THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

This Circular does not constitute an offer, invitation to purchase or subscribe for or solicitation of any securities in Malaysia or any jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This Circular must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended. Neither Reservoir Link Energy Bhd nor Founder Group Limited nor any of its affiliates, advisers or underwriters is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this Circular.

This Circular is issued to shareholders solely for the purpose of convening the meeting of members of our Company and seeking their approval for the resolution to be considered at such meeting. Shareholders are advised to use this Circular solely for the purpose of considering the approval sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

RESERVOIR LINK

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

(I) PROPOSED LISTING OF FOUNDER GROUP LIMITED, A 51.00%-OWNED SUBSIDIARY OF RESERVOIR LINK ENERGY BHD ("RLEB") ON THE NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS STOCK EXCHANGE ("PROPOSED LISTING OF SUBSIDIARY"); AND

(II) PROPOSED EXTENSION OF THE PROFIT GUARANTEE PERIOD FROM 31 AUGUST 2023 TO 31 DECEMBER 2023 IN RELATION TO THE ACQUISITION OF 51.00% EQUITY INTEREST IN FOUNDER ENERGY SDN BHD BY RLEB ("PROPOSED PG EXTENSION")

(COLLECTIVELY, THE "PROPOSALS")

AND

NOTICE OF MEETING OF MEMBERS

Adviser

M&A

M & A SECURITIES SDN BHD
(Registration No. 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the meeting of members of our Company in respect of the Proposals will be conducted entirely on fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Wednesday, 24 July 2024 at 10.00 a.m., together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend and vote at the meeting of members is entitled to appoint a proxy or proxies to attend and vote on his behalf. The Form of Proxy must be lodged at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via Boardroom Smart Investor portal at https://investor.boardroomlimited.com not less than 48 hours before the time set for holding the meeting of members or at any adjournment thereof (i.e. 22 July 2024 at 10.00 a.m.). The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the meeting of members, should the member subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Monday, 22 July 2024 2024 at 10.00 a.m.
Date and time of meeting of members	:	Wednesday, 24 July 2024 2024 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 9 July 2024

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:-

"5D-VWAMP"	:	5-days volume weighted average market price
"Acquisition"	:	Acquisition of 51.0% equity interest in FESB by RELB from the Vendor for a purchase consideration of RM21,169,080 satisfied via a combination of cash of RM8,464,080 and issuance of 18,150,000 new RLEB Shares
"Act"	:	The Companies Act 2016
"Board"	:	Board of Directors of RLEB
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"C&I"	:	Commercial and industrial
"Circular"	:	This circular to our shareholders dated 9 July 2024 in relation to the Proposals
"CNP"		CNP Equity Limited (British Virgin Islands Company No.: 2145217)
"CNP Warrant"		Warrant in FGL issued to CNP in conjunction with the Proposed Listing of Subsidiary The CNP Warrant grants CNP the right to subscribe for 1,200,000 FGL Shares at an exercise price of USD2 per FGL Share, and is exercised on a cashless basis. The CNP Warrants are exercisable commencing on the day of successful listing of FGL and will expire on 1 July 2028.
"CNP Warrant To Purchase"	:	Warrant to Purchase issued on 3 April 2024 by FGL for the granting of the CNP Warrant to CNP
"Completion Date"	:	Being 25 August 2021
"Consideration Shares"	:	A total of 18,150,000 new RLEB Shares to be allotted and issued to the Vendor
"Director"	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which terms of the transaction were agreed upon, a Director of our Company (or any other company which is its subsidiary or holding company) or chief executive officer of our Company, its subsidiaries or holding company
"EPCC"	:	Engineering, procurement, construction and commissioning
"EPS"	:	Earnings per share
"FASB"	:	Founder Assets Sdn Bhd (Registration No. 202201035065 (1480762-M)

"First Extended Profit Guarantee"		Vendor's guarantee that FESB shall achieve a PAT of RM14,989,000 for the 26 months ended 31 October 2023
"FEPL"	:	Founder Energy (Singapore) Pte Ltd (UEN 202218348G)
"FESB"	:	Founder Energy Sdn Bhd (Registration No. 202101013707 (1414006-X))
"FGL"	:	Founder Group Limited (British Virgin Islands Company Number 2124362)
"FGL Group"	:	FGL and its subsidiaries, collectively
"FGL Share(s)" or "Share(s)"	:	Ordinary shares in FGL
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended
"IPO"	:	Initial public offering
"IPO Price"	:	Indicative issue price of at least USD4.00 per Share as prescribed under the Nasdaq Rules
"Issue Share(s)"	:	Up to 7,252,000 new FGL Share(s) to be issued pursuant to the Proposed IPO including 750,000 new FGL Share(s) to be issued pursuant the Over-Allotment Option
"Letter of Assignment"	:	Letter from Lee Seng Chi to RLEB dated 20 December 2023 assigning all of his voting rights in FGL to RLEB, which salient terms are detailed in Section 2.1
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	21 June 2024, being the latest practicable date prior to the printing of this Circular
"Malaysian Government"	:	Government of Malaysia
"Major Shareholder"	:	A person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in RLEB (or any other company which is its subsidiary or holding company) and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in RLEB; or (b) 5% or more of the total number of voting shares in RLEB where such person is the largest shareholder of RLEB. For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act
"M&A Securities" or "Adviser"	:	M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))

"Maximum Scenario"	:	Assuming the issuance of up to 7,252,000 Issue Shares representing 30.52% of the enlarged issued share capital of FGL after the Proposed IPO in the following manner: (a) issuance of 5,000,000 Issue Shares under the Proposed IPO; (b) assuming full exercise of the Over-Allotment Option (as defined in Section 2.1.3) comprising 750,000 Issue Shares by the Underwriter; (c) assuming full cashless exercise of all the Representative Warrants. Based on a fair market value of each FGL Share of USD20.00 each, the Representative Warrants can be exercised into 152,000 new FGL Shares to the Representative; and (d) assuming full cashless exercise of the VCQ Warrant and CNP Warrant into a maximum of 1,350,000 FGL Shares based on a fair market value of USD20.00 per FGL Share.
"Minimum Scenario"		Assuming the issuance of 1,250,000 Issue Shares representing 6.75% of the enlarged issued share capital of FGL pursuant the Proposed IPO, and assuming the VCQ Warrant and CNP Warrant are exercised on a cashless basis into 750,000 FGL Shares based on a fair market value of USD4.00 per FGL Share, and none of the Representative Warrants (as defined in Appendix III of this Circular) are exercised into FGL Shares.
"MW"	:	Megawatt
"MWac"	:	Megawatt or Megawatts, as applicable, alternating current
"NA"	:	Net assets
"Nasdaq"	:	National Association of Securities Dealers Automated Quotations
"PAT"	:	Profit after taxation
"Profit Guarantee"	:	Vendor's guarantee that FESB shall achieve a PAT of RM13,836,000 for the Profit Guarantee Period
"Profit Guarantee Period"	:	The agreed period of 24 months from the 1st day of the succeeding calendar month from the Completion Date i.e. 1 September 2021 to 31 August 2023, being 24 months from the first day of the succeeding calendar month from the Completion Date of 25 August 2021
"Proposals"	:	Proposed Listing of Subsidiary and Proposed PG Extension, collectively
"Proposed IPO"	:	Proposed initial public offering of new FGL Shares on the Nasdaq Capital Market of the Nasdaq Stock Exchange
"Proposed PG Extension"	:	Proposed extension of the Profit Guarantee Period by 4 months from 31 August 2023 to 31 December 2023 in relation to the Acquisition

"Proposed Issuance of CNP Warrant"	:	Proposed issuance of the CNP Warrant to CNP in conjunction with the Proposed Listing of Subsidiary
"Proposed Issuance of VCQ Warrant"	:	Proposed issuance of the VCQ Warrant to VCQ in conjunction with the Proposed Listing of Subsidiary
"Proposed Listing of Subsidiary"	:	Proposed IPO together with the proposed listing of FGL on the Nasdaq Stock Exchange
"Prospectus"	:	The Form F-1 Registration Statement under the Securities Act of 1933, USA to be issued by FGL for the purpose of the Proposed IPO
"PV"	:	Photovoltaic
"Over-Allotment Option"	:	An option which is exercisable for 45 days from the date of the Prospectus, to be granted by FGL to the Underwriter to purchase an additional 15% of the total number of Issue Shares offered pursuant to the Proposed IPO, at the IPO Price less underwriting discount of 7% for each Issue Share
"RE"	:	Renewable energy
"Representative"	:	US Tiger Securities, Inc., who is the representative of the Underwriter and is also one of the Underwriter
"Representative Warrant(s)"	:	Warrant(s) in FGL to be issued to the Representative or its designee(s), which may be exercised into new FGL Shares, equivalent to 4% of the total number of Issue Shares offered under the Proposed IPO including the Issue Shares under the Over-Allotment Option The Representative's Warrants will have an exercise price per share equal to 120% of the IPO Price and may be exercised on a cashless basis. The Representative's Warrants are exercisable on the date of commencement of sales of the Issue Shares, and will expire 3 years thereafter
"RLEB" or "Company"	:	Reservoir Link Energy Bhd (Registration No. 201401044508 (1120690-K))
"RLEB Group" or "Group"	:	RLEB and its subsidiaries, collectively
"RLEB Share(s)"	:	Ordinary share(s) in RLEB
"SEC"	:	U.S. Securities and Exchange Commission
"SSA"	:	Shares sale agreement dated 11 June 2021 entered into between RLEB and the Vendor in relation to the Acquisition
"Second Extended Profit Guarantee"		Vendor's guarantee that FESB shall achieve a PAT of RM16,142,000 for the 28 months ended 31 December 2023

"Tranche 2 Shares Consideration"	:	The balance 70% shares consideration or 12,705,000 new RLEB Shares are to be issued pursuant to the Acquisition subject to the Profit Guarantee being met
"Underwriter"	:	US Tiger Securities, Inc.
"USA" or "U.S."	:	United States of America
"VCCL"	:	V Capital Consulting Limited (British Virgin Island Company No. 1907336)
"Vendor"	:	Lee Seng Chi
"VCQ"	:	V Capital Quantum Sdn Bhd (Registration No. 201801002619 (1264632-V)
"VCQ Warrant"	:	Warrant in FGL issued to VCQ in conjunction with the Proposed Listing of Subsidiary The VCQ Warrant grant VCQ the right to subscribe for 300,000 FGL Shares at an exercise price of USD2 per FGL Share, and is exercised on a cashless basis. The VCQ Warrants are exercisable commencing on the day of successful listing of FGL and will expire on 1 July, 2028.
"VCQ Warrant To Purchase"	:	Warrant to Purchase issued on 4 January 2024 by FGL for the granting of the VCQ Warrant to VCQ
Currencies:		
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"USD"	:	United States Dollar

All references to our "Company" or "RLEB" in this Circular are to RLEB, references to our "Group" or "RLEB Group" are to our Company and its subsidiaries.

Any reference in this Circular to any statues, rules, regulations or rules of the stock exchange is a reference to such statues, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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TABLE CONTENTS

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. SHAREHOLDERS OF RLEB ARE ADVISED TO READ THIS CIRCULAR AND ITS APPENDICES FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE MEETING OF MEMBERS.

Our Board is recommending the shareholders of RLEB to vote **IN FAVOUR** of the resolution in relation to the Proposals to be tabled at the forthcoming meeting of members to be convened.

Key information		Description	Reference to Circular
Summary of the Proposals	:	**Proposed Listing of Subsidiary** RLEB is proposing to undertake the Proposed Listing of Subsidiary, which entails the Proposed IPO to list FGL on the Nasdaq Stock Exchange. The issue price for the Issue Shares will be at least USD4.00 per Issue Share. The final issue price will be determined and fixed by the Board of Directors of FGL at a later date, after obtaining the requisite approvals for the Proposed Listing. **Proposed PG Extension** RLEB is proposing to vary the terms of the SSA to extend the deadline of the Profit Guarantee Period for 4 months from 31 August 2023 to 31 December 2023, given the impact of COVID-19.	**Section 2**
Rationale	:	The Proposed Listing of Subsidiary will enable the Group to unlock the value of its investment in FESB, and enable FGL to leverage on the Nasdaq brand to enhance its reputation and gain recognition for its solar PV business, and accord financial flexibility to raise future funding requirement through the equity capital market The Proposed PG Extension is considered a reasonable extension given the effects of the COVID-19 outbreak in Malaysia, during which there were implementation of movement controls by the Government, causing delays in award and commencement of projects by customers due to prolonged time spent to obtain necessary approval and prerequisite to commence works. For avoidance of doubt, as at LPD, the Profit Guarantee has been met, based on the audited PAT of FESB as at 31 October 2023.	**Section 3**

Risk factors	**:**	The potential risk factors of the Proposed Listing of Subsidiary are as follows: (a) Dilution of interest in FGL; (b) New regulatory environment; (c) Foreign jurisdiction risk; (d) Non-completion of or delay in the Proposed Listing of Subsidiary; and (e) An active trading market for FGL Shares may not develop and could affect the trading price of FGL Shares.	**Section 5**
Approvals required	**:**	The Proposals are subject to the following approvals being obtained: (a) the shareholders of RLEB for the Proposals at the forthcoming meeting of members; (b) the SEC for the Prospectus of FGL, which is pending as at LPD; (c) the Nasdaq Stock Exchange for the Proposed IPO, which is pending as at LPD; and (d) any other relevant authorities and/or parties, if required. The Proposals are not conditional upon one another and not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.	**Section 7**

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RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

Registered Office:

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

9 July 2024

Directors:
Datuk Tai Hee *(Non-Independent Non-Executive Chairman)*
Dato' Wan Hassan Bin Mohd Jamil *(Group Chief Executive Officer/Managing Director)*
Thien Chiet Chai *(Non-Independent Executive Director)*
Dato' Ahmad Rizal Bin Abdul Rahman *(Independent Non-Executive Director)*
Siti Zurina Binti Sabarudin *(Independent Non-Executive Director)*
Elain Binti Lockman *(Independent Non-Executive Director)*

Dear Shareholders,

(I) PROPOSED LISTING OF SUBSIDIARY;
(II) PROPOSED PG EXTENSION

1. INTRODUCTION

On 30 August 2023, M&A Securities, on behalf our Board, announced that our Company and Lee Seng Chi have on 30 August 2023 agreed to vary the terms in the SSA to extend the deadline of the Profit Guarantee Period from 31 August 2023 to 31 December 2023 after reasonable consideration of the COVID-19 outbreak in Malaysia, during which there were implementation of movement controls by the Government, causing delays in award and commencement of projects by customers due to prolonged time spent to obtain necessary approval and prerequisite to commence works thus having affected the business operations of FESB. Pursuant to Paragraph 8.22(1) of the Listing Requirements, the Proposed PG Extension is a material variation to a proposal which was approved by shareholders in general meeting.

