2024		55,763,117	(504,964)	(15,779,300)	319,470	889,101	4,410,119	40,681,461	85,779,004	7,900,991	93,679,995
Profit for the year		-	-	-	-	-	-	27,458,300	27,458,300	381,062	27,839,362
Other comprehensive expenses for the year:											
- Foreign currency translation difference		-	-	-	-	(1,048,876)	-	-	(1,048,876)	(168,343)	(1,217,219)
Total comprehensive (expenses)/ income for the year		-	-	-	-	(1,048,876)	-	27,458,300	26,409,424	212,719	26,622,143
Balance carried forward		55,763,117	(504,964)	(15,779,300)	319,470	(159,775)	4,410,119	68,139,761	112,188,428	8,113,710	120,302,138

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

Registration No: 201401044508 (1120690-K)

Reservoir Link Energy Bhd.
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Statements of Changes in Equity
for the financial year ended 30 June 2025 (continued)

		Non-distributable						Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Share option reserve RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group											
Balance brought forward		55,763,117	(504,964)	(15,779,300)	319,470	(159,775)	4,410,119	68,139,761	112,188,428	8,113,710	120,302,138
Contributions by and distributions to owners of the Company:											
- Issuance of ordinary shares via private placement	27	10,275,550	-	-	-	-	-	-	10,275,550	-	10,275,550
- Share options exercised	27,30	36,257	-	-	(7,319)	-	-	-	28,938	-	28,938
- Share options forfeited	30	-	-	-	(9,974)	-	-	9,974	-	-	-
- Issuance of ordinary shares upon satisfaction of contingent consideration	27, 31(a)	3,910,119	-	-	-	-	(3,910,119)	-	-	-	-
		14,221,926	-	-	(17,293)	-	(3,910,119)	9,974	10,304,488	-	10,304,488
Balance carried forward		69,985,043	(504,964)	(15,779,300)	302,177	(159,775)	500,000	68,149,735	122,492,916	8,113,710	130,606,626

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

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Reservoir Link Energy Bhd.
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Statements of Changes in Equity for the financial year ended 30 June 2025 (continued)

		Non-distributable						Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Share option reserve RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group											
Balance brought forward		69,985,043	(504,964)	(15,779,300)	302,177	(159,775)	500,000	68,149,735	122,492,916	8,113,710	130,606,626
Contributions by and distributions to owners of the Company (continued):											
Deemed disposal of subsidiaries	10(a)	-	-	-	-	-	-	-	-	(6,620,386)	(6,620,386)
Changes in a subsidiary's ownership interests that do not result in a loss of control		-	-	-	-	-	-	-	-	1,855,575	1,855,575
Reversal of contingent consideration	31(b)	-	-	-	-	-	(500,000)	-	(500,000)	-	(500,000)
		-	-	-	-	-	(500,000)	-	(500,000)	(4,764,811)	(5,264,811)
At 30 June 2025		69,985,043	(504,964)	(15,779,300)	302,177	(159,775)	-	68,149,735	121,992,916	3,348,899	125,341,815

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

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Reservoir Link Energy Bhd.
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Statements of Changes in Equity
for the financial year ended 30 June 2025 (continued)

		Non-distributable						Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Share option reserve RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group											
At 1 July 2023		47,967,910	(504,964)	(15,779,300)	-	1,051,195	3,910,119	41,526,259	78,171,219	6,346,459	84,517,678
(Loss)/profit for the year		-	-	-	-	-	-	(844,798)	(844,798)	1,581,771	736,973
Other comprehensive expenses for the year:											
- Foreign currency translation difference		-	-	-	-	(162,094)	-	-	(162,094)	(27,239)	(189,333)
Total comprehensive (expenses)/ income for the year		-	-	-	-	(162,094)	-	(844,798)	(1,006,892)	1,554,532	547,640
Balance carried forward		47,967,910	(504,964)	(15,779,300)	-	889,101	3,910,119	40,681,461	77,164,327	7,900,991	85,065,318

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

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Reservoir Link Energy Bhd.
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Statements of Changes in Equity (continued)
For the financial year ended 30 June 2025

		Non-distributable						Distributable			
	Note	Share capital RM	Treasury shares RM	Merger deficit RM	Share option reserve RM	Foreign exchange translation reserve RM	Contingent consideration RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Group											
Balance brought forward		47,967,910	(504,964)	(15,779,300)	-	889,101	3,910,119	40,681,461	77,164,327	7,900,991	85,065,318
Contributions by and distributions to owners of the Company:											
- Issuance of ordinary shares via private placement	27	7,913,400	-	-	-	-	-	-	7,913,400	-	7,913,400
- Share issue expenses	27	(118,193)	-	-	-	-	-	-	(118,193)	-	(118,193)
- Share options granted	30	-	-	-	319,470	-	-	-	319,470	-	319,470
Acquisition of a subsidiary	31(b)	-	-	-	-	-	500,000	-	500,000	-	500,000
Total transactions with owners		7,795,207	-	-	319,470	-	500,000	-	8,614,677	-	8,614,677
At 30 June 2024		55,763,117	(504,964)	(15,779,300)	319,470	889,101	4,410,119	40,681,461	85,779,004	7,900,991	93,679,995

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

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Reservoir Link Energy Bhd.
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Statements of Changes in Equity for the financial year ended 30 June 2025 (continued)

