10. Investment in subsidiaries (continued)

The details of subsidiaries are as follows (continued):

Name of company	Principal place of business/country of incorporation	Equity interest held 2025	2024	Principal activities
Subsidiaries of Reservoir Link Renewable Sdn. Bhd.				
RL Hydro Assets Sdn. Bhd. ^	Malaysia	**100%**	100%	Dormant
RL Sigma Engineering Sdn. Bhd. ^	Malaysia	**100%**	100%	Investment holding
SAG Renewables Sdn. Bhd. ^	Malaysia	**100%**	100%	Installer of non-electric solar energy collectors
RL Venture Pte. Ltd. *	Singapore	**100%**	100%	Dormant
Subsidiaries of FGL				
Founder Energy Sdn. Bhd. +	Malaysia	**100%**	100%	Providing renewable energy activities and related business and investment holding
Subsidiaries of Founder Energy Sdn. Bhd.				
Founder Energy (Singapore) Pte. Ltd. *	Singapore	**100%**	100%	Dormant
Founder Assets Sdn. Bhd. +	Malaysia	**100%**	100%	Operates generation facilities that produce electricity energy and related services
Subsidiaries of RL Sigma Engineering Sdn. Bhd.				
PT EnviroTech Akva Indonesia @	Indonesia	**85%**	85%	Providing waste water treatment
Subsidiaries of RL Venture Pte. Ltd.				
Renewa Ventures Pte. Ltd. *	Singapore	-	100%	Dormant

^ Audited by Nexia SSY PLT, a member of Nexia International.
@ Audited by other firms of chartered accountants.
# Last audited report on 31 December 2024.
* Dormant and statutory audit is not required in its jurisdiction where it was incorporated.
+ Subsidiaries have changed their financial year end to 31 December 2025, with the last audited financial statements for the year ended 30 June 2024. The auditors of these subsidiaries have since resigned and no replacements have been appointed.

10. Investment in subsidiaries (continued)

During the current and previous financial years, the changes in the Group and in the Company are as follows:

(i) On 18 August 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR") acquired 1,000 ordinary shares in RL Venture Pte. Ltd. (formerly known as RL Renewable Pte. Ltd. and ABV Merchant Pte. Ltd.) ("RLV") from a key management personnel of RLR, representing 100% shareholdings for a total cash consideration of SGD1 equivalent to RM3. The transaction was completed on 18 August 2023. RLV became a subsidiary of RLR. RLV is dormant and accordingly, no disclosures were made on the effect of acquisition as the financial impact does not form part a material part of the consolidated financial statements.

(ii) On 16 October 2023, RLR's subsidiary, RLV incorporated Renewa Ventures Pte. Ltd. as a wholly owned subsidiary with an issued and paid-up share capital of SGD1 equivalent to RM3 comprising 1 ordinary share.

(iii) On 14 November 2023, RLR entered into a Share Sale Agreement with SAG Green Tech Sdn. Bhd. to acquire 1,000,000 ordinary shares in SAG Renewables Sdn. Bhd. ("SAGR"), representing 100% shareholdings for a total cash consideration of RM4,000,000. The transaction was completed on 8 March 2024. SAGR became a subsidiary of RLR. The effect of acquisition is disclosed in Note 10(b).

(iv) On 16 July 2024, RLR's subsidiary, RL Sigma Engineering Sdn. Bhd. subscribed to an additional 33,575 ordinary shares in its subsidiary, PT EnviroTech Akva Indonesia ("PTEAI") for a total cash consideration of IDR33,575,000,000 equivalent to RM9,703,175. The percentage of shareholdings remains the same.

(v) On 23 October 2024, the Company's subsidiary, FGL, was listed on National Association of Securities Dealers Automated Quotations ("NASDAQ") following the Initial Public Offering ("IPO") exercise. This listing resulted in a dilution of the Group's interest in FGL and consequently a loss of control. Following the loss of control, the Group deconsolidated FGL to recognise the investment as a financial instrument and measured at fair value (Level 1) based on the quoted market price. Subsequently, the investment was reclassified to a non-financial instrument due to significant influence, as disclosed in Note 11(c). The effect of disposal is disclosed in Note 10(a).

(vi) On 28 October 2024, the Company acquired the remaining 49,000 ordinary shares in its joint venture, Solacycle Sdn. Bhd. (formerly known as RL ADS Power Sdn. Bhd.) ("Solacycle"), representing 49% equity interest, for a total cash consideration of RM25,160. Following the acquisition, Solacycle became a wholly owned subsidiary of the Company with 100% equity interest and was reclassified from a joint venture to a wholly owned subsidiary. With the increased in equity interest from the acquisition, the total investment value stood at RM76,160, comprising the initial 51% interest of RM51,000 and the additional 49% interest of RM25,160, as disclosed in Note 12(b). Solacycle is dormant and accordingly, no disclosures were made on the effects of acquisition as the financial impact does not form a material part of the consolidated financial statements.

(vii) On 31 December 2024, the Company subscribed to an additional 3,000,000 ordinary shares in its subsidiary, RLR, for a total cash consideration of RM3,000,000. The percentage of shareholdings remains the same.

(viii) On 28 February 2025, the Company subscribed to an additional 155,480 ordinary shares in its subsidiary, RL Protec Sdn. Bhd. ("RL Protec"), for a total cash consideration of RM155,480. The percentage of shareholdings remains the same.

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10. Investment in subsidiaries (continued)

During the current and previous financial years, the changes in the Group and in the Company are as follows (continued):

(ix) On 18 May 2025, RLR's subsidiary, RLV subscribed to an additional 399 ordinary shares in its subsidiary, Renewa Ventures Pte. Ltd. ("RenV") for a total cash consideration of RM399. Following the subscription, RenV became an associate of RLR with 40% equity interest and was reclassified from a subsidiary to an associate. With the increased in subscription, the total carrying amount stood at RM400, as disclosed in Note 11(d). The subsidiary was dormant and accordingly, no disclosures were made on the effects of derecognition as the financial impact does not form a material part of the consolidated financial statements.

(x) On 17 June 2025, the Company subscribed to an additional 650,000 ordinary shares in its subsidiary, RL Bina Sdn. Bhd. ("RLB"), amounting to RM650,000. The consideration was satisfied via a combination of cash amounting to RM1,905 and debt capitalisation amounting to RM648,095. The percentage of shareholdings remains the same.

(a) Disposal of subsidiaries

On 23 October 2024, FGL completed its listing on the NASDAQ. As a result of this Initial Public Offering ("IPO"), the Group's equity interest in FGL diluted from 51.00% to 45.21%. This dilution led to the deemed disposal of FGL, resulting in its deconsolidation from the Group's financial statements during the year. Thereafter, the investment in FGL was reclassified to that of associates.

(i) Financial effect arising from disposai

The disposal had the following effects on the Group's assets and liabilities on the disposal date:

	Group RM	Company RM
Fair value of identifiable net assets at disposal date on 23 October 2024:		
Investment in subsidiaries	-	15,297,402
Property, plant and equipment (Note 6)	5,328,152	-
Deferred tax assets (Note 13)	74,000	-
Inventories	1,620,260	-
Trade receivables	13,813,807	-
Contract assets (Note 16)	25,368,195	-
Other receivables, deposits and prepayments	23,336,322	-
Amount owing by related companies	390,000	-
Amount owing by related parties	473,290	-
Fixed deposits with licensed banks	7,208,448	-
Cash and bank balances	1,104,786	-
Current tax assets	368,773	-
Trade payables	(23,797,836)	-
Other payables and accruals	(7,193,036)	-
Amount owing to a director	(264,500)	-
Amount owing to related companies	(258,804)	-
Amount owing to ultimate holding company	(3,230,031)	-
Borrowings	(31,207,228)	-
Net assets carried forward	13,134,598	15,297,402

10. Investment in subsidiaries (continued)

(a) Disposal of subsidiaries (continued)

(i) Financial effect arising from disposal (continued)

The disposal had the following effects on the Group's assets and liabilities on the disposal date (continued):

	Group 2025 RM	Company 2025 RM
Net assets brought forward	13,134,598	15,297,402
Non-controlling interest	(6,620,386)	-
Goodwill arising from FGL as subsidiaries (Note 14)	13,972,961	-
Net assets attributable to the Group and the Company to be derecognised upon the deemed disposal	20,487,173	15,297,402
Retained equity interest at fair value and reclassified to investment in associates (Note 11)	(105,187,500)	(105,187,500)
Gain on deemed disposals of subsidiaries	(84,700,327)	(89,890,098)

(ii) Cash flow arising from disposal

	Group 2025 RM	Company 2025 RM
Cash inflow arising on disposal:		
Cash consideration	-	-
Less: Cash and cash equivalents disposed		
Bank overdraft	1,367,227	-
Fixed deposits with licensed banks	(7,208,448)	-
Cash and bank balances	(1,104,786)	-
	(6,946,007)	-
Add: Fixed deposits pledged with licensed banks	7,208,448	-
Net cash inflow from deemed disposal of subsidiaries	262,441	-

(b) Acquisition of a subsidiary

On 14 November 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR"), entered into a Share Sale Agreement ("SSA") with SAG Green Tech Sdn. Bhd. ("SGT") for the acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn. Bhd. ("SAGR"), for a total purchase consideration of RM4,500,000. The Company is required to provide a corporate guarantee of RM6,000,000 upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA, as disclosed in Note 31(b).

10. Investment in subsidiaries (continued)

(b) Acquisition of a subsidiary (continued)

Subject to the terms and conditions of the SSA, the purchase consideration shall be satisfied by RLR (the "Purchaser") to SGT (the "Vendor") by way of cheque, inter-bank transfer, telegraphic transfer to the SGT's designated bank account, or any other means agreed upon by the Parties, at the following times and in the following manner:

(i) Within three (3) Business Days upon execution of this Agreement, the Purchaser shall pay the Vendor the sum of Ringgit Malaysia RM1,000,000, being the refundable earnest deposit ("Refundable Earnest Deposit"). The Refundable Earnest Deposit shall form part payment of the Purchase Consideration upon Completion ("1st Tranche Purchase Consideration");

(ii) The sum of Ringgit Malaysia RM2,500,000 shall be paid by the Purchaser to the Vendor within three (3) Business Days from the Unconditional Date and upon the successful transfer of the Sale Shares from the Vendor to the Purchaser free from any Security Interest ("2nd Tranche Purchase Consideration");

(iii) The sum of RM500,000 shall be paid by the Purchaser to the Vendor ("3rd Tranche Purchase Consideration"), subject to the achievement of the Performance Guarantee by the SAGR within the first three months of the Guarantee Period ("1st Guarantee Period"), to the satisfaction of the Purchaser. The 3rd Tranche Purchase Consideration shall be payable within fourteen (14) days from the date the Purchaser certifies that the Performance Guarantee for the 1st Guarantee Period has been met; and

(iv) The remaining balance of RM500,000 shall be paid by the Purchaser to the Vendor ("4th Tranche Purchase Consideration"), subject to the achievement of the Performance Guarantee by SAGR within the final three months of the Guarantee Period ("2nd Guarantee Period"), to the satisfaction of the Purchaser. The 4th Tranche Purchase Consideration shall be payable within fourteen (14) days from the date the Purchaser certifies that the Performance Guarantee for the 2nd Guarantee Period has been met.

The payment terms outlined in (iii) have not been fulfilled as the Performance Guarantee was not met. As a result, the total fair value of the purchase consideration is reduced to RM4,000,000, which comprise the aggregate amounts of items (i), (ii) and (iv) above.

On 30 January 2024, RLR agreed to extend the expiration of the extended cut-off date from 30 January 2024 to 29 February 2024, allowing SGT additional time to meet the obligations under the Conditions Precedent.

The acquisition was completed on 8 March 2024.

As at end of the previous financial year, the total consideration paid amounted to RM3,500,000, with the remaining RM500,000 treated as contingent consideration, as disclosed in Note 31(b).

As per discharge letter dated 7 August 2024, SAGR has failed to meet the Performance Guarantee for the 2nd Guarantee Period, therefore, RLR is fully discharged from any obligation to make payment of the balance purchase consideration of RM500,000. As such, the contingent consideration has been reversed during the financial year.

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10. Investment in subsidiaries (continued)

(b) Acquisition of a subsidiary (continued)

The fair value of purchase consideration and identifiable assets and liabilities assumed are as follows:

	2024 RM
Property, plant and equipment (Note 6)	6,166,375
Other receivables	10,935
Cash and bank balances	33,945
Trade payables	(5,483,268)
Other payables	(9,417)
Net identifiable assets acquired	718,570
Intangible assets (Note 9)	3,281,430
	4,000,000
Total purchase consideration	4,000,000
Less:	
Contingent consideration (Note 31(b))	(500,000)
Cash and bank balances of the subsidiary acquired	(33,945)
Net cash outflow from the acquisition of the subsidiary	3,466,055

(c) Non-controlling interests

The Group's non-controlling interests at the end of the reporting year comprise the following:

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Total equity/ (capital deficiency) of non-controlling interests	
	2025 **%**	2024 %	**2025** **RM**	2024 RM	**2025** **RM**	2024 RM
Reservoir Link Solutions Sdn. Bhd.	**40**	40	**351,970**	35,170	**913,386**	561,416
RL Protec Sdn. Bhd.	**48**	48	**688,281**	(44,872)	**691,843**	(139,958)
Founder Group Limited and its subsidiaries	**-**	49	**(551,038)**	1,744,021	**-**	7,171,424
PT EnviroTech Akva Indonesia	**15**	15	**(276,494)**	(179,787)	**1,743,670**	308,109
			212,719	1,554,532	**3,348,899**	7,900,991

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10. Investment in subsidiaries (continued)

(c) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows:

	Reservoir Link Solutions Sdn. Bhd.	
	2025	2024
	RM	RM
At 30 June		
Non-current assets	**2,594,749**	2,949,033
Current assets	**2,976,223**	5,108,923
Non-current liabilities	**(1,289,625)**	(1,051,893)
Current liabilities	**(1,971,319)**	(5,602,525)
Net assets	**2,310,028**	1,403,538
Equity attributable to:		
Owners of the Company	**1,396,642**	842,122
Non-controlling interest	**913,386**	561,416
	2,310,028	1,403,538
For the financial year ended 30 June		
Revenue	**15,837,357**	10,107,123
Profit for the financial year	**879,926**	87,923
Total comprehensive income for the financial year	**879,926**	87,923
Profit attributable to:		
Owners of the Company	**527,956**	52,753
Non-controlling interest	**351,970**	35,170
	879,926	87,923
Net cash flows generated from operating activities	**157,532**	1,835,982
Net cash flows used in investing activities	**(12,348)**	(820,535)
Net cash flows generated from/(used in) financing activities	**371,038**	(416,808)

	RL Protec Sdn. Bhd.	
	2025	2024
	RM	RM
At 30 June		
Non-current assets	**57,074**	69,679
Current assets	**3,124,750**	4,510,688
Non-current liabilities	**(2,114)**	-
Current liabilities	**(1,724,431)**	(4,871,947)
Net assets/(liabilities)	**1,455,279**	(291,580)
Equity/(capital deficiency) attributable to:		
Owners of the Company	**763,436**	(151,622)
Non-controlling interest	**691,843**	(139,958)
	1,455,279	(291,580)

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10. Investment in subsidiaries (continued)

(c) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows (continued):

	RL Protec Sdn. Bhd.	
	2025	2024
	RM	RM
For the financial year ended 30 June		
Revenue	**9,151,984**	3,917,402
Profit/(loss) for the financial year	**1,433,919**	(93,484)
Total comprehensive income/(expenses) for the financial year	**1,433,919**	(93,484)
Profit/(loss) attributable to:		
Owners of the Company	**745,638**	(48,612)
Non-controlling interest	**688,281**	(44,872)
	1,433,919	(93,484)
Net cash flows generated from/(used in) operating activities	**1,826,339**	(1,662,920)
Net cash flows used in investing activities	**(14,130)**	(51,668)
Net cash flows (used in)/generated from financing activities	**(1,571,052)**	1,870,052