On 22 December 2023, M&A Securities, on behalf of our Board, announced that our Company proposes to undertake the Proposed Listing of Subsidiary. Therefore, pursuant to Paragraph 8.24(1) of the Listing Requirements, the approval by shareholders in the general meeting is required for the Proposed Listing of Subsidiary.

On 21 February 2024, FGL filed its draft Form F-1 Registration Statement under the Securities Act of 1933. USA (i.e. draft prospectus required to be filed for foreign companies to be listed on USA stock exchange) to the SEC.

The Proposals are subject to the following approvals being obtained:

(a) the shareholders of RLEB for the Proposals at the forthcoming meeting of members;

(b) the SEC for the Prospectus of FGL;

(c) the Nasdaq Stock Exchange for the Proposed IPO; and

any other relevant authorities and/or parties, if required.

As at LPD, the approval of the SEC for the draft prospectus as well as approval by Nasdaq for the Proposed Listing of Subsidiary are still pending.

Further details of the Proposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSALS, TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR COMPANY'S FORTHCOMING MEETING OF MEMBERS. THE NOTICE OF THE MEETING OF MEMBERS TOGETHER WITH THE FORM OF PROXY IS ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING MEETING OF MEMBERS.

THIS CIRCULAR DOES NOT CONSTITUTE AN OFFER, INVITATION TO PURCHASE OR SUBSCRIBE FOR OR SOLICITATION OF ANY SECURITIES IN MALAYSIA OR ANY JURISDICTION NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION WITH, ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS CIRCULAR MUST NOT BE REGARDED AS AN INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NO SUCH INDUCEMENT IS INTENDED. NEITHER OUR COMPANY NOR FGL NOR ANY OF ITS AFFILIATES, ADVISERS OR UNDERWRITERS IS OFFERING, OR IS SOLICITING OFFERS TO BUY, ANY SECURITIES IN ANY JURISDICTION THROUGH THE PUBLICATION OF THIS CIRCULAR.

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2. DETAILS OF THE PROPOSALS

2.1. Details of the Proposed Listing of Subsidiary

The Proposed Listing of Subsidiary entails:

(a) at least 1,250,000 Issue Shares representing approximately 6.75% of the enlarged issued share capital of FGL after the Proposed IPO; or

(b) up to 5,750,000 Issue Shares representing not more than 24.20% of the enlarged issued share capital of FGL after the Proposed IPO

at IPO Price, to new investors.

Upon the completion of the Proposed Listing of Subsidiary, FGL will remain as the subsidiary of RLEB, with equity interest of 41.33% under the Minimum Scenario or 32.20% under the Maximum Scenario. FGL is expected to continue being a subsidiary company of RLEB upon completion of the Proposed IPO by virtue of a Letter of Assignment of all the voting rights by the Vendor to RLEB for the management control of FGL. For information, the Vendor will hold voting rights of 20.3% to 26.1% after the completion of the Proposed Listing of Subsidiary. The salient terms of the Letter of Assignment are set out as follows:

Lee Seng Chi has agreed to assign specific rights to RLEB details of which are set out below

(a) Transfer of his whole voting rights in FGL to RLEB upon the terms of the Letter of Assignment as specified below.

(b) Assign to RLEB the authority to appoint, remunerate and terminate key management personnel as may be necessary to ensure effective control over FGL's management.

(c) RLEB shall have the authority to make decisions in relation to the sale and purchase of goods and services on behalf of FGL.

(d) RLEB shall be responsible for managing the financial assets of FGL.

(e) RLEB shall have the authority to make decisions regarding the selection, acquisition or disposition of assets.

(f) RLEB shall oversee and make decisions related to research and development activities aimed at introducing new products or process to the market, ensuring they align with FGL's business goals and objectives.

(g) RLEB shall be responsible for determining the funding structure of FGL and obtaining funding as needed for the company's operations and growth initiatives.

(h) RLEB shall have the authority to establish operating and capital decisions, including the approval of budgets, capital expenditure plans and financial forecasts.

The assignment of the voting rights and other rights mentioned above is effective upon RLEB effective shareholding being diluted to below 51% arising from issuance of new shares in FGL as part of the Proposed IPO undertaken and remain in effect and shall remain in effect so long as:

(a) Thien Chiet Chai and Reservoir Link Holdings Sdn Bhd (on a collective basis) remain as the single largest shareholder of RLEB; and

(b) This assignment is not revoked or amended by mutual agreement in writing between Lee Seng Chi and RLEB.

The breakdown of the voting rights of FGL after completion of the Proposed Listing of Subsidiary, showing the voting rights after the abovementioned assignment, is as follows:

Name	Country of incorporation / Nationality	Minimum Scenario No. of FGL Shares	Minimum Scenario %	Maximum Scenario No. of FGL Shares	Maximum Scenario %
RLEB	Malaysia	7,650,000	41.33	7,650,000	32.20
Lee Seng Chi (assigned to RLEB)	Malaysian	4,832,954	26.11	4,832,954	20.34
Aggregate voting rights		**12,482,954**	**67.44**	**12,482,954**	**52.54**
VCCL	Singapore	700,000	3.78	700,000	2.95
VCQ	Singapore	958,938	5.18	1,078,938	4.54
CNP	Singapore	600,000	3.24	1,080,000	4.55
Underwriter/ Representative	USA	-	-	902,000	3.80
Law Kok Thye	Malaysian	783,000	4.23	783,000	3.30
Tan Eng Kean	Malaysian	681,819	3.68	681,819	2.87
Leong Yin Har	Malaysian	314,000	3.14	314,000	2.45
See Sian Seong	Malaysian	157,000	1.70	157,000	1.32
Yong Kok Hoe(3)	Malaysian	581,227	0.85	581,227	0.66
IPO shareholders	Various	1,250,000	6.75	5,000,000	21.04

As such, premised on the above and in accordance with the relevant MFRS 10, we will continue to consolidate FGL into our Group after the Proposed Listing of Subsidiary based on our collective voting rights of 67.44% and 52.54%. Our Group will account for the share of its results based on our equity interest of 32.20% or 41.33% under the Maximum Scenario and Minimum Scenario, respectively.

The salient terms of the Representative Warrants, VCQ Warrant and CNP Warrant are set out in Appendix III, Appendix IV and Appendix V respectively.

2.1.1. Reorganisation exercise

Our Group had undertaken a series of reorganisation exercise to facilitate the Proposed Listing of Subsidiary, details as follows:

(a) on 18 May 2023, we incorporated FGL as an exempted company limited by shares under the laws of the British Virgin Islands to be the listing vehicle for the Proposed IPO and on 1 June 2023, the Company and the Vendor each subscribed for 8,007,000 and 7,693,000 FGL Shares at the subscription price of USD8,007 and USD7,693 respectively;

(b) on 14 June 2023, FGL acquired the entire equity interest of FESB from our Company (51.0%) and the Vendor (49.0%) for an aggregate consideration of RM10.00;

(c) on 27 June 2023, 2,517,046 FGL Shares equivalent to 16.03% of equity interest held by the Vendor was disposed to 5 other third party individuals;

(d) pursuant to the engagement letters of VCCL, VCQ and CNP, it is agreed by FGL that its securities are to be issued as part compensation to VCCL, VCQ and CNP for their roles respectively as IPO Consultant, Business Consultant and Financial Advisor in the Proposed IPO, which securities comprise:

(i) 808,938 new FGL Shares to be issued at par value of USD0.001 per FGL Share and allotted to RLEB and the Vendor in direct proportion to their existing shareholdings in FGL and are to be transferred immediately to VCQ without cost together with the completion of the Proposed IPO;

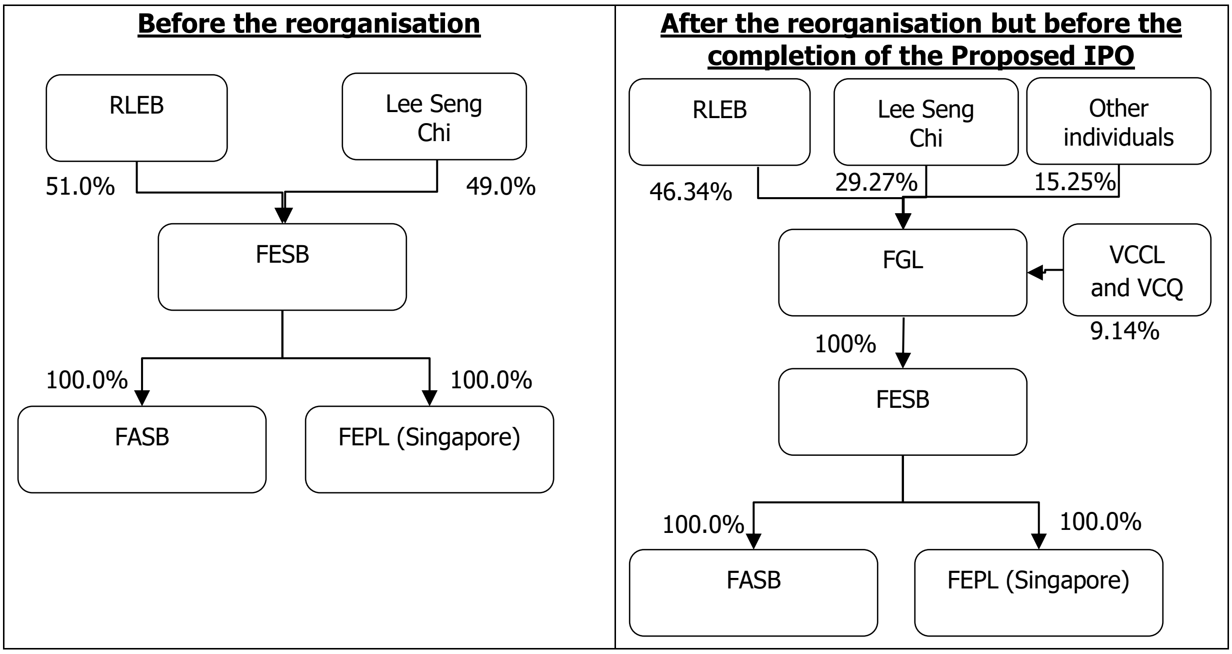
(ii) 700,000 FGL Shares held by RLEB (357,000 FGL Shares) and the Vendor (343,000 FGL Shares) to be transferred upon obtaining shareholders' approval for the Proposed IPO, to VCCL at a disposal consideration of USD1.4 million on the basis of USD2.00 per FGL share as part compensation to VCCL for their role as consultant to the Proposed IPO;

(iii) FGL had on 4 January 2024 issued the VCQ Warrant to Purchase to grant VCQ the VCQ Warrant at no consideration;

(iv) FGL had on 3 April 2024 issued the CNP Warrant to Purchase to grant CNP the CNP Warrant at no consideration.

The salient terms of the VCQ Warrant To Purchase and CNP Warrant to Purchase are set out in Appendix IV and V.

Upon completion of the above, FGL will emerge as the new holding company of FESB, and RLEB together with Lee Seng Chi became the shareholders of FGL. The shareholding structure of FESB before and after the reorganisation exercise are as follows:



It should be noted that CNP will only be able to exercise the CNP Warrant upon the completion of the Proposed IPO, and is therefore not in the above illustration.

2.1.2. Information on FGL

FGL was incorporated on 18 May 2023 as a business company limited by shares under the laws of the British Virgin Islands to be the listing vehicle for the Proposed IPO.

FGL is an investment holding company while its key subsidiary, FESB is involved in the solar industry in Malaysia. FESB is a pure-play, EPCC solutions provider for solar PV facilities in Malaysia. Its primary focus is on two key segments: large-scale solar projects and C&I solar projects.

Please refer to Appendix I for further information on FGL.

2.1.3. Proposed IPO

Following the reorganisation exercise as set out in Section 2.1.1, FGL proposes to undertake an IPO of new FGL Shares and the listing of and quotation for the entire enlarged issued share capital of FGL on the Nasdaq Capital Market of the Nasdaq Stock Exchange.

