



**RESERVOIR LINK ENERGY BHD**

Company No. : 201401044508 (1120690-K)

(Incorporated in Malaysia)

**Interim Financial Report  
For The Financial Period Ended  
31 December 2022  
(4th Quarter)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 <sup>(a)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
REVENUE	32,426	33,837	97,498	112,442
COST OF SALES	(26,195)	(26,623)	(82,704)	(83,232)
<b>GROSS PROFIT</b>	<b>6,231</b>	<b>7,214</b>	<b>14,794</b>	<b>29,210</b>
OTHER INCOME	163	(31)	1,303	1,160
	6,394	7,183	16,097	30,370
AMORTISATION OF INTANGIBLE ASSET	-	(1,564)		(1,564)
ADMINISTRATIVE EXPENSES	(3,439)	(3,349)	(14,733)	(11,352)
<b>PROFIT/(LOSS) FROM OPERATION</b>	<b>2,955</b>	<b>2,270</b>	<b>1,364</b>	<b>17,454</b>
FINANCE COSTS	(490)	(94)	(1,001)	(424)
IMPAIRMENT LOSSES ON TRADE RECEIVABLES	(27)	-	(239)	-
FAIR VALUE GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,375	-	125	-
SHARE OF RESULTS OF A JOINT VENTURE (NET OF TAX)	(15)	-	(24)	-
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>	<b>4,798</b>	<b>2,176</b>	<b>225</b>	<b>17,030</b>
INCOME TAX EXPENSES	(835)	(562)	(1,086)	(4,919)
<b>NET PROFIT/(LOSS) AFTER TAXATION</b>	<b>3,963</b>	<b>1,614</b>	<b>(861)</b>	<b>12,111</b>
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation differences	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>	<b>3,963</b>	<b>1,614</b>	<b>(861)</b>	<b>12,111</b>
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Group	3,359	871	(2,636)	10,758
Non-controlling interests	604	743	1,775	1,353
	<b>3,963</b>	<b>1,614</b>	<b>(861)</b>	<b>12,111</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:-</b>				
Owners of the Group	3,359	871	(2,637)	10,758
Non-controlling interests	604	743	1,776	1,353
	<b>3,963</b>	<b>1,614</b>	<b>(861)</b>	<b>12,111</b>
<b>EARNING/(LOSS) PER SHARE (SEN)</b>				
Basic	1.16	0.30	(0.91)	3.76
Diluted	0.93	0.24	(0.73)	3.01

## Notes:

- The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes are an integral part of this interim financial report.
- Based on the weighted average number of ordinary shares outstanding during the financial period/ year under review.
- Based on the weighted average number of ordinary shares adjusted on the assumption that the outstanding warrants are fully exercised and converted into ordinary shares.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 <sup>(a)</sup>**

	Unaudited As At 31.12.2022 RM'000	Audited As At 31.12.2021 RM'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	30,467	29,453
Investment properties	4,932	5,049
Right-of-use assets	327	663
Other receivables	113	134
Deferred tax assets	1,217	1,192
Joint Venture	1,302	-
Goodwill	13,973	13,973
	<u>52,331</u>	<u>50,464</u>
<b>CURRENT ASSETS</b>		
Inventories	11,652	7,634
Trade receivables	15,256	13,847
Other receivables, deposits and prepayments	4,047	1,827
Amount owing by related parties	1	3,262
Amount owing by joint venture	765	-
Tax recoverable	2,410	633
Contract Assets	17,717	2,790
Other investments	5,125	-
Short-term investments	13	5,031
Fixed deposits with licensed banks	5,357	3,630
Cash and bank balances	13,455	13,491
	<u>75,798</u>	<u>52,145</u>
<b>TOTAL ASSETS</b>	<b><u>128,129</u></b>	<b><u>102,609</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	47,968	47,968
Treasury Shares	(505)	-
Foreign exchange translation reserve	885	886
Retained profits	39,248	41,884
Contingent consideration	3,910	3,910
Merger deficit	(15,779)	(15,779)
	<u>75,727</u>	<u>78,869</u>
Non-controlling interests	4,391	2,615
<b>TOTAL EQUITY</b>	<b><u>80,118</u></b>	<b><u>81,484</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	10,672	6,186
Lease liabilities	107	228
Deferred tax liabilities	1,064	1,276
	<u>11,843</u>	<u>7,690</u>
<b>CURRENT LIABILITIES</b>		
Bank borrowings	9,181	842
Lease liabilities	231	460
Trade payables	22,727	9,564
Other payables and accrual	3,611	2,022
Provision for taxation	418	547
	<u>36,168</u>	<u>13,435</u>
<b>TOTAL LIABILITIES</b>	<b><u>48,011</u></b>	<b><u>21,125</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>128,129</u></b>	<b><u>102,609</u></b>
<b>Net asset per share <sup>(b)</sup> (RM)</b>	<b>0.28</b>	<b>0.28</b>

*Notes:*

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*
- (b) Based on the Company's issued share capital of 290,445,000 ordinary shares as at the end of the financial period .*