	Founder Group Limited and its subsidiaries	
	2025	2024
	RM	RM
At 30 June		
Non-current assets	-	5,452,990
Current assets	-	70,913,938
Non-current liabilities	-	(2,017,876)
Current liabilities	-	(59,713,926)
Net assets	-	14,635,126
Equity attributable to:		
Owners of the Company	-	7,463,702
Non-controlling interest	-	7,171,424
	-	14,635,126
For the financial period up to date of deemed disposal, 23 October 2024		
Revenue	**25,430,559**	110,488,119
(Loss)/profit for the financial year	**(1,184,375)**	3,557,198
Total comprehensive (expenses)/income for the financial year	**(1,184,375)**	3,559,234
(Loss)/profit attributable to:		
Owners of the Company	**(633,337)**	1,815,213
Non-controlling interest	**(551,038)**	1,744,021
	(1,184,375)	3,559,234

10. Investment in subsidiaries (continued)

(c) Non-controlling interests (continued)

The summarised financial information (before intra group elimination) for the significant subsidiaries that has non-controlling interests that are material to the Group is as follows (continued):

	Founder Group Limited and its subsidiaries	
	2025	2024
	RM	RM
At 30 June		
Net cash flows used in operating activities	**-**	(7,773,711)
Net cash flows used in investing activities	**-**	(6,589,060)
Net cash flows generated from financing activities	**-**	18,051,883

	PT EnviroTech Akva Indonesia	
	2025	2024
	RM	RM
At 30 June		
Non-current assets	**30,845,726**	37,942,200
Current assets	**7,927,389**	5,718,710
Non-current liabilities	**(20,353,623)**	(26,086,068)
Current liabilities	**(6,806,276)**	(15,520,783)
Net assets	**11,613,216**	2,054,059
Equity attributable to:		
Owners of the Company	**9,869,546**	1,745,950
Non-controlling interest	**1,743,670**	308,109
	11,613,216	2,054,059
For the financial year ended 30 June		
Revenue	**12,545,634**	2,295,214
Loss for the financial year	**(1,845,073)**	(1,010,355)
Total comprehensive expenses for the financial year	**(1,845,073)**	(1,198,582)
Loss attributable to:		
Owners of the Company	**(1,568,579)**	(1,018,795)
Non-controlling interest	**(276,494)**	(179,787)
	(1,845,073)	(1,198,582)
Net cash flows (used in)/generated from operating activities	**(5,791,849)**	5,316,876
Net cash flows generated from/(used in) investing activities	**1,313,868**	(33,806,318)
Net cash flows generated from financing activities	**5,960,550**	29,084,807

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11. Investment in associates

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Cost				
At beginning of the year	**290,000**	-	-	-
Additions	**7,709,000**	290,000	-	-
Additions resulted from deemed disposal of subsidiaries (Note 10(a)(i))	**105,187,500**	-	**105,187,500**	-
Transferred from investment in subsidiaries (Note 10(ix))	**400**	-	-	-
Transferred from investment in joint ventures (Note 12)	**1**	-	-	-
At end of the year	**113,186,901**	290,000	**105,187,500**	-
Less: Share of post-acquisition losses				
At beginning of the year	-	-	-	-
Share of post-acquisition losses	**(2,713,671)**	-	-	-
At end of the year	**(2,713,671)**	-	-	-
Less: Accumulated impairment loss				
At beginning of the year	-	-	-	-
Impairment losses charged - net	**(50,203,970)**	-	**(51,587,418)**	-
At end of the year	**(50,203,970)**	-	**(51,587,418)**	-
Carrying amount				
- Quoted shares	**53,600,082**	-	**53,600,082**	-
- Unquoted shares	**6,669,178**	290,000	-	-
	60,269,260	290,000	**53,600,082**	-
Investment measured at fair value:				
Shares quoted in NASDAQ	**24,394,798**	-	**24,394,798**	-

The fair value of quoted equity investments are measured based on the year end quoted prices in active markets.

11. Investment in associates (continued)

Details of associates are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held 2025	2024	Principal activities
Associate of the Company				
Founder Group Limited ("FGL")@#	British Virgin Island	**38%**	-	Investment holding
Associate of Reservoir Link Renewable Sdn. Bhd.				
SRM Utama Selambau Sdn. Bhd. ("SUS")@	Malaysia	**29%**	29%	Dormant
Associate of RL Bina Sdn. Bhd.				
RL IDC Sdn. Bhd. ("RLIDC")@	Malaysia	**50%**	-	Investment holding and renewable energy activities
Associate of RL Venture Pte. Ltd.				
Renewa Ventures Pte. Ltd. ("RVPL")*	Singapore	**40%**	-	Dormant
Associate of Reservoir Link Sdn. Bhd.				
Propel Maxflo Sdn. Bhd. ("PMSB")@	Malaysia	**30%**	-	Providing products and services for exploration, drilling and well intervention, EOR/IOR and production technologies

@ Audited by other firms of chartered accountants.
# Last audited report on 31 December 2024.
* Dormant and statutory audit is not required in its jurisdiction where it was incorporated.

During the current and previous financial years, the changes in the Group and in the Company are as follows:

(a) On 20 March 2024, the Company's wholly owned subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR") entered into a Shareholders' Agreement with Sumitomo Corporation, MAQO Engineering Sdn. Bhd. and SRM Utama Selambau Sdn. Bhd. ("SUS") for the purpose of SUS to develop, implement, own and operate a 29.99MWac ground-mounted solar photovoltaic project in Kedah, Malaysia.

(b) On 1 July 2024, the Company's subsidiary, RL Bina Sdn. Bhd., reclassified its investment in joint venture, RLIDC of 1 ordinary share of RM1, representing a 50% equity interest to investment in associate due to the non-execution of the joint venture agreement, as disclosed in Note 12(a).

11. Investment in associates (continued)

During the current and previous financial years, the changes in the Group and in the Company are as follows (continued):

(c) On 23 October 2024, the Group's subsidiary, FGL, was listed on NASDAQ following the IPO exercise. This listing resulted in a dilution of the Group's interest in FGL and consequently a loss of control. Following the loss of control, the Group deconsolidated FGL to recognise the investment as a financial instrument and measured at fair value (Level 1) based on the quoted market price. Subsequently, the investment was reclassified to a non-financial instrument due to significant influence, as disclosed in Note 10(v). The effect of disposal is disclosed in Note 10(a).

During the year, Management contended that the quoted market price no longer represents the most appropriate measure of fair value as it is abnormally low, and believes that amongst the possible factors are the post-IPO lock-up restrictions and share price volatility. Based on these and the strategic long-term nature of the investment, Management opted for Level 3 valuation method which uses the Discounted Cash Flow ("DCF") model to determine the true value for reporting purposes.

Management also noted that although the requirements of the accounting standard for investment in associates are accounted for using the equity method, this will not give a true reflection of the value of the investment. In view of the intention to hold the investment on a long-term basis coupled with the advantage as a significant investor holding a block of shares of approximately 38% equity interest, the DCF will be the best method for impairment testing when there are indicators of impairment. Recoverable amount will be determined using the value-in-use (DCF), as permitted under the accounting standards.

The change in valuation method was considered appropriate given the specific characteristics of the investment, which provide a more reliable measure of value. Based on the Level 3 valuation, an impairment loss of RM48,447,915 and RM51,587,418 at the Group level and at the Company level respectively, were recognised during the financial year.

(d) On 18 May 2025, RLR's subsidiary, RLV subscribed to an additional 399 ordinary shares in its subsidiary, Renewa Ventures Pte. Ltd. ("RenV") for a total cash consideration of RM399. Following the subscription, RenV became an associate of RLR with 40% equity interest and was reclassified from a subsidiary to an associate. With the increased in subscription, the total carrying amount stood at RM400, as disclosed in Note 10(ix).

(e) On 19 May 2025, the Company's subsidiary, Reservoir Link Sdn. Bhd., acquired 545,044 ordinary shares in Propel Maxflo Sdn. Bhd. ("PMSB"), representing a 30% equity interest, for a total cash consideration of RM7,390,000. PMSB became an associate of the Company.

(f) On 6 June 2025, the Company's subsidiary, RLR subscribed to an additional 319,000 ordinary shares in SUS, for a total cash consideration of RM319,000. The percentage of shareholdings remains the same.

11. Investment in associates (continued)

The summarised financial information of the associates is as follows:

Group	FGL RM	SRM RM	RLIDC RM	RVPL RM	PMSB RM	Total RM
2025						
Non-current assets	27,561,016	577,998	-	-	1,471,963	29,610,977
Current assets	96,361,935	1,477,032	2	3,777	20,820,552	118,663,298
Non-current liabilities	(18,771,960)	-	-	(7,917)	(182,191)	(18,962,068)
Current liabilities	(88,503,789)	(3,310)	(150,919)	-	(3,245,398)	(91,903,416)
Net assets/(liabilities)	16,647,202	2,051,720	(150,917)	(4,140)	18,864,926	37,408,791
For the financial year ended 30 June 2025						
Revenue	88,444,216	-	-	-	6,711,705	95,155,921
Depreciation of plant and equipment	(1,807,742)	-	-	-	(26,390)	(1,834,132)
(Loss)/profit for the financial year	(6,579,833)	(48,280)	(7,143)	(7,632)	1,488,191	(5,154,697)
Total comprehensive (expenses)/income	(6,579,833)	(48,280)	(7,143)	(7,632)	1,488,191	(5,154,697)
Group's share of (loss)/profit for the financial year	(3,139,503)	(14,001)	(1)	(400)	440,234	(2,713,671)
Reconciliation of Net Assets to Carrying Amount						
Group's share of net assets	6,272,666	594,999	-	-	5,659,478	12,527,143
Adjustment for potential future profit	-	-	-	-	414,701	414,701
Fair value gain on deemed disposal adjusted for impairment loss	47,327,416	-	-	-	-	47,327,416
Carrying amount of the Group's interests in these associates	53,600,082	594,999	-	-	6,074,179	60,269,260

In the previous financial year, the summarised financial information of the associate has not been presented as the financial effect was not material to the Group.

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12. Investment in joint ventures

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Unquoted shares, at cost				
At beginning of the year	**1,326,001**	1,326,000	**51,000**	51,000
Additions	**25,160**	1	**25,160**	-
Transferred to investment in subsidiary (Note 10)	**(76,160)**	-	**(76,160)**	-
Transferred to investment in associates (Note 11)	**(1)**	-	**-**	-
At end of the year	**1,275,000**	1,326,001	**-**	51,000
Less: Share of post-acquisition losses				
At beginning of the year	**(191,808)**	(165,730)	**-**	-
Share of post-acquisition losses	**(117,669)**	(26,078)	**-**	-
At end of the year	**(309,477)**	(191,808)	**-**	-
Carrying amount				
At end of the year	**965,523**	1,134,193	**-**	51,000

The details of the joint ventures are as follows:

Name of company	Principal place of business/country of incorporation	Equity interest held 2025	2024	Principal activities
Joint venture of the Company				
Solacycle Sdn. Bhd. (Formerly known as RL ADS Power Sdn. Bhd. ("Solacycle") ^	Malaysia	**-**	51%	Dormant
Joint venture of Reservoir Link Renewable Sdn. Bhd.				
RL Sunseap Energy Sdn. Bhd. ("RLSE") ^*	Malaysia	**51%**	51%	Renewable energy Business
Joint venture of RL Bina Sdn. Bhd.				
RL IDC Sdn. Bhd. ("RLIDC") @	Malaysia	**-**	50%	Dormant

^ Audited by Nexia SSY PLT, a member of Nexia International.
@ Audited by other firms of chartered accountants.
* Although the Group holds more than 50% of the voting power in RLSE (and Solacycle in the previous financial year), the Group determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by shareholders.

12. Investment in joint ventures (continued)

During the current and previous financial years, the changes in the Group and in the Company are as follows:

(a) On 15 January 2024, the Company's subsidiary, RL Bina Sdn. Bhd. ("RLB") incorporated RL IDC Sdn. Bhd. with an issued and paid-up share capital of RM2 comprising 2 shares with the primary intention to transfer 50% equity interest to a third party for a joint venture purpose. On 31 May 2024, RLB transferred its 50% shares to Excellent Gain Worldwide Holdings Pte. Ltd. for a total consideration of RM1. On 1 July 2024, RLB reclassified its investment in joint venture to investment in associate due to the non-execution of the joint venture agreement, as disclosed in Note 11(b).

(b) On 28 October 2024, the Company acquired the remaining 49,000 ordinary shares in its joint venture, Solacycle Sdn. Bhd. (formerly known as RL ADS Power Sdn. Bhd.) ("Solacycle"), representing 49% equity interest, for a total cash consideration of RM25,160. Following the acquisition, Solacycle became a wholly owned subsidiary of the Company with 100% equity interest and was reclassified from a joint venture to a wholly owned subsidiary, as disclosed in Note 10(vi).

The Group's involvement in joint arrangements is structured through separate vehicles which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified these investments as joint ventures.

The summarised financial information of the joint ventures is as follows:

Group	**Solacycle RM**	**RLSE RM**	**Total RM**
2025			
Non-current assets	-	**10,038,079**	**10,038,079**
Current assets	-	**1,563,110**	**1,563,110**
Non-current liabilities	-	**(8,601,501)**	**(8,601,501)**
Current liabilities	-	**(922,963)**	**(922,963)**
Net assets	-	**2,076,725**	**2,076,725**
For the financial year ended 30 June 2025			
Revenue	-	**848,599**	**848,599**
Depreciation of plant and equipment	-	**(202,755)**	**(202,755)**
Loss for the financial year	**(1,210)**	**(229,513)**	**(230,723)**
Total comprehensive expenses	**(1,210)**	**(229,513)**	**(230,723)**
Group's share of loss for the financial Year	**(617)**	**(117,052)**	**(117,669)**
Carrying amount of the Group's interests in these joint ventures	-	**965,523**	**965,523**

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12. Investment in joint ventures (continued)

The summarised financial information of the joint ventures is as follows (continued):

Group (continued)	Solacycle RM	RLSE RM	RLIDC RM	Total RM
2024				
Non-current assets	-	6,424,763	-	6,424,763
Current assets	57,533	1,605,498	2	1,663,033
Non-current liabilities	-	(4,640,018)	-	(4,640,018)
Current liabilities	(6,185)	(1,084,004)	(143,775)	(1,233,964)
Net assets/(liabilities)	51,348	2,306,239	(143,773)	2,213,814
For the financial year ended 30 June 2024				
Revenue	-	862,388	-	862,388
Depreciation of plant and equipment	-	(196,775)	-	(196,775)
(Loss)/profit for the financial year	(8,748)	98,572	(143,775)	(53,951)
Total comprehensive (expenses)/profit	(8,748)	98,572	(143,775)	(53,951)
Group's share of (loss)/profit for the financial year	(4,462)	50,272	(71,888)	(26,078)
Carrying amount of the Group's interest in these joint ventures	29,898	1,176,182	(71,887)	1,134,193

13. Deferred tax assets/(liabilities)

	Group **2025** **RM**	2024 RM
At beginning of the year	**542,274**	1,099,138
Deemed disposal of subsidiaries (Note 10(a))	**(74,000)**	-
Recognised in the statements of profit or loss and other comprehensive income (Note 43)	**(1,033,296)**	(556,864)
At end of the year	**(565,022)**	542,274
Presented after appropriate offsetting as follows:		
Deferred tax assets	**931,985**	1,316,897
Deferred tax liabilities	**(1,497,007)**	(774,623)
	(565,022)	542,274

13. Deferred tax assets/(liabilities) (continued)

The components and movements of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets

	Unabsorbed tax losses RM	Unutilised capital allowances RM	Other deductible temporary differences RM	Total RM
Group				
At 1 July 2024	**634,999**	**604,232**	**77,666**	**1,316,897**
Deemed disposal of subsidiaries (Note 10(a))	-	-	**(74,000)**	**(74,000)**
Recognised in the statements of profit or loss and other comprehensive income	**(67,200)**	**(413,916)**	**170,204**	**(310,912)**
At 30 June 2025	**567,799**	**190,316**	**173,870**	**931,985**
At 1 July 2023	572,684	677,961	19,933	1,270,578
Recognised in the statements of profit or loss and other comprehensive income	62,315	(73,729)	57,733	46,319
At 30 June 2024	634,999	604,232	77,666	1,316,897

Deferred tax liabilities

	Property, plant and equipment RM	Total RM
Group		
At 1 July 2024	**(774,623)**	**(774,623)**
Recognised in the statements of profit or loss and other comprehensive income	**(722,384)**	**(722,384)**
At 30 June 2025	**(1,497,007)**	**(1,497,007)**
At 1 July 2023	(171,440)	(171,440)
Recognised in the statements of profit or loss and other comprehensive income	(603,183)	(603,183)
At 30 June 2024	(774,623)	(774,623)

13. Deferred tax assets/(liabilities) (continued)

At the end of the reporting year, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	Group	
	2025	2024
	RM	RM
Unabsorbed tax losses	**5,086,324**	6,700,955
Unutilised capital allowances	**3,401,372**	3,386,752
Other temporary differences	**356,392**	602,227
Total temporary differences	**8,844,088**	10,689,934
Deferred tax assets arising in respect of the above temporary difference	**2,122,581**	2,565,584
Deferred tax assets recognised	**(931,985)**	(1,316,897)
Deferred tax assets not recognised due to uncertainties of realisation of profit	**1,190,596**	1,248,687
Unabsorbed tax losses which will expire in the following year of assessment:		
- YA 2029	**2,386,183**	2,386,183
- YA 2032	**47,481**	47,481
- YA 2033	**919,944**	1,078,663
- YA 2034	**952,282**	952,282
- YA 2035	**719,921**	2,236,346
- YA 2036	**60,513**	-
	5,086,324	6,700,955

Based on the current legislation, the unabsorbed tax losses are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment, whereas, the unutilised capital allowances are allowed to be carried forward indefinitely.