Pursuant to the Proposed IPO, FGL will also grant the Underwriter an Over-Allotment Option to adjust the size of the offer to which FGL may allot and issue further Issue Shares from its initial Issue Shares ranging 1,250,000 shares to 5,000,000 shares. In relation thereto, the Over-Allotment Option shall comprise not more than 15% of the total number of Issue Shares to be offered pursuant to the Proposed IPO, at the IPO Price less underwriting discount of 7% for each Issue Share. The Over-Allotment Option is exercisable by the Underwriter within 45 days after the closing of the offering, subject to various factors, including the level and timing of demand, and the prevailing market conditions to the Underwriter.
As such, the Proposed IPO will involve an offering of:

(a) 1,250,000 Issue Shares under the Minimum Scenario; or

(b) up to 5,750,000 Issue Shares under the Maximum Scenario

at the IPO Price.

Further, as part of the terms of engagement with the Representative, VCCL, VCQ and CNP, to part compensate for their services in the Proposed IPO, it was agreed that the Representative and VCCL to receive compensation in the form of convertible securities upon the success of the Proposed IPO, which will help conserve cashflow of FGL, and align the interests of the Representative, VCCL, VCQ and CNP as they will only be paid such shares upon the success of the Proposed IPO. On this basis, FGL will allot and issue the Representative Warrants based on the letter of engagement with the Representative, the VCQ Warrant to VCQ and CNP Warrant to CNP based on the VCQ Warrant to Purchase and CNP Warrant To Purchase dated 4 January 2024 and 3 April 2024 respectively. For avoidance of doubt, no consideration is paid for the issuance of the aforementioned Representative Warrants, VCQ Warrant and CNP Warrant, as they are issued as compensation for services performed.

The Representative Warrants, VCQ Warrant and CNP Warrant will not be listed upon allotment and issuance. Only if and when the Representative, VCQ and CNP exercises the Representative Warrants, VCQ Warrant and CNP Warrant respectively, FGL will issue new FGL Shares which will be quoted and listed on the Nasdaq Capital Market of the Nasdaq Stock Exchange.

The Issue Shares to be issued pursuant to the Proposed IPO and the new Issue Shares to be issued upon the exercise of the Over-Allotment Option, the Representative Warrants, VCQ Warrant and CNP Warrant shall, upon allotment, issuance and full payment of the issue price of the Issue Shares and/or exercise price of the Over-Allotment Option, Representative Warrants, VCQ Warrant and CNP Warrant, rank equally in all respects with the existing FGL Shares, including voting rights and rights to all dividends and distributions that may be declared, paid or made to shareholders on or subsequent to the date of their allotment thereof. For avoidance of doubt, the Representative, VCQ and CNP have confirmed that they will elect to a cashless exercise of their Representative Warrant, VCQ Warrant and CNP Warrant respectively, which do not require the payment of any cash consideration, and can be exercised into FGL Shares for free.

Background of VCCL, VCQ, CNP and US Tiger Securities, Inc

The backgrounds of VCCL, VCQ , CNP and US Tiger Securities, Inc as well as their roles in the Proposed IPO are set out as follows:

VCCL is the appointed consultant for the Proposed IPO. Pursuant to the terms of its engagement letter dated 16 January 2023 with FESB, the scope of VCCL comprises the carrying out of the necessary works, review, analysis, planning, and implementation of all aspects of the Proposed IPO, including amongst others, the necessary due diligence, listing scheme, obtaining of all requisite approvals, securing of underwriting, drafting of the F-1 registration statement, corresponding with the SEC and Nasdaq for any queries.

The sole director of VCCL is Dato' Victor Hoo Voon Him, a Malaysian. VCCL is wholly-owned by VCI Global Limited, being a Nasdaq listed company where Dato' Victor Hoo is a major shareholder holding approximately 40.47% based on its latest annual report.

VCQ is the appointed Business Consultant for the Proposed IPO. Pursuant to the terms of its engagement letter dated 1 June 2023, VCQ is to carry out market research on the solar RE industry and prepare an industry report with the data and analysis obtained for purposes of FGL's F-1 registration statement for the Proposed IPO. VCQ is also to assist FESB in, amongst others, identifying its competitive edge, future business strategies and risk assessments.

The directors of VCQ are Dato' Victor Hoo Voon Him and Vivian Yong, both of whom are Malaysians. VCQ is wholly-owned by V Capital Kronos Berhad, which is wholly-owned by VCI Global Limited.

CNP is the appointed Financial Advisor for the Proposed IPO. Pursuant to the terms of its engagement letter dated 1 June 2023, CNP is to work with FESB to, amongst others, ensure readiness of financial information, including management discussion and analysis, compliance with the relevant accounting standards and requirements of the SEC and Nasdaq, wherever applicable to be included in the F-1 registration statement.

The sole director and shareholder of CNP is Chuah Hoon Hong, a Malaysian.

US Tiger Securities, Inc, the Underwriter, a company incorporated in New Jersey, USA, is wholly-owned by Tiger Fintech Holdings Inc., and its ultimate parent company is UP Fintech Holding Ltd, a company listed on Nasdaq. Mr. Lei Huang is currently the sole director of US Tiger Securities, Inc.

US Tiger Securities, Inc. is principally a brokerage company or dealer retailing corporate equity securities over the counter including underwriting of securities.

The total compensation received via securities, which forms the basis for the pricing of the securities issued to VCCL, VCQ and CNP is as follows:

Adviser	Compensation in FGL securities	Equivalent value in USD
VCCL	700,000 shares at USD2 each[(1)]	1,400,000
VCQ	808,938 shares[(2)] and up to 300,000 warrants under the VCQ Warrant at an exercise price of USD2 each[(3)]	3,835,752
CNP	Up to 1,200,000 warrants under the CNP Warrant at an exercise price of USD2 each[(3)]	2,400,000

Note:

(1) Based on a disposal price of USD2, and the IPO Price of USD4, the shares acquired by VCCL carries a minimum value of USD1,400,000.

(2) Based on IPO Price of USD4, the shares issued to VCQ would carry a minimum value of USD3,235,752.

(3) Based on the exercise price of USD2, and the minimum IPO Price of USD4, the shares exercisable under the VCQ Warrant and CNP Warrant carry a value of USD600,000 and USD2,400,000 respectively. It should be noted that VCQ and CNP intend to exercise their warrants on a cashless basis, and the number of shares to be issued to them on this basis is illustrated in the table below.

For avoidance of doubt, based on an IPO Price of USD4, the Representative Warrants are out-of-the-money and cannot be exercised into new FGL Shares, as the exercise price is 120% of the expected IPO Price of USD4, as quoted by the Representative in its engagement letter. Under the Maximum Scenario as illustrated in the table below, the Representative Warrants can be exercised on a cashless basis into 152,000 FGL Shares.

The table below sets out the share capital of FGL under the Minimum Scenario and Maximum Scenario pursuant to the Proposed IPO:

	Minimum Scenario		Maximum Scenario	
	No. of FGL Shares	USD	No. of FGL Shares	USD
Existing as at LPD	15,700,000	15,700	15,700,000	15,700
To be issued as part payment to the VCCL	808,938	809	808,938	809
To be issued pursuant to the Proposed IPO[(1)]	1,250,000	6,000	5,000,000	20,000
	17,758,938	22,509	21,508,938	36,509
To be issued pursuant to the exercise of the Over-Allotment Option by the Underwriter	-	-	750,000	750
	17,758,938	22,509	22,258,938	37,259
To be issued pursuant to the exercise of the Representative Warrants by the Representative[(2)]	-	-	152,000	152
To be issued pursuant to the exercise of the CNP Warrant and VCQ Warrant by CNP and VCQ[(3)]	750,000	750	1,350,000	1,350
	18,508,938	**23,259**	**23,760,938**	**38,761**

Notes:

(1) Assuming an indicative issue price of USD4.00 per Issue Share under the Proposed IPO.

(2) Assuming the Representative Warrants will be exercised on a cashless basis under the Maximum Scenario, on a fair market value of each FGL share at date of exercise being USD20.00 each, resulting in 152,000 new FGL Shares issued pursuant to cashless exercise formula as set out under the salient terms of the Representative Warrants as set out in Appendix III of this Circular, illustrated as follows:

$$X = \frac{Y\,(A-B)}{A}$$

Where,

X	=	The number of new FGL Shares to be issued to the Representative;
Y	=	The number of Representative Warrant issued (i.e. 4% of total Issue Shares sold in the Proposed IPO);
A	=	The fair market value of one FGL Share, being the highest intra-day price capped at USD20.00 per share or closing price on the Company's primary exchange or the over-the-counter trading platform on the day prior to the date of exercise of the Representative Warrants; and
B	=	The Exercise Price.

Under the Maximum Scenario,
Y = 4% X 5,000,000 = 200,000
A = USD20.00
B = 120% X USD4 = USD4.8

The resultant number of FGL Shares issued on cashless basis pursuant to the computation above, i.e. X = 152,000

(3) Assuming the CNP Warrant and VCQ Warrant will be exercised on a cashless basis, on a fair market value of FGL shares at date of exercise ranging USD4.00 to USD20.00 each under the Minimum Scenario and Maximum Scenario respectively, resulting in 750,000 to 1,350,000 new FGL Shares issued pursuant to the salient terms of the VCQ Warrant and CNP Warrant as set out in Appendix IV and Appendix V of this Circular, illustrated as follows:

$$X = \frac{Y\,(A-B)}{A}$$

Where,

X	=	The number of Warrant Shares to be issued to Registered Holder;
Y	=	The number of Warrant Shares for which the VCQ Warrant is being exercised;
A	=	The fair market value of one Warrant Share; and
B	=	The Exercise Price.

Under the Maximum Scenario,
Y = 300,000 for the VCQ Warrant, and 1,200,000 for the CNP Warrant
A = USD20.00
B = USD2

The resultant number of FGL Shares issued on cashless basis pursuant to the computation above, i.e. X = 270,000 for the VCQ Warrant, and 1,080,000 for the CNP Warrant

2.1.4. Dilution

As at LPD, FGL is a 51.00%-owned subsidiary of RLEB. As a result of the Proposed IPO, RLEB's effective equity interest in FGL will be potentially diluted to 41.33% under the Minimum Scenario and 32.20% under the Maximum Scenario. Pursuant to the Letter of Assignment, FGL will be assigned between 20.34% to 26.11% of voting rights, and shall remain as a subsidiary of RLEB upon completion of the Proposed IPO.

The effects of the Proposed IPO on the shareholding structure of FGL are set out below:

	As at LPD		**Minimum Scenario**		**Maximum Scenario**	
Name	**No. of FGL Shares**	**%**	**No. of FGL Shares**	**%**	**No. of FGL Shares**	**%**
RLEB	8,007,000	51.00	(2)7,650,000	41.33	7,650,000	32.20
Lee Seng Chi	5,175,954	32.97	4,832,954	26.11	4,832,954	20.34
Law Kok Thye	783,000	4.99	783,000	4.23	783,000	3.40
Tan Eng Kean	681,819	4.34	681,819	3.68	681,819	2.95
Yong Kok Hoe(1)	581,227	3.70	581,227	3.14	581,227	2.45
Leong Yin Har	314,000	2.00	314,000	1.70	314,000	1.32
See Sian Seong	157,000	1.00	157,000	0.85	157,000	0.66
VCCL	-	-	(2)700,000	3.78	700,000	2.95
CNP	-	-	(3)600,000	3.24	1,080,000	4.55
VCQ	-	-	(4)958,938	5.18	1,078,938	4.54
Representative	-	-	-	-	902,000	3.80
IPO Shareholders	-	-	1,250,000	6.75	5,000,000	21.04
Total	**15,700,000**	**100.00**	**18,508,938**	**100.00**	**23,760,938**	**100.00**

Notes:

(1) Deceased. The representative of the estate of the Deceased is in the process of obtaining the grant of probate/letter of administration to enable the dealing with the FGL Shares.

(2) 357,000 FGL Shares transferred to VCCL upon obtaining shareholders' approval, in accordance with the engagement letters of VCCL.

(3) Under the Minimum Scenario, the exercise of the CNP Warrant on a cashless basis will yield 600,000 Shares. Under the Maximum Scenario, it will yield 1,080,000 Shares. Illustrations with the relevant formula is set out above, under Section 2.1.3.

(4) 808,938 new FGL Shares to be issued at par value of USD0.001 per FGL Share and allotted to RLEB and the Vendor in direct proportion to their existing shareholdings in FGL and are to be transferred immediately to VCQ. Additionally, under the Minimum Scenario, the exercise of the VCQ Warrant on a cashless basis will yield 270,000 Shares. Under the Maximum Scenario, it will yield 1,080,000 Shares. Illustrations with the relevant formula is set out above, under Section 2.1.3.

Our Group's share of future earnings in the FESB will be reduced accordingly in view that only 32.20% to 41.33% the financial results of the FESB will be attributable to our Group.

Pursuant to Paragraph 8.21(1) of the Listing Requirements, a listed issuer must obtain shareholder approval in a general meeting for the issue by its principal subsidiary[(1)], of shares or convertible securities or options that results or could potentially result in a material dilution[(2)] of the listed issuer's equity interest in such principal subsidiary.