		Non-distributable				Distributable	
	Note	Share capital RM	Treasury shares RM	Share option reserve RM	Contingent consideration RM	(Accumulated losses)/ retained earnings RM	Total equity RM
Company							
At 1 July 2024		**55,763,117**	**(504,964)**	**319,470**	**3,910,119**	**(7,762,974)**	**51,724,768**
Profit for the year		**-**	**-**	**-**	**-**	**35,067,954**	**35,067,954**
Contributions by and distributions to owners of the Company:							
- Issuance of ordinary shares via private placement	27	**10,275,550**	**-**	**-**	**-**	**-**	**10,275,550**
- Share options exercised	27,30	**36,257**	**-**	**(7,319)**	**-**	**-**	**28,938**
- Share options forfeited	30	**-**	**-**	**(9,974)**	**-**	**9,974**	**-**
- Issuance of ordinary shares upon satisfaction of contingent consideration	27,31(a)	**3,910,119**	**-**	**-**	**(3,910,119)**	**-**	**-**
		14,221,926	**-**	**(17,293)**	**(3,910,119)**	**9,974**	**10,304,488**
At 30 June 2025		**69,985,043**	**(504,964)**	**302,177**	**-**	**27,314,954**	**97,097,210**
At 1 July 2023		47,967,910	(504,964)	-	3,910,119	(4,428,900)	46,944,165
Loss for the year		-	-	-	-	(3,334,074)	(3,334,074)
Contributions by and distributions to owners of the Company:							
- Issuance of ordinary shares via private placement	27	7,913,400	-	-	-	-	7,913,400
- Share issue expenses	27	(118,193)	-	-	-	(118,193)	(118,193)
- Share options granted	30	-	-	319,470	-	-	319,470
		7,795,207	-	319,470	-	-	8,114,677
At 30 June 2024		55,763,117	(504,964)	319,470	3,910,119	(7,762,974)	51,724,768

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

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Reservoir Link Energy Bhd.

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Statements of Cash Flows for the financial year ended 30 June 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from operating activities					
Profit/(loss) before taxation		**31,715,508**	4,092,895	**35,067,954**	(3,334,074)
Adjustments for:					
Allowance for obsolete inventories		**96,275**	265,111	**-**	-
Amortisation of intangible assets		**179,630**	54,691	**-**	-
Bad debts written-off		**2,172,225**	3,450	**-**	-
Depreciation of property, plant and equipment		**8,414,334**	4,897,883	**127,014**	129,648
Depreciation of investment properties		**116,743**	116,742	**-**	-
Depreciation of right-of-use assets		**114,707**	259,415	**187,794**	185,331
Dividend income		**(8,050)**	-	**(8,050)**	-
Fair value gain on derivatives		**-**	(3,565)	**-**	-
Fair value loss on short-term investments		**578,898**	200,589	**578,898**	200,589
Finance costs		**4,527,021**	3,627,947	**42,272**	63,891
Gain on lease liabilities written off due to early termination		**-**	(3,188)	**-**	-
Gain on disposals of property, plant and equipment - net		**(13,752)**	-	**(208)**	-
Gain on disposals of short-term investments		**(1,652)**	(1,179)	**(1,652)**	(1,179)
Gain on deemed disposal of subsidiaries		**(84,700,327)**	-	**(89,890,098)**	-
Allowance for/(reversal of) impairment loss on:					
- trade receivables - net		**12,743**	770,025	**-**	-
- contract assets		**-**	(10,787)	**-**	-
- amount owing by subsidiaries - net		**-**	-	**38,728**	(95,700)
- amount owing by related parties		**-**	-	**138,170**	-
- amount owing by associates		**138,170**	-	**-**	-
- investment in subsidiaries - net		**-**	-	**(183,230)**	1,000,000
- investment in associates		**50,203,970**	-	**51,587,418**	-
Interest income		**(237,757)**	(251,359)	**(1,062,434)**	(1,040,721)
Inventories written-off		**153,894**	-	**-**	-
Property, plant and equipment written-off		**-**	32,782	**-**	2
Lease income		**(256,092)**	(160,092)	**-**	-
Reversal of obsolete inventories		**(159,467)**	-	**-**	-
Unrealised foreign exchange loss/(gain) - net		**71,598**	1,584,682	**47,863**	(1,188)
Share options granted under ESOS		**-**	319,470	**-**	128,590
Share of loss of equity accounted for associates		**2,713,671**	-	**-**	-
Share of loss of equity accounted for joint ventures		**117,669**	26,078	**-**	-
Operating profit/(loss) before working capital changes		**15,949,959**	15,821,590	**(3,329,561)**	(2,764,811)

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

Reservoir Link Energy Bhd.

(Incorporated in Malaysia)

Statements of Cash Flows for the financial year ended 30 June 2025 (continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from operating activities (continued)					
Balance brought forward		**15,949,959**	15,821,590	**(3,329,561)**	(2,764,811)
(Increase)/decrease in inventories		**(395,808)**	241,043	-	-
Decrease in contract cost assets		-	959,005	-	-
Decrease/(increase) in contract assets - net		**10,368,159**	(18,272,625)	-	-
(Increase)/decrease in receivables		**(18,807,356)**	3,695,459	**239,771**	(471,521)
(Decrease)/increase in payables		**(4,092,329)**	(4,766,730)	**590,951**	(1,995,540)
Increase in amount owing by subsidiaries		-	-	**(3,066,884)**	(2,309,760)
Decrease/(increase) in amount owing by associates		**1,909,487**	(45,898)	**(437,545)**	-
Decrease in amount owing by joint ventures		**564,638**	42,256	-	-
Increase in amount owing by related parties		**(80,594)**	(392,696)	-	(138,170)
(Decrease)/increase in amount owing to directors of subsidiaries		**(237,500)**	502,000	-	-
Increase/(decrease) in amount owing to subsidiaries		-	-	**118,277**	(1,223,280)
Increase in amount owing to associates		**4,427,252**	-	**217,995**	-
(Decrease)/increase in amount owing to joint ventures		**(1)**	1	-	-
(Decrease)/increase in amount owing to related parties		**(1,172,135)**	1,172,135	-	-
Cash generated from/(used in) operations		**8,433,772**	(1,044,460)	**(5,666,996)**	(8,903,082)
Interest paid		**(4,527,021)**	(3,627,947)	**(42,272)**	(63,891)
Income tax paid		**(2,808,896)**	(2,308,316)	**(25,416)**	(121,599)
Income tax refunded		**293,570**	-	**293,570**	-
Net cash generated from/ (used in) operating activities		**1,391,425**	(6,980,723)	**(5,441,114)**	(9,088,572)
Cash flows from investing activities					
Acquisition of joint ventures	12	-	(1)	-	-
Increase of investment in joint ventures	12	**(25,160)**	-	**(25,160)**	-
Net cash outflow from the acquisition of a subsidiary	10(b)	-	(3,466,055)	-	-
Addition in intangible assets	9	**(110,839)**	-	-	-
Balance carried forward		**(135,999)**	(3,466,056)	**(25,160)**	-