14. Goodwill

	Group	
	2025	2024
	RM	RM
Cost		
At beginning of the year	**13,972,961**	13,972,961
Deemed disposal of subsidiaries (Note 10(a))	**(13,972,961)**	-
At end of the year	**-**	13,972,961

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14. Goodwill (continued)

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from cash-generating unit computed based on the projections of financial budgets approved by Management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:

		2025	2024
(i)	Budgeted average gross margin	-	9%
(ii)	Growth factor	-	5%
(iii)	Discount rate (pre-tax)	-	11%

The Group believes that any reasonable possible change in the above key assumptions applied is not likely to materially cause the recoverable amount to be lower than its carrying amount.

15. Inventories

	Group	
	2025 RM	2024 RM
Oilfield chemicals	**83,160**	83,160
Perforating explosives	**4,201,598**	3,734,254
Perforating hardware	**3,312,798**	3,296,669
Raw materials - chemicals	**110,087**	174,654
Trading goods	**-**	1,797,252
	7,707,643	9,085,989
Less: Allowance for obsolete inventories	**(201,919)**	(265,111)
	7,505,724	8,820,878
Recognised in profit or loss:-		
Inventories recognised as cost of sales	**6,904,946**	38,337,090
Reversal of obsolete inventories	**(159,467)**	-
Allowance for obsolete inventories	**96,275**	265,111
Inventories written off	**153,894**	-

16. Contract assets/(liabilities)

	Group	
	2025 RM	Restated 2024 RM
At beginning of the year	**45,513,808**	41,671,321
Performance obligation performed	**19,928,876**	84,896,262
Transfer to trade receivables	**(30,297,035)**	(81,064,562)
Reversal of impairment losses	**-**	10,787
Deemed disposal of subsidiaries (Note 10(a))	**(25,368,195)**	-
At end of the year	**9,777,454**	45,513,808

16. Contract assets/(liabilities) (continued)

	Group	
	2025	Restated 2024
	RM	RM
Represented by:-		
Construction of solar photovoltaic power plant and related services	**-**	31,072,883
Oil and gas well services and related work	**9,533,317**	14,230,865
Supply of renewable energy and related activities	**244,137**	210,060
	9,777,454	45,513,808
Analysed as:		
Contract assets		
Gross amount	**13,398,016**	48,115,640
Less: Accumulated impairment losses	**-**	(285,989)
	13,398,016	47,829,651
Contract liabilities	**(3,620,562)**	(2,315,843)
	9,777,454	45,513,808

The contract assets relate to the Group's rights to consideration for work performed but not yet billed as at the reporting date for construction of solar photovoltaic power plant, supply of renewable energy and related services. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities relate to the advance consideration received from customers for construction contract, where revenue is recognised over time during the construction activities.

17. Trade receivables

	Group	
	2025	Restated 2024
	RM	RM
Third parties	**11,709,986**	25,486,088
Retention sum	**-**	3,610,093
	11,709,986	29,096,181
Less: Accumulated impairment losses	**(939,493)**	(1,398,028)
	10,770,493	27,698,153

The Group's normal trade credit terms range from 30 to 90 (2024: 30 to 90) days. Other credit terms are assessed and approved on case-by-case basis.

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18. Other receivables, deposits and prepayments

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Other receivables	**304,143**	1,712,790	**239,853**	435,791
Deposits	**8,558,763**	7,202,791	**2,800**	2,800
Prepayments	**6,041,402**	9,530,912	**51,987**	95,820
	14,904,308	18,446,493	**294,640**	534,411

Included in other receivables is a Central Depository System account opened for short-term investment of trust funds being used as a reserve account for margin facility to offset finance charges arising from margin facility amounted to RM239,853 (2024: RM435,791).

On 31 January 2023, the Group's subsidiary, RL Hydro Assets Sdn. Bhd. entered into a Term Sheet with PT Sumpratama Juru Engineering for the acquisition of PT Eco Power Engineering ("EPE") representing 90% equity in EPE for a total cash consideration of USD3,000,000. As of 2 June 2023, USD150,000 equivalent to RM687,450 was paid, bringing it to RM4,428,700 deposits paid as of previous financial year. The subsidiary is planning to submit tenders for hydro asset projects expected to open in November 2025.

19. Amount owing by/(to) subsidiaries

	Company	
	2025	2024
	RM	RM
Amount owing by subsidiaries		
Non-trade balances	**16,428,259**	13,409,238
Less: Accumulated impairment losses	**(691,418)**	(652,690)
	15,736,841	12,756,548
Amount owing to subsidiaries		
Non-trade balances	**(298,369)**	(180,092)

The amounts owing by/(to) subsidiaries are unsecured, bore/(charged) interest at 1.50% above the Base Lending Rate ("BLR") (2024: 1.50% above the BLR) per annum and are repayable on demand.

20. Amount owing by/(to) associates (continued)

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Amount owing by associates				
Non-trade balances	**866,443**	45,898	**437,545**	-
Less: Accumulated impairment losses	**(138,170)**	-	**-**	-
	728,273	45,898	**437,545**	-
Amount owing to associates				
Non-trade balances	**(4,058,449)**	-	**(217,995)**	-

The amounts owing by/(to) associates are unsecured, interest free and are repayable on demand.

21. Amount owing by/(to) joint ventures

	Group	
	2025	2024
	RM	RM
Amount owing by joint ventures		
Non-trade balances	**304,418**	869,056
Amount owing to joint ventures		
Non-trade balances	**-**	(1)

The non-trade amounts owing by/(to) joint ventures are unsecured, bore/(charged) interest at 1.30% above the Base Lending Rate ("BLR") (2024: 1.30% above the BLR) per annum and are repayable on demand.

22. Amount owing by/(to) related parties

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Amount owing by related parties				
Non-trade balances	**-**	392,696	**138,170**	138,170
Less: Accumulated impairment losses	**-**	-	**(138,170)**	-
	-	392,696	**-**	138,170
Amount owing to related parties				
Non-trade balances	**-**	(1,172,135)	**-**	-

The amounts owing by/(to) related parties are unsecured, interest free and are repayable on demand. The related party is a company in which one of the directors of the subsidiary has significant influence.

23. Short-term investments

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
At fair value				
At beginning of the year	**1,020,970**	693,230	**1,020,970**	686,375
Additions	**878,560**	703,229	**878,560**	710,084
Disposals	**(267,917)**	(174,900)	**(267,917)**	(174,900)
Fair value adjustments	**(578,898)**	(200,589)	**(578,898)**	(200,589)
At end of the year	**1,052,715**	1,020,970	**1,052,715**	1,020,970
Investments measured at market value:				
Unit trust funds in Malaysia	**1,052,715**	1,020,970	**1,052,715**	1,020,970

24. Derivative financial assets

	Group	
	2025	2024
	RM	RM
Non-hedging derivatives:		
Forward currency contract		
Fair value	-	383,764
Contract amount	-	(380,199)
Fair value gain arising from derivative	-	3,565

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

In the previous financial year, forward currency contracts are used to hedge the Group's purchases denominated in USD for which firm commitments existed at the reporting date, extending to September 2024.

25. Fixed deposits with licensed banks

	Group	
	2025	2024
	RM	RM
Fixed deposits with licensed banks	**4,912,341**	9,676,772

(a) The fixed deposits with licensed banks of the Group at the end of the reporting year bore effective interest rates ranging from 2.00% to 3.25% (2024: 2.00% to 3.25%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2024: 1 to 12) months.

(b) The fixed deposits with licensed banks of the Group at the end of the reporting year has been pledged to licensed banks as security for banking facilities granted to the Group, as disclosed in Note 32.

26. Cash and bank balances

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Cash in hand	**20,569**	145,673	**100**	100
Cash at bank	**11,113,786**	13,336,934	**1,280,247**	242,528
Cash and bank balances	**11,134,355**	13,482,607	**1,280,347**	242,628

27. Share capital

	Group and Company			
	2025	2024	**2025**	2024
	Unit	Unit	**RM**	RM
Issued and fully paid ordinary shares				
At beginning of the year	**316,823,000**	290,445,000	**55,763,117**	47,967,910
Issuance of shares:				
- via private placement	**32,790,000**	26,378,000	**10,275,550**	7,913,400
- transferred from contingent consideration (Note 31(a))	**12,705,000**	-	**3,910,119**	-
- share options exercised	**105,000**	-	**36,257**	-
- share issue expenses	**-**	-	**-**	(118,193)
	45,600,000	26,378,000	**14,221,926**	7,795,207
At end of the year	**362,423,000**	316,823,000	**69,985,043**	55,763,117

27. Share capital (continued)

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

28. Treasury shares

	Group and Company			
	2025 Unit	2024 Unit	**2025 RM**	2024 RM
At beginning/end of the year	**1,400,000**	1,400,000	**504,964**	504,964

As at 30 June 2025, the Company held a total of 1,400,000 of its 362,423,000 issued and paid-up ordinary shares. The treasury shares are held at a carrying amount of RM504,964.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

29. Reserves

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Merger deficit (Note a)	**(15,779,300)**	(15,779,300)	**-**	-
Foreign exchange translation reserve (Note b)	**(159,775)**	889,101	**-**	-
Retained earnings/ (accumulated losses)	**68,149,735**	40,681,461	**27,314,954**	(7,762,974)
	52,210,660	25,791,262	**27,314,954**	(7,762,974)

(a) Merger deficit

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

(b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

30. Employee share option reserve

Employee share option scheme ("ESOS") involves the granting of options to subscribe to new Company's shares to the eligible employees, who meet the criteria of eligibility for participation in the ESOS as set out in the By-Laws. The grant of the ESOS to the eligible employees shall be subject to such participation in the ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respective countries where the Group operates.

The ESOS is governed by the By-Laws.

The salient features of the ESOS are as follows:

(a) Maximum number of new Company's shares available under the ESOS

Subject to By-Law 3.2, the maximum number of new Company's shares which may be allotted and issued pursuant to the exercise of the ESOS Options shall not in aggregate exceed fifteen percent (15%) of the total issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of the scheme as set out in point (d).

30. Employee share option reserve (continued)

The salient features of the ESOS are as follows (continued):

(b) Maximum allowable allocation and basis of allotment

The aggregate maximum number of new Company's shares that may be offered under the ESOS and allotted and issued to an eligible employee shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, among other factors, the eligible employee's length of service, position, seniority and performance in the Group and such other factors as the ESOS Committee deems fit subject to the following:

(i) the Executive Directors, Non-Executive Directors and senior management of the Group do not participate in the deliberation or discussion of their own allocation of ESOS Options or allocation to persons connected them of the ESOS Options;

(ii) not more than 10% of the total new Company's Shares available under the ESOS are allocated to any individual eligible employee who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Shares of the Company (excluding treasury shares, if any). The term "persons connected" shall have the same meaning as that in the Listing Requirements; and

(iii) more than seventy percent (70%) of the total number of new Company's shares available under the ESOS are allocated in aggregate to the Directors and/or senior management of the Group who are eligible employees, provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

(c) Eligibility

Subject to the discretion of the ESOS Committee, only eligible employees who meet the following criteria are eligible to participate in the ESOS:

(i) full time employee, Executive Director or Non-Executive Director, has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) full time employee or Executive Director of RLEB Group (excluding dormant subsidiaries) and his employment has been confirmed;

(iii) full time employee, if he is employed by a company which is acquired by RLEB Group during the duration of the ESOS and becomes a subsidiary of the RLEB Group upon such acquisition, must have his employment confirmed following the date such company becomes or is deemed to be a subsidiary; and

(iv) the fulfilment of any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.

(d) Duration

The ESOS was first implemented on 28 July 2021 and will be in force for a period of 5 years from the date of implementation, expiring on 27 July 2026.

30. Employee share option reserve (continued)

The salient features of the ESOS are as follows (continued):

(d) Duration (continued)

On or before the expiry of the ESOS Period, the ESOS Committee shall have the absolute discretion to extend in writing the ESOS Period (as the ESOS Committee may deem fit) for up to a maximum of 5 years immediately from the expiry of the original 5-year period provided always that the total duration of the ESOS shall not in aggregate exceed 10 years from the Effective Date. Such extension, if any shall not be subject to the approval of the shareholders.

(e) Basis of determining the ESOS Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the exercise price shall be based on the 5D-VWAMP of the Company's Shares immediately preceding the date on which an Offer is made ("Date of Offer"). The exercise price shall not be at a discount of more than 10% to the 5D-VWAMP of the Company's shares preceding the Date of Offer, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the ESOS.

(f) Ranking of new Company's shares to be issued arising from the exercise of ESOS Options pursuant to the ESOS

Eligible Employees who have accepted an Offer ("Participant(s)") will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Options into new Company's Shares.

The new Company's Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing Company's Shares, except that the new Company's Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Company's shares.

(g) Variation to the ESOS

Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws ("Variations") as it shall in its discretion think fit and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation provided that no additions, modifications or amendments to or deletions of the By-Laws shall be made which will:

(i) prejudice any rights then accrued to any Participant without the prior consent or sanction of that Participant; or
(ii) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a meeting of members; or

30. Employee share option reserve (continued)

The salient features of the ESOS are as follows (continued):

(g) Variation to the ESOS (continued)

Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws ("Variations") as it shall in its discretion think fit and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation provided that no additions, modifications or amendments to or deletions of the By-Laws shall be made which will (continued):

(iii) alter to the advantage to the Participant, the provisions of the By-Laws of the ESOS without the prior approval of the Company's shareholders in meeting of members, unless otherwise allowed by the provisions of the Listing Requirements.

Where a Variations is made to the By-Laws, RLEB shall submit to Bursa Securities, the Variations to the By-Laws and a confirmation letter that the Variations complies with the provisions of the guidelines on employee share scheme stipulated under the Listing Requirements no later than 5 market days from the effective date of the said Variations.

(h) Alteration of share capital

In the event of any alteration in the capital structure of the Company during the ESOS Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of the Company's shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

(i) the exercise price of the ESOS Options; and/or
(ii) the number of ESOS Options granted to each Participant (excluding ESOS Options already exercised); as shall be necessary to give the Participants, the same proportion of the issued capital of the Company as that to which he/she was entitled prior to the event giving rise to such adjustment (i.e. not taking into account ESOS Options already exercise).

(i) Retention period

The shares allotted and issued or transferred pursuant to the exercise of ESOS Options may be subject to such retention period or restriction on transfer as may be imposed by the ESOS Committee at its discretion, save as otherwise provided in the Constitution of the Company, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.

A Participant who is a Non-Executive Director of the Group must not sell, transfer or assign any new Company's shares obtained through the exercise of the ESOS Options offered to him within 1 year from the Date of Offer.

(j) Listing and quotation of shares

Bursa Securities had on 3 March 2021 approved the listing of and quotation for the new Company's shares to be issued arising from the exercise of ESOS Options on the Main Market of Bursa Securities.

30. Employee share option reserve (continued)

The salient features of the ESOS are as follows (continued):

(k) Termination of the ESOS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the ESOS may be terminated at any time by the Company during the ESOS Period or during any extension or renewal period, as the case may be, without obtaining the approvals from the Participants or the shareholders provided that the Company makes and announcement immediately to Bursa Securities, and whereupon any ESOS Options which have yet to be vested, accepted and/or exercised (whether fully or partially) shall be deemed to have been automatically lapse or terminated (as the case may be) and be null and void on the date specified in the notice.