Notes:

(1) "principal subsidiary" means a subsidiary which accounts for 25% or more of the profit after tax or total assets employed of the listed issuer based on the latest published or announced audited financial statements of the listed issuer or audited consolidated financial statements of the listed issuer, as the case may be, pursuant to Paragraph 1.01 of the Listing Requirements.

(2) "Material dilution" means a percentage reduction amounting to 25% or more, pursuant to Paragraph 8.21(2) of the Listing Requirements.

FGL is a principal subsidiary of RLEB pursuant to Paragraph 1.01 of the Listing Requirements as it accounts for approximately more than 100% of the total Group profits employed by RLEB, based on our audited consolidated financial statements for the 18 months FPE 30 June 2023, prior to the completion of the reorganisation exercises. This is due to the other business segments being loss-making. However, we are not required to obtain our shareholders' approval for the material dilution pursuant to Paragraph 8.21(2) of the Listing Requirements as the Proposed IPO will not result in a material dilution of our effective equity interest in FGL.

Notwithstanding the foregoing, the final number of new FGL Shares to be issued pursuant to the Proposed IPO is subject to requisite regulatory approvals as set out in Section 7 of this Circular. For avoidance of doubt, we are seeking your approval as shareholder for the Proposed Listing of Subsidiary pursuant to the Paragraph 8.24 of the Listing Requirements.

RLEB will be assigned between 20.34% to 26.11% of voting rights, and will hence continue to be the ultimate controlling shareholder of FGL post-completion of the Proposed Listing of Subsidiary.

2.1.5. Proceeds raised and utilisation of proceeds

The actual proceeds to be raised from the Proposed IPO will depend on the final IPO Price and the number of the Issue Shares to be issued pursuant to the Proposed IPO.

Based upon an assumed IPO Price of USD4.00 per Issue Share, being the minimum issue price per share for an initial public offering under Nasdaq Listing Rules, the Proposed IPO is expected to raise gross proceeds of USD4.60 million based on the Minimum Scenario or up to USD21.16 million under the Maximum Scenario, after deducting the estimated underwriting discounts and the estimated offering expenses payable by FGL. The final IPO Price shall be determined by the board of directors of FGL, in consultation with the advisers to the Proposed IPO, after take into consideration, amongst others, the expected PAT of FESB as assessed by the advisers for the Proposed IPO, and market sentiments. For avoidance of doubt, there is no fixed formula in determining the final IPO Price.

The proceeds shall be utilised by FGL Group in the following manner, as extracted from the Form F-1 Registration Statement under the Securities Act of 1933, USA:

		Minimum Scenario			Maximum Scenario		
	Note	**USD'000**	**RM'000**	**%**	**USD'000**	**RM'000**	**%**
Geographical expansion	(1)	1,380	6,425	30.0	6,348	29,553	30.0
Expansion of RE potential	(2)	1,380	6,425	30.0	6,348	29,553	30.0
General working capital	(3)	1,380	6,425	30.0	6,348	29,553	30.0
Mergers and acquisition	(4)	460	2,140	10.0	2,116	9,851	10.0
		4,600	**21,415**	**100.0**	**21,160**	**98,510**	**100.0**

Notes:

(1) To fund the expansion of FGL Group's geographical reach to Southern Asia such as Singapore, Philippines and Indonesia to undertake future solar PV projects. The expansion costs comprise future working capital for solar PV projects such as staff salaries, professional fees for setting up overseas operation, which will be funded by the allocated proceeds, together with its internally generated funds and/or bank borrowings. As at LPD, FGL Group has not identified any prospective solar PV projects.

(2) To fund any suitable and viable investment(s), which may include but is not limited to, the provision and implementation of hydro/biogas projects, which costs comprises purchase of equipment such as turbines, civil and structural works, mechanical and electrical works. At this juncture, FGL Group is still exploring viable RE investment options and opportunities.

(3) To fund FGL Group's general working capital requirement enabling the growth of its current operations and sustaining its day to day operations such as staff salaries, purchase of inventory, payment to subcontractors and suppliers and etc.

(4) To fund the acquisition costs in relation to mergers and acquisitions of target assets in complementary business and/or assets within, or similar, to the existing business. This aims to enhance the service capabilities and broaden the services coverage of FGL Group. As at LPD, the FGL Group is in the midst of identifying businesses and/or assets to be acquired or invested.

To the extent that the net proceeds are not immediately used for the above purposes, FGL Group will invest the net proceeds in short-term, interest-bearing bank deposits or debt instruments.

No cash proceeds will accrue to our Company arising from the Proposed Listing of Subsidiary as the Proposed IPO does not involve any offer for sale of existing FGL Shares held by our Company.

2.1.6. Underwriting arrangement

FGL will enter into an underwriting agreement with the Representative for a minimum of 1,250,000 Issue Shares offered under the Proposed IPO at an underwriting fee of 7.0% based on the IPO Price multiplied by the number of Issue Shares underwritten. The Underwriter are obligated to take and pay for aforementioned minimum Issue Shares offered under the Proposed IPO if any such Issue Shares are not taken. For avoidance of doubt, the Underwriter are not obligated to take or pay for the Issue Shares covered by the Over-Allotment Option.

2.1.7. Lock-up arrangement

Pursuant to the Proposed IPO, we will not be able to sell, transfer, or dispose of, directly or indirectly, any of the FGL Shares held by our Company for a period of 6 months after the date of the Prospectus.

The same lock-up arrangement shall also apply to the directors and executive officers of FGL and any holder(s) of 5.0% or more of the outstanding FGL Shares.

2.1.8. Liabilities which remain with our Group

There are no additional liabilities, guarantees, including contingent liabilities, in relation to the Proposed Listing of Subsidiary which will remain with our Group other than the listing expenses for the Proposed Listing of Subsidiary and Proposed IPO.

The listing expenses for the Proposed Listing of Subsidiary and Proposed IPO are as follows:

	Minimum Scenario	**Maximum Scenario**	**Source of funds**
	RM'000	**RM'000**	
Settled via cash			
Fees payable to authority	261	405	Internally generated funds
Underwriting fees	1,864	8,575	To be deducted from the IPO Proceeds
Professional fees	2,796	2,796	Internally generated funds
Miscellaneous expenses	42	163	Internally generated funds
Settled via issuance of shares			
Professional fees	13,982	125,834	-
Underwriting fees	-	14,168	-

2.1.9. Dates and original cost of investment

RLEB had on 25 August 2021 completed the acquisition of 51.0% equity interest in FESB from Lee Seng Chi for a purchase consideration of RM21,169,080.

2.2. Details of the Proposed PG Extension

The Proposed PG Extension relates to the Profit Guarantee arising from the Acquisition of 51% equity interest in FESB from Lee Seng Chi, the Vendor, for a purchase consideration of RM21,169,080, to be satisfied via a combination of cash of RM8,464,080 and issuance of 18,150,000 new ordinary shares in RLEB at an issue price of RM0.70 each.

Pursuant to the conditional shares sale agreement dated 11 June 2021 entered into between RLEB and the Vendor in relation to the Acquisition, the cash consideration of RM8,464,080 and 30% of the shares consideration (5,445,000 shares) has been satisfied upon the **Completion Date**, which was determined as 25 August 2021, whereas the balance 70% shares consideration or 12,705,000 new RLEB Shares are to be issued subject to the Profit Guarantee being met.

Details of the Profit Guarantee

The Profit Guarantee provides that the Vendor shall guarantee that FESB shall achieve an audited PAT of RM13,836,000 for the Profit Guarantee Period i.e. 1 September 2021 to 31 August 2023 (being 24 months from the first day of the succeeding calendar month from the Completion Date of 25 August 2021).

In the event FESB achieves the Profit Guarantee, the Tranche 2 Shares Consideration shall be satisfied by RLEB by allotting and issuing the new ordinary shares in RLEB within 14 business days from the date of the issuance of the **Certified Accounts** (being the audited financial statements for purposes of determining the PAT for the Profit Guarantee Period).

(a) In the event there is any shortfall in the Profit Guarantee based on the Certified Accounts ("**Shortfall**"), RLEB shall issue a written notice to the Vendor on the shortfall ("**Shortfall Notice**") and the Vendor shall have 14 business days from the date of the Shortfall Notice to top up the Shortfall in cash to FESB.

(b) Where the Shortfall is not paid to FESB, the Tranche 2 Shares Consideration shall not be paid to the Vendor. For the avoidance of doubt, the Tranche 2 Shares Consideration shall not be paid in the event the Profit Guarantee is not achieved and the Shortfall is not paid to FESB by the Vendor. In the event the Vendor elects to pay the Shortfall, the Tranche 2 Shares Consideration shall be satisfied by RLEB in accordance with the terms of the SSA.

(c) The Tranche 2 Shares Consideration as may be received by the Vendor shall form part of the Purchase Consideration, and the Vendor shall only be entitled to up to the maximum amount of the Tranche 2 Shares Consideration, and no additional payment will be made by RLEB to the Vendor in the event the PAT of FESB for the Profit Guarantee Period, is over and above the Profit Guarantee.

Events leading to the Proposed PG Extension

On 13 July 2023, Lee Seng Chi had vide a letter on even date requested for the Company to consider the Proposed PG Extension, due to unforeseen delays in project implementation which resulted in delayed recognition in revenue. The Vendor further requested that if the First Extended Profit Guarantee is not fulfilled, the Vendor shall be granted the Second Extended Profit Guarantee to extend the Profit Guarantee Period up to 31 December 2023.The Proposed PG Extension would allow for FESB to meet an increased amount of PAT (RM14,989,000) for up to a 2 months extended guarantee period up to 31 October 2023 i.e. the First Extended Profit Guarantee, or RM16,142,000 for an additional 2 months up to 31 December 2023 i.e. the Second Extended Profit Guarantee.

The Proposed PG Extension was not sought earlier or upfront, until the possibility of not meeting the Profit Guarantee became clearer to the Vendor closer to the deadline of the Profit Guarantee, which falls on 31 August 2023 (the Vendor requested for the Proposed PG Extension on 13 July 2023). Premised on the foregoing, the Board would not have been able to seek the Proposed PG Extension upfront.

The Board noted that the increased PAT to be achieved under the Proposed PG Extension is based on and commensurate to the extended guarantee period sought (i.e. 26 months / 24 months * RM13,836,000 = RM14,989,000) and the same basis applies to the Second Extended Profit Guarantee. Additionally, the Board noted the progress of the projects being undertaken by FESB being affected by, amongst others the prolonged effects of the pandemic, and that these milestones would be eventually achieved in the coming months, and as such, considered the Proposed PG Extension request by the Vendor to be in good faith. On this basis, the Board of Directors deliberated on the request and had on 30 August 2023 accepted the Proposed PG Extension subject to shareholders approval of RLEB being obtained for the Proposed PG Extension, which our Group subsequently made the announcement on the same date. Consequently, we did not exercise our rights where FESB did not meet the original Profit Guarantee, pending the outcome of the Proposed PG Extension.

For avoidance of doubt, as at LPD, the First Extended Profit Guarantee has been met, based on the audited PAT of FESB as at 31 October 2023. To verify the fulfilment of the Profit Guarantee, a special audit for the financial period up to 31 October 2023 was finalised on and 31 May 2024 and the Profit Guarantee is hence verified and fulfilled.

The Proposed PG Extension is considered a material variation pursuant to Rule 8.22(1) of the Listing Requirements, and thus is subject to the approval of the shareholders of RLEB at the forthcoming meeting of members.

The PAT achieved by FESB at the point the Vendor made its request for the Proposed PG Extension, and subsequently after October 2023 (to meet the First Extended Profit Guarantee are as follows:

	RM
Profit Guarantee to be achieved from 1 September 2021 to 31 August 2023	13,836,000
Unaudited PAT from 1 September 2021 to 31 July 2023	9,212,025
Shortfall of PAT achieved	4,623,975
First Extended Profit Guarantee amount to be achieved from 1 September 2021 to 31 October 2023	14,989,000
Audited PAT from 1 September 2021 to 31 December 2021	2,247,817
Audited PAT from 1 January 2022 to 30 June 2023	6,397,843
Audited PAT from 1 July 2023 to 31 October 2023	4,956,825
Adjustment for non-recurring expenses	1,758,068
Total PAT achieved from 1 September 2021 to 31 October 2023	*15,360,533*
Surplus of PAT achieved	371,553

As shown above, FESB has met the First Extended Profit Guarantee within the 26 months ended 31 October 2023. The surge in PAT achieved was due to several large scale solar PV projects that have achieved commissioning during the period, which was the key reason for the request by Vendor for the Proposed PG Extension, as the completion milestones would deliver the PAT required for the Profit Guarantee, but outside the Profit Guarantee Period, due to the accounting treatment of the revenue and profit to be recognised. A total of 12,705,000 RLEB Shares, being the aggregate of the second tranche of the Consideration Shares will be issued to the Vendor.

For reference, the historical financial summary for FESB are as follows:

	Audited From incorporation up to 31 December 2021 RM'000	Audited 18 months FPE 30 June 2023 RM'000
Revenue	25,152	132,241
Gross profit ("**GP**")	3,441	17,032
Profit before tax ("**PBT**")	2,973	8,608
PAT attributable to owners	2,248	6,398
Shareholders' funds/ NA	3,548	9,953

2.2.1. Details of the Consideration Shares

The second tranche of the Consideration Shares comprises 12,705,000 RLEB Shares to be issued and allotted to the Vendor pursuant to the Acquisition upon FESB achieving the First Extended Profit Guarantee, for which approval for listing and quotation has been obtained.