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

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Reservoir Link Energy Bhd.

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Statements of Cash Flows for the financial year ended 30 June 2025 (continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from investing activities (continued)					
Balance brought forward		**(135,999)**	(3,466,056)	**(25,160)**	-
Acquisition of the subsidiaries	10	**-**	-	**(3,805,480)**	-
Net cash inflow arising on deemed disposal of subsidiaries	10(a)	**262,441**	-	**-**	-
Dividend income received		**8,050**	-	**8,050**	-
Decrease in pledged fixed deposits		**(2,444,017)**	(2,537,291)	**-**	-
Increase of investment in associates	11	**(7,709,000)**	(290,000)	**-**	-
Increase in non-controlling interest		**1,855,575**	-	**-**	-
Interest income received		**237,757**	251,359	**1,062,434**	1,040,721
Lease income received		**256,092**	160,092	**-**	-
Proceeds from disposal of property, plant and equipment		**180,438**	-	**750**	-
Proceeds from disposal of short-term investments		**269,569**	176,079	**269,569**	176,079
Purchase of property, plant and equipment	45(b)	**(21,022,699)**	(38,758,935)	**(72,352)**	(41,545)
Purchase of short-term investments	23	**(878,560)**	(703,229)	**(878,560)**	(710,084)
Decrease in derivative assets		**3,565**	-	**-**	-
Net cash (used in)/generated from investing activities		**(29,116,788)**	(45,167,981)	**(3,440,749)**	465,171
Cash flows from financing activities					
Drawdown of bankers' acceptance	45(a)	**-**	23,428,648	**-**	-
Drawdown of factoring payables	45(a)	**-**	20,933,551	**-**	-
Drawdown of invoice financing	45(a)	**7,701,717**	46,658,957	**-**	-
Drawdown of margin financing	45(a)	**305,592**	1,045,372	**305,592**	1,045,372
Drawdown of revolving credit	45(a)	**2,000,000**	-	**-**	-
Drawdown of terms loans	45(a)	**20,723,542**	37,252,860	**-**	-
Proceeds from issuance of ordinary shares		**10,304,488**	7,795,207	**10,304,488**	7,795,207
Net (decrease)/increase in credit card facility	45(a)	**(3,392)**	45,255	**-**	-
Repayment of bankers' acceptance	45(a)	**(6,384,432)**	(16,052,557)	**-**	-
Repayment of factoring payables	45(a)	**(1,639,908)**	(21,649,508)	**-**	-
Repayment of invoice financing	45(a)	**-**	(34,900,819)	**-**	-
Repayment of margin financing	45(a)	**(502,704)**	-	**(502,704)**	-
Repayment of revolving credit	45(a)	**(804,000)**	(871,000)	**-**	-
Repayment of term loans	45(a)	**(6,194,754)**	(5,026,615)	**-**	-
Repayment of lease liabilities	45(a)	**(495,847)**	(378,667)	**(187,794)**	(187,794)
Net cash generated from financing activities		**25,010,302**	58,280,684	**9,919,582**	8,652,785

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

Reservoir Link Energy Bhd.

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Statements of Cash Flows for the financial year ended 30 June 2025 (continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Net (decrease)/increase in cash and cash equivalents		**(2,715,061)**	6,131,980	**1,037,719**	29,384
Effects of foreign exchange translation		**2,059,709**	(188,644)	-	-
Cash and cash equivalents at beginning of the year		**7,553,906**	1,610,570	**242,628**	213,244
Cash and cash equivalents at end of the year		**6,898,554**	7,553,906	**1,280,347**	242,628
Cash and cash equivalents reconciliations:					
Fixed deposits with licensed banks	25	**4,912,341**	9,676,772	-	-
Cash and bank balances	26	**11,134,355**	13,482,607	**1,280,347**	242,628
		16,046,696	23,159,379	**1,280,347**	242,628
Less:					
Bank overdrafts	32	**(4,235,801)**	(5,928,701)	-	-
Fixed deposits pledged to licensed banks	25	**(4,912,341)**	(9,676,772)	-	-
		(9,148,142)	(15,605,473)	-	-
		6,898,554	7,553,906	**1,280,347**	242,628

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

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Reservoir Link Energy Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements for the financial year ended 30 June 2025

1. Corporate information

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

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

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in oil and gas field services, trading in petroleum drilling equipment and the provision of related engineering services, provision of well perforation and well leak repair services, developing and providing oil and gas production enhancement services and sand management solutions, investment holding and renewable energy activities, oil and gas extraction service activities, installation of non-electric solar energy collectors, and provision of wastewater treatment services.

The principal activities of its subsidiaries are disclosed in Note 10. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 October 2025.