Movements of the Company's ESOS granted during the financial year are as follows:

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

Fair value of share options granted

The fair values of the share options granted under the ESOS was determined using the Trinomial Option Pricing model. The fair value is RM0.0697 per ESOS option based on valuation on 19 April 2024 by an independent financial adviser. The valuation results have to be read together with the basis and assumptions used in measuring the fair value of ESOS Options and the sensitivity analysis conducted on the input of key data.

The key inputs to the model were as follows:

	2025	2024
Share price at grant date (RM)	**0.3200 - 0.3400**	0.3200 - 0.3400
Share price volatility (%)	**26.0000 - 36.0000**	26.0000 - 36.0000
Annual risk-free interest rate (%)	**3.4480**	3.4480
Exercise price (RM)	**0.2756**	0.2756
Exercise period (years)	**5**	5

31. Contingent consideration

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
At beginning of the year	**4,410,119**	3,910,119	**3,910,119**	3,910,119
Additions (Note b)	**-**	500,000	**-**	-
Transferred to share capital (Note a), (Note 27)	**(3,910,119)**	-	**(3,910,119)**	-
Reversals (Note b)	**(500,000)**	-	**-**	-
At end of the year	**-**	4,410,119	**-**	3,910,119

31. Contingent consideration (continued)

(a) On 11 June 2021, the Company entered into a Share Sale Agreement ("SSA") to acquire 51% equity interest in Founder Energy Sdn. Bhd. ("FESB") from Lee Seng Chi ("the Vendor") for a purchase consideration of RM21,169,080 which is to be satisfied by a combination of cash amounting to RM8,464,080 and issuance of 18,150,000 new ordinary shares of the Company at an issue price of RM0.70 per share to the Vendor. As of 30 June 2023, 5,445,000 new ordinary shares have been issued to the Vendor on 25 August 2021.

The issuance of the remaining 12,705,000 ordinary shares is contingent on FESB meeting a minimum profit-after-tax ("PAT") of RM13,836,000 over 2 years from the acquisition date ("Profit Guarantee Period"). If FESB is not able to achieve the minimum PAT over the profit guarantee period, any shortfall shall be reimbursed in cash by the Vendor.

The Group provided for a contingent consideration of ordinary shares to be issued to the Vendor. The valuation of the contingent consideration is measured at RM0.53 per share concurrent with the Group's market share price discounted to its present value at a 13.5% discount rate.

The Group had on 30 August 2023 announced revisions to the terms of the SSA where the Vendor guarantees that FESB shall achieve a PAT of RM14,989,000 for the 26 months ended 31 October 2023 ("First Extended Profit Guarantee"). In the event the First Extended Profit Guarantee is met, then the profit guarantee shall be deemed to be fulfilled. However, if the First Extended Profit Guarantee is not fulfilled, the vendor shall be granted a further extended period up to 31 December 2023 to meet an aggregate PAT of RM16,142,000 for the 28 months ended 31 December 2023 ("Second Extended Profit Guarantee").

Save for the above Proposed Profit Guarantee Extension ("PGE"), all other terms and conditions contained in the SSA remain unchanged and shall continue to be in full force and effect. The PGE was approved by the Company's shareholders in the Extraordinary General Meeting on 24 July 2024.

On 9 July 2024, the Group has confirmed that the First Extended Profit Guarantee has been achieved. As such, the amount of RM3,910,119 included in the contingent consideration has been reversed and paid out via the issuance of the shares during the financial year ended 30 June 2025.

(b) On 14 November 2023, the Company's subsidiary, Reservoir Link Renewable Sdn. Bhd. ("RLR") entered into a Share Sale Agreement ("SSA") with SAG Green Tech Sdn. Bhd. ("SGT") for the acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn. Bhd. ("SAGR"), for a total purchase consideration of RM4,500,000. The Company is required to provide a corporate guarantee of RM6,000,000 upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA, as disclosed Note 10(b).

The contingent consideration of RM500,000 shall be paid by RLR to SGT, subject to the achievement of the Performance Guarantee by SAGR within the final three months of the Guarantee Period ("2nd Guarantee Period"), to the satisfaction of the RLR. The contingent consideration shall be payable within fourteen (14) days from the date the RLR certifies that the Performance Guarantee for the 2nd Guarantee Period has been met.

As per discharge letter dated 7 August 2024, SAGR has failed to meet the Performance Guarantee for the 2nd Guarantee Period, therefore, RLR is fully discharged from any obligation to make payment of the balance purchase consideration of RM500,000. As such, the contingent consideration has been reversed during the financial year.

32. Borrowings

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Non-current				
Term loans	**39,255,658**	37,444,198	-	-
Current				
Bankers' acceptance	-	8,358,591	-	-
Bank overdrafts	**4,235,801**	5,928,701	-	-
Credit card	**41,863**	45,255	-	-
Factoring payables	-	2,523,108	-	-
Invoice financing	-	17,192,796	-	-
Margin financing facility	**853,224**	1,050,336	**853,224**	1,050,336
Revolving credit	**3,253,000**	2,057,000	-	-
Term loans	**16,910,306**	6,281,107	-	-
	25,294,194	43,436,894	**853,224**	1,050,336
	64,549,852	80,881,092	**853,224**	1,050,336
Total borrowings				
Bankers' acceptance (b)	-	8,358,591	-	-
Bank overdrafts (c)	**4,235,801**	5,928,701	-	-
Credit card (d)	**41,863**	45,255	-	-
Factoring payables (e)	-	2,523,108	-	-
Invoice financing (f)	-	17,192,796	-	-
Margin financing facility (g)	**853,224**	1,050,336	**853,224**	1,050,336
Revolving credit (h)	**3,253,000**	2,057,000	-	-
Term loans (i)	**56,165,964**	43,725,305	-	-
	64,549,852	80,881,092	**853,224**	1,050,336

(a) The bank borrowings of the Group and of the Company are secured by:-

(i) corporate guarantee provided by the Company and a related party;
(ii) legal charge over the commercial buildings of the Group, as disclosed in Notes 6 and 7;
(iii) pledge of fixed deposits of the Group, as disclosed in Note 25;
(iv) assignment over contract of bank guarantees and fixed or floating charge over equipment financed by the Bank;
(v) assignment over contract proceeds of specific customers; and
(vi) securities quoted on the Bursa Malaysia Securities Berhad ("BMSB").

(b) The bankers' acceptances of the Group at the end of the reporting year bore an effective interest rate ranging from 1.50% to 5.46% (2024: 1.50% to 5.46%) per annum.

(c) The bank overdrafts of the Group at the end of the reporting year bore an effective interest rate at 7.22% (2024: 7.22%) per annum.

(d) The credit card of the Group at the end of the reporting year bore an effective interest rate at 18.00% (2024: 18.00%) per annum.

32. Borrowings (continued)

(e) The factoring payables of the Group at the end of the reporting year bore an effective interest rate at 6.70% (2024: 6.45%) per annum.

(f) The invoice financing of the Group at the end of the reporting year bore an effective interest rate ranging from 5.62% to 6.70% (2024: 5.62% to 6.70%) per annum.

(g) The margin financing facility of the Group and the Company at the end of the reporting year bore an effective interest rate at 6.75% (2024: 6.75%) per annum.

(h) The revolving credit of the Group at the end of the reporting year bore an effective interest rate at 5.75% to 5.82% (2024: 5.82%) per annum.

(i) The interest rates and repayment terms of the term loan are as follows:-

Term loan 1 at BFR - 2.30% per annum	Repayable by 240 monthly instalments of RM13,343, revised to RM14,116 starting from April 2023 until full payment.
Term loan 2 at BFR + 1.25% per annum	Repayable by 60 monthly instalments of RM8,160, revised to RM8,226 starting from June 2023 until full payment.
Term loan 3 at COF + 1.25% per annum	Repayable by 120 monthly instalments of RM63,230 until full payment, effective from October 2019.
Term loan 4 at BFR + 0.50% per annum	Repayable by 60 monthly instalments of RM79,838 until full payment, effective from February 2023.
Term loan 5 at COF + 2.75% per annum	Repayable by 66 monthly instalments of RM29,519 until full payment, effective from December 2022.
Term loan 6 at BFR + 1.00% per annum	Repayable by 120 monthly instalments of RM5,474 until full payment, effective from November 2022.
Term loan 7 at BFR + 1.00% per annum	Repayable by 28 monthly instalments of RM5,476 until full payment, effective from September 2023.
Term loan 8 at BFR + 1.75% per annum	Repayable by 90 monthly instalments of USD94,408 (equivalent to approximately RM397,694) until full payment, effective from October 2023.
Term loan 9 at BFR + 1.75% per annum	Repayable by 120 monthly instalments of RM2,117 until full payment, effective from May 2024.
Term loan 10 at BFR + 1.75% per annum	Repayable by 132 monthly instalments of RM93,478 until full payment, effective from May 2024.
Term loan 11 at COF + 1.50% per annum	Repayable by 144 monthly instalments of RM13,889 until full payment, effective from May 2024.
Term loan 12 at COF + 1.50% per annum	Repayable by 144 monthly instalments of RM19,581 until full payment, effective from July 2024.
Term loan 13 at COF + 1.90% per annum	Repayable by 144 monthly instalments of RM49,913 until full payment, effective from June 2025.
Term loan 14 at COF + 1.90% per annum	Repayable by 168 monthly instalments of RM42,007 until full payment, effective from June 2025.

The term loan of the Group at the end of the reporting year bore an effective interest rate ranging from 4.65% to 9.11% (2024: 4.56% to 8.70%).

32. Borrowings (continued)

The purpose, approved facility limits and actual drawdowns of term loans 9 to 14 are as follows:

Term loan 9 - 12

Project	Scheme	Allocated limit RM	Actual drawdown RM
1	Solar photovoltaic projects	8,199,000	4,987,500
2	Acquisition cost of SAG Renewables Sdn. Bhd.	2,000,000	2,000,000
3	Balances are earmarked for future projects	4,120,000	Yet to be disbursed
		14,319,000	

Term loan 13 and 14

Project	Scheme	Allocated limit RM	Actual drawdown RM
1	Rooftop solar PV system under Supply Agreement – Renewable Energy ("SARE")	12,750,000	7,148,656

33. Lease liabilities

	Group		Company	
	2025 RM	2024 RM	**2025 RM**	2024 RM
At beginning of the year	**1,815,021**	409,798	**282,956**	282,956
Additions	**1,337,397**	1,929,584	**187,794**	187,794
Derecognition due to early termination	**-**	(145,694)	**-**	-
Interest expense recognised in profit or loss	**96,582**	52,792	**5,538**	5,538
Repayment of principal	**(495,847)**	(378,667)	**(187,794)**	(187,794)
Repayment of interest	**(96,582)**	(52,792)	**(5,538)**	(5,538)
At end of the year	**2,656,571**	1,815,021	**282,956**	282,956
Analysed by:				
Non-current liabilities	**2,042,673**	1,502,815	**95,162**	95,162
Current liabilities	**613,898**	312,206	**187,794**	187,794
	2,656,571	1,815,021	**282,956**	282,956

34. Trade payables

	Group	
	2025 RM	2024 RM
Trade payables	**8,245,041**	40,011,068
Retention sum	**-**	1,607,668
	8,245,041	41,618,736

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34. Trade payables (continued)

The normal trade credit terms granted to the Group ranged from 30 to 60 (2024: 30 to 60) days. Other credit terms may be negotiated with suppliers on a case-by-case basis.

The retention sums are payable to contractors upon the expiry of the defect liability period stated in respective contracts.

35. Other payables and accruals

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Other payables	**2,656,185**	4,285,793	**61,768**	98,214
Sales tax payable	**16,501**	25,081	**-**	-
Accruals	**3,921,319**	3,432,812	**1,214,937**	587,540
Deposits received	**57,923**	66,430	**-**	-
	6,651,928	7,810,116	**1,276,705**	685,754

36. Amount owing to directors of subsidiaries

The amount owing to directors of subsidiaries is unsecured, interest free and is repayable on demand.

37. Revenue

Revenue consists of the followings:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Revenue from contracts with customers				
Recognised over time				
Supply of renewable energy and related activities	**19,928,876**	84,896,262	**-**	-
Recognised at a point in time				
Supply of renewable energy equipment and related activities	**6,368,169**	25,290,593	**-**	-
Oil and gas well services and related work	**86,554,153**	73,720,730	**-**	-
Supply of wastewater treatment and related activities	**12,545,634**	2,295,214	**-**	-
Management fee income	**-**	-	**3,554,154**	3,501,834
	125,396,832	186,202,799	**3,554,154**	3,501,834

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38. Other income

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Commission received	**-**	1,033,076	**-**	-
Dividend income	**8,050**	-	**8,050**	-
Fair value gain on derivatives	**-**	3,565	**-**	-
Fair value gain on short term investments	**-**	34,833	**-**	34,833
Fixed deposits interest income	**69,918**	101,600	**-**	-
Gain on disposals of property, plant and equipment	**149,876**	-	**208**	-
Gain on disposals of short-term investments	**1,652**	1,179	**1,652**	1,179
Gain on lease liabilities written off due to early termination	**-**	3,188	**-**	-
Lease income	**256,092**	160,092	**-**	-
Other interest income	**167,839**	149,759	**1,062,434**	1,040,721
Other income	**123,633**	125,523	**2,903**	-
Realised foreign exchange gain	**1,557,861**	49,003	**-**	-
Unrealised foreign exchange gain	**57,383**	39,987	**-**	1,188
	2,392,304	1,701,805	**1,075,247**	1,077,921

39. Finance costs

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Bank guarantee commission	**143,973**	219,072	**-**	-
Bank overdrafts interest	**259,334**	399,434	**-**	-
Bankers' acceptance interest	**44,519**	514,239	**-**	-
Commitment fees	**27,952**	15,540	**-**	-
Factoring charges	**45,012**	207,366	**-**	-
Interest expenses	**90,241**	4,653	**36,734**	58,353
Invoice financing interest	**169,919**	796,182	**-**	-
Lease liabilities interest	**96,582**	52,792	**5,538**	5,538
Letter of credit commission	**23,689**	14,191	**-**	-
Revolving credit interest	**118,518**	185,720	**-**	-
Term loans interest	**3,507,282**	1,218,758	**-**	-
	4,527,021	3,627,947	**42,272**	63,891

40. Allowance for/(reversal of) impairment loss on financial assets and contract assets

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Allowance for impairment loss on financial assets and contract assets				
- trade receivables	**12,743**	1,033,076	**-**	-
- amount owing by subsidiaries	**-**	-	**576,397**	-
- amount owing by associates	**138,170**	-	**-**	-
- amount owing by related parties	**-**	-	**138,170**	-
	150,913	1,033,076	**714,567**	-
Reversal of impairment loss on financial assets and contract assets				
- trade receivables	**-**	(263,051)	**-**	-
- contract assets	**-**	(10,787)	**-**	-
- amount owing by subsidiaries	**-**	-	**(537,669)**	(95,700)
	-	(273,838)	**(537,669)**	(95,700)
	150,913	759,238	**176,898**	(95,700)

41. Profit/(loss) before taxation

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Profit/(loss) before taxation is arrived at after charging:				
Allowance for obsolete inventories	**96,275**	265,111	**-**	-
Amortisation of intangible assets	**179,630**	54,691	**-**	-
Auditors' remuneration:				
(a) Auditors of the Company				
(i) Statutory				
- current year	**336,650**	280,000	**195,000**	80,000
- underprovision in prior years	**-**	52,005	**-**	20,103
(b) Other auditors				
(i) Statutory				
- current year	**83,317**	25,359	**-**	-
- underprovision in prior years	**3,570**	11,273	**-**	-
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	**-**	-

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41. Profit/(loss) before taxation (continued)

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Profit/(loss) before taxation is arrived at after charging:				
Depreciation of right-of-use assets	**114,707**	259,415	**187,794**	185,331
Directors' remuneration (Note 42)	**1,917,411**	1,680,440	**1,917,411**	1,680,440
Fair value loss on short-term investments	**578,898**	235,422	**578,898**	235,422
Gain on deemed disposal of subsidiaries	**(84,700,327)**	-	**(89,890,098)**	-
Impairment losses on investment in subsidiaries	**-**	-	**650,000**	1,000,000
Impairment losses on investment in associates	**50,203,970**	-	**51,587,418**	-
Inventories written-off	**153,894**	-	**-**	-
Loss on disposal of property, plant and equipment	**136,124**	-	**-**	-
Property, plant and equipment written-off	**-**	32,782	**-**	2
Realised foreign exchange loss	**1,120,376**	793,452	**1,187**	3,901
Reversal of impairment losses on investment in subsidiaries	**-**	-	**(833,230)**	-
Reversal of obsolete inventories	**(159,467)**	-	**-**	-
Share of loss of equity accounted for associates	**2,713,671**	-	**-**	-
Share of loss of equity accounted for joint ventures	**117,669**	26,078	**-**	-
Short-term lease expenses	**3,483,495**	5,381,125	**-**	-
Staff costs (Note 42)	**16,643,731**	19,741,095	**3,284,753**	2,968,096
Unrealised foreign exchange loss	**128,981**	1,624,669	**47,863**	-

* Refer to Note 38 for the other credit entries made in arriving at profit/(loss) before taxation.