***[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 <sup>(a)</sup>**

	Share Capital	Treasury Shares	Merger Deficit	Non- distributable Foreign Exchange Translation Reserve	Non- distributable Contingent Consideration	Distributable Retained Profits	Attributable to owners of the Company	Non- controlling Interest	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Balance at 01.01.2022</b>	47,968	-	(15,779)	886	3,910	41,884	78,869	2,615	81,484
Contributions by and distribution to owners of the Company:-									
- Purchase of treasury shares	-	(505)	-	-	-	-	(505)	-	(505)
Total transaction with owners	-	(505)	-	-	-	-	(505)	-	(505)
Profit after taxation for the financial year	-	-	-	-	-	(2,636)	(2,636)	1,775	(861)
Other comprehensive income for the financial period: Foreign exchange translation difference	-	-	-	(1)	-	-	(1)	1	-
<b>Balance at 31.12.2022</b>	<b>47,968</b>	<b>(505)</b>	<b>(15,779)</b>	<b>885</b>	<b>3,910</b>	<b>39,248</b>	<b>75,727</b>	<b>4,391</b>	<b>80,118</b>

Note:

(a) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes are an integral part of this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 <sup>(a)</sup>**

	(Unaudited) Year To Date 31.12.2022 RM'000	(Audited) Year To Date 31.12.2021 RM'000
<b><u>Cash Flows from/(for) operating activities</u></b>		
Profit before tax	225	17,030
<b><u>Adjustments for:</u></b>		
Amortisation of intangible asset	-	1,564
Allowance for impairment losses on trade receivables	239	-
Depreciation of property, plant and equipment	4,130	2,963
Depreciation of investment properties	117	117
Depreciation of right-of-use assets	578	441
Fair value loss/(gain) on short-term investments	(125)	(357)
Loss/(gain) on disposal of property, plant and equipment	-	6
Interest expenses	1,001	424
Interest income	(179)	(423)
Property, plant and equipment written off	82	157
Share of net loss on equity accounted for joint ventures	24	-
Unrealised loss/(gain) on foreign exchange	50	36
<b>Operating (loss)/profit before working capital changes</b>	<b>6,142</b>	<b>21,960</b>
(Increase)/Decrease in inventories	(4,018)	23,620
(Increase)/Decrease in receivables	(18,514)	(9,536)
Increase/(Decrease) in payables	15,143	(17,309)
Increase/(Decrease) in contract assets	-	(2,790)
Increase/(Decrease) in related parties	3,261	(3,262)
(Increase)/Decrease in amount owing by joint ventures	(765)	-
<b>Cash (for)/from operations</b>	<b>1,249</b>	<b>12,684</b>
Interest expenses paid	(1,001)	(424)
Income tax paid	(3,231)	(3,097)
<b>Net cash (for)/from operating activities</b>	<b>(2,983)</b>	<b>9,163</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 <sup>(a)</sup>**

	(Unaudited)	(Audited)
	Year To Date	Year To Date
	31.12.2022	31.12.2021
	RM'000	RM'000
<b>Cash flows from/(for) investing activities</b>		
Net cash inflow/(outflow) on acquisition of subsidiary	-	(8,464)
Increased in non-controlling interest	-	80
Interest income received	179	423
Purchase of property, plant and equipment	(5,220)	(9,382)
Purchase of joint ventures	(1,326)	-
Proceeds from disposal of property, plant and equipment	-	78
(Increase)/Decrease in short-term investments	23	22,569
(Increase)/Decrease in pledged fixed deposits with licensed banks	(1,727)	(216)
<b>Net cash (for)/from investing activities</b>	<b>(8,071)</b>	<b>5,087</b>
<b>Cash flows from/(for) financing activities</b>		
Dividend paid	(889)	(1,452)
Net drawdown/(repayment) of borrowings	12,848	(777)
Net increase/(decrease) in credit card facility	(34)	12
Purchase of treasury shares	(505)	-
Repayment of lease liabilities	(406)	(435)
<b>Net cash from/(for) financing activities</b>	<b>11,014</b>	<b>(2,654)</b>
Net decrease in cash and cash equivalents	(40)	11,596
Cash and cash equivalents at beginning of the financial period	13,491	1,896
Effect of foreign exchange translation	(3)	(0)
Cash and cash equivalents at end of the financial period	13,448	13,491
<b>Cash and cash equivalents comprise the followings:</b>		
Fixed deposits with licensed banks	5,268	5,357
Cash and bank balances	13,454	13,491
Cash and cash equivalents as reported in the Statement of Financial Position	18,722	18,848
Less: Fixed deposits with licensed banks more than 3 months	(5,268)	(5,357)
Less: Bank overdrafts	(6)	-
	13,448	13,491

Note:

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The condensed consolidated interim financial report (“**Interim Financial Report**”) of Reservoir Link Energy Berhad (“**RLEB**” or “**the Company**”) and its subsidiaries (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The Interim Financial Report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2021 and the accompanying notes attached to this Interim Financial Report.