2.2.2. Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issue, rank equally in all respects with the existing RLEB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is before the date of allotment of the Consideration Shares.

2.2.3. Listing of and quotation for the Consideration Shares

The listing of and quotation for the Consideration Shares was approved by Bursa Securities on 16 July 2021.

3. RATIONALE OF THE PROPOSALS

3.1. Proposed Listing of Subsidiary

The Proposed Listing of Subsidiary will enable our Group to unlock the value of our investment in FESB and provide a transparent valuation benchmark for its investment. In addition, it will promote a clearer segregation of business responsibilities and operations for our Group's solar PV business, allowing our Company's management to efficiently allocate our resources to accelerate the expansion and growth of the business.

As part of the terms of engagement with the Representative and VCCL to part compensate for their services in the Proposed IPO, it was agreed that the Representative and VCCL to receive compensation on a variable basis, in the form of securities upon the success of the Proposed IPO, which will help conserve cashflow of FGL, and align the interests of the Representative and VCCL. On this basis, FGL will allot and issue the Representative Warrants, the VCQ Warrant to VCQ and CNP Warrant to CNP. For avoidance of doubt, no consideration is paid for the issuance of the aforementioned Representative Warrants, VCQ Warrant and CNP Warrant, as they are issued pursuant to the terms of engagement of the respective advisers.

The basis in arriving at the exercise price of the Representative Warrants, CNP Warrant and VCQ Warrant as set out in Section 2.1.3 above, were agreed between FGL and the Representative, CNP and VCQ as part of the total compensation package, which was at a rate acceptable to CNP and VCQ to accept the compensation in the form of securities, and would also ease the cashflow burdens of FGL in settling the advisory fees of the aforementioned parties.

The dilution of RLEB's interest in FGL to below 51% and down to 32.0% was based on the fundraising target of between USD5.0 million to USD20.0 million of the Proposed IPO. The dilution would be partly mitigated by the assignment of voting rights by Lee Seng Chi, for RLEB to maintain its control over the affairs of FGL.

Based on the indicative issue price of USD4 per FGL Share, and as illustrated in Section 6.2 below, the Proposed IPO will result in an increase in NA per share of between RM0.03 to RM0.07, thus directly increasing shareholder value for existing shareholders, notwithstanding the dilution of interest in FGL under the Proposed IPO. Additionally, the use of proceeds raised from the Proposed IPO are expected to be earnings accretive to FGL, being used for business expansion, as set out in Section 2.1.5 above. When realised, these business expansion plans are expected to contribute positively to the earnings of the Group, thereby creating value to FGL and ultimately RLEB shareholders.

Separately, the listing status of FGL will also enable FGL:

(a) to leverage on the Nasdaq brand to enhance its reputation and gain recognition for our Group's solar PV business, thereby improving our visibility which allow it to achieve greater market penetration and gain broader client base; and

(b) the financial flexibility to raise future funding requirement through the equity capital market independently from our Company, to reinforce our equity position and raise substantial cash to fund its future investment opportunities and growth.

3.2. Proposed PG Extension

Our Board has approved the Proposed PG Extension after reasonable consideration of the COVID-19 outbreak in Malaysia, during which there were implementation of movement controls by the Government, causing delays in award and commencement of projects by customers due to prolonged time spent to obtain necessary approval and prerequisite to commence works. Eventually, the movement controls were gradually relaxed, and projects gradually progressed. In addition, FESB had secured new contracts in August 2023, which are already income generating and will contribute to FESB in meeting the First Extended Profit Guarantee. Although the Vendor was confident in achieving the First Extended Profit Guarantee, the subcontract works of large scale solar photovoltaic plant 50MWac solar photovoltaic plant project from Samaiden Sdn Bhd of RM21.0 million was secured in August 2023 and fairly new, and would have posed some risk in achieving their intended profits. As such, as a contingency measure, the Second Extended Profit Guarantee was agreed upon to allow further time for FESB to achieve its intended profit guarantee.

For avoidance of doubt, the additional PAT guaranteed for the Proposed PG Extension Extension is to commensurate to the extended period granted. In the event the Second Extended Profit Guarantee is not met, the Group shall be entitled to compensation by the Vendor of an amount equivalent to the shortfall.

Our Board believes that the Proposed PG Extension provides a fair opportunity for FESB to achieve the profit guarantee by 31 December 2023 with the expected alleviated business conditions resulting from the resumption of operations and newly secured projects. Additionally, no further risk to the Company is noted for the Proposed PG Extension as the outstanding matter consequent to the conclusion of the Profit Guarantee is the issuance of the balance Consideration Shares to the Vendor, and there are no further dues to the Company save for its rights to the compensation by Vendor for the shortfall of the Profit Guarantee (if any), which is at the Company's discretion.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1. Overview and prospects of the Malaysian economy

In Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, gross domestic product ("**GDP**") posted a growth of 4.2% supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

The increased external uncertainties will pose risks to the economic growth. Notwithstanding these challenges, the economy continues reaping the benefit from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low and high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, the GDP is anticipated to register a growth of approximately 4% in 2023.

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

(Source: Economic Outlook 2024, Ministry of Finance)

Going forward, growth of the Malaysian economy will be driven mainly by resilient domestic expenditure, with additional support from exports recovery. Household spending will be supported by sustained growth in employment and wage growth. Tourist arrivals and spending are expected to improve further. Additionally, investment activities will be supported by continued progress of multi-year projects in both the private and public sectors, and augmented by the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments.

The growth outlook faces downside risks from weaker-than-expected external demand, further escalation of geopolitical conflicts and larger declines in commodity production. Nevertheless, greater spillover from the tech upcycle, more robust tourism activities, and faster implementation of new and existing investment projects provide upside to Malaysia's economic outlook.

(Source: Bank Negara Malaysia Quarterly Bulletin 1Q 2024)

4.2. Overview and prospects of the PV industry in Malaysia

Sustainable Energy Development Authority ("**SEDA**") Malaysia's Net Energy Metering ("**NEM**") programme is expected to contribute 1,287 MW to renewable energy ("**RE**") generation by 2025. Following an overwhelming response from the PV industry for the second edition of the programme, NEM 2.0, the government introduced the new NEM 3.0 programme on 29 December 2020, to boost solar energy usage.

NEM 3.0, which went into effect on February 1, 2021, will have another full calendar year till the end of December 2023 to achieve its total quota allocation of 800 MW in RE.

The 3 categories currently under NEM 3.0 are:

- NEM Rakyat Programme (100 MW)
- NEM GoMEn Programme (Government Ministries and Entities) (100 MW)
- NOVA Programme (Net Offset Virtual Aggregation) (600 MW)

To date, a total of 10,530 projects for all 3 categories, expected to generate 492.17 MW of RE, have been approved. Of this, 7,610 projects are already operational and generating 193.43 MW of green energy. The lion's share of 51% goes to the industrial sector, followed by the commercial sector, domestic and agriculture. With the COVID-19 pandemic now under control, SEDA expects things to pick up, with more projects to be approved for implementation under its NEM 3.0.

(Source: Sustainable Energy Malaysia, Volume 6 Issue 16, published by SEDA)

4.3. Prospects and future plans of FGL Group

FGL Group intend to develop its business and strengthen brand loyalty by implementing the following strategies:

(a) Expansion of workforce

As a solar facility installation company, FGL Group recognise the increasing demand for solar projects in the coming years. To effectively cope with this anticipated growth, one of the key strategies is to expand its workforce. To address increased demand, FGL Group plans to augment its workforce by recruiting skilled professionals with expertise in solar installation, project management, engineering, and maintenance. By expanding the team, FGL Group ensure that they have the necessary human capital to handle multiple projects simultaneously, maintain high-quality standards, and meet project deadlines efficiently. Additionally, FGL Group prioritises ongoing training and development programs to enhance the skills and knowledge of its existing workforce, ensuring they stay up-to-date with the latest advancements in solar technology and industry best practices.

In addition to internal resources, FGL Group also seek to establish strategic partnerships and collaborations with reputable contractors in the solar industry. By leveraging these external contractors, they can effectively scale its operations and meet the increased demand for solar projects. These partnerships enable them to access additional specialised expertise, equipment, and manpower when required, allowing FGL Group to take on larger and more complex projects with confidence.

(b) Investment in RE assets

FGL Group believes expanding its investment in RE assets, such as solar PV systems, will enable them to generate consistent recurring income for the company. By investing in RE assets, the Group diversify the revenue streams and reduce reliance solely on project-based installations. These assets provide a stable source of income through long-term power purchase agreements or feed-in tariffs, ensuring a predictable cash flow for FGL Group. Expanding FGL Group's investment in RE assets also aligns with their commitment to sustainability and the transition towards clean energy sources. By increasing the ownership of RE projects, FGL Group contribute to the growth of the RE sector and support the global shift towards a greener future.

Furthermore, investing in RE assets allows us to leverage the industry expertise and capitalize on its knowledge of solar facility installation. FGL Group can apply its experience in selecting, developing, and managing these assets efficiently, maximizing their performance and profitability. In February 2023, FASB, a wholly-owned subsidiary of FESB have entered into a deed of novation with another 2 Malaysian entities, party A and party B, whereby FASB accepted the novation of all of party A's rights, interests, obligations and liabilities under a power purchase agreement between party A and party B (the "**PPA**"). Under the PPA, party A agreed to develop, design, install, construct, own, operate and maintain a solar PV and party B agreed to purchase power generated from that solar PV system, for a term of 20 years. This marks a significant and pivotal step in FGL Group's strategy to invest in RE assets.

(c) Expand FGL Group's business from Malaysia to other countries in the Southeast Asia region

FGL Group recognises the significant untapped potential for solar energy in the Southeast Asia. The strategy entails expanding the Group's business presence in the region, with a specific focus on countries such as Singapore, Indonesia, and the Philippines. They plan to establish its presence in the Singapore market in the third quarter of 2024. The Group firmly believes that the market opportunity for large-scale solar and C&I, and residential solar services remains substantially untapped in Southeast Asia. To capitalise on this potential, FGL Group plan to strengthen its existing client relationships while actively seeking out new clients to accelerate its growth trajectory. Given the increasing demand for RE and the supportive regulatory policies promoting solar energy as a cost-effective alternative to traditional electric utilities, FGL Group is strategically positioned to enter new markets in the near future. Singapore, Indonesia, and the Philippines are particularly attractive due to their high demand for sustainable energy solutions and conducive business environments.

By expanding FGL Group's geographical footprint in Southeast Asia, they aim to seize the abundant growth opportunities in solar installation and contribute to the region's RE transition. Through its expertise, quality services, and strong client relationships, FGL Group believes that they are well-positioned to establish ourselves as a trusted and reliable provider of solar solutions in these expanding markets.

(d) Offer EPCC services to other types of RE, such as hydropower and biogas

Expanding FGL Group's EPCC services to encompass other types of RE, namely hydropower and biogas, is a strategic progression that capitalises on its established expertise and solid reputation in the solar industry. Hydropower is a RE method that generates electricity by harnessing the kinetic energy of flowing water through dams or rivers. Biogas, on the other hand, is produced by the anaerobic decomposition of organic matter, like agricultural waste or sewage, and can be used as a clean fuel. As the global movement towards sustainable energy gains momentum, FGL Group is determined to seize opportunities and further enhance its position in the RE sector.

In line with this vision, FGL Group plans to venture into the hydroelectric power sector, which involves designing and constructing facilities that generate electricity from the power of moving water. Additionally, FGL Group plans to expand into the biogas sector, focusing on the utilisation of agricultural waste to generate electricity through the harvesting of biogas. By diversifying FGL Group's offerings, they intend to tap into new avenues of growth and extend its reach within the RE landscape. FGL Group plans to kickstart these initiatives in the third quarter of 2024, showcasing its commitment to meeting the evolving needs of the RE market. This strategic expansion aligns with its mission to contribute to the global transition towards clean and sustainable energy sources. FGL Group is excited to embark on these ventures, leveraging its existing strengths and fostering innovation in RE construction to drive further success and make a positive impact on the future of energy.

(Source: Management of FGL Group)

5. RISK FACTORS

The Proposed PG Extension poses no additional risk to the Company as the outstanding matter consequent to the conclusion of the Profit Guarantee is the issuance of the balance Consideration Shares to the Vendor, and there are no further dues to the Company save for its rights to the compensation by Vendor for the shortfall of the Profit Guarantee (if any), which is at the Company's discretion.

Risk factors in relation to the Proposed Listing of Subsidiary are set out below.

5.1. Dilution of interest in FGL

The Proposed Listing of Subsidiary, in conjunction with the Proposed IPO, will result in the dilution of interest in FESB, which is the highest contributor to the Group's earnings. Whilst the Group continues to consolidate FESB as a subsidiary, it will lose a share of the earnings contributed by FESB commensurate to the extent of dilution under the Proposed IPO. For illustrative purposes, as set out in Section 6.3, the pro forma LPS of the Company will worsen from 0.31 sen to 0.54 immediately as an effect of a lower share of the profits from FESB stemming from the dilution in FESB. Although the use of proceeds from the Proposed IPO towards the Group's business expansion is expected to contribute positively to future earnings of FESB and in turn, the Group, there is no assurance that such contributions and growth will materialise in future, or in time to justify the extent of the loss in contribution from FESB. Such contribution will depend largely on management's ability to effectively manage the deployment of funds and ensure that the business growth translates into profitability.