2. Basis of preparation of the financial statements

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

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

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

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

3. Material accounting policy information

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

3.1 Basis of consolidation

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

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

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

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

Merger accounting for common control business combination

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

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

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

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

3. Material accounting policy information (continued)

3.1 Basis of consolidation (continued)

Business combinations

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

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

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

Non-controlling interests

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

Changes in ownership interests in subsidiaries without change of control

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

Loss of control

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

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

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

3. Material accounting policy information (continued)

3.1 Basis of consolidation (continued)

Loss of control (continued)

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

3.2 Financial instruments

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

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

Financial assets

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

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

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

i Financial assets measured at amortised cost

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

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

3. Material accounting policy information (continued)

3.2 Financial instruments (continued)

Financial assets (continued)

ii Financial assets measured subsequently at fair value

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

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

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

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

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

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

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

3. Material accounting policy information (continued)

3.2 Financial instruments (continued)

Financial liabilities

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

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

i Financial liabilities at FVTPL

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

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

ii Other financial liabilities

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

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

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

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

3.3 Property, plant and equipment, and depreciation

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

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

3. Material accounting policy information (continued)

3.3 Property, plant and equipment, and depreciation (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss as incurred.

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

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

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

3.4 Investment properties

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

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

3. Material accounting policy information (continued)

3.4 Investment properties (continued)

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

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

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

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

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

3.5 Leases

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

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

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

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

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

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

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

3. Material accounting policy information (continued)

3.5 Leases (continued)

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

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

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

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

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

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

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

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

3.6 Intangible assets

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

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

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

3. Material accounting policy information (continued)

3.6 Intangible assets (continued)

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

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

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

3.7 Investment in subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

3.8 Investment in associates

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

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

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

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

3. Material accounting policy information (continued)

3.8 Investment in associates (continued)

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

3.9 Investment in joint ventures

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

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

Investments in joint ventures are stated at cost in the statements of financial position of the Group and of the Company and are reviewed for impairment at the end of the reporting year 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 joint ventures 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 2025. The Group's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

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

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

3. Material accounting policy information (continued)

3.9 Investment in joint ventures (continued)

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

3.10 Goodwill or reserve arising from consolidation

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

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

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

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

3.11 Inventories

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

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

3. Material accounting policy information (continued)

3.12 Contract assets and contract liabilities

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

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

3.13 Cash and cash equivalents

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

3.14 Equity instruments

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

i Ordinary shares

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

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

ii Treasury shares

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

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

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

3. Material accounting policy information (continued)

3.15 Interest bearing loans and borrowings

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

3.16 Provision for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

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

3. Material accounting policy information (continued)

3.18 Income tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Material accounting policy information (continued)

3.19 Employee benefits

i Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or construction obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

As required by law, the Group makes contributions to the statutory provident fund, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the year as incurred.

iii Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the financial year end are discounted to present value.

3. Material accounting policy information (continued)

3.20 Revenue recognition

The Group recognises revenue from contracts with customers for the sale of goods and provision of services based on the five-step model as set out below:

i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

iii Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

v Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

i Does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to-date; or

ii Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

iii Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

3. Material accounting policy information (continued)

3.20 Revenue recognition (continued)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue

a. Sale of goods

Revenue is recognised at a point in time when the goods have been delivered to the customer and upon its acceptance, and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the goods sold.

b. Rendering of services

Revenue from providing products and services in relation to the oil and gas services industry is recognised over time in the year in which the services are rendered. As a practical expedient, the Group recognises revenue to the extent of the expenses incurred that are recoverable.

The Group involves in the renewable energy and contracts with customers. Under the terms of the contracts, control is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the year of the contract by reference to the progress toward complete satisfaction of that performance obligation. The progress toward complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date over to the estimated total construction costs (an input method).

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when an invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then the Group recognises a contract liability for the difference.

c. Sales of electricity through solar energy generation

The Group sells electricity generated through its self-constructed solar plant to the contract customers, under power purchase agreements ranging from 15 to 20 years. Revenue is recognised upon delivery of electricity by kilowatt-hour to the contract customer's grid and acceptance.

d. Wastewater treatment and related services

Revenue from waste management services is recognised when the services have been rendered based on the level of completion of waste management at the end of the month that can be reliably measured.

3. Material accounting poiicy information (continued)

3.20 Revenue recognition (continued)

ii Other income

a. Interest income

Interest income is recognised on an accrual basis (taking into account the effective yield on the asset) unless its collectability is in doubt.

b. Rendering of management services

Revenue from providing management services is recognised over time in the year in which the services are rendered.

c. Dividend income

Dividend income represents dividend received from investments, and is recognised when the right to receive payment is established.

d. Rental income

Rental income from investment properties is accounted for on a straight-line method over the lease term.

3.21 Foreign currencies transactions

i Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Group's functional currency.

ii Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

3. Material accounting policy information (continued)

3.21 Foreign currencies transactions (continued)

ii Foreign currency transactions and balances (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the year. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2025	2024
	RM	RM
1 United States Dollar (USD)	**4.2125**	4.7195
1 Indonesian Rupiah (IDR)	**0.0003**	0.0003
1 Singapore Dollar (SGD)	**3.3044**	3.4783
1 Chinese Yuan (CNY)	**0.5879**	0.6496

iii Foreign operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting year. 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 year.

3. Material accounting policy information (continued)

3.21 Foreign currencies transactions (continued)

iii Foreign operations (continued)

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

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

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

3.22 Impairment of financial assets

At the end of each financial year, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group uses external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Group and all the cash flows that the Group expects to receive.

3. Material accounting policy information (continued)

3.22 Impairment of financial assets (continued)

The Group measures the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group measures the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group. If, in a subsequent year the significant increase in credit risk since initial recognition is no longer evident, the Group reverts the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group applies the simplified approach in accordance with MFRS 9: Financial Instruments and measure the allowance for impairment loss based on lifetime expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

3.23 Impairment of non-financial assets

The Group assesses at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment loss recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

3. Material accounting policy information (continued)

3.23 Impairment of non-financial assets (continued)

Impairment loss is recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment loss may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent year.