On 11 January 2023, the Company announced that the Board of Directors approved the change of the Company’s financial year end from 31 December to 30 June. This is to facilitate better financial statements audit planning and allocation of resources by the Group. The next audited financial statements of the Company will be made up from 1 January 2022 to 30 June 2023 covering a period of 18 months.

**A2. Significant Accounting Policies**

The significant accounting policies adopted in the preparation of this Interim Financial Report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2021. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

The amendments to published standards effective for financial year beginning on 1 January 2022 that are applicable and adopted by the Group are as follows:

Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020:	
-Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
-Amendments to MFRS 9	Financial Instruments
-Amendments to MFRS 141	Agriculture

The adoption of the above amendments to published standards did not have any material impact on the financial statements of the Group upon their initial application.

The Group has not adopted the amendments to following standards that had been issued by the Malaysian Accounting Standards Board (“**MASB**”) which are effective in the following financial years:

- i. Financial year beginning on or after 1 January 2023:**
  - Amendments to MFRS 17 Insurance Contracts
  - Amendments to MFRS 108 Definition of Accounting Estimates
  - Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  
- ii. Financial year beginning on or after 1 January 2024:**
  - Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current



- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 16 Lease Liability in a Sale and Leaseback

**iii. Effective date yet to be determined:**

- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**A3. Auditors' Report**

The audited financial statements of the Group for the financial year ended 31 December 2021 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The business operations of the Group were not affected by seasonal or cyclical factors.

**A5. Material Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the current financial quarter under review.

**A6. Material Changes in Estimates**

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter under review.

**A7. Debt and Equity Securities**

Save as disclosed in Note B6, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and current financial period-to-date.

**A8. Dividend**

There was no dividend declared in the current quarter under review.

***[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

**A9. Segmental Reporting**

The Group's segment information for the current financial period ended 31 December 2022 is as follows:

**(I) The Results of the Current Quarter Compared to the Results of the Corresponding Quarter**

Revenue	(Unaudited)	(Unaudited)	Variance	Variance
	Current Quarter	Correspondence Quarter		
	31.12.2022	31.12.2021		
	RM'000	RM'000	RM'000	%
<b>O&amp;G Well Services</b>	<b>12,761</b>	<b>15,066</b>	<b>(2,305)</b>	<b>(15%)</b>
Well leak repair	3,095	3,527	(432)	(12%)
Well perforation	3,065	4,820	(1,755)	(36%)
Well testing	3,282	412	2,870	>100%
Wash and cement	-	1,975	(1,975)	>(100%)
Wireline services	476	160	316	>100%
O&G production enhancement	2,843	4,172	(1,329)	(32%)
<b>Renewal Energy</b>	<b>19,473</b>	<b>18,528</b>	<b>945</b>	<b>5%</b>
<b>Other Services</b>	<b>192</b>	<b>243</b>	<b>(51)</b>	<b>(21%)</b>
<b>Total</b>	<b>32,426</b>	<b>33,837</b>	<b>(1,411)</b>	<b>(4%)</b>

Gross Profit	(Unaudited)	(Unaudited)	Variance	Variance
	Current Quarter	Correspondence Quarter		
	31.12.2022	31.12.2021		
	RM'000	RM'000	RM'000	%
<b>O&amp;G Well Services</b>	<b>4,133</b>	<b>4,865</b>	<b>(732)</b>	<b>(15%)</b>
Well leak repair	1,641	1,388	253	18%
Well perforation	1,149	1,644	(495)	(30%)
Well testing	783	(206)	989	>(100%)
Wash and cement	-	84	(84)	>(100%)
Wireline services	76	(81)	157	>(100%)
O&G production enhancement	484	2,036	(1,552)	(76%)
<b>Renewal Energy</b>	<b>2,595</b>	<b>2,369</b>	<b>226</b>	<b>10%</b>
<b>Other Services</b>	<b>(497)</b>	<b>(20)</b>	<b>(477)</b>	<b>&gt;100%</b>
<b>Total</b>	<b>6,231</b>	<b>7,214</b>	<b>(983)</b>	<b>(14%)</b>

**(II) The Results of the Current Quarter Compared to the Results of the Preceding Quarter**

<b>Revenue</b>	<b>(Unaudited) Current Quarter 31.12.2022 RM'000</b>	<b>(Unaudited) Preceding Quarter 30.09.2022 RM'000</b>	<b>Variance RM'000</b>	<b>Variance %</b>
<b>O&amp;G Well Services</b>	<b>12,761</b>	<b>8,709</b>	<b>4,052</b>	<b>47%</b>
Well leak repair	3,095	2,941	154	5%
Well perforation	3,065	3,303	(238)	(7%)
Well testing	3,282	43	3,239	>100%
Wash and cement	-	-	-	0%
Wireline services	476	438	38	9%
O&G production enhancement	2,843	1,984	859	43%
<b>Renewal Energy</b>	<b>19,473</b>	<b>32,540</b>	<b>(13,067)</b>	<b>(40%)</b>
<b>Other Services</b>	<b>192</b>	<b>178</b>	<b>14</b>	<b>8%</b>
<b>Total</b>	<b>32,426</b>	<b>41,427</b>	<b>(9,001)</b>	<b>(22%)</b>