Additionally, the Group's ability to continue consolidating FESB is dependent on the assignment of voting rights by Lee Seng Chi. The assignment of the rights remain in effect as so long as:

(i) Thien Chiet Chai and Reservoir Link Holdings Sdn Bhd (on a collective basis) remain as the single largest shareholder of RLEB; and

(ii) This assignment is not revoked or amended by mutual agreement in writing between Lee Seng Chi and RLEB.

Notwithstanding, there is no assurance that this assignment will remain valid and not revoked. In the event the voting rights by Lee Seng Chi are revoked or amended in any manner, the Group will cease to control FESB, and no longer consolidate FESB, and will hence account for the share of the earnings as profits from an associate company.

5.2. New regulatory environment

The Proposed Listing of Subsidiary, in conjunction with the Proposed IPO, will result in the corporate restructuring of FESB to be owned by FGL, a BVI incorporated company, and also subject FESB to the Nasdaq Listing Rules. Such regulatory compliance is in addition to that which RLEB complies with, i.e. the Listing Requirements, and such additional compliance may result in costs which may impede the Group's future corporate/business decision, depending on the rules or regulations imposed.

In particular, in order to maintain FGL's listing on the Nasdaq Capital Market, it will be required to comply with certain rules of the Nasdaq Capital Market, including those regarding minimum stockholders' equity, minimum share price, minimum market value of publicly held shares, and various additional requirements. Even if FGL initially meets the listing requirements and other applicable rules of the Nasdaq Capital Market, it may not be able to continue to satisfy these requirements and applicable rules. If it is unable to satisfy the Nasdaq Capital Market criteria for maintaining listing, FGL securities could be subject to delisting, and such delisting may result in a loss in amongst others, liquidity and value.

5.3. Foreign jurisdiction risk

The laws of the British Virgin Islands may not provide FGL shareholders with benefits comparable to those provided to shareholders of corporations incorporated in Malaysia.

The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of directors a company under British Virgin Islands law are to a large extent governed by the common law of the British Virgin Islands. The common law in the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands and from English common law. Decisions of the English courts, and particularly the Supreme Court and the Court of Appeal are generally of persuasive authority but are not binding in the courts of the British Virgin Islands. Decisions of courts in other Commonwealth jurisdictions are similarly of persuasive but not binding authority. The British Virgin Islands has a less developed body of securities laws relative to the Malaysia. Therefore, FGL public shareholders may have more difficulty protecting their interests in the face of actions by FGL management, directors or controlling shareholders. This may be generally negatively perceived by public shareholders.

5.4. Non-completion of or delay in the Proposed Listing of Subsidiary

The implementation of the Proposed Listing of Subsidiary is subject to the approvals as set out in Section 7, which includes the approval from our Group's shareholders for the Proposed Listing of Subsidiary, and the granting of approval from the Nasdaq Stock Exchange. There can be no assurance that such approvals and/or conditions imposed by the relevant authorities will be obtained and/or satisfied or that the Proposed Listing of Subsidiary will proceed. In addition, the success of the Proposed Listing of Subsidiary is also dependent on the then prevailing market conditions at the time of implementation.

The Proposed IPO may also be delayed or aborted in the event of the following:

(a) FGL is unable to meet the Nasdaq Capital Market's minimum market value of unrestricted publicly held shares of USD5 million upon the completion of the Proposed IPO;

(b) the amount of unrestricted publicly held shares is less than 1 million upon the completion of the Proposed IPO; or

(c) the amount of unrestricted round lot shareholders (shareholders holding at least 100 unrestricted shares) is less than 300 upon the completion of the Proposed IPO.

Notwithstanding the above, our Group will take all reasonable steps to complete the Proposed Listing of Subsidiary.

5.5. An active trading market for FGL Shares may not develop and could affect the trading price of FGL Shares

Prior to the Proposed IPO, there is no public market for FGL Shares. Accordingly, there can be no assurance that there will be a liquid public market for FGL Shares after the Proposed IPO. If an active public market for FGL Shares does not develop after the Proposed IPO, the market price and liquidity of FGL Shares may be adversely affected. In addition, FGL Shares could trade at prices that may be lower than the IPO Price as a result of many factors, some of which are not within FGL's control and may be unrelated or disproportionate to its operating results. These factors include but are not limited to, general economic and stock market conditions, the depth and liquidity of the market of FGL Shares and investors' individual risk-return profile requirements.

Companies which are listed on the Nasdaq Capital Market are also required to meet certain rules of the Nasdaq Capital Market, including those regarding minimum stockholders' equity, minimum share price, minimum market value of publicly held shares at the point of the Proposed IPO and on a continuing basis. If FGL is unable to meet the rules of the Nasdaq Capital Market to maintain its listing, its securities could be subject to suspension or FGL could be delisted from the Nasdaq Capital Market. This in turn could negatively impact the price of FGL Shares.

6. EFFECTS OF THE PROPOSALS

6.1. Share capital

The Proposed Listing of Subsidiary will not have any effects on the issued share capital of RLEB and the shareholdings of our substantial shareholders, as it does not involve any issuance of new RLEB Shares.

The pro forma effects of the issuance of Shares pursuant to the Proposed PG Extension on our issued share capital are as follows:

	No. of RLEB Shares	Issued share capital (RM)
Issued share capital as at LPD	316,823,000	55,881,310
Upon issuance of the remaining Placement Shares[(1)]	60,335,500	18,100,650
Upon the issuance of the balance Consideration Shares	12,705,000	8,893,500
Enlarged issued share capital	**389,863,500**	**82,875,460**

Note:

(1) Assuming the issuance of the remaining Placement Shares at an indicative issue price of RM0.30 each.

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6.2. NA and gearing

The pro forma effects of the Proposals on the consolidated NA and gearing of our Group based on our latest audited financial statements as at 30 June 2023 is as follows:

		(I)	(II)	(III)	Minimum Scenario	Maximum Scenario
	Audited as at 30 June 2023	**[1]After subsequent events**	**After (I) and issuance of remaining Placement Shares**	**[2]After (II) and issuance of balance Consideration Shares**	**After (III) and Proposed Listing of Subsidiary**	**After (III) and Proposed Listing of Subsidiary**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Share capital	47,968	55,881	73,982	82,876	82,876	82,876
Treasury shares	(505)	(505)	(505)	(505)	(505)	(505)
Merger deficit	(15,779)	(15,779)	(15,779)	(15,779)	(15,779)	(15,779)
Foreign exchange translation reserve	1,051	1,051	1,051	1,051	1,051	1,051
Contingent consideration	3,910	3,910	3,910	3,910	3,910	3,910
Retained earnings	40,991	40,991	[2]40,651	40,651	[3]54,264	[4]66,921
Shareholder's equity	77,636	85,549	103,310	112,204	125,817	138,474
Non-controlling interests	5,832	5,832	5,832	5,832	27,502	67,001
Total equity	**83,468**	**91,381**	**109,142**	**118,036**	**153,319**	**205,475**
No. of RLEB Shares in issue ('000)	290,445	316,823	377,159	389,864	389,864	389,864
Treasury shares	1,400	1,400	1,400	1,400	1,400	1,400
No. of RLEB Shares in issue (excluding treasury shares) ('000)	289,045	315,423	375,759	388,464	388,464	388,464
NA per RLEB Share (RM)	0.27	0.27	0.27	0.29	0.32	0.36

	(I)	(II)	(III)	Minimum Scenario	Maximum Scenario
			[2]After (II) and issuance of balance Consideration Shares		
	Audited as at 30 June 2023	[1]After subsequent events	After (I) and issuance of remaining Placement Shares		After (III) and Proposed Listing of Subsidiary	After (III) and Proposed Listing of Subsidiary
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Borrowings (interest-bearing) ('000)	28,548	28,548	28,548	28,548	28,548	28,548
Gearing ratio (times)	0.34	0.31	0.26	0.24	0.19	0.14

Notes:

(1) After issuance of 11,511,000 RLEB Shares on 2 August 2023 and 14,867,000 RLEB shares on 25 September at RM0.30 each pursuant to the Company's private placement proposal as announced on 3 March 2023, under which 60,335,500 placement shares have yet to be placed out.

(2) Assuming the issuance of the remaining Placement Shares at an indicative issue price of RM0.30 each, and deducting estimated expenses of RM340,000 in relation to the Private Placement.

(3) After accounting for the dilution of equity interest in FGL by approximately 9.67% which results in a gain on deemed disposal of RM13.6 million, and deducting estimated expenses of approximately RM3.1 million for the Proposed Listing of Subsidiary and Proposed IPO, and RM14.0 million of share-based payment expenses for the full cashless exercise of VCQ Warrant and CNP Warrant (measuring at 750,000 new FGL Shares at USD4.00 each, at an exchange rate of approximately RM4.66 : USD1), which is offset against an equivalent amount in additional paid-in capital arising from the cashless exercise.

(4) After accounting for the dilution of equity interest in FGL by approximately 18.80% which results in a gain on deemed disposal of RM26.3 million, and deducting estimated expenses of approximately RM3.4 million for the Proposed Listing of Subsidiary and Proposed IPO, and RM140.0 million of share-based payment expenses for the full cashless exercise of VCQ Warrant, Representative Warrant and CNP Warrant (measured at 1,502,000 new FGL Shares at USD20.00 each, at an exchange rate of approximately RM4.66 : USD1), which is offset against an equivalent amount in additional paid-in capital arising from the cashless exercise.

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6.3. Earnings and EPS

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the Proposed IPO to be completed by third quarter of 2024.

Upon completion of the Proposed IPO, RLEB's effective equity interest in FGL will be potentially diluted to 41.33% under the Minimum Scenario and 32.20% under the Maximum Scenario. Accordingly, FGL is expected to continue being a subsidiary company of RLEB upon completion of the Proposed IPO by virtue of a letter of assignment of voting rights by Lee Seng Chi to RLEB for the management control of FGL. As such, we will continue to consolidate FGL into our Group after the Proposed Listing of Subsidiary, and our Group will account for the share of its results based on the diluted equity interest of 32.20% or 41.33% under the Maximum Scenario and Minimum Scenario, respectively.

Notwithstanding the above, the funds to be raised for the Proposed IPO is expected to contribute positively to the future earnings of FGL, which our Group will continue to account for as our share of results.

For illustration purposes, based on our Group's latest audited consolidated financial statements for FYE 30 June 2023 and assuming that the Proposed Listing of Subsidiary has been completed from the beginning of the financial year, the pro forma effects of the Proposed Listing of Subsidiary on its loss after tax and loss per share are as follows:

		Minimum Scenario	**Maximum Scenario**
	Audited as at 30 June 2023	**(1)After Proposed Listing of Subsidiary**	**(2)After Proposed Listing of Subsidiary**
Equity interest held in FESB	51.0%	41.33%	32.20%
PAT of FESB	6,398	6,398	6,398
PAT of FESB attributable to owners of the Group	3,263	2,644	2,060
Loss after tax attributable to owners of the Group (RM'000)	(893)	(1,512)	(2,096)
No. of RLEB Shares in issue (excluding treasury shares) ('000)	289,045	(3)388,464	(3)388,464
Loss per share (sen)	(0.31)	(0.39)	(0.54)

Notes:

(1) After accounting for the dilution of equity interest in FGL by approximately 9.67% and deducting estimated expenses of approximately RM3.1 million for the Proposed Listing of Subsidiary and Proposed IPO.

(2) After accounting for the dilution of equity interest in FGL by approximately 18.80% and deducting estimated expenses of approximately RM3.4 million for the Proposed Listing of Subsidiary and Proposed IPO.

(3) After the issuance of 26,378,000 Placement Shares, and assuming the full issuance of the remaining 60,335,500 Placement Shares and 12,705,000 Consideration Shares.

6.4. Substantial shareholders' shareholdings

The pro forma effects of the Proposed PG Extension (being the issuance of the remaining 12,705,000 Consideration Shares) on the shareholders' shareholdings, are as follows:

	As at LPD				Upon meeting Profit Guarantee			
	<-------Direct------>		<-----Indirect----->		<-------Direct------>		<-----Indirect----->	
Substantial share-holders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Reservoir Link Holdings Sdn Bhd	65,210,000	20.6	-	-	65,210,000	19.8	-	-
Dato' Wan Hassan Bin Mohd Jamil	6,716,205	2.1	(1)65,210,000	20.6	6,716,205	2.0	(1)65,210,000	19.8
Mad Haimi Bin Abu Hassan	2,626,335	0.8	(1)65,210,000	20.6	2,626,335	0.8	(1)65,210,000	19.8
Thien Chiet Chai	18,190,035	5.7	(1)65,210,000	20.6	18,190,035	5.5	(1)65,210,000	19.8
Pansar Berhad	29,323,503	9.3	-	-	29,323,503	8.9	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Tai Sing Chii & Sons Sdn Bhd	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Inplaced Capital Sdn Bhd	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Puan Sri Datin Sri Ling Lah Kiong	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Dato' James Tai Cheong @ Tai Chiong	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Datuk Tai Hee	500,000	0.2	(3)29,333,503	9.3	500,000	0.1	(3)29,333,503	8.9
David Tai Wei	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Inplaced Capital Sdn Bhd	-	-	(2)29,323,503	9.3	-	-	(2)29,323,503	8.9
Lee Seng Chi	4,745,000	1.5	-	-	17,450,000	5.3	-	-
Public shareholders	189,511,922	59.8	-	-	189,511,922	57.5	-	-

Notes:

(1) Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.