3.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

3. Material accounting policy information (continued)

3.24 Fair value measurement (continued)

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 liabilities that the Group and the Company 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.

Level 3: Inputs are unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment manager reports directly to the Management of the Company who regularly review the segments results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 49, including the factors used to identify the reportable segments and measurement basis of segment information.

3.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

i it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3. Material accounting policy information (continued)

3.27 Earnings per share

i Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.28 Share-based payments

Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 30.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share option reserve.

3.29 Warrants

The Group issued Warrants 2021/2026 at no cost. Each warrant is convertible into one new ordinary share at the adjusted exercise price of RM0.63 per share during the exercise period and will only be recognised as equity instruments upon conversion.

3.30 Derivatives

The Group uses interest swap contracts to hedge the exposure of floating interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit or loss.

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3. Material accounting policy information (continued)

3.31 Related parties

Parties are considered to be related to the Group or to the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

4. Adoption of new and revised Malaysian Financial Reporting Standards ("MFRS") and interpretations ("MFRSs")

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 7:	Financial Instruments: Disclosure	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and to the Company's existing accounting policies.

(b) MFRSs that have been issued but only effective for financial year beginning on 1 July 2025 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 1:	First time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9:	Financial Instruments	1 January 2026
Amendments to MFRS 10:	Consolidated Financial Statements	1 January 2026
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2026
MFRS 18:	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19:	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19:	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

4. Adoption of new and revised Malaysian Financial Reporting Standards ("MFRS") and interpretations ("MFRSs") (continued)

(b) MFRSs that have been issued but only effective for financial year beginning on 1 July 2025 and onwards (continued)

The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. The initial application of the applicable new MFRSs and amendments/improvements to MFRSs is not expected to have material impact to the current and prior periods financial statements.

5. Significant accounting judgement and estimates

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Depreciation of property, plant and equipment

The Group depreciates property, plant and equipment over their estimated useful lives after taking into account their estimated residual values, using the straight-line method. The estimated useful lives applied by the Group as disclosed in Note 3.3 reflect the Directors' estimates of the periods that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of property, plant and equipment

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit ("CGU") to which the property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of investment properties

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

5. Significant accounting judgement and estimates (continued)

Key sources of estimation uncertainty (continued)

(d) Impairment of right-of-use assets

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

(e) Lease terms

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

(f) Discount rates for lease

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(g) Impairment of goodwill and intangible assets

Goodwill and intangible assets are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill and intangible assets is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applies in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

(h) Impairment of investments in subsidiaries, associates and joint ventures

The investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Group and the Company carry out the impairment test based on a variety of estimations including value-in-use of the CGUs to which the investment in subsidiaries, associates and joint ventures are allocated to. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

5. Significant accounting judgement and estimates (continued)

Key sources of estimation uncertainty (continued)

(i) Write-down of inventories to the lower of cost and net realisable value

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

(j) Impairment of trade receivables and contract assets

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

(k) 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.

(l) Revenue recognition for construction contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certifies by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and 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.

(m) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

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5. Significant accounting judgement and estimates (continued)

Key sources of estimation uncertainty (continued)

(n) Deferred tax assets

Deferred tax assets are recognised for ali unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that future taxable profit will be available against which the losses and allowances can be utilised. Significant Management's judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(o) Purchase price allocation

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

6. Property, plant and equipment

Group	Building RM	Equipment and tools RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Balance carried forward RM
Cost						
At 1 July 2024	10,000,000	30,473,030	383,469	427,486	2,351,346	43,635,331
Additions	-	582,299	20,856	-	162,595	765,750
Reclassifications	-	-	-	-	-	-
Disposals	-	(934,858)	-	-	(7,080)	(941,938)
Deemed disposals of subsidiaries (Note 10(a))	-	(58,189)	-	(75,797)	(256,031)	(390,017)
Write-offs	-	-	(180)	-	-	(180)
Effect of movements in exchange rates	-	-	-	-	(4,341)	(4,341)
At 30 June 2025	10,000,000	30,062,282	404,145	351,689	2,246,489	43,064,605
Accumulated depreciation						
At 1 July 2024	(966,667)	(16,276,773)	(219,644)	(385,070)	(1,955,337)	(19,803,491)
Charge for the financial year	(200,000)	(3,180,824)	(34,250)	(3,790)	(214,488)	(3,633,352)
Disposals	-	768,715	-	-	6,537	775,252
Deemed disposals of subsidiaries (Note 10(a))	-	19,297	-	37,171	138,767	195,235
Write-offs	-	-	180	-	-	180
Effect of movements in exchange rates	-	-	-	-	(2,234)	(2,234)
At 30 June 2025	(1,166,667)	(18,669,585)	(253,714)	(351,689)	(2,026,755)	(22,468,410)
Accumulated impairment loss						
At 1 July 2024/30 June 2025	-	-	-	-	-	-
Carrying amount						
At 30 June 2025	8,833,333	11,392,697	150,431	-	219,734	20,596,195

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6. Property, plant and equipment (continued)