<b>Gross Profit</b>	<b>(Unaudited) Current Quarter 31.12.2022 RM'000</b>	<b>(Unaudited) Preceding Quarter 30.09.2022 RM'000</b>	<b>Variance RM'000</b>	<b>Variance %</b>
<b>O&amp;G Well Services</b>	<b>4,133</b>	<b>1,837</b>	<b>2,296</b>	<b>&gt;100%</b>
Well leak repair	1,641	1,206	435	36%
Well perforation	1,149	1,189	(40)	(3%)
Well testing	783	(690)	1,473	>(100%)
Wash and cement	-	-	-	0%
Wireline services	76	(240)	316	>(100%)
O&G production enhancement	484	372	112	30%
<b>Renewal Energy</b>	<b>2,595</b>	<b>4,622</b>	<b>(2,027)</b>	<b>(44%)</b>
<b>Other Services</b>	<b>(497)</b>	<b>(71)</b>	<b>(426)</b>	<b>&gt;100%</b>
<b>Total</b>	<b>6,231</b>	<b>6,388</b>	<b>(157)</b>	<b>(2%)</b>

**(III) The Results of the Current Year-To-Date Compared to the Results of the Corresponding Year-To-Date**

<b>Revenue</b>	<b>(Unaudited) Cumulative Quarter 31.12.2022 RM'000</b>	<b>(Unaudited) Correspondence Quarter 31.12.2021 RM'000</b>	<b>Variance RM'000</b>	<b>Variance %</b>
<b>O&amp;G Well Services</b>	<b>33,152</b>	<b>87,278</b>	<b>(54,126)</b>	<b>(62%)</b>
Well leak repair	10,332	11,823	(1,491)	(13%)
Well perforation	11,904	39,621	(27,717)	(70%)
Well testing	3,326	617	2,709	>100%
Wash and cement	-	26,699	(26,699)	>(100%)
Wireline services	892	249	643	>100%
O&G production enhancement	6,698	8,269	(1,571)	(19%)
<b>Renewal Energy</b>	<b>63,514</b>	<b>24,905</b>	<b>38,609</b>	<b>&gt;100%</b>
<b>Other Services</b>	<b>832</b>	<b>259</b>	<b>573</b>	<b>&gt;100%</b>
<b>Total</b>	<b>97,498</b>	<b>112,442</b>	<b>(14,944)</b>	<b>(13%)</b>

<b>Gross Profit</b>	<b>(Unaudited) Cumulative Quarter 31.12.2022 RM'000</b>	<b>(Unaudited) Correspondence Quarter 31.12.2021 RM'000</b>	<b>Variance RM'000</b>	<b>Variance %</b>
<b>O&amp;G Well Services</b>	<b>6,400</b>	<b>26,078</b>	<b>(19,678)</b>	<b>(75%)</b>
Well leak repair	3,694	3,719	(25)	(1%)
Well perforation	3,722	13,358	(9,636)	(72%)
Well testing	(1,044)	(1,303)	259	(20%)
Wash and cement	-	6,828	(6,828)	>(100%)
Wireline services	(959)	(321)	(638)	>100%
O&G production enhancement	987	3,797	(2,810)	(74%)
<b>Renewal Energy</b>	<b>8,982</b>	<b>3,161</b>	<b>5,821</b>	<b>&gt;100%</b>
<b>Other Services</b>	<b>(588)</b>	<b>(29)</b>	<b>(559)</b>	<b>&gt;100%</b>
<b>Total</b>	<b>14,794</b>	<b>29,210</b>	<b>(14,416)</b>	<b>(49%)</b>

**(IV) Assets as at 31 December 2022 and 2021**

Segment Assets	As at 31/12/2022	As at 31/12/2021
	RM'000	RM'000
Oil and gas related and other activities	127,101	126,707
Renewable energy and related activities	36,492	10,195
Consolidation adjustments	(37,531)	(34,293)
Segment assets	126,062	102,609
Joint venture	2,067	-
<b>Total assets</b>	<b>128,129</b>	<b>102,609</b>

**(V) Liabilities as at 31 December 2022 and 2021**

Segment Liabilities	As at 31/12/2022	As at 31/12/2021
	RM'000	RM'000
Oil and gas related and other activities	29,804	29,524
Renewable energy and related activities	28,206	5,701
Consolidation adjustments	(9,999)	(14,100)
Segment liabilities	48,011	21,125
Joint venture	-	-
<b>Total liabilities</b>	<b>48,011</b>	<b>21,125</b>

**A10. Significant Related Party Transactions**

There were no significant related party transactions during the current financial quarter and current financial year-to-date.