(3) Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and shares held by his spouse.

6.5. Convertible securities

The Proposals are not expected to have any effect on the outstanding 71,249,995 warrants of our Company.

6.6. Dividend

We currently do not have a dividend policy. Future dividends to be declared by our Company will be dependent on, among others the future financial performance as well as cash position of our Group, after taking into consideration the working capital requirements, capital expenditures needed for future growth and business expansion.

7. APPROVALS REQUIRED / OBTAINED

The Proposals are subject to the following approvals being obtained:

(a) the shareholders of RLEB for the Proposals at the forthcoming meeting of members;

(b) the SEC for the Prospectus of FGL;

(c) the Nasdaq Stock Exchange for the Proposed IPO; and

(d) any other relevant authorities and/or parties, if required.

The Proposals are not conditional upon one another and not conditional upon any other proposals undertaken or to be undertaken by our Company.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board having considered all aspects of the Proposals (including but not limited to the rationale and financial effects of the Proposals) is of the opinion that the Proposals are in the best interest of our Company. As such, our Board recommends that you vote in favour of the resolution pertaining to the Proposals to be tabled at the forthcoming meeting of members of our Company.

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

None of the directors, major shareholders, chief executive of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposals.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals obtained, the Proposals is expected to be completed by third quarter of 2024.

11. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING IMPLEMENTATION

On 3 March 2023, M&A Securities, on behalf of our Board, announced that our Company proposes to undertake the following:

(a) proposed diversification of the existing business activities of RLEB Group to include the provision of wastewater treatment services as well as the engineering, procurement, construction and commissioning of wastewater treatment plant and related infrastructure pursuant to a binding letter of intent dated 5 September 2022 entered into by PT Envirotech Akva Indonesia ("**PT Envirotech**"), our Group's 85%-owned subsidiary held through Reservoir Link (Labuan) Ltd which in turn is our wholly-owned subsidiary, with PT Unilever Oleochemical Indonesia ("**PTUOI**") for PT Envirotech to commence works for the treatment wastewater from the facilities of PTUOI ("**Diversification**"); and

(b) proposed private placement of up to 86,713,500 new RLEB Shares ("**Placement Shares**") representing not more than 30% of the total issued Shares (excluding treasury shares) to independent third-party investors to be identified later and at an issue price to be determined later ("**Private Placement**")

On 13 April 2023, M&A Securities, on behalf of our Board, announced that PT Envirotech has entered into a conditional agreement with PTUOI for the construction, commissioning and operations of a dedicated new wastewater treatment plant at PTUOI's facility in Sei Mangkei, North Sumatra, Indonesia under a "build, own, operate and maintain" model and its integration with existing assets of PTUOI ("**Boom Agreement**").

On 8 May 2023, M&A Securities, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 8 May 2023, granted its approval for the listing of and quotation for the Placement Shares.

The Diversification and Private Placement were approved by the shareholders at the meeting of members held on 9 June 2023, and the Diversification is deemed completed. As at LPD, our Company has placed out 26,378,000 Placement Shares, and is in the midst of identifying independent third-party investors for the remaining 60,335,500 Placement Shares.

Additionally, on 14 November 2023, our Group announced that Reservoir Link Renewable Sdn Bhd ("**RLR**"), a wholly-owned subsidiary of RLEB had entered into a share sale agreement ("**SSA**") with SAG Green Tech Sdn Bhd ("**SGT**") for the proposed acquisition of 1,000,000 ordinary shares of SAG Renewables Sdn Bhd ("**SAGR**") ("**Sale Shares**") representing 100.0% equity interest in SAGR, for a total purchase consideration of RM10.50 million comprising RM4.5 million for the Sale Shares and RM6.0 million for the corporate guarantee to be provided upon the successful transfer of Sale Shares from SGT to RLR in accordance with the terms of the SSA ("**Proposed Acquisition**"). As at LPD, the Proposed Acquisition has completed on 8 March 2024.

On 31 January 2023, our Group announced that Skyline Energy Sdn Bhd, a wholly owned subsidiary of the Company has on 31 January 2023 entered into a term sheet for the acquisition of 90% equity interest in PT Eco Power Engineering Sdn Bhd, a company incorporated in Indonesia for a cash consideration of USD3,000,000 ("**Acquisition of PT Eco Power**"). As at LPD, the Acquisition of PT Eco Power is yet to be completed and is pending execution of the definitive agreements in relation to the Acquisition of PT Eco Power.

Save as disclosed above, there are no other corporate exercise announced but pending implementation as at the date of this Circular.

12. MEETING OF MEMBERS

The meeting of members, the notice of which is enclosed together with this Circular, will be conducted entirely on a fully virtual basis through live streaming and online remote voting at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on 24 July 2024 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposals.

If you are unable to attend and vote in person at the meeting of members, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via Boardroom Smart Investor portal at https://investor.boardroomlimited.com not less than 48 hours before the time set for holding the meeting of members or at any adjournment thereof (i.e. 22 July 2024 at 10.00 a.m.). The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting of members should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the Appendices for further information.

Yours faithfully,
for and on behalf of the Board of Directors
RESERVOIR LINK ENERGY BHD

DATUK TAI HEE
Non-Independent Non-Executive Chairman

1. HISTORY AND PRINCIPAL ACTIVITIES

FGL was incorporated on 18 May 2023 as a business company limited by shares under the laws of the British Virgin Islands to be the listing vehicle for the Proposed IPO.

FGL is an investment holding company while its key subsidiary, FESB is involved in the solar industry in Malaysia. FESB is a pure-play, end-to-end EPCC solutions provider for solar PV facilities in Malaysia. Its primary focus is on 2 key segments: large-scale solar projects and C&I solar projects. Large-scale solar projects, and smaller-scale solar projects for industrial and commercial applications are designed to generate electricity through the application of the photovoltaic effect. Solar PV modules convert sunlight directly into electricity. Generally, large-scale solar projects are those with installed generating capacity of at least 1 MWac, with the purpose of supplying electricity to national power grid, while C&I projects installed relatively smaller scale solar mainly for the purpose of own consumption and with limited supply of electricity to power grid. All of our C&I projects are installed on rooftops, while large-scale solar projects are ground mounted due to the requirements for a large area to accommodate significantly more solar modules. Both of the large-scale solar & C&I projects are connected to the power grid.

FESB commenced business on 15 April 2021 following the transfer of assets and business from its predecessor, Solar Bina Engineering Sdn Bhd, a company wholly-owned by the Vendor, who is presently the Chief Executive Officer, Director, and Chairman and major shareholder of FGL. FESB's principal office is located at No. 17, Jalan Astana 1B, Bandar Bukit Raja, 41050 Klang, Selangor and occupies a space of 3,620 square feet. FESB also stores its inventory at a warehouse located at Lot 15156, Jalan Sg Tengkorak Kg Hamid Tuah, Telok Gong, 42000, Pelabuhan Klang, Selangor, with an area of 1,250 square feet.

As a provider of EPCC services for large-scale solar projects and C&I projects, FESB's scope of work mainly comprises the following:

(a) engineering and design, from initial conceptualization up to detailed system design. This includes designing the solar PV array and balance of system, including inverters, transformers and interconnection to the power grid where relevant;

(b) procurement of all construction materials and equipment for the solar PV facilities, including solar PV modules and balance of systems;

(c) construction, including civil, structural, mechanical and electrical works, installation and integration of equipment, and interconnection to the power grid, if required by the clients; and

(d) commissioning, including testing of individual equipment and systems, and testing of the newly installed solar PV facilities.

FESB's principal market is in Malaysia. Since its incorporation, all its revenue was derived from projects in Malaysia. As at LPD, FESB has a total of 46 completed and ongoing contracts with contract values totalling RM232.1 million, 25 of which are for large scale solar, and the remaining 21 are commercial and industrial projects. The following are the top 5 projects of FESB by contract value:

No.	Description	Location	Capacity	Contract Value	Contract tenure	Commencement date
				RM'million		
1.	Civil and Structure, Mechanical and Electrical Works	Kulim	50.0 MWac	22.4	12 months	18 March 2024
2.	Civil and Structure, Mechanical and Electrical Works, and supply of PV mounting structure	Sungai Petani	50.0 MWac	21.0	10 months	8 August 2023
3.	Supply of PV mounting structure	Marang	100.0 MWac	20.5	4 months	7 September 2021
4.	Turnkey construction and commissioning	Manjung	25.0 MWac	16.7	4 months	18 August 2022
5.	Interconnection facility works	Bukit Selambau	50.0 MWac	16.6	10 months	12 January 2023

2. SHARE CAPITAL

As at LPD, the issued share capital of FGL is USD15,700.00 comprising 15,700,000 FGL Shares. Additionally. Pursuant to the Proposed Listing of Subsidiary, Representative Warrants, VCQ Warrant and CNP Warrant may be issued to the Representative, VCQ and CNP respectively in the manner as set out in Appendix III, IV and V. Save for the FGL Shares to be issued pursuant to the reorganisation, Representative Warrants, VCQ Warrant and CNP Warrant as disclosed above, FGL does not have any other outstanding securities as at LPD.

3. SUBSTANTIAL SHAREHOLDERS

As at LPD, the substantial shareholders of FGL and their respective shareholdings in FGL are as follows:

	Country of	Direct		Indirect	
Name	incorporation / Nationality	No. of FGL Shares	%	No. of FGL Shares	%
RLEB	Malaysia	8,007,000	51.00%	-	-
Lee Seng Chi	Malaysian	5,175,954	32.97%	-	-
Reservoir Link Holdings Sdn Bhd(1)	Malaysia	-	-	(1)8,007,000	(1)51.00%
Dato' Wan Hassan Bin Mohd Jamil(2)	Malaysian	-	-	(2)8,007,000	(2)51.00%
Mad Haimi Bin Abu Hassan(2)	Malaysian	-	-	(2)8,007,000	(2)51.00%
Thien Chiet Chai(2)	Malaysian	-	-	(2)8,007,000	(2)51.00%
Law Kok Thye	Malaysian	783,000	4.99	-	-
Tan Eng Kean	Malaysian	681,819	4.34	-	-
Leong Yin Har	Malaysian	314,000	2.00	-	-

Name	Country of incorporation / Nationality	Direct No. of FGL Shares	Direct %	Indirect No. of FGL Shares	Indirect %
See Sian Seong	Malaysian	157,000	1.00	-	-
Yong Kok Hoe(3)	Malaysian	581,227	3.70	-	-

Notes:

(1) Deemed interested by virtue of its substantial shareholdings in RLEB pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of his substantial shareholdings in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.

(3) Deceased. The representative of the estate of the Deceased is in the process of obtaining the grant of probate/letter of administration to enable the dealing with the FGL Shares.

4. DIRECTORS

As at LPD, the Directors of FGL and their respective shareholdings in FGL are as follows:

Name	Nationality	Designation	Direct No. of FGL Shares	Direct %	Indirect No. of FGL Shares	Indirect %
Lee Seng Chi	Malaysian	Chief Executive Officer, Director, and Chairman	5,175,954	32.97%	-	-
Thien Chiet Chai(1)	Malaysian	Non- Independent Non-Executive Director	-	-	(2)8,007,000	(2)51.00%

Note:

(1) Deemed interested by virtue of his substantial shareholdings in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Act.

5. SUBSIDIARIES

As at LPD, the subsidiaries of FGL are as follows:

Name	Date/ Country of incorporation	Issued and paid-up share capital	Effective equity interest held	Principal activities
FESB	13 April 2021/ Malaysia	RM1,300,000	51.0	Provision of EPCC services and implementation of solar PV projects in Malaysia
Held through FESB				
FASB	21 September 2022/ Malaysia	RM1,000,000	51.0	Development of, and investment in solar PV assets in Malaysia

Name	Date/ Country of incorporation	Issued and paid-up share capital	Effective equity interest held	Principal activities
FEPL	27 May 2022/ Singapore	SGD30,000	51.0	Provision EPCC services and implementation of solar PV projects in Singapore, currently dormant

FGL does not have any associated company as at LPD.

6. MATERIAL LITIGATION, CLAIMS, AND ARBITRATION

As at LPD, the FGL Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of the FGL Group, and the board of directors of RLEB is not aware of any proceeding, pending or threatened against the FGL Group, or of any facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position or business of the FGL Group.

7. MATERIAL CONTRACTS

Save as disclosed below, as at LPD, the FGL Group has not entered into any contracts that are material to the FGL Group (not being contracts entered into in the ordinary course of business by the FGL Group) within 2 years immediately preceding the date of this Circular:

(a) Shares Sale Agreement dated 14 June 2023 between the Company and Lee Seng Chi (collectively as "**Vendors**") and FGL (as purchaser) for the sale by the Vendors and the purchase by FGL of 1,300,000 ordinary shares representing 100% equity interest in FESB for an aggregate sum of United States Dollar One (USD$1.00) only, which was completed on 14 June 2023;

(b) Deed of Novation between Fabulous Sunview Sdn Bhd, N.K Rubber (M) Sdn Bhd and FASB dated 23 February 2023 in relation to the novation of the rights, obligations and liabilities of Fabulous Sunview Sdn Bhd under the Solar Power Purchase Agreement dated 9 February 2023 between Fabulous Sunview Sdn Bhd and N.K Rubber (M) Sdn Bhd to FASB;

(c) Tenancy Agreement dated 1 June 2023 between Lee Seng Chi (as landlord) and FESB (as tenant) in relation to the rental by FESB of its office located at No.17, Jalan Astana 1B, Bandar Bukit Raja, 41050 Klang, Selangor Darul Ehsan, Malaysia from Lee Seng Chi for the period of 1 year commencing from 1 July 2023 to 30 June 2024 at a monthly rental of MYR12,500;

(d) VCQ Warrant To Purchase; and

(e) CNP Warrant To Purchase.