Group	Balance brought forward RM	Plant and machineries RM	Portable cabin RM	Portable workshop RM	Renovation RM	Balance carried forward RM
Cost						
At 1 July 2024	43,635,331	505,518	1,462,839	181,400	453,161	46,238,249
Additions	765,750	-	196,000	-	15,000	976,750
Reclassifications	-	-	-	-	-	-
Disposals	(941,938)	-	-	-	-	(941,938)
Deemed disposals of subsidiaries (Note 10(a))	(390,017)	(441,518)	-	-	-	(831,535)
Write-offs	(180)	-	-	-	-	(180)
Effect of movements in exchange rates	(4,341)	-	-	-	-	(4,341)
At 30 June 2025	43,064,605	64,000	1,658,839	181,400	468,161	45,437,005
Accumulated depreciation						
At 1 July 2024	(19,803,491)	(315,800)	(1,015,175)	(179,630)	(254,321)	(21,568,417)
Charge for the financial year	(3,633,352)	(22,075)	(103,301)	(1,770)	(45,656)	(3,806,154)
Disposals	775,252	-	-	-	-	775,252
Deemed disposals of subsidiaries (Note 10(a))	195,235	273,876	-	-	-	469,111
Write-offs	180	-	-	-	-	180
Effect of movements in exchange rates	(2,234)	-	-	-	-	(2,234)
At 30 June 2025	(22,468,410)	(63,999)	(1,118,476)	(181,400)	(299,977)	(24,132,262)
Accumulated impairment loss						
At 1 July 2024/30 June 2025	-	-	-	-	-	-
Carrying amount						
At 30 June 2025	20,596,195	1	540,363	-	168,184	21,304,743

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6. Property, plant and equipment (continued)

Group	Balance brought forward RM	Signboard RM	Solar assets RM	Wireline equipment RM	Capital work-in-progress RM	Total RM
Cost						
At 1 July 2024	46,238,249	14,515	9,967,489	22,191,037	41,670,946	120,082,236
Additions	976,750	-	816,765	-	19,976,295	21,769,810
Reclassifications	-	-	37,517,768	-	(37,517,768)	-
Disposals	(941,938)	-	-	-	-	(941,938)
Deemed disposals of subsidiaries (Note 10(a))	(831,535)	-	(1,282,500)	-	(3,757,068)	(5,871,103)
Write-offs	(180)	-	-	-	-	(180)
Effect of movements in exchange rates	(4,341)	-	(3,811,918)	-	-	(3,816,259)
At 30 June 2025	45,437,005	14,515	43,207,604	22,191,037	20,372,405	131,222,566
Accumulated depreciation						
At 1 July 2024	(21,568,417)	(12,466)	(376,844)	(19,284,817)	-	(41,242,544)
Charge for the financial year	(3,806,154)	(611)	(4,389,729)	(217,840)	-	(8,414,334)
Disposals	775,252	-	-	-	-	775,252
Deemed disposals of subsidiaries (Note 10(a))	469,111	-	73,840	-	-	542,951
Write-offs	180	-	-	-	-	180
Effect of movements in exchange rates	(2,234)	-	539,149	-	-	536,915
At 30 June 2025	(24,132,262)	(13,077)	(4,153,584)	(19,502,657)	-	(47,801,580)
Accumulated impairment loss						
At 1 July 2024/30 June 2025	-	-	-	(2,384,357)	-	(2,384,357)
Carrying amount						
At 30 June 2025	21,304,743	1,438	39,054,020	304,023	20,372,405	81,036,629

6. Property, plant and equipment (continued)

Group	Building RM	Equipment and tools RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Balance carried forward RM
Cost						
At 1 July 2023	10,000,000	29,205,235	383,899	427,486	2,034,641	42,051,261
Acquisition of a subsidiary (Note 10(b))	-	-	-	-	-	-
Additions	-	1,268,365	3,500	-	155,769	1,427,634
Reclassifications	-	-	-	-	187,300	187,300
Write-offs	-	(570)	(3,930)	-	(26,364)	(30,864)
At 30 June 2024	10,000,000	30,473,030	383,469	427,486	2,351,346	43,635,331
Accumulated depreciation						
At 1 July 2023	(766,667)	(12,627,421)	(186,705)	(369,911)	(1,676,755)	(15,627,459)
Acquisition of a subsidiary (Note 10(b))	-	-	-	-	-	-
Charge for the financial year	(200,000)	(3,649,922)	(33,791)	(15,159)	(304,944)	(4,203,816)
Write-offs	-	570	852	-	26,362	27,784
At 30 June 2024	(966,667)	(16,276,773)	(219,644)	(385,070)	(1,955,337)	(19,803,491)
Accumulated impairment loss						
At 1 July 2023/30 June 2024	-	-	-	-	-	-
Carrying amount						
At 30 June 2024	9,033,333	14,196,257	163,825	42,416	396,009	23,831,840

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6. Property, plant and equipment (continued)

Group	Balance brought forward RM	Plant and machineries RM	Portable cabin RM	Portable workshop RM	Renovation RM	Balance carried forward RM
Cost						
At 1 July 2023	42,051,261	491,136	1,462,839	181,400	492,161	44,678,797
Acquisition of a subsidiary (Note 10(b))	-	-	-	-	-	-
Additions	1,427,634	14,382	-	-	2,500	1,444,516
Reclassifications	187,300	-	-	-	-	187,300
Write-offs	(30,864)	-	-	-	(41,500)	(72,364)
At 30 June 2024	43,635,331	505,518	1,462,839	181,400	453,161	46,238,249
Accumulated depreciation						
At 1 July 2023	(15,627,459)	(227,735)	(911,807)	(177,270)	(213,475)	(17,157,746)
Acquisition of a subsidiary (Note 10(b))	-	-	-	-	-	-
Charge for the financial year	(4,203,816)	(88,065)	(103,368)	(2,360)	(55,638)	(4,453,247)
Write-offs	27,784	-	-	-	14,792	42,576
At 30 June 2024	(19,803,491)	(315,800)	(1,015,175)	(179,630)	(254,321)	(21,568,417)
Accumulated impairment loss						
At 1 July 2023/30 June 2024	-	-	-	-	-	-
Carrying amount						
At 30 June 2024	23,831,840	189,718	447,664	1,770	198,840	24,669,832

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6. Property, plant and equipment (continued)