**A11. Capital Commitments**

	(Unaudited) As at 31.12.2022 RM'000	(Unaudited) As at 31.12.2021 RM'000
<b>Approved and contracted for:</b>		
Purchase of equipment	551	2,659
Purchase of concession assets	949	-
<b>Approved but not contracted for:</b>		
Purchase of equipment	2,528	2,471

**A12. Contingent Assets and Liabilities**

The Group's contingent liabilities were as follow:

	<b>(Unaudited) As at 31.12.2022 RM'000</b>	<b>(Unaudited) As at 31.12.2021 RM'000</b>
Bank guarantee for performance	11,369	2,816
Bank guarantee for tenancy agreement	86	86
	<b>11,455</b>	<b>2,902</b>

There were no contingent assets of a material nature to be disclosed at the end of the financial period.

**A13. Changes in Composition of the Group**

There were no changes in the composition of the Group, save as disclosed below:

- (i) The Company had on 18 April 2022 incorporated a 100% owned subsidiary company in Malaysia with the name RL Sunseap Energy Sdn. Bhd. (Company No: 202201014140) with total issued and paid up share capital of RM2 comprising of 2 ordinary shares. The intended principal activity of RL Sunseap Energy Sdn. Bhd. is to engage in the business of renewable energy investment. As announced on 28 April 2022, Reservoir Link Renewable Sdn Bhd (“**RLR**”) had executed a term sheet with Sunseap Energy (Malaysia) Sdn Bhd (“**SSEM**”) for the joint venture between both parties, to jointly carry out business in developing, building, owning and operating rooftop and ground mounted solar PV projects in Malaysia. Subsequently on 25 July 2022, both RLR and SSEM has entered into Joint Venture and Shareholders’ Agreement. For further details, please refer to the Company’s announcements.
- (ii) As announced on 17 May 2022, RLEB had executed a joint venture agreement with ADS Asset Holdings Sdn Bhd (“**AAH**”). The purpose of the joint venture is to bring together both RLEB’s and AAH’s expertise, to raise funds for the construction and development of energy storage solution and system.
- (iii) As announced on 30 May 2022, the company 51% owned subsidiary, Founder Energy Sdn Bhd (“**FESB**”) had on 27 May 2022, incorporated a subsidiary company in Singapore known as Founder Energy (Singapore) Pte. Ltd. (“**FES**”).

**A14. Significant Events after the Reporting Period**

Save as disclosed in Note B5, there were no other significant events subsequent to the end of the current quarter and financial period-to-date under review that have not been reflected in this Interim Financial Report.

**A15. Fair Value of Financial Liabilities**

There were no gains or losses arising from fair value changes of the Group’s financial liabilities for the current financial period under review.

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**
**B1. Review of Performance**

(a) Current Quarter (“CQ”) vs Previous Year Corresponding Quarter (“PYCQ”).

	(Unaudited) Current Quarter 31.12.2022 RM'000	(Unaudited) Correspondence Quarter 31.12.2021 RM'000	Variance RM'000	Variance %
Revenue	32,426	33,837	(1,411)	(4%)
Profit before taxation (“PBT”)	4,798	2,176	2,622	120%

For the current financial quarter ended 31 December 2022, the Group registered revenue of RM32.4 million. The Group revenue declined by RM1.4 million or 4% as compared to previous year corresponding quarter ended 31 December 2021.

The decreased in group revenue was mainly due to the decline in revenue from oil and gas segment by RM2.4 million but offset by the increase in revenue from renewable energy segment for the amount of RM0.9 million. PBT increased by RM2.6 million or 120% mainly due to the fair value gain on other investment of RM2.4 million.

(b) Current Year-To-Date (CYTD) vs Corresponding Previous Year-To-Date (PYTD).

	(Unaudited) Cumulative Quarter 31.12.2022 RM'000	(Unaudited) Correspondence Quarter 31.12.2021 RM'000	Variance RM'000	Variance %
Revenue	97,498	112,442	(14,944)	(13%)
Profit before taxation (“PBT”)	225	17,030	(16,805)	(99%)

The Group revenue for the CYTD decreased by RM14.9 million as compared to the corresponding PYTD. The Group registered a PBT of RM0.2 million in CYTD. The decline in revenue from oil and gas segment by RM53.6 million mainly due to completion of Mauritania project in Oct 2021 but offset by the improvement in revenue from renewable energy segment by RM38.6 million in CYTD. In line with the decline in revenue and lower profit margin from renewable energy segment, the Group’s PBT decreased by RM16.8 million in CQ. It should be noted that, the professional fees related to the transfer listing expenses RM0.5mil were charged in CYTD.

**(c) CQ vs Previous Quarter (“PQ”).**

	<b>(Unaudited) Current Quarter 31.12.2022 RM'000</b>	<b>(Unaudited) Previous Quarter 30.09.22 RM'000</b>	<b>Variance RM'000</b>	<b>Variance %</b>
Revenue	32,426	41,427	(9,001)	(22%)
PBT	4,798	2,560	2,238	87%

The Group revenue for the CQ decreased by RM9.0 million or 22% as compared to the PQ. The decline in revenue was due to decrease in revenue from renewable energy segment by RM13.1 million, but offset with by the improvement in revenue from oil & gas segment by RM4.1 million in CQ.