42. Staff costs

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Short-term employee benefits	**14,668,085**	17,102,170	**2,913,521**	2,534,467
Employees Provident Fund	**1,718,179**	1,901,448	**322,109**	273,618
Social security contributions	**129,109**	150,117	**24,075**	21,707
Employment Insurance System	**14,617**	16,962	**2,614**	2,362
HRDF contribution	**94,574**	122,714	**21,868**	21,237
Staff welfare	**19,167**	170,034	**566**	55
ESOS expenses	**-**	277,650	**-**	114,650
Total staff costs	**16,643,731**	19,741,095	**3,284,753**	2,968,096

42. Staff costs (continued)

The remuneration of key management personnel included in staff costs during the year are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Key management personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	**1,127,292**	952,160	**811,660**	661,970
Defined contribution benefits	**131,615**	125,173	**94,798**	90,267
ESOS expenses	**-**	48,790	**-**	48,790
Total remuneration	**1,258,907**	1,126,123	**906,458**	801,027

The remuneration of Directors during the year is as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Directors of the Company				
Short-term employee benefits:				
- salaries, bonuses and other benefits	**1,492,193**	1,267,135	**1,492,193**	1,267,135
- fees	**265,467**	264,000	**265,467**	264,000
Defined contribution benefits	**159,751**	135,365	**159,751**	135,365
ESOS expenses	**-**	13,940	**-**	13,940
Total remuneration	**1,917,411**	1,680,440	**1,917,411**	1,680,440

43. Taxation

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Malaysian income tax				
- current year	**2,607,541**	2,673,115	**-**	-
- underprovision in prior years	**235,309**	125,943	**-**	-
	2,842,850	2,799,058	**-**	-
Deferred tax (Note 13)				
- relating to origination and reversal of temporary differences	**26,463**	556,864	**-**	-
- underprovision in prior years	**1,006,833**	-	**-**	-
	1,033,296	556,864	**-**	-
	3,876,146	3,355,922	**-**	-

43. Taxation (continued)

The reconciliations of income tax expense applicable to the results of the Group and of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Profit/(loss) before taxation	**31,715,508**	4,092,895	**35,067,954**	(3,334,074)
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	**7,611,722**	982,295	**8,416,309**	(800,178)
Tax effects of:				
- expenses not deductible for tax purposes	**3,359,499**	1,817,726	**776,384**	800,178
- income not subject to tax	**(8,279,126)**	(580,115)	**(9,192,693)**	-
- deferred tax assets not recognised during the financial year	**-**	1,010,073	**-**	-
- Utilisation of deferred tax assets previously not recognised	**(58,091)**	-	**-**	-
Underprovision of income tax in prior years	**235,309**	125,943	**-**	-
Underprovision of deferred tax liabilities in prior years	**1,006,833**	-	**-**	-
Tax expense for the year	**3,876,146**	3,355,922	**-**	-

44. Earnings/(losses) per share

(a) The basic earnings/(losses) per share is arrived at by dividing the Group's earnings/(losses) attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	2025	2024
	RM	RM
Earnings/(losses) attributable to owners of the Company	**27,458,300**	(844,798)
	Unit	Unit
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year (net of treasury shares)	**315,423,000**	289,045,000
Issuance of ordinary shares	**21,557,533**	21,900,516
Weighted average number of ordinary shares at end of the year	**336,980,533**	310,945,516
Basic earnings/(losses) per share (sen)	**8.15**	(0.27)

44. Earnings/(losses) per share (continued)

(b) The diluted earnings/(losses) per share is arrived at by dividing the Group's losses attributable to owners of the Company by the weighted average number of ordinary shares issued adjusted for dilutive effect of ESOS and calculated as follows:

	Group	
	2025	2024
	RM	RM
Earnings/(losses) attributable to owners of the Company	**27,458,300**	(844,798)
	Unit	Unit
Weighted average number of ordinary shares in issue, adjusted as follows:		
Weighted average number of ordinary shares at end of the year	**336,980,671**	310,945,516
Potential shares to be issued pursuant to ESOS	***-**	4,783,500
Adjusted weighted average number of ordinary shares	**336,980,671**	315,729,016
Diluted earnings/(losses) per share (sen)	**8.15**	(0.27)

* Potential shares to be issued pursuant to ESOS are anti-dilutive and therefore have been excluded from the computation of diluted earnings per share.

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45. Cash flows information

(a) The reconciliations of liabilities arising from financing activities are as follows:

Group	Bankers' acceptances RM	Credit card RM	Factoring payables RM	Invoice financing RM	Lease liabilities RM	Margin financing RM	Revolving credits RM	Term loans RM	Total RM
2025									
At beginning of the year	8,358,591	45,255	2,523,108	17,192,796	1,815,021	1,050,336	2,057,000	43,725,305	76,767,412
Changes in financing cash flows									
Proceeds from drawdown	-	-	-	7,701,717	-	305,592	2,000,000	20,723,542	30,730,851
Repayment of principal	(6,384,432)	(3,392)	(1,639,908)	-	(495,847)	(502,704)	(804,000)	(6,194,754)	(16,025,037)
Repayment of interest	(44,519)	-	(45,012)	(169,919)	(96,582)	-	(118,518)	(3,507,282)	(3,981,832)
	(6,428,951)	(3,392)	(1,684,920)	(7,531,798)	(592,429)	(197,112)	1,077,482	11,021,506	10,723,982
Other changes									
Acquisition of new leases	-	-	-	-	1,337,397	-	-	-	1,337,397
Deemed disposal of subsidiaries (Note 10(a))	(1,974,159)	-	(883,200)	(24,894,513)	-	-	-	(2,088,129)	(29,840,001)
Interest expense recognised in profit or loss	44,519	-	45,012	169,919	96,582	-	118,518	3,507,282	3,981,832
	(1,929,640)	-	(838,188)	(24,724,594)	1,433,979	-	118,518	1,419,153	(24,520,772)
At end of the year	-	41,863	-	-	2,656,571	853,224	3,253,000	56,165,964	62,970,622

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45. Cash flows information (continued)

(a) The reconciliations of liabilities arising from financing activities are as follows (continued):

Group	Bankers' acceptances RM	Credit card RM	Factoring payables RM	Invoice financing RM	Lease liabilities RM	Margin financing RM	Revolving credits RM	Term loans RM	Total RM
2024									
At beginning of the year	982,500	-	3,239,065	5,434,658	409,798	4,964	2,928,000	11,499,060	24,498,045
Changes in financing cash flows									
Proceeds from drawdown	23,428,648	45,255	20,933,551	46,658,957	-	1,045,372	-	37,252,860	129,364,643
Repayment of principal	(16,052,557)	-	(21,649,508)	(34,900,819)	(378,667)	-	(871,000)	(5,026,615)	(78,879,166)
Repayment of interest	(514,239)	-	(207,366)	(796,182)	(52,792)	-	(185,720)	(1,218,758)	(2,975,057)
	6,861,852	45,255	(923,323)	10,961,956	(431,459)	1,045,372	(1,056,720)	31,007,487	47,510,420
Other changes									
Acquisition of new leases	-	-	-	-	1,929,584	-	-	-	1,929,584
Derecognition due to lease modification	-	-	-	-	(145,694)	-	-	-	(145,694)
Interest expense recognised in profit or loss	514,239	-	207,366	796,182	52,792	-	185,720	1,218,758	2,975,057
	514,239	-	207,366	796,182	1,836,682	-	185,720	1,218,758	4,758,947
At end of the year	8,358,591	45,255	2,523,108	17,192,796	1,815,021	1,050,336	2,057,000	43,725,305	76,767,412

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45. Cash flows information (continued)

(a) The reconciliations of liabilities arising from financing activities are as follows (continued):

Company	Lease liabilities RM	Margin financing RM	Total RM
2025			
At beginning of the year	**282,956**	**1,050,336**	**1,333,292**
Changes in financing cash flows			
Proceeds from drawdown	**-**	**305,592**	**305,592**
Repayment of principal	**(187,794)**	**(502,704)**	**(690,498)**
Repayment of interest	**(5,538)**	**-**	**(5,538)**
	(193,332)	**(197,112)**	**(390,444)**
Other changes			
Acquisition of new leases	**187,794**	**-**	**187,794**
Interest expense recognised in profit or loss	**5,538**	**-**	**5,538**
	193,332	**-**	**193,332**
At end of the year	**282,956**	**853,224**	**1,136,180**
2024			
At beginning of the year	282,956	4,964	287,920
Changes in financing cash flows			
Proceeds from drawdown	-	1,045,372	1,045,372
Repayment of principal	(187,794)	-	(187,794)
Repayment of interest	(5,538)	-	(5,538)
	(193,332)	1,045,372	852,040
Other changes			
Acquisition of new leases	187,794	-	187,794
Interest expense recognised in profit or loss	5,538	-	5,538
	193,332	-	193,332
At end of the year	282,956	1,050,336	1,333,292

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45. Cash flows information (continued)

(b) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Property, plant and equipment				
Cash purchase	**21,022,699**	38,758,935	**72,352**	41,545
Hire purchase arrangement under lease liabilities	**747,111**	1,750,138	**-**	-
Cost of property, plant and equipment purchased	**21,769,810**	40,509,073	**72,352**	41,545
Right-of-use assets				
Cost of right-of-use assets acquired	**590,286**	179,446	**187,794**	187,794
Less: Addition of new lease	**(590,286)**	(179,446)	**(187,794)**	(187,794)
	-	-	**-**	-

(c) The total cash outflows for leases as a lessee are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Payment of short-term leases	**3,483,495**	5,381,125	**-**	-
Interest paid on lease liabilities	**96,582**	52,792	**5,538**	5,538
Payment of lease liabilities	**495,847**	378,667	**187,794**	187,794
	4,075,924	5,812,584	**193,332**	193,332

46. Significant related party transactions

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or to the Company has the ability, directly or indirectly, to control or jointly control the party or exercises significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

Related parties of the Group include Company's holding company, entities having significant influence over the Group, subsidiaries, associates, joint ventures, entities in which Directors have substantial financial interest and key management personnel of the Group and of the Company.

46. Significant related party transactions (continued)

(b) Transactions with related parties

Transactions arising from significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Management fee received or receivable from subsidiaries	-	-	**(3,554,154)**	(3,501,834)
Lease expenses paid or payable to:				
- subsidiaries	-	-	**193,332**	193,332
- a director of a subsidiary	**12,500**	150,000	-	-
- a related party	-	87,599	-	-
Revenue received or receivable from:				
- a joint venture	**(2,458,246)**	(985,040)	-	-
- a related party	-	(460,601)	-	-
- a joint venture partner	**(1,689,350)**	(49,436)	-	-
Subcontract income received or receivable from a joint venture	-	(138,070)	-	-
Interest income received or receivable from subsidiaries	-	-	**(1,040,359)**	(1,030,542)
Interest expenses paid to a subsidiary	-	-	**1,940**	18,752

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties. The outstanding balances of the related parties, if any together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Compensation of key management personnel

The key management personnel include Directors and certain members of senior management of the Group.

The key management personnel compensation during the financial year are disclosed in Note 42.

47. Capital commitments

	Group		Company	
	2025	2024	**2025**	2024
	RM	RM	**RM**	RM
Approved and contracted for:				
Investment in a company	**8,982,000**	9,439,000	-	-
Purchase of property, plant and equipment	**14,486,048**	994,962	-	-
	23,468,048	10,433,962	-	-

Included is an aggregate of RM4,428,700 (2024: RM4,428,700) which has been recognised in other receivables, deposits and prepayments, as disclosed in Note 18.

48. Contingent liabilities

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

	Group	
	2025	2024
	RM	RM
Performance and other guarantees extended by subsidiaries to third parties	**10,602,686**	9,054,288

49. Segment reporting

Primary segment reporting - business

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision makers in order to allocate resources to segments and to assess their performance on a period basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 4 main reportable segments as follows:

Business segments	**Business activities**
Investment holding	Investment holding
Oil and gas related and other activities segments	Developing and providing oil and gas production, enhancement services and sand management solutions
Renewable energy and related activities segment	Providing renewable energy activities and related business
Wastewater treatment and related activities	Build, own, operate, and maintenance of wastewater treatment plant

For the purpose of making decisions about resource allocation, the Board of Directors assesses the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

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49. Segment reporting (continued)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Wastewater treatment and related activities RM	Consolidation adjustments and elimination RM	Group RM
2025						
Revenue						
External revenue	-	86,554,153	26,297,045	12,545,634	-	125,396,832
Internal revenue	3,554,154	11,995,623	1,083,061	-	(16,632,838)	-
Total revenue	3,554,154	98,549,776	27,380,106	12,545,634	(16,632,838)	125,396,832
Results						
Segment results	35,110,226	11,286,046	(1,529,564)	(5,288,673)	(504,166)	39,073,869
Finance costs	(42,272)	(1,632,535)	(1,384,301)	(4,432,762)	2,964,849	(4,527,021)
Share of loss of equity accounted for associates	-	-	-	-	(2,713,671)	(2,713,671)
Share of loss of equity accounted for joint ventures	-	-	-	-	(117,669)	(117,669)
Consolidated profit/(loss) before taxation	35,067,954	9,653,511	(2,913,865)	(9,721,435)	(370,657)	31,715,508

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49. Segment reporting (continued)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Wastewater treatment and related activities RM	Consolidation adjustments and elimination RM	Group RM
2025						
Other information						
Allowance for obsolete inventories	-	96,275	-	-	-	96,275
Allowance for impairment loss on financial assets	176,898	-	-	12,743	(38,728)	150,913
Amortisation of intangible assets	-	-	-	-	179,630	179,630
Bad debts written-off	-	-	-	2,172,225	-	2,172,225
Depreciation of investment properties	-	116,743	-	-	-	116,743
Depreciation of property, plant and equipment	127,014	3,838,802	488,336	3,960,182	-	8,414,334
Depreciation of right-of-use assets	187,794	167,288	-	-	(240,375)	114,707
Fair value loss on short-term investments - net	578,898	-	-	-	-	578,898
Gain on deemed disposal of subsidiaries	(89,890,098)	-	-	-	5,189,771	(84,700,327)
Inventories written off	-	153,894	-	-	-	153,894
Impairment losses on investment in associates	51,587,418	1,756,055	-	-	(3,139,503)	50,203,970
Loss/(gain) on realised foreign exchange - net	1,187	104,874	(582,097)	38,551	-	(437,485)
Loss/(gain) on unrealised foreign exchange - net	47,863	(19,263)	59,375	(16,377)	-	71,598
Reversal of obsolete inventories	-	(159,467)	-	-	-	(159,467)

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49. Segment reporting (continued)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Wastewater treatment and related activities RM	Consolidation adjustments and elimination RM	Group RM
2025						
Assets						
Segment assets	100,026,459	105,274,223	48,817,719	51,402,285	(86,746,389)	218,774,297
Consolidated assets						218,774,297
Liabilities						
Segment liabilities	2,929,249	43,119,979	49,406,183	50,048,754	(52,071,683)	93,432,482
Consolidated liabilities						93,432,482
Additions to non-current assets other than financial instruments are:						
Property, plant and equipment	72,352	957,748	20,730,336	-	9,374	21,769,810
Right-of-use assets	187,794	687,943	-	-	(285,451)	590,286
Intangible assets	-	-	-	-	110,839	110,839