Group	Balance brought forward RM	Signboard RM	Solar assets RM	Wireline equipment RM	Capital work-in-progress RM	Total RM
Cost						
At 1 July 2023	44,678,797	20,765	879,479	22,619,260	5,648,787	73,847,088
Acquisition of a subsidiary (Note 10(b))	-	250	6,326,266	-	-	6,326,516
Additions	1,444,516	680	835,690	92,674	38,135,513	40,509,073
Reclassifications	187,300	-	1,926,054	-	(2,113,354)	-
Write-offs	(72,364)	(7,180)	-	(520,897)	-	(600,441)
At 30 June 2024	46,238,249	14,515	9,967,489	22,191,037	41,670,946	120,082,236
Accumulated depreciation						
At 1 July 2023	(17,157,746)	(13,839)	(13,446)	(19,567,148)	-	(36,752,179)
Acquisition of a subsidiary (Note 10(b))	-	(46)	(160,095)	-	-	(160,141)
Charge for the financial year	(4,453,247)	(2,769)	(203,303)	(238,564)	-	(4,897,883)
Write-offs	42,576	4,188	-	520,895	-	567,659
At 30 June 2024	(21,568,417)	(12,466)	(376,844)	(19,284,817)	-	(41,242,544)
Accumulated impairment loss						
At 1 July 2023/30 June 2024	-	-	-	(2,384,357)	-	(2,384,357)
Carrying amount						
At 30 June 2024	24,669,832	2,049	9,590,645	521,863	41,670,946	76,455,335

6. Property, plant and equipment (continued)

Company	Office equipment RM	Capital work-in-progress RM	Total RM
Cost			
At 1 July 2024	**410,610**	**-**	**410,610**
Additions	**72,352**	**-**	**72,352**
Disposals	**(5,420)**	**-**	**(5,420)**
At 30 June 2025	**477,542**	**-**	**477,542**
Accumulated depreciation			
At 1 July 2024	**(243,895)**	**-**	**(243,895)**
Charge for the financial year	**(127,014)**	**-**	**(127,014)**
Disposals	**4,878**	**-**	**4,878**
At 30 June 2025	**(366,031)**	**-**	**(366,031)**
Carrying amount			
At 30 June 2025	**111,511**	**-**	**111,511**
Cost			
At 1 July 2023	203,441	187,300	390,741
Additions	41,545	-	41,545
Reclassifications	187,300	(187,300)	-
Write-offs	(21,676)	-	(21,676)
At 30 June 2024	410,610	-	410,610
Accumulated depreciation			
At 1 July 2023	(135,921)	-	(135,921)
Charge for the financial year	(129,648)	-	(129,648)
Write-offs	21,674	-	21,674
At 30 June 2024	(243,895)	-	(243,895)
Carrying amount			
At 30 June 2024	166,715	-	166,715

(a) Included in the carrying amount of Group's solar assets as at the financial year end are right-of-use assets are as follows:

	Group **2025** **RM**	2024 RM
Solar assets	**2,337,779**	1,572,039

(b) The building of the Group with a carrying amount of RM8,833,333 (2024: RM9,033,333) has been pledged to a licensed bank as security for banking facilities granted to the Group, as disclosed in Note 32.

7. Investment properties

Group	Buildings RM	Total RM
Cost		
At 1 July 2024/30 June 2025	**5,837,120**	**5,837,120**
Accumulated depreciation		
At 1 July 2024	**(1,079,867)**	**(1,079,867)**
Charge for the financial year	**(116,743)**	**(116,743)**
At 30 June 2025	**(1,196,610)**	**(1,196,610)**
Cost		
At 1 July 2023/30 June 2024	5,837,120	5,837,120
Accumulated depreciation		
At 1 July 2023	(963,125)	(963,125)
Charge for the financial year	(116,742)	(116,742)
At 30 June 2024	(1,079,867)	(1,079,867)
Carrying amount		
At 30 June 2025	**4,640,510**	**4,640,510**
At 30 June 2024	4,757,253	4,757,253

	Group 2025 RM	Group 2024 RM
Fair value	**5,000,000**	5,000,000

(a) The building has been pledged to licensed banks as security for banking facilities granted to the Group, as disclosed in Note 32.

(b) The fair value of the investment properties categorised under Level 2 of the fair value hierarchy, was estimated at RM5,000,000 based on the valuation on 9 August 2023 by Hartamas Valuation & Consultancy Sdn. Bhd. (Registration Number: V-1008), an independent and professionally qualified valuer. Valuations were based on open market basis by making references to observable prices in an active market or recent market transactions on arm's length terms. Based on the Management's assessment, there were no indication of impairment identified during the current financial year. The Directors agreed that the investment properties need not be revalued as at the end of the financial year as there is no indication of significant impairment loss, which is in accordance with the Group's policy. Accordingly, the carrying amount of the investment property is maintained, subject to annual depreciation only.

(c) Direct operating expenses arising from investment properties of the Group were RM59,493 (2024: RM49,715). Rental income arising from investment properties of the Group was RM256,092 (2024: RM160,092).