The Group’s PBT improved by RM2.2 million in CQ. The increase in PBT was due to the increase in revenue from oil and gas segment with higher gross profit margin, and the fair value gain of other investment of RM2.4 million which was recognised in CQ.

**B2. Commentary on Prospects**

The Malaysian economy grew slower in the fourth quarter of 2022 (7.0%; 3Q 2022: 14.2%) as support from the stimulus measures and low base effect waned. At 7.0%, the growth was still above the long-term average of 5.1%. Private sector activity remained the key driver of growth, supported by private consumption and investment. The continued growth in private consumption was mainly driven by improving labour market conditions. Overall, the Malaysian economy expanded by 8.7% in 2022

The encouraging global developments and greater domestic political certainty after the formation of the new Government in November 2022 led to a stronger ringgit against the US dollar. In line with other regional currencies, the ringgit ended the quarter stronger by 5.3% against the US dollar. Similarly, the ringgit also strengthened against several major trading partners.

For 2023, the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment. Domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects. The services and manufacturing sectors will also continue to support growth.

The outlook for the oil and gas sector is expected to remain stable, propped up by the decision of the Organisation of the Petroleum Exporting Countries and its allies (Opec+) to scale back on production, a recovery in crude oil process, as well as relaxation of Covid-19 standard operating procedures (SOPs) and directives besides an increase in plug and abandonment projects for planned retirement of oil and gas wells.

The Malaysia Renewable Energy Roadmap formulates strategies to achieve the Government’s target of 31% RE share in the national installed capacity mix and to further decarbonize the power generation sector until 2035. To achieve the stipulated RE targets and aspirations, commitments by policy makers, industry players and strategic partners including financial institutions shall be the determinant in ensuring the successful implementation of this Roadmap. All this are welcoming news and encouraging prospects for renewable energy needs and adoption to the Group.



The Group managed to secure new contracts since the listing of the Company on the ACE Market of Bursa Securities as follows:

- (i) As announced on 13 October 2020, the Group received from PTTEP HK Offshore Limited, PTTEP Sabah Oil Limited and PTTEP Sarawak Oil Limited, a letter of award for the Provision of Downhole Mechanical Heating Equipment and Services for Production Operation with contract duration of two (2) years effective from 28 August 2020 and will expire on 27 August 2022;
- (ii) As announced on 12 April 2021, the Group received a letter of award from PETRONAS Carigali Sdn Bhd for the provision of well leak repair equipment and service for a period of 3 years from 22 March 2021 to 22 March 2024;
- (iii) As announced on 14 April 2021, the Group was appointed by PETRONAS as an umbrella contractor for the provision of completion of new technology equipment and services for a period of five (5) years from 11 December 2020 to 10 December 2025;
- (iv) As announced on 26 August 2021, the Group received a letter of award from Roc Oil (Sarawak) Sdn. Bhd. for the contract in relation to provision of perforation services for D35, D21 and J4 drilling and production phase (2021-2022) for period of two (2) years from 13 August 2021 to 12 August 2023 with one (1) year extension option;
- (v) As announced on 7 September 2021, the Group received a purchase order from Solar Bina Engineering Sdn Bhd for subcontracting works of installation, testing and communication of PV modules, inverter, DC cables and associated works for proposed development of Large Scale Solar Photovoltaic project of 100 MWac at Lot PT 14020, kg Jambu Bongkok, Marang, Terengganu; and
- (vi) As announced on 28 September 2021, the Group received a letter of award from Sarawak Shell Berhad/Sabah Shell Petroleum Company Limited for period of three (3) years from 3 September 2021 to 2 September 2024 as:
  - a. primary contractor for provision of slickline equipment and services for well completion activities – rig assisted; and
  - b. back up contractor for provision of slickline equipment and services for well intervention – non-rig assisted.
- (vii) As announced on 23 February 2021, the Group received a letter of award from Tanjung Offshore Services Sdn Bhd for the provision of perforation wash and cement equipment and services for a period of four (4) months from 7 January 2022 until the completion of works;
- (viii) As announced on 5 April 2021, the Group received a letter of award from ExxonMobil Exploration and Production Malaysia Inc. for the provision of annulus wash and cement placement equipment and services for a period of five (5) years from 7 March 2022 until 6 March 2027;
- (ix) As announced on 18 April 2022, the Group received a letter of award from Roc Oil (Sarawak) Sdn Bhd for the provision of tubing cutter and tubing cutting for a period of one (1) year from 11 April 2022 to 10 April 2023;
- (x) As announced on 20 April 2021, the Group was appointed by PETRONAS as an umbrella contractor for the provision of well testing and tubing conveyed perforations (TCP) for Petroleum Arrangement Contractors (PACs) for a period of three (3) years from 6 April 2022 to 5 April 2025;
- (xi) As announced on 7 June 2022, the Group received a letter of award from Osram Opto Semiconductors (Malaysia) Sdn Bhd for proposed development of 7,608.6 KWP solar rooftop & building integrated photovoltaics (BIPV) power generation facilities; and