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49. Segment reporting (continued)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Wastewater treatment and related activities RM	Consolidation adjustments and elimination RM	Group RM
2024						
Revenue						
External revenue	-	73,720,730	110,186,855	2,295,214	-	186,202,799
Internal revenue	3,501,834	7,410,243	1,070,546	-	(11,982,623)	-
Total revenue	3,501,834	81,130,973	111,257,401	2,295,214	(11,982,623)	186,202,799
Results						
Segment results	(3,270,183)	8,491,281	5,075,345	(960,405)	(1,589,118)	7,746,920
Finance costs	(63,891)	(1,756,736)	(3,195,288)	(49,950)	1,437,918	(3,627,947)
Share of loss of equity accounted for joint ventures	-	-	-	-	(26,078)	(26,078)
Consolidated (loss)/profit before taxation	(3,334,074)	6,734,545	1,880,057	(1,010,355)	(177,278)	4,092,895

49. Segment reporting (continued)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Wastewater treatment and related activities RM	Consolidation adjustments and elimination RM	Group RM
2024						
Other information						
Allowance for obsolete inventories	-	265,111	-	-	-	265,111
(Reversal of)/allowance for impairment loss on financial assets and contract assets	(95,700)	821,363	(62,125)	-	95,700	759,238
Amortisation of intangible assets	-	-	-	-	54,691	54,691
Bad debts written-off	-	-	3,450	-	-	3,450
Depreciation of investment properties	-	116,742	-	-	-	116,742
Depreciation of property, plant and equipment	129,648	4,367,724	389,718	10,793	-	4,897,883
Depreciation of right-of-use assets	185,331	191,501	142,507	-	(259,924)	259,415
Fair value loss on short-term investments - net	200,589	-	-	-	-	200,589
Loss/(gain) on realised foreign exchange - net	3,901	86,730	1,098,748	(444,930)	-	744,449
Gain/(loss) on unrealised foreign exchange - net	(1,188)	7,204	1,103,023	475,643	-	1,584,682
Property, plant and equipment written-off	2	2	32,778	-	-	32,782

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49. Segment reporting (continued)

Primary segment reporting - business (continued)

	Investment holding RM	Oil and gas related and other activities RM	Renewable energy and related activities RM	Wastewater treatment and related activities RM	Consolidation adjustments and elimination RM	Group RM
2024						
Assets						
Segment assets	53,923,906	102,453,840	114,711,926	43,660,910	(83,037,034)	231,713,548
Consolidated assets						231,713,548
Liabilities						
Segment liabilities	2,199,138	45,885,972	103,628,891	41,606,851	(55,287,299)	138,033,553
Consolidated liabilities						138,033,553
Additions to non-current assets other than financial instruments are:						
Property, plant and equipment	41,545	1,397,130	5,584,084	33,819,725	(333,411)	40,509,073
Right-of-use assets	187,794	186,953	-	-	(195,301)	179,446
Intangible assets	-	-	-	-	3,281,430	3,281,430

49. Segment reporting (continued)

Primary segment reporting - business (continued)

Information about major customer

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue		Segment
	2025	2024	
	RM	RM	
Customer A	**36,878,058**	38,771,761	Oil and gas
Customer B	**12,545,634**	-	Wastewater treatment
Customer C	**-**	28,462,371	Renewable energy

Information about geographical

Revenue of the Group is based on the countries in which the customers are located.

	2025	2024
Group	**RM**	RM
Malaysia	**111,212,645**	183,045,319
Indonesia	**12,545,634**	2,295,214
Turkmenistan	**1,055,471**	264,057
Brunei	**551,117**	479,930
Vietnam	**-**	104,919
Others	**31,965**	13,360
	125,396,832	186,202,799

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At a point in time		Over time		Group	
	2025	2024	**2025**	2024	**2025**	2024
	RM	RM	**RM**	RM	**RM**	RM
Malaysia	**91,283,769**	98,149,057	**19,928,876**	84,896,262	**111,212,645**	183,045,319
Indonesia	**12,545,634**	2,295,214	**-**	-	**12,545,634**	2,295,214
Turkmenistan	**1,055,471**	264,057	**-**	-	**1,055,471**	264,057
Brunei	**551,117**	479,930	**-**	-	**551,117**	479,930
Vietnam	**-**	104,919	**-**	-	**-**	104,919
Others	**31,965**	13,360	**-**	-	**31,965**	13,360
	105,467,956	101,306,537	**19,928,876**	84,896,262	**125,396,832**	186,202,799

50. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ["AC"]
(b) Fair value through profit or loss ["FVTPL"]

Group	Carrying amount RM	AC RM	FVTPL RM
2025			
Non-derivative financial assets			
Trade receivables	**10,770,493**	**10,770,493**	-
Other receivables and deposits	**8,862,906**	**8,862,906**	-
Amount owing by associates	**728,273**	**728,273**	-
Amount owing by joint ventures	**304,418**	**304,418**	-
Short-term investments	**1,052,715**	**-**	**1,052,715**
Fixed deposits with licensed banks	**4,912,341**	**4,912,341**	-
Cash and bank balances	**11,134,355**	**11,134,355**	-
	37,765,501	**36,712,786**	**1,052,715**
Non-derivative financial liabilities			
Trade payables	**8,245,041**	**8,245,041**	-
Other payables and accruals	**6,577,504**	**6,577,504**	-
Amount owing to associates	**4,058,449**	**4,058,449**	-
Borrowings	**64,549,852**	**64,549,852**	-
Lease liabilities	**2,656,571**	**2,656,571**	-
	86,087,417	**86,087,417**	-
2024 (restated)			
Non-derivative financial assets			
Trade receivables	27,698,153	27,698,153	-
Other receivables and deposits	8,915,581	8,915,581	-
Amount owing by associates	45,898	45,898	-
Amount owing by joint ventures	869,056	869,056	-
Amount owing by related parties	392,696	392,696	-
Short-term investments	1,020,970	-	1,020,970
Fixed deposits with licensed banks	9,676,772	9,676,772	-
Cash and bank balances	13,482,607	13,482,607	-
	62,101,733	61,080,763	1,020,970
Derivative financial assets			
Derivative financial assets	3,565	-	3,565
Non-derivative financial liabilities			
Trade payables	41,618,736	41,618,736	-
Other payables and accruals	7,718,605	7,718,605	-
Amount owing to directors of subsidiaries	502,000	502,000	-
Amount owing to joint ventures	1	1	-
Amount owing to related parties	1,172,135	1,172,135	-
Borrowings	80,881,092	80,881,092	-
Lease liabilities	1,815,021	1,815,021	-
	133,707,590	133,707,590	-

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50. Categories of financial instruments (continued)

Company	**Carrying amount RM**	**AC RM**	**FVTPL RM**
2025			
Non-derivative financial assets			
Other receivables and deposits	**242,653**	**242,653**	**-**
Amount owing by subsidiaries	**15,736,841**	**15,736,841**	**-**
Amount owing by associates	**437,545**	**437,545**	**-**
Short-term investments	**1,052,715**	**-**	**1,052,715**
Cash and bank balances	**1,280,347**	**1,280,347**	**-**
	18,750,101	**17,697,386**	**1,052,715**
Non-derivative financial liabilities			
Other payables and accruals	**1,276,705**	**1,276,705**	**-**
Amount owing to subsidiaries	**298,369**	**298,369**	**-**
Amount owing to associates	**217,995**	**217,995**	**-**
Borrowings	**853,224**	**853,224**	**-**
Lease liabilities	**282,956**	**282,956**	**-**
	2,929,249	**2,929,249**	**-**
2024			
Non-derivative financial assets			
Other receivables and deposits	438,591	438,591	-
Amount due from subsidiaries	12,756,548	12,756,548	-
Amount owing by related parties	138,170	138,170	-
Short-term investments	1,020,970	-	1,020,970
Cash and bank balances	242,628	242,628	-
	14,596,907	13,575,937	1,020,970
Non-derivative financial liabilities			
Other payables and accruals	685,754	685,754	-
Amount due to subsidiaries	180,092	180,092	-
Borrowings	1,050,336	1,050,336	-
Lease liabilities	282,956	282,956	-
	2,199,138	2,199,138	-

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50. Categories of financial instruments (continued)

Gain or losses arising from financial instruments

Group	Carrying amount RM	AC RM	FVTPL RM
2025			
Non-derivative financial assets			
Net gains recognised in profit or loss	**237,757**	**237,757**	**-**
Net losses recognised in profit or loss	**(720,109)**	**(150,913)**	**(569,196)**
	(482,352)	**86,844**	**(569,196)**
Non-derivative financial liabilities			
Net losses recognised in profit or loss	**(4,527,021)**	**(4,527,021)**	**-**
2024			
Non-derivative financial assets			
Net gains recognised in profit or loss	251,359	251,359	-
Net losses recognised in profit or loss	(958,648)	(759,238)	(199,410)
	(707,289)	(507,879)	(199,410)
Non-derivative financial liabilities			
Net losses recognised in profit or loss	(3,627,947)	(3,627,947)	-
Company			
2025			
Non-derivative financial assets			
Net losses recognised in profit or loss	**(746,094)**	**(176,898)**	**(569,196)**
	(746,094)	**(176,898)**	**(569,196)**
Non-derivative financial liabilities			
Net losses recognised in profit or loss	**(42,272)**	**(42,272)**	**-**
2024			
Non-derivative financial assets			
Net gains recognised in profit or loss	95,700	95,700	-
Net losses recognised in profit or loss	(199,410)	-	(199,410)
	(103,710)	95,700	(199,410)
Non-derivative financial liabilities			
Net losses recognised in profit or loss	(63,891)	(63,891)	-

51. Fair values

(a) Financial instruments that are measured at fair value

Investment in quoted shares and short-term investments are measured at fair value at different measurement hierarchies (i.e. Levels 1, 2, 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

(i) Level 1: 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.
(ii) 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.
(iii) Level 3: Inputs are unobservable inputs for the asset or liability.

The Group and the Company do not have any financial instruments measured at Level 1 and Level 3 of fair value, in current and previous financial year.

	Note	Level 2 RM	Total RM
Group			
2025			
Short term investments	23	**1,052,715**	**1,052,715**
2024			
Short term investments	23	1,020,970	1,020,970
Derivative financial assets	24	3,565	3,565
		1,024,535	1,024,535
Company			
2025			
Short term investments	23	**1,052,715**	**1,052,715**
2024			
Short term investments	23	1,020,970	1,020,970

(b) Financial instruments that are not measured at fair value

The carrying amount of the financial instruments measured at amortised cost are reasonable approximation of their fair values due to their short-term nature.

	Note
Trade receivables	17
Other receivables which are financial assets	18
Amount owing by/(to) subsidiaries	19
Amount owing by/(to) associates	20
Amount owing by/(to) joint ventures	21
Amount owing by/(to) related parties	22
Fixed deposits with licensed banks	25
Cash and bank balances	26
Borrowings (current)	32
Lease liabilities (current)	33
Trade payables	34
Other payables and accruals	35
Amount owing to directors of subsidiaries	36

52. Financial risk management policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting year is disclosed in Note 32.

Interest rate sensitivity analysis

If the interest rates have been higher or lower and all other variables were held constant, the Group's and the Company's results would decrease or increase accordingly. This is mainly attributable to the Group's and to the Company's exposure to interest rates on its floating rate borrowings which are not hedged. The Group's and Company's floating rate borrowings of RM64,507,989 and RM853,224 (2024: 52,761,342 and RM1,050,336), respectively are exposed to variability in future interest payments. If the Bank's Base Lending Rate ("BLR") was to increase/decrease by 1%, it would impact the Group's and the Company's profit by RM490,261 and RM6,485 (2024: RM400,986 and RM7,983), respectively.

The fixed deposits with licensed banks as at 30 June 2025 have maturity periods of 1 to 12 (2024: 1 to 12) months, and bear interest at rates ranging from 2.00% to 3.25% (2024: 2.00% to 3.25%) per annum.

(b) Equity price risk

Any reasonably possible change in the prices of quoted investments at the end of the reporting year does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

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52. Financial risk management policies (continued)

(c) Liquidity risk (continued)

The maturity profiles of the Group and the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations are as follows:

Group	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity: Less than 1 year RM	Maturity: Between 1 and 5 years RM	Maturity: More than 5 years RM
2025						
Trade payables	-	**8,245,041**	**8,245,041**	**8,245,041**	-	-
Other payables and accruals	-	**6,577,504**	**6,577,504**	**6,577,504**	-	-
Amount owing to associates	-	**4,058,449**	**4,058,449**	**4,058,449**	-	-
Borrowings	**1.50 - 18.00**	**64,549,852**	**84,504,063**	**16,829,229**	**50,101,003**	**17,573,831**
Lease liabilities	**3.85 - 5.40**	**2,656,571**	**3,560,407**	**1,011,515**	**2,290,147**	**258,745**
		86,087,417	**106,945,464**	**36,721,738**	**52,391,150**	**17,832,576**
2024						
Trade payables	-	41,618,736	41,618,736	41,618,736	-	-
Other payables and accruals	-	7,718,605	7,718,605	7,718,605	-	-
Amount owing to directors of subsidiaries	-	502,000	502,000	502,000	-	-
Amount owing to joint ventures	-	1	1	1	-	-
Amount owing to related parties	-	1,172,135	1,172,135	1,172,135	-	-
Borrowings	1.50 - 18.00	80,881,092	91,512,923	46,249,176	28,480,299	16,783,448
Lease liabilities	3.85 - 5.40	1,815,021	2,522,732	712,949	1,592,183	217,600
		133,707,590	145,047,132	97,973,602	30,072,482	17,001,048

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52. Financial risk management policies (continued)

(c) Liquidity risk (continued)

Company	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity: Less than 1 year RM	Maturity: Between 1 and 5 years RM
2025					
Other payables and accruals	**-**	**1,276,705**	**1,276,705**	**1,276,705**	**-**
Amount owing to subsidiaries	**1.50**	**298,369**	**302,844**	**302,844**	**-**
Amount owing to associates	**-**	**217,995**	**217,995**	**217,995**	**-**
Borrowings	**6.75**	**853,224**	**910,817**	**910,817**	**-**
Lease liabilities	**5.40**	**282,956**	**289,998**	**193,332**	**96,666**
Financial guarantee contracts *	**-**	**-**	**49,461,894**	**49,461,894**	**-**
		2,929,249	**52,460,253**	**52,363,587**	**96,666**
2024					
Other payables and accruals	-	685,754	685,754	685,754	-
Amount owing to subsidiaries	1.50	180,092	182,793	182,793	-
Borrowings	6.75	1,050,336	1,050,336	1,050,336	-
Lease liabilities	5.40	282,956	289,998	193,332	96,666
Financial guarantee contracts *	-	-	68,781,283	68,781,283	-
		2,199,138	70,990,164	70,893,498	96,666

* Being financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries.