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8. Right-of-use assets

Group	Buildings RM	Laboratory RM	Warehouse RM	Total RM
Cost				
At 1 July 2024	**1,387,879**	**211,340**	**-**	**1,599,219**
Additions	**67,606**	**-**	**522,680**	**590,286**
At 30 June 2025	**1,455,485**	**211,340**	**522,680**	**2,189,505**
Accumulated depreciation				
At 1 July 2024	**(1,298,805)**	**(118,483)**	**-**	**(1,417,288)**
Charge for the financial year	**(66,538)**	**(37,280)**	**(10,889)**	**(114,707)**
At 30 June 2025	**(1,365,343)**	**(155,763)**	**(10,889)**	**(1,531,995)**
Carrying amount				
At 30 June 2025	**90,142**	**55,577**	**511,791**	**657,510**
Cost				
At 1 July 2023	1,605,287	99,500	-	1,704,787
Additions	67,606	111,840	-	179,446
Derecognition due to early termination	(285,014)	-	-	(285,014)
At 30 June 2024	1,387,879	211,340	-	1,599,219
Accumulated depreciation				
At 1 July 2023	(1,217,464)	(82,917)	-	(1,300,381)
Charge for the financial year	(223,849)	(35,566)	-	(259,415)
Derecognition due to early termination	142,508	-	-	142,508
At 30 June 2024	(1,298,805)	(118,483)	-	(1,417,288)
Carrying amount				
At 30 June 2024	89,074	92,857	-	181,931

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8. Right-of-use assets (continued)

Company	**Buildings RM**	**Total RM**
Cost		
At 1 July 2024	**741,325**	**741,325**
Additions	**187,794**	**187,794**
At 30 June 2025	**929,119**	**929,119**
Accumulated depreciation		
At 1 July 2024	**(459,634)**	**(459,634)**
Charge for the financial year	**(187,794)**	**(187,794)**
At 30 June 2025	**(647,428)**	**(647,428)**
Carrying amount		
At 30 June 2025	**281,691**	**281,691**
Cost		
At 1 July 2023	553,531	553,531
Additions	187,794	187,794
At 30 June 2024	741,325	741,325
Accumulated depreciation		
At 1 July 2023	(274,303)	(274,303)
Charge for the financial year	(185,331)	(185,331)
At 30 June 2024	(459,634)	(459,634)
Carrying amount		
At 30 June 2024	281,691	281,691

The Group and the Company lease various office buildings, laboratory and warehouse, and the leasing activities are summarised below:

(a) Office buildings: The Group and the Company leased buildings for 1 (2024: 1) year, with an option to renew the lease of 2 (2024: 2) years after that date. Lease payments are contracts for buildings used in its operations with lease terms of 3 (2024: 2 to 3) years.

(b) Laboratory: The Group has leased laboratory for 2 (2024: 2) years, with an option to renew the lease of 1 (2024: 1) year after that date. Lease payments are contracts for laboratory used in its operations with lease terms of 3 (2024: 3) years.

(c) Warehouse: The Group has leased warehouse for 2 (2024: Nil) years, with an option to renew the lease of 2 (2024: Nil) years after that date. Lease payments are contracts for warehouse used in its operations with lease terms of 4 (2024: Nil) years.

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9. Intangible assets

	Group 2025 RM	2024 RM
Cost		
At beginning of the year	**3,281,430**	-
Acquisition of a subsidiary (Note 10(b))	**-**	3,281,430
Additions	**110,839**	-
At end of the year	**3,392,269**	3,281,430
Accumulated amortisation		
At beginning of the year	**(54,691)**	-
Amortisation charged	**(179,630)**	(54,691)
At end of the year	**(234,321)**	(54,691)
Carrying amount		
At end of the year	**3,157,948**	3,226,739

The intangible assets were identified and recognised in the previous financial year as part of the business combination of SAG Renewables Sdn. Bhd. ("SAGR") and is subject to amortisation over their useful lives. The amortisation is calculated on a straight-line basis, reflecting the expected pattern of benefits derived from the assets.

10. Investment in subsidiaries

	Company 2025 RM	2024 RM
Unquoted shares, at cost		
At beginning of the year	**39,605,106**	39,414,226
Additions	**3,805,480**	190,880
Transferred from investment in joint ventures (Note 12)	**76,160**	-
Deemed disposal of subsidiaries (Note a)	**(15,297,402)**	-
At end of the year	**28,189,344**	39,605,106
Less: Accumulated impairment loss		
At beginning of the year	**(1,209,520)**	(209,520)
Impairment loss charged	**(650,000)**	(1,000,000)
Reversal of impairment loss	**833,230**	-
At end of the year	**(1,026,290)**	(1,209,520)
Carrying amount	**27,163,054**	38,395,586

During the previous financial year, the Group implemented an Employee Share Option Scheme ("ESOS") that grants eligible employees the option to subscribe to shares in the Company. As part of the scheme, the Company's subsidiaries are also involved in facilitating the share-based payments to their employees. The share options of RMNil (2024: RM190,880) has been allocated to subsidiaries and recorded as additional investment in subsidiaries.

10. Investment in subsidiaries (continued)

The details of subsidiaries are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held 2025	2024	Principal activities
Subsidiaries of the Company				
Reservoir Link Sdn. Bhd. ^	Malaysia	**100%**	100%	Business dealing with products and services in relation to oil and gas field services industry
Amsito Oilwell Services (Malaysia) Sdn. Bhd. ^	Malaysia	**100%**	100%	Trading in petroleum drilling equipment and the provision of related engineering services
Reservoir Link (Labuan) Ltd. @	Labuan, Malaysia	**100%**	100%	Provision of well perforation and well leak repair services
Reservoir Link Solutions Sdn. Bhd. ^	Malaysia	**60%**	60%	Developing and providing oil and gas production enhancement services and sand management solutions
Reservoir Link Renewable Sdn. Bhd. ^	Malaysia	**100%**	100%	Investment holding and renewable energy activities
RL Bina Sdn. Bhd. ^	Malaysia	**100%**	100%	Dormant
RL Protec Sdn. Bhd. ^	Malaysia	**52%**	52%	Oil and gas extraction service activities provided on a fee or contract basis
Founder Group Limited ("FGL") @#	British Virgin Islands	**-**	51%	Investment holding
Solacycle Sdn. Bhd. (Formerly known as RL ADS Power Sdn. Bhd.) ^	Malaysia	**100%**	-	Dormant
Subsidiaries of Reservoir Link Sdn. Bhd.				
Agensi Pekerjaan RL Sdn. Bhd. ^	Malaysia	**100%**	100%	Dormant