- (xii) As announced on 10 June 2022, the Group received a letter of award from SEA Hibiscus Sdn Bhd for the provision of well services pumping and specialty chemicals for SEA Hibiscus Sdn Bhd for a period of three (3) years from 18 April 2022 to 17 April 2025.
- (xiii) As announced on 30 August 2022, the Group received a letter of award from Atlantic Blue Sdn Bhd for the turnkey construction and commissioning of large-scale solar photovoltaic plant (solar generating facility) of 13 MWac at Lot 1223, Mukim Api-Api, Daerah Kuala Selangor, Selangor.
- (xiv) As announced on 12 September 2022, the Group received a letter of award from Savelite Engineering Sdn Bhd for the turnkey construction and commissioning of large-scale solar photovoltaic plant (solar generating facility) of 25 MWac at Lot 9995, Mukim Setiawan, Daerah Manjung, Perak.
- (xv) As announced on 19 September 2022, the Group received a letter of award from PETRONAS Carigali Sdn Bhd for the provision of completion new technology equipment and services – Boron Eazigoflo for a period of one (1) year from 1 August to 31 July 2023.
- (xvi) As announced on 29 September 2022, the Group received a letter of award from PETRONAS Carigali Sdn Bhd for the provision of light weight well test services for Malaysian Asset 2022 – 2024 for a period of two (2) years from 18 August 2022 to 17 August 2023.
- (xvii) As announced on 17 January 2023, the Group received a letter of award from Atlantic Blue Sdn Bhd for engineering, procurement, construction and commissioning of the interconnection facility for the development of large- scale solar photovoltaic plant of 50.00 MWac at Bukit Selambau, Kedah.
- (xviii) As announced on 26 January 2023, the Group received a letter of award from Fabulous Sunview Sdn Bhd for the supply of mounting structure for large-scale solar (“LSS”) photovoltaic plant development in Malaysia.

Further, the completion of acquisition of Founder, is expected to contribute positively to the earnings of the Group as the vendor has given a profit guarantee of RM13.8 million for the next 24 months from the completion date.

The Group continue to actively participate in tenders for oil and gas and renewal energy projects. In addition, the Group will implement its business strategies cautiously to sustain its growth in order to deliver a satisfactory performance in the financial year 2022.

***[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

**B3. Profit Forecast**

The Group does not issue any profit forecast during the current financial quarter under review.

**B4. Income Tax Expenses**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	3 months	3 months	12 months	12 months
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Income tax	784	395	1,335	2,203
Deferred tax	51	167	(249)	2,716
	835	562	1,086	4,919
Effective tax rate (“ETR”) <sup>(a)</sup>	17.4%	25.8%	482.7%	28.9%

Notes:

- (a) The ETR is computed by dividing tax expense by PBT for the financial period. The ETR of the Group for the current period were lower than the statutory tax rate was mainly due to non-taxable of unrealised gain arise from fair value adjustment for tax purposes. The ETR of the Group for current year-to-date were higher than the statutory tax rate mainly due to certain expenses or losses being disallowed for tax purposes, as well as non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

**B5. Status of Corporate Proposals**
**(a) Proposed Transfer and Proposed Amendments**

As announced 28 September 2021, the Group proposed to undertake the following:

- (i) Proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Securities (“**Proposed Transfer**”). The transfer was completed on 27 June 2022; and
- (ii) Proposed amendment to the Constitution of the Company and the By-Laws of its ESOS to facilitate the implementation of the Proposed Transfer (“**Proposed Amendment**”).

The circular of the Proposed Amendment has been despatched to shareholders on 28 October 2021 and approved on 19 November 2021. Subsequently, Securities Commission had, vide its letter dated 31 May 2022, approved RLEB’s application for the Proposed Transfer under Section 214(1) of the Capital Markets and Services Act 2007 and Bursa Securities had, vide its letter dated 20 June 2022, approved the Transfer under the “Energy” sector. For further details please refer to Company’s announcements.

**(b) Proposed Joint Venture**

During the quarter under review, the Group has formed two joint ventures. For further details, please refer to Note A13.

**(c) Proposed Acquisition**

As announced on 31 January 2023, the Company wholly-owned subsidiary, Skyline Energy Sdn Bhd (“SESB”) entered into a Term Sheet (“TS”) for the acquisition of 90% equity interest in PT Eco Power Engineering (“EPE”), a company incorporated in Indonesia. The completion of the proposed acquisition is subject to various conditions precedent. For further details please refer to the announcement.