(d) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2024: 2) customers which constituted approximately 78% (2024 (restated): 55%) of its trade receivables at the end of the reporting period.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

(ii) Credit risk concentration profile (continued)

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile for trade receivables at the end of the reporting year is as follows:-

	2025 RM	2024 RM
Malaysia	**4,044,573**	15,128,304
Indonesia	**4,315,321**	-
	8,359,894	15,128,304

(iii) Maximum exposure to credit risk

At the end of the reporting year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iv) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of those financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial organisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 (2024: 12) months before the reporting date and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Other receivables, amounts owing by associates, joint ventures and related parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amounts owing by associates, joint ventures and related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delays in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Other receivables, amounts owing by associates, joint ventures and related parties (continued)

Category	Definition of category	Loss allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk.	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 180 days past due.	Lifetime expected credit losses

The Group measures the expected credit losses of receivabies having significant baiances, receivables that are credit impaired and receivables with a high risk of default on individuai basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit iosses or iife time expected credit iosses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractuai cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at defauit, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Fixed deposits with licensed banks, cash and bank balances

The Group considers the banks and financial institutions to have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount owing by subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable overtime' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-months expected credit losses.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

The ageing analysis of the Group and the Company's gross trade receivables, contract assets, other receivables which are financial assets, amounts owing by associates, joint ventures and related parties (before deducting allowance for impairment loss) are as follows:

Group	Gross Amount RM	Credit impaired RM	Lifetime ECL allowance RM	Carrying Amount RM
2025				
Current (not past due)	**6,760,291**	**-**	**-**	**6,760,291**
1 to 30 days past due	**3,722,879**	**-**	**-**	**3,722,879**
31 to 60 days past due	**53,154**	**-**	**-**	**53,154**
61 to 90 days past due	**93,000**	**-**	**-**	**93,000**
91 to 120 days due	**153,912**	**(12,743)**	**-**	**141,169**
> 120 days past due	**926,750**	**(926,750)**	**-**	**-**
Trade receivables	**11,709,986**	**(939,493)**	**-**	**10,770,493**
Other receivables and deposits	**8,862,906**	**-**	**-**	**8,862,906**
Contract assets	**13,398,016**	**-**	**-**	**13,398,016**
Amount owing by associates	**866,443**	**(138,170)**	**-**	**728,273**
Amount owing by joint ventures	**304,418**	**-**	**-**	**304,418**
	35,141,769	**(1,077,663)**	**-**	**34,064,106**
2024 (restated)				
Current (not past due)	19,784,465	-	(46,597)	19,737,868
1 to 30 days past due	2,038,005	-	(26,868)	2,011,137
31 to 60 days past due	1,050,900	-	(18,139)	1,032,761
61 to 90 days past due	2,994,516	-	(35,431)	2,959,085
91 to 120 days due	34,989	-	(53)	34,936
> 120 days past due	3,193,306	(1,243,091)	(27,849)	1,922,366
Trade receivables	29,096,181	(1,243,091)	(154,937)	27,698,153
Other receivables and deposits	8,915,581	-	-	8,915,581
Contract assets	48,115,640	-	(285,989)	47,829,651
Amount owing by associates	45,898	-	-	45,898
Amount owing by joint ventures	869,056	-	-	869,056
Amount owing by related parties	392,696	-	-	392,696
	87,435,052	(1,243,091)	(440,926)	85,751,035

52. Financial risk management policies (continued)

(d) Credit risk (continued)

(iii) Assessment of impairment losses (continued)

Company	**Gross Amount RM**	**Credit impaired RM**	**Lifetime ECL allowance RM**	**Carrying Amount RM**
2025				
Other receivables and deposits	**242,653**	**-**	**-**	**242,653**
Amount owing by subsidiaries	**16,428,259**	**(691,418)**	**-**	**15,736,841**
Amount owing by associates	**437,545**	**-**	**-**	**437,545**
Amount owing by related parties	**138,170**	**(138,170)**	**-**	**-**
	17,246,627	**(829,588)**	**-**	**16,417,039**
2024				
Other receivables and deposits	438,591	-	-	438,591
Amount owing by subsidiaries	13,409,238	(652,690)	-	12,756,548
Amount owing by related parties	138,170	-	-	138,170
	13,985,999	(652,690)	-	13,333,309

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Group. The Group's trade receivables credit term ranges from 30 to 90 (2024: 30 to 90) days. Certain receivables' credit terms are assessed and approved on a case-by-case basis.

Other receivables which are financial assets include sundry receivables and amounts owing by subsidiaries, associates, joint ventures and related parties.

None of the Group's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years. Receivables are not secured by any collaterals or credit enhancements.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

Impairment on receivables

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. The movement of the allowance for impairment loss on receivables is as follows:

	Trade receivables			Contract assets		
Group	**Lifetime ECL allowance RM**	**Credit impaired (Note i) RM**	**Total allowance RM**	**Lifetime ECL allowance RM**	**Credit impaired (Note i) RM**	**Total allowance RM**
At 1 July 2024	**154,937**	**1,243,091**	**1,398,028**	**285,989**	**-**	**285,989**
Charge during the year (Note ii)	**-**	**12,743**	**12,743**	**-**	**-**	**-**
Deemed disposal of subsidiaries	**(154,937)**	**(316,341)**	**(471,278)**	**(285,989)**	**-**	**(285,989)**
At 30 June 2025	**-**	**939,493**	**939,493**	**-**	**-**	**-**
At 1 July 2023	154,937	467,852	622,789	296,776	-	296,776
Charge/(reversal) during the year (Note ii)	-	770,025	770,025	(10,787)	-	(10,787)
Foreign translation differences	-	5,214	5,214	-	-	-
At 30 June 2024	154,937	1,243,091	1,398,028	285,989	-	285,989

52. Financial risk management policies (continued)

(d) Credit risk (continued)

Impairment on receivables (continued)

The Group and the Company apply the simplified approach whereby allowance for impairment are measured at lifetime ECL. The movement of the allowance for impairment loss on receivables is as follows (continued):

	Other receivables which are financial assets			Amounts owing by associates, joint ventures and related parties		
Group	**Lifetime ECL allowance RM**	**Credit impaired (Note i) RM**	**Total allowance RM**	**Lifetime ECL allowance RM**	**Credit impaired (Note i) RM**	**Total allowance RM**
At 1 July 2024	-	-	-	-	-	-
Charge during the year (Note ii)	-	-	-	-	138,170	138,170
At 30 June 2025	-	-	-	-	138,170	138,170
At 1 July 2023	-	-	-	-	-	-
Charge during the year (Note ii)	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-

i Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

ii The Group's allowance for impairment loss on trade receivables, contract assets, other receivables which are financial assets, amounts owing by associates, joint ventures and related parties during the current financial year increased by RM150,913 (2024: increased by RM759,238) is mainly due to the provision for higher (2024: higher) impaired on trade receivables, contract assets, other receivables which are financial assets, amounts owing by associates, joint ventures and related parties.

52. Financial risk management policies (continued)

(d) Credit risk (continued)

Impairment on receivables (continued)

Company	Amount due from subsidiaries			Other receivables which are financial assets and amount owing by related parties		
	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM	Lifetime ECL allowance RM	Credit impaired (Note i) RM	Total allowance RM
At 1 July 2024	-	**652,690**	**652,690**	-	-	-
Charge/~~(reversal)~~ during the year (Note ii)	-	**38,728**	**38,728**	-	**138,170**	**138,170**
At 30 June 2025	-	**691,418**	**691,418**	-	**138,170**	**138,170**
At 1 July 2023	-	748,390	748,390	-	-	-
Reversal during the year (Note ii)	-	(95,700)	(95,700)	-	-	-
At 30 June 2024	-	652,690	652,690	-	-	-

i Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

ii The Company's allowance for impairment loss on other receivables which are financial assets, amounts owing by related parties and subsidiaries during the current financial year increased by RM176,898 (2024: decreased by RM95,700) is mainly due to the provision for higher (2024: lower) impaired other receivables which are financial assets, amounts owing by related parties and subsidiaries.

(e) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

52. Financial risk management policies (continued)

(e) Foreign currency risk (continued)

Group	Note	USD RM	IDR RM	SGD RM	CNY RM	MYR RM	Total RM
2025							
Financial assets							
Trade receivables	17	1,779,354	4,316,566	-	-	4,674,573	10,770,493
Other receivables and deposits	18	-	2,627,717	-	-	6,235,189	8,862,906
Amount owing by associates	20	-	-	8,077	-	720,196	728,273
Amount owing by joint ventures	21	-	-	-	-	304,418	304,418
Short-term investments	23	-	-	-	-	1,052,715	1,052,715
Fixed deposits with licensed banks	25	-	-	-	-	4,912,341	4,912,341
Cash and bank balances	26	1,497,433	70,927	1,034	5,881	9,559,080	11,134,355
		3,276,787	7,015,210	9,111	5,881	27,458,512	37,765,501
Financial liabilities							
Borrowings	32	-	23,489,332	-	-	41,060,520	64,549,852
Lease liabilities	33	-	-	-	-	2,656,571	2,656,571
Trade payables	34	2,108,404	-	-	-	6,136,637	8,245,041
Other payables and accruals	35	27,455	2,354,875	-	-	4,195,174	6,577,504
Amount owing to associates	20	-	-	3	-	4,058,446	4,058,449
		2,135,859	25,844,207	3	-	58,107,348	86,087,417
Net financial assets/(liabilities)		1,140,928	(18,828,997)	9,108	5,881	(30,648,836)	(48,321,916)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies		(487,993)	18,828,997	(9,108)	-	30,648,836	48,980,732
Currency exposure		652,935	-	-	5,881	-	658,816

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52. Financial risk management policies (continued)

(e) Foreign currency risk (continued)

Group	Note	USD RM	IDR RM	SGD RM	CNY RM	MYR RM	Total RM
2024 (restated)							
Financial assets							
Trade receivables	17	8,706,473	2,434,763	-	-	16,556,917	27,698,153
Other receivables and deposits	18	-	2,754,945	-	-	6,160,636	8,915,581
Amount owing by associates	20	-	-	-	-	45,898	45,898
Amount owing by joint ventures	21	-	-	-	-	869,056	869,056
Amount owing by related parties	22	-	-	-	-	392,696	392,696
Short-term investments	23	-	-	-	-	1,020,970	1,020,970
Fixed deposits with licensed banks	25	-	-	-	-	9,676,772	9,676,772
Cash and bank balances	26	456,994	117,257	54,242	-	12,854,114	13,482,607
		9,163,467	5,306,965	54,242	-	47,577,059	62,101,733
Financial liabilities							
Borrowings	32	-	29,084,808	-	-	51,796,284	80,881,092
Lease liabilities	33	-	-	-	-	1,815,021	1,815,021
Trade payables	34	8,690,382	-	-	7,020,103	25,908,251	41,618,736
Other payables and accruals	35	14,674	249,363	4	-	7,454,564	7,718,605
Amount owing to directors of subsidiaries	36	-	-	-	-	502,000	502,000
Amount owing to joint ventures	21	-	-	-	-	1	1
Amount owing to related parties	22	-	1,171,340	-	-	795	1,172,135
		8,705,056	30,505,511	4	7,020,103	87,476,916	133,707,590
Net financial assets/(liabilities)		458,411	(25,198,546)	54,238	(7,020,103)	(39,899,857)	(71,605,857)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies		(69,919)	25,198,546	(54,238)	-	39,899,857	64,974,246
Currency exposure		388,492	-	-	(7,020,103)	-	(6,631,611)

Company

The Company does not have any significant transactions or balances denominated in foreign currencies and hence is not disclosed.

52. Financial risk management policies (continued)

(e) Foreign currency risk (continued)

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's results to a reasonable possible change in the exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2025	2024
	RM	RM
Effects on profit/(loss) after taxation:		
USD/RM – strengthened/(weakened) 10%	**49,623**	29,525
CNY/RM – strengthened/(weakened) 10%	**447**	(533,528)

(f) Capital management

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

The gearing ratios at 30 June 2025 and 30 June 2024 were as follows:

		Group		Company	
	Note	**2025**	2024	**2025**	2024
		RM	RM	**RM**	RM
Borrowings	32	**64,549,852**	80,881,092	**853,224**	1,050,336
Lease liabilities	33	**2,656,571**	1,815,021	**282,956**	282,956
		67,206,423	82,696,113	**1,136,180**	1,333,292
Less:					
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)
Net debt/(cash)		**51,159,727**	59,536,734	**(144,167)**	1,090,664
Total equity attributable to owners of the Company		**121,992,916**	85,779,004	**97,097,210**	51,724,768
Debt-to-equity ratio		**0.419**	0.694	**Not applicable**	0.021

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

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53. Significant and subsequent events

(a) Disposal of Subsidiaries Due to Dilution After Initial Public Offering ("IPO")

On 23 October 2024, the Company's subsidiary, Founder Group Limited ("FGL") was listed on the National Association of Securities Dealers Automated Quotations ("NASDAQ"). This listing resulted in the dilution of the Group's interest in FGL. As a result of this IPO, the Group's equity interest in FGL was diluted from 51.00% to 45.21%, which resulted in a loss of control. Following the loss of control, but with significant influence retained, the Group's and the Company's deemed disposal of the subsidiary lead to the deconsolidation and reclassified the investment to that of an associate. The gain on deemed disposal of the subsidiary amounted to RM84.7 million was recognised in profit or loss, as disclosed in Note 10(a).

(b) Secured a Letter of Award worth RM60.2 million

On 27 August 2025, the Company's subsidiary, RL Sigma Engineering Sdn. Bhd. had secured a RM60.2 million turnkey Engineering, Procurement, Construction, and Commissioning ("EPCC") contract from Sage Promaster Sdn. Bhd. for the development of a waste recovery facility to produce renewable energy. The contract, scheduled for completion by 26 February 2026, covers the full cycle of engineering, procurement, construction, and commissioning.

(c) Proposed take over

On 8 October 2025, the Company's wholly owned subsidiary, Reservoir Link Sdn. Bhd., had entered into a conditional Share Sale Agreement with Propel Oilfield Services Sdn. Bhd., to acquire the remaining 70% equity in Propel Maxflo Sdn. Bhd. from Propel Oilfield Services Sdn. Bhd. for a total purchase consideration of RM17.2 million. The consideration will to be satisfied via a combination of cash amounting to RM13.8 million and the issuance of new ordinary shares of the Company valued at RM3.4 million.

The acquisition is expected to be completed by the end of 2025.

54. Comparative figures

The comparative figures have been reclassified to conform with the presentation of the current financial year.

Statement of financial position as at 30 June 2024

Group	As previously stated RM	Reclassifications RM	As restated RM
Contract assets	33,388,726	14,440,925	47,829,651
Trade receivables	42,139,078	(14,440,925)	27,698,153

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

We, Thien Chiet Chai and Dato' Wan Hassan Bin Mohd Jamil, being two of the Directors of Reservoir Link Energy Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 9 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

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

Thien Chiet Chai
Executive Deputy Chairman

Dato' Wan Hassan Bin Mohd Jamil
Managing Director

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

I, Bong Leong Sung, MIA Membership Number: 19682, being the officer primarily responsible for the financial management of Reservoir Link Energy Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 139 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Bong Leong Sung
at Petaling Jaya in the state of Selangor
on 17 October 2025.

Bong Leong Sung
Group Chief Financial Officer

Before me,

PESURUHJAYA SUMPAH
No. B 467
VASANTHI A/P RAMADASS
BC/V/110
01.01.2024 - 31.12.2026
MALAYSIA

NO. 5, JALAN 14/30, SECTION 14,
46100 PETALING JAYA
SELANGOR.

Nexia SSY

Nexia SSY PLT
(LLP0019490-LCA & AF 002009)
Chartered Accountants

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd.

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reservoir Link Energy Bhd., which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Key Audit Matters (continued)

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

1. Impairment of property, plant and equipment

   The carrying amount of as at 30 June 2025: RM81,036,629

   We refer to the consolidated financial statements: Notes 3.3, 3.23, 5(a) and (b) and 6

Key audit matter	Our response
On an annual basis, Management assesses whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the assets recoverable amount. Where the carrying of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. We determine this to be a key audit matter as property, plant and equipment represent a significant amount of the Group's statement of financial position, and involves significant estimation of the value-in-use of the cash-generating unit ("CGU") to which the property, plant and equipment are allocated, and the expected future cash flows from the CGU. In estimating the expected future cash flows, significant judgement is required in determining a suitable discount rate as well as the expected future market and economic conditions.	Our audit procedures included, among others: • Examined the relevant cash flow forecasts which support Management's impairment assessment. We evaluated the evidence supporting the underlying assumptions in those forecasts, by comparing and considering historical data with current and future information such as prior budget accuracy and expected growth rates to relevant market expectations; and • Reviewed the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive.

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Key Audit Matters (continued)

2. Investment in associates

The carrying amount of as at 30 June 2025: RM60,269,260

We refer to the consolidated financial statements: Notes 3.8, 3.23, 5(h) and 11

Key audit matter	Our response
The Group holds a significant investment in an associate involved in renewable energy projects. The recoverable amount of this investment is sensitive to key assumptions such as projected energy generation capacity, tariff rates, expected future cash flows from power purchase agreements ("PPAs"), and the discount rate applied. Given the long-term nature of renewable energy projects and the estimation uncertainty associated with these assumptions, assessing whether the carrying amount of the investment is recoverable involves significant Management judgement. We determined this to be a key audit matter as the investment in associates represent a significant amount of the Group's statement of financial position, and Management's assessment of the recoverable amount of the investment in the associate involves significant judgement, particularly in estimating the associate's probability of default, future cash flow projections, and incorporating appropriate forward-looking information reflecting industry and market conditions in the renewable energy sector.	Our audit procedures included, among others: • Evaluated Management's assessment of indicators of impairment for the investment; • Assessed the reasonableness of the key assumptions used in the value-in-use model, including projected revenue, operating margins, and discount rates; • Compared assumptions such as tariff rates and project timelines against the terms of the PPAs and relevant regulatory approvals; • Tested the accuracy of the underlying calculations in the impairment model; • Performed sensitivity analyses on key assumptions to evaluate the impact of changes in these assumptions on the recoverable amount; and • Assessed the adequacy of disclosures related to the investment and impairment assessment in the financial statements.

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Key Audit Matters (continued)

3. Recoverability of trade receivables and contract assets

The carrying amount of recoverability of trade receivables and contract assets as at 30 June 2025: RM10,770,493 and RM13,398,016

We refer to the consolidated financial statements: Notes 3.2, 3.12, 3.22, 5(j), 16 and 17

Key audit matter	Our response
The trade receivables and contract assets of the Group amounted to RM10,770,493 and RM13,398,016 representing 5% and 6%, respectively of the Group's total assets as at 30 June 2025. The Group recognises loss allowance for expected credit losses ("ECL") on trade receivables and contract assets based on specific known facts or circumstances or the abilities of customers to pay. We determine these as key audit matter because they require Management to exercise significant judgements in determining the probability of default and appropriate forward-looking information.	Our audit procedures included, among others: • Evaluated the reasonableness of Management's key judgements and estimates made in determining the ECL, including the assessment in the selection of methods, assumptions, and data sources for measurement decisions; • Reviewed the recoverability of major receivables and contract assets including but not limited to subsequent collection; • Reviewed receivables' turnover period; • Evaluated the effectiveness of credit control process; • Evaluated the compliance with payment schedules; • Discussed with Management with regards to the payment trends, collectability of debts and existence of any collateral assets of the debts; • Evaluated the adequacy of impairment; and • Ensured compliance with the requirements of MFRS 9.

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Key Audit Matters (continued)

4. Revenue

The carrying amount of revenue as at 30 June 2025: RM125,396,832

We refer to the consolidated financial statements: Notes 3.20, 5(l) and 37

Key audit matter	Our response
For the financial year ended 30 June 2025, the Group recorded revenue of RM125,396,832 primarily derived from the provision of oil and gas well services, renewable energy services and wastewater treatment. The timing and quantum of revenue recognised for oil and gas well services and wastewater treatment are dependent on the nature and the different contractual terms as set out in the agreements with the respective customers. The amount of revenue from renewable energy services is recognised over the period of the contract with reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is determined with reference to the proportion of costs incurred for work performed to date over the estimated total costs. We determined this to be a key audit matter because significant estimates and judgements are required.	Our audit procedures included, among others: • Tested the occurrence and accuracy of revenue transactions to supporting evidence such as customers' contracts, invoices, and relevant supporting documents; • Assessed the effectiveness of internal controls by performing tests of controls and walkthrough tests; • Evaluated and assessed the reasonableness of estimates and judgements used in recognising revenue; • Verified the assessment on the potential deduction to revenue such as delays resulting in liquidated and ascertained damages against the contractual handover date, and estimated handover dates; • Checked subsequent documentation to identify if there are any deferments in the completion of contracts; • Reviewed the accrued revenue recognised and assessed the appropriateness of the accrued revenue by checking subsequent billed invoices; and • Assessed the completeness and appropriateness of disclosures in accordance with MFRS 15.

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2025 Annual Report. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control which were obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The other sections of the other information included in the 2025 Annual Report are expected to be made available to us subsequently.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Nexia SSY

Independent Auditors' Report to the Members of Reservoir Link Energy Bhd. (continued)

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 10 to the financial statements.

Other Matters

This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY PLT

Nexia SSY PLT
201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Michelle Yong Voon Sze
No. 02864/07/2026 J
Chartered Accountant

Shah Alam
17 October 2025

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and it collectively and individually accepts full responsibility for the accuracy of the information given in this Circular and confirms that, after having made all reasonable enquiries and to the best of its knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to the RLEB Group in this Circular was obtained from publicly available sources and/or provided by the management of RLEB. Our Board's responsibility regarding such information is limited to ensuring that it has been accurately reproduced in this Circular.

2. CONSENT AND CONFLICT OF INTEREST

RHB Investment Bank, being our Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad (collectively, the "**RHB Banking Group**") engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, advisory on mergers and acquisitions, securities trading, assets and fund management as well as credit transaction services. The RHB Banking Group has engaged and may in the future engage in transactions with and perform services for our Group, in addition to the roles set out in this Circular.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our Directors, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates.

As at the LPD, the RHB Banking Group has not extended any credit facility to our Group.

Dato' Foong Chee Meng, an Independent Non-Executive Director of RHB Islamic Bank Berhad (a subsidiary of RHB Bank Berhad), is also the Managing Partner of Messrs. Foong & Partners, who have acted as due diligence solicitors for some of our past corporate exercises and are our due diligence solicitors for the Proposals.

Notwithstanding the above, RHB Investment Bank is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement due to the following reasons:

(i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement is in the ordinary course of its business. RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to the aforesaid appointment;

(ii) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations;

(iii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, Capital Markets and Services Act 2007 and the RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees; and

(iv) Dato' Foong Chee Meng is not involved in the day-to-day operations of the RHB Banking Group, including RHB Investment Bank. He is also not involved in the due diligence exercise in relation to the Proposals which is led independently by another partner of Messrs. Foong & Partners.

Save as disclosed above, RHB Investment Bank has confirmed that no conflict of interest exists or is likely to exist in its capacity as our Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement.

3. MATERIAL COMMITMENTS

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

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there are no other contingent liabilities incurred or known to be incurred by us which, upon becoming enforceable, may have a material impact on our profits or NA:

	RM'000
Bank guarantee in relation to performance bond given to third parties	7,884

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, we are not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and that there are no proceedings pending or threatened against us or of any facts which are likely to give rise to any proceedings which might materially and adversely affect our business or financial position.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at 802, 8th Floor, Block C, Kelana Square, 17, Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our EGM:

(i) the Constitution of our Company, RLEB and PMAX;

(ii) the SSA;

(iii) the audited consolidated financial statements of PGB, RLEB and PMAX for the past 2 FYE 30 June 2024 and FYE 30 June 2025;

(iv) the unaudited consolidated financial statements of PGB, RLEB and PMAX for the 3-month FPE 30 September 2025;

(v) the letter of consent and conflict of interest referred to in Section 2 of this Appendix; and

(vi) the material contracts referred to in Section 9 of Appendix IV of this Circular.

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PROPEL GLOBAL BERHAD
(Registration No. 202001023868 (1380188-P))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Propel Global Berhad (“**PGB**” or the “**Company**”) will be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 30 December 2025 at 10.00 a.m. or at any adjournment of the EGM, for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL BY PROPEL OILFIELD SERVICES SDN BHD, A 49.0%-OWNED SUBSIDIARY OF PGB, OF ITS REMAINING 70.0% EQUITY INTEREST IN PROPEL MAXFLO SDN BHD (“PMAX”) TO RESERVOIR LINK SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF RESERVOIR LINK ENERGY BHD, FOR A DISPOSAL CONSIDERATION OF RM17,240,000, TO BE SATISFIED VIA A COMBINATION OF CASH AND THE ISSUANCE OF NEW ORDINARY SHARES IN RESERVOIR LINK ENERGY BHD (“PROPOSED DISPOSAL”)

“**THAT** subject to the approval of all relevant authorities and/or parties being obtained and/or relevant requirements for completion being met, approval be and is hereby given to Propel Oilfield Services Sdn Bhd (“**POSSB**”), a 49.0%-owned subsidiary of the Company, to dispose of 1,271,770 ordinary shares representing the remaining 70.0% equity interest in PMAX, to Reservoir Link Sdn Bhd for a consideration of RM17,240,000 to be satisfied via a combination of cash payment of RM13,792,000 and the issuance of 18,688,347 new ordinary shares in Reservoir Link Energy Bhd at an issue price of RM0.1845 each, subject to the terms and conditions of the conditional share sale agreement dated 7 October 2025 entered into between POSSB and Reservoir Link Sdn Bhd;

THAT the Board of Directors of the Company and POSSB (“**Board**”) be and are hereby authorised to utilise the cash payment of RM13,792,000 from the Proposed Disposal for such purposes as set out in Section 2.1.5 of the circular to shareholders of PGB dated 5 December 2025 in relation to, among others, the Proposed Disposal;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company and POSSB all such transfers, documents and/or agreements as the Board may consider necessary to give full effect to and complete the Proposed Disposal and with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and POSSB including to enter into any supplemental agreement(s) in connection with the Proposed Disposal and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Disposal.”

ORDINARY RESOLUTION 2

PROPOSED PRIVATE PLACEMENT OF UP TO 146,700,000 NEW ORDINARY SHARES IN PGB ("PGB SHARES") ("PLACEMENT SHARES"), REPRESENTING UP TO APPROXIMATELY 19.3% OF THE TOTAL NUMBER OF ISSUED SHARES OF PGB ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Board to allot and issue up to 146,700,000 Placement Shares, representing up to approximately 19.3% of the total number of issued shares of PGB;

THAT the Company intends to allocate the Placement Shares to investors who qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007, in the following manner:

(i) up to 73,350,000 Placement Shares, representing approximately 9.6% of the total number of issued shares of the Company, shall be placed out to the director(s) of PGB as well as Kong Teck Fong and Dato' Low Keng Siong, who are the major shareholders of PGB, provided that the allocation to any director and/or major shareholder shall not exceed 36,675,000 Placement Shares or 4.8% of the total number of issued shares of the Company; and

(ii) up to 73,350,000 Placement Shares, representing approximately 9.6% of the total number of issued shares of the Company, shall be placed out to other independent third party investor(s) who will be identified at a later date. These Placement Shares are not intended to be placed to the following persons:

   (a) a director, major shareholder or chief executive of PGB or a holding company of PGB (collectively, the "**Interested Persons**");

   (b) a person connected with the Interested Persons; and

   (c) nominee corporations, unless the names of the ultimate beneficiaries are disclosed;

THAT the issue price of the Placement Shares will be determined and fixed by the Board at a later date ("**Price-Fixing Date**") at a discount of not more than 10% to the 5-day volume weighted average market price of PGB Shares immediately before the Price-Fixing Date, for such purposes and use of proceeds as set out in Section 2.3.6 of the circular to shareholders of PGB dated 5 December 2025 in relation to, among others, the Proposed Private Placement;

THAT the Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing PGB Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Placement Shares;

THAT pursuant to subsection 85(1) of the Companies Act 2016 read together with the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be first offered any new PGB Shares ranking equally to the existing issued PGB Shares arising from the allotment and issuance of the new PGB Shares pursuant to the Proposed Private Placement and that the Board is exempted from the obligation to offer such new PGB Shares first to the existing shareholders of the Company in respect of the allotment and issuance of the Placement Shares pursuant to the Proposed Private Placement, which will consequently result in a dilution of the shareholders' shareholdings percentage in the Company;

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/ or amendments as may be required or permitted by any relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Private Placement."

ORDINARY RESOLUTIONS 3 TO 10

PROPOSED ALLOCATION OF UP TO 73,350,000 PLACEMENT SHARES TO THE DIRECTOR(S) AND/OR MAJOR SHAREHOLDER(S) OF PGB ("PROPOSED ALLOCATION")

"**THAT** subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Board to allot and issue up to 73,350,000 Placement Shares to the following director(s) and/or major shareholder(s) of PGB, provided that the allocation to any director and/or major shareholder shall not exceed 36,675,000 Placement Shares or 4.8% of the total number of issued shares of PGB:

Ordinary Resolution	Director / Major shareholder	Proposed allocation
3	Mohamad Reza Bin Abdul Mutalib	Up to 36,675,000 Placement Shares
4	Dato' Tan Yee Boon	Up to 36,675,000 Placement Shares
5	Lee Sze Yeen	Up to 36,675,000 Placement Shares
6	Shamsul Bin Saad	Up to 36,675,000 Placement Shares
7	Rewi Hamid Bugo	Up to 36,675,000 Placement Shares
8	Elain Binti Lockman	Up to 36,675,000 Placement Shares
9	Kong Teck Fong	Up to 36,675,000 Placement Shares
10	Dato' Low Keng Siong	Up to 36,675,000 Placement Shares

THAT the issue price of the Placement Shares will be determined and fixed by the Board on the Price-Fixing Date a discount of not more than 10% to the 5-day volume weighted average market price of PGB Shares immediately before the Price-Fixing Date;

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/ or amendments as may be required or permitted by any relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Allocation."

SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF PGB BY RM65.5 MILLION PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("PROPOSED CAPITAL REDUCTION")

"**THAT** subject to the approvals of all the relevant authorities and/or parties being obtained, approval be and is hereby given to the Board to implement the Proposed Capital Reduction and reduce the issued share capital of the Company by RM65.5 million pursuant to Section 117 of the Companies Act 2016;

THAT the credit arising from the cancellation of the issued share capital of the Company by RM65.5 million shall be used entirely to set-off against the accumulated losses of the Company;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things to enter and to execute, sign and deliver on behalf of the Company, all such documents and/or agreements and to take all such necessary steps as may the Board may deem necessary and/or expedient to finalise and give full effect to the Proposed Capital Reduction including full power to assent to and to adopt any conditions, modifications, variations and/or amendments in any manner as may be required, imposed or permitted by the relevant authorities in respect of the Proposed Capital Reduction."

By Order of the Board

LEONG OI WAH (SSM PC No. 201908000717) (MAICSA 7023802)
Company Secretary

Selangor Darul Ehsan
5 December 2025

Proxy and/or Authorised Representative:

(1) A member entitled to attend and vote at the EGM is entitled to appoint a proxy/proxies who may but need not be member/members of the Company to attend and vote in his/her stead.

(2) When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

(3) The instrument appointing a proxy/proxies shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing proxy/proxies must be deposited at the Share Registrar's Office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, at least 48 hours before the time appointed for holding the EGM or any adjournment thereof. Alternatively, the instrument appointing proxy/proxies can be deposited electronically (for individual shareholders only) through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or via electronic mail to bsr.helpdesk@boardroomlimited.com before the cut-off time for the lodgement of the proxy form.

(5) Depositors who appear in the Record of Depositors as at 23 December 2025 shall be regarded as member of the Company entitled to attend the EGM or appoint a proxy to attend and vote on his/her behalf.

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PROPEL GLOBAL BERHAD
(Registration No. 202001023868 (1380188-P))
(Incorporated in Malaysia)

PROXY FORM

*I/We, ____

of ____ being a member of Propel Global Berhad ("**PGB**") hereby appoint:

Proxy 1	No. of shares	%
Full Name of Proxy as per NRIC (in capital letter)		
NRIC / Passport No.		
Full Address		
Email Address		
Contact No.		

and/or failing him/her;

Proxy 2	No. of shares	%
Full Name of Proxy as per NRIC (in capital letter)		
NRIC / Passport No.		
Full Address		
Email Address		
Contact No.		

or failing him/her, *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us and on *my/*our behalf at the Extraordinary General Meeting ("**EGM**") of PGB to be held at Tropicana Golf & Country Resort, Greens III, Sports Wing, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 30 December 2025 at 10.00 a.m. or at any adjournment of the EGM.

*My/Our proxy(ies) is/are to vote as indicated below:

Resolutions		For	Against
Ordinary Resolution 1	Proposed Disposal		
Ordinary Resolution 2	Proposed Private Placement		
Ordinary Resolution 3	Proposed allocation to Mohamad Reza Bin Abdul Mutalib		
Ordinary Resolution 4	Proposed allocation to Dato' Tan Yee Boon		
Ordinary Resolution 5	Proposed allocation to Lee Sze Yeen		
Ordinary Resolution 6	Proposed allocation to Shamsul Bin Saad		
Ordinary Resolution 7	Proposed allocation to Rewi Hamid Bugo		
Ordinary Resolution 8	Proposed allocation to Elain Binti Lockman		
Ordinary Resolution 9	Proposed allocation to Kong Teck Fong		
Ordinary Resolution 10	Proposed allocation to Dato' Low Keng Siong		
Special Resolution	Proposed Capital Reduction		

* Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

Dated this day of 2025

CDS Account No.	
Total no. of shares held	

____
[Signature/Common Seal of Shareholder(s)]
[*Delete if not applicable]

Fold this flap for sealing

Proxy and/or Authorised Representative:

(1) A member entitled to attend and vote at the EGM is entitled to appoint a proxy/proxies who may but need not be member/members of the Company to attend and vote in his/her stead.

(2) When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

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(5) Depositors who appear in the Record of Depositors as at 23 December 2025 shall be regarded as member of the Company entitled to attend the EGM or appoint a proxy to attend and vote on his/her behalf.

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AFFIX
STAMP

PROPEL GLOBAL BERHAD
C/O: BOARDROOM SHARE REGISTRARS SDN BHD

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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