**B6. Utilisation of Proceeds Raised from the Public Issue<sup>(1)</sup>**

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

No.	Purpose	Proposed Utilisation RM'000	Transfer RM'000	Actual Utilisation up to 31 December 2022 RM'000	Balance Unutilised RM'000	Estimated Timeframe for Utilisation
1	Repayment of bank borrowings	5,000	-	(5,000)	-	Within 6 months
2	Estimated listing expenses	3,500	(295) <sup>(2)</sup>	(3,205)	-	Immediate
3	Capital expenditure (LWWT equipment)	10,000	(2,814) <sup>(3)</sup>	(7,186)	-	Within 24 months
4	Capital expenditure (Solar equipment)	-	2,814 <sup>(3)</sup>	(2,370)	444	Within 12 months
5	Working capital	4,922	295 <sup>(2)</sup>	(5,217)	-	Within 12 months
		<b>23,422</b>	<b>-</b>	<b>(22,978)</b>	<b>444</b>	

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the prospectus dated 25 June 2020.
- (2) The unutilised balance of RM295,000 allocated for listing-related expenses had been re-allocated to the working capital during the 3-month financial period ended 31 March 2021 as the actual listing-related expenses incurred are lower than the budgeted listing-related expenses.
- (3) The unutilised balance of RM2,814,000 allocated for capital expenditure for light weight well testing (LWWT) equipment had been re-allocated to the capital expenditure for solar equipment as the actual capital expenditure for LWWT equipment are lower than the budgeted figures. The estimated timeframe for utilisation of capital expenditure for solar equipment is within 12 months from 1<sup>st</sup> April 2022.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**B7. Bank Borrowings**

	<b>Unaudited</b>	
	<b>As at 31.12.2022</b>	<b>As at 31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Secured</u></b>		
Current liabilities:		
Term loans	725	709
	725	709
Non-current liability:		
Term loans	5,358	6,080
<b><u>Non-secured</u></b>		
Current liabilities:		
Credit cards	12	45
Bank acceptance	3,603	-
Bank overdraft	6	-
Invoice financing	1,404	-
Revolving Credit	3,329	-
Share margin financing	5	-
Term financing	3	-
Term loans	94	88
	8,456	133
Non-current liability:		
Term loans	5,314	106
<b>Total borrowings:</b>		
Credit cards	12	45
Bank acceptance	3,603	-
Bank overdraft	6	-
Invoice financing	1,404	-
Revolving Credit	3,329	-
Share margin financing	5	-
Term financing	3	-
Term loans	11,491	6,983
	<b>19,853</b>	<b>7,028</b>

**B8. Material Litigation**

The Group has no material litigation as at the date of this interim financial report.

***[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

**B9. Earnings/(Loss) per Share (“EPS/(LPS)”)**

(a) Basic	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) 3 months ended		(Unaudited) 12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/ (Loss) after taxation attributable to owners of the Company (RM'000)	3,359	871	(2,636)	10,758
Weighted average number of ordinary shares in issue ('000)	289,788	285,738	289,788	285,738
Basic EPS/(LPS) attributable to equity holders of the Company (sen) <sup>(a)</sup>	1.16	0.30	(0.91)	3.76
(b) Diluted	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) 3 months ended		(Unaudited) 12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM	RM	RM	RM
Profit/ (Loss) after taxation attributable to owners of the Company (RM'000)	3,359	871	(2,636)	10,758
Weighted average number of ordinary shares in issue ('000)	289,788	285,738	289,788	285,738
Number of potential shares to be issued ('000) arising from the exercise of warrants.	71,250	71,250	71,250	71,250
Diluted EPS/(LPS) (sen) <sup>(b)</sup>	0.93	0.24	(0.73)	3.01

## Notes:

- (a) The basic (LPS)/EPS is computed based on profit attributable to the owners of the Company and a weighted average number of ordinary shares issued during the period under review.
- (b) The diluted LPS is computed based on profit attributable to the owners of the Company and a weighted average number of ordinary shares issued that have been adjusted for the dilutive effects of all potential ordinary shares.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**B10. Profit Before Tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited)		(Unaudited)	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>Profit before tax is arrived at after charging/(crediting):</b>				
Auditors' remuneration				
- under provision in prior year	(9)	-	-	-
- current year	22	93	22	93
Depreciation of property, plant and equipment	1,051	771	4,130	2,963
Depreciation of investment properties	29	29	117	117
Depreciation of right-of-use assets	146	145	578	441
Interest expenses	490	94	1,001	424
Interest income	(42)	(51)	(179)	(423)
Impairment losses on trade receivables	27	-	239	-
Impairment of Intangible Assets	-	1,564	-	1,564
Listing expenses	-	210	428	210
Loss/(gain) on disposal of property, plant and equipment	-	-	-	6
Property, plant & equipment written off	47	142	82	157
Realised loss/(gain) on foreign exchange	86	70	(164)	(317)
Short term lease expenses	(201)	61	24	719
Rental income	(67)	(64)	(268)	(263)
Unrealised (gain)/ loss on foreign exchange	(324)	11	50	36

**B11. Derivative Financial Instruments**

The Group has not entered into any derivatives as at the date of this Interim Financial Report.

***[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***