8. MATERIAL COMMITMENTS

As at LPD, there are no material commitments incurred or known to be incurred by the FGL Group that is likely to have an impact on the FGL Group's profits or NA upon coming enforceable.

9. CONTINGENT LIABILITIES

As at LPD, save as disclosed below, there are no contingent liabilities, incurred or known to be incurred by FGL Group, which upon becoming enforceable, may have a material impact on the ability of FGL Group to meet its obligations as and when they fall due.

	RM'000
Bank guarantee relating to performance guarantee and design guarantee bond provided to FGL Group's customers	1,794
	1,794

9. TYPES OF ASSETS OWNED

FGL does not own any asset as it is a special purpose vehicle established only for the Proposed Listing of Subsidiary.

Based on FESB's latest audited statement of financial position as at 30 June 2023, FESB owns the following property, plant and equipment:

Type of property, plant and equipment	**Carrying value RM'000**
Equipment and tools	25
Furniture and fittings	4
Motor vehicles	58
Office equipment	168
Plant and machineries	263
Renovation	35
Signboard	5
Capital work-in-progress	990
Total	**1,548**

10. SUMMARY OF FINANCIAL INFORMATION

FGL was incorporated on 18 May 2023 and does not have any financial statements as at LPD. The financial information of FESB for the period from incorporation up to 31 December 2021, 18 months FPE 30 June 2023 and 31 March 2024 are summarised in the table below. As FASB and FEPL are newly incorporated in FYE 2022 and have not commenced operations, they have yet to prepare any financial statements.

	Audited	**Audited**	**Unaudited**
	From incorporation up to 31 December 2021	**18 months FPE 30 June 2023**	**31 March 2024**
	RM'000	**RM'000**	**RM'000**
Revenue	25,152	132,241	16,330
Gross profit ("**GP**")	3,441	17,032	915
Profit/(loss) before tax ("**PBT**") ("**LBT**")	2,973	8,608	(1,282)
PAT/(loss) attributable to owners	2,248	6,398	(1,282)
Shareholders' funds/ NA	3,548	9,953	14,108
Total interest-bearing debts	-	-	29,340
No. of shares ('000)	1,300	1,300	1,300
Net earnings per share (RM)	1.73	4.92	(0.99)
NA per share (RM)	2.73	7.66	10.85
Gross margin (%)	13.68	12.88	5.6
Net margin (%)	8.94	4.8	-
Current ratio (times)	1.56	1.17	1.23
Gearing (times)	N/A	1.03	2.08

Commentary on the past performance

On an annualised basis, for the 18 months FPE 30 June 2023, the Group experienced a 427.95% growth in revenue from RM25.2 million to RM132.2 million (RM88.1 million annualised) mainly due to expansion of large-scale solar projects and commercial and industrial projects as a result of our active tender participation within the fiscal year 2022. In terms of GP, the Group experienced a 388.32% growth in GP from RM3.4 million to RM17.0 million (RM11.3 million annualised) is in line with the increase in revenue during the year as a result of the expansion of business describe above. In terms of GP margin, it decrease from 13.68% to 12.88% due to lower margin generated from construction services provided for large scale solar projects. In terms of PBT, the Group experience a 236.53% growth in PBT from RM3.0 million to RM8.61 million (RM5.74 million annualised) which is slower than the growth of GP due to higher administrative expenses incurred during the year for IPO expenses RM1.1 million and impairment losses on financial assets RM0.7 million, which FGL Group does not incur such expenses in the prior financial year.

For the 3 months FPE 30 March 2024, FGL Group recorded a LBT of RM1.3 million as projects have been completed during the period, while upcoming projects had not yet commenced. The LBT was mainly a result of the incurring of fixed costs such as staff costs and other overhead expenses.

Accounting policies and audit qualification

For the financial years/periods under review:

(a) there were no exceptional or extraordinary items reported in the audited financial statements of FESB;

(b) there are no accounting policies adopted by FESB which are peculiar to FESB due to the nature of its business or the industry in which it is involved in; and

(c) FESB's external auditors had not issued any audit qualification on its financial statements.

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Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.

(Incorporated in Malaysia)

FINANCIAL REPORT

for the financial period from 1 January 2022 to 30 June 2023

CERTIFIED TRUE COPY

COMPANY SECRETARY
PAULINE KON SUK KHIM
MAICSA 7014905
PC 202008001607

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

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FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of provision and implementation of solar photovoltaic projects. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company has changed its financial year end from 31 December to 30 June to be coterminous with its holding company.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial period	6,397,843	6,442,926

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial period:-

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables is required.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

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

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

CHANGE OF CIRCUMSTANCES

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

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Lee Seng Chi
Dato' Wan Hassan Bin Mohd Jamil
Thien Chiet Chai

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

Ng Swee Ting, Venessa (Appointed on 20.10.2022)

DIRECTORS' INTERESTS

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

	Number Of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 30.6.2023
Oridinary Shares in the Ultimate Holding Company, Reservoir Link Energy Berhad				
Direct Interest				
Dato' Wan Hassan Bin Mohd Jamil	10,408,605	-	3,495,400	6,913,205
Thien Chiet Chai	16,355,035	8,835,000	7,000,000	18,190,035
Lee Seng Chi	5,745,000	-	1,000,000	4,745,000
Indirect Interest				
Dato' Wan Hassan Bin Mohd Jamil #	90,200,000	4,975,000	29,965,000	65,210,000
Thien Chiet Chai #	90,200,000	4,975,000	29,965,000	65,210,000

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

	Number Of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 30.6.2023
Ordinary Shares in the Company				
Direct Interest				
Lee Seng Chi	637,000	-	637,000	-
Indirect Interest				
Lee Seng Chi	-	637,000	-	637,000
Dato' Wan Hassan Bin Mohd Jamil	-	663,000	-	663,000
Thien Chiet Chai	-	663,000	-	663,000

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 36(b) to the financial statements.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNIFICATION OF OFFICERS

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors or offices of the Company.

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

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

	The Group RM	The Company RM
Salaries, bonuses and other benefits	737,073	737,073
Defined contribution benefits	93,981	93,981
	831,054	831,054

INDEMNIFICATION OF AUDITORS

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

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in the Note 7 to the financial statements

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 39 to the financial statements.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company is Founder Group Limited, a company incorporated in British Virgin Island and the ultimate holding company is Reservoir Link Energy Bhd., a company incorporated in Malaysia and is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad.

AUDITORS

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

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

	The Group RM	The Company RM
Audit fees	48,000	45,000

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

Lee Seng Chi

Thien Chiet Chai

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lee Seng Chi and Thien Chiet Chai, being two of the directors of Founder Energy Sdn. Bhd., state that, in the opinion of the directors, the financial statements set out on pages 12 to 79 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial period ended on that date.

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

Lee Seng Chi

Thien Chiet Chai

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, See Sian Seong, MIA Membership Number: 41289, being the officer primarily responsible for the financial management of Founder Energy Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 12 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
See Sian Seong
at Petaling Jaya
in the State of Selangor Darul Ehsan
on this

17 OCT 2023

See Sian Seong

Before me

PHANG DAH NAN
Commissioner For Oaths
No. 55, 1st Floor,
Jalan Chan Bee Kiew
Off Jalan Padungan,
93100 Kuching, Sarawak.

COMMISSIONER FOR OATHS
NO. Q 119
PHANG DAH NAN
01 Jan 2021 - 31 Dec 2023
MALAYSIA

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOUNDER ENERGY SDN. BHD.

(Incorporated in Malaysia)
Registration No: 202101013707 (1414006-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Founder Energy Sdn. Bhd., which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 79.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOUNDER ENERGY SDN. BHD.

(Incorporated in Malaysia)
Registration No: 202101013707 (1414006-X)

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 or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)
Registration No: 202101013707 (1414006-X)

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 and the Company to cease to continue as a going concern.

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)
Registration No: 202101013707 (1414006-X)

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 7 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia

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

Chin Su Su
03436/05/2025 J
Chartered Accountant

Kuching 17 OCT 2023

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTE	The Group 30.6.2023 RM	The Company 30.6.2023 RM	The Company 31.12.2021 RM
ASSETS				
NON-CURRENT ASSETS				
Investments in subsidiaries	7	-	1,095,922	-
Plant and equipment	8	1,546,538	556,538	494,787
Right-of-use assets	9	285,014	285,014	235,954
Deferred tax assets	10	74,000	74,000	-
		1,905,552	2,011,474	730,741
CURRENT ASSETS				
Contract assets	11	28,173,457	28,173,457	2,790,049
Contract cost assets	12	959,005	959,005	-
Inventories	13	1,371,846	1,371,846	624,786
Trade receivables	14	23,944,424	23,944,424	379,098
Other receivables, deposits and prepayment	15	1,432,747	1,431,051	101,758
Amount owing by a subsidiary	16	-	52,388	-
Amount owing by a fellow subsidiary	17	364,021	364,021	-
Amount owing by a related company	18	-	-	3,261,520
Fixed deposits with licensed banks	19	2,580,120	2,580,120	-
Cash and bank balances		1,461,724	1,331,310	1,289,799
		60,287,344	60,207,622	8,447,010
TOTAL ASSETS		62,192,896	62,219,096	9,177,751

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FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONT'D)

		The Group	The Company	
		30.6.2023	30.6.2023	31.12.2021
		RM	RM	RM
EQUITY AND LIABILITIES				
EQUITY				
Share capital	20	1,300,000	1,300,000	1,300,000
Foreign currency translation reserve	21	7,215	-	-
Retained profits		8,645,660	8,690,743	2,247,817
TOTAL EQUITY		9,952,875	9,990,743	3,547,817
NON-CURRENT LIABILITIES				
Lease liabilities	22	145,695	145,695	146,640
Deferred tax liabilities	10	-	-	75,315
Bank borrowings	23	435,409	435,409	-
		581,104	581,104	221,955
CURRENT LIABILITIES				
Contract liabilities	11	943,061	943,061	-
Lease liabilities	22	139,319	139,319	91,367
Trade payables	24	36,234,039	36,234,039	5,110,998
Other payables and accruals	25	1,381,118	387,614	96,054
Amount owing to a subsidiary	16	-	981,836	-
Amount owing to a fellow subsidiary	26	216,372	216,372	-
Amount owing to ultimate holding company	27	2,251,845	2,251,845	-
Bank borrowings	23	9,862,934	9,862,934	-
Current tax liabilities		630,229	630,229	109,560
		51,658,917	51,647,249	5,407,979
TOTAL LIABILITIES		52,240,021	52,228,353	5,629,934
TOTAL EQUITY AND LIABILITIES		62,192,896	62,219,096	9,177,751

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

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FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023

	NOTE	The Group 1.1.2022 to 30.6.2023 RM	The Company 1.1.2022 to 30.6.2023 RM	The Company 13.4.2021 to 31.12.2021 RM
REVENUE	28	132,240,883	132,240,883	25,152,295
COST OF SALES		(115,208,624)	(115,208,624)	(21,711,630)
GROSS PROFIT		17,032,259	17,032,259	3,440,665
OTHER INCOME	29	280,661	280,661	277,006
		17,312,920	17,312,920	3,717,671
ADMINISTRATIVE EXPENSES		(6,879,052)	(6,833,969)	(739,117)
FINANCE COSTS	30	(1,118,300)	(1,118,300)	(5,862)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	31	(707,852)	(707,852)	-
PROFIT BEFORE TAXATION	32	8,607,716	8,652,799	2,972,692
INCOME TAX EXPENSE	33	(2,209,873)	(2,209,873)	(724,875)
PROFIT AFTER TAXATION FOR THE FINANCIAL PERIOD		6,397,843	6,442,926	2,247,817
OTHER COMPREHENSIVE INCOME				
Items that Will Not be Reclassified Subsequently to Profit or Loss				
Foreign currency translation differences		7,215	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		6,405,058	6,442,926	2,247,817

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FOUNDER ENERGY SDN. BHD.

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023

The Group	Share Capital RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Total Equity RM
Balance at 1.1.2022	1,300,000	-	2,247,817	3,547,817
Profit after taxation/Total comprehensive income for the financial period	-	-	6,397,843	6,397,843
Other comprehensive expense for the financial period:				
- Foreign currency translation differences	-	7,215	-	7,215
Total comprehensive income for the financial period	-	7,215	6,397,843	6,405,058
Balance at 30.6.2023	1,300,000	7,215	8,645,660	9,952,875

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
At 13.4.2021 (Date of incorporation)		1	-	1
Issuance of shares	20	1,299,999	-	1,299,999
Profit after taxation/Total comprehensive income for the financial period		-	2,247,817	2,247,817
Balance at 31.12.2021/1.1.2022		1,300,000	2,247,817	3,547,817
Profit after taxation/Total comprehensive income for the financial period		-	6,442,926	6,442,926
Balance at 30.6.2023		1,300,000	8,690,743	9,990,743

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FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023

	The Group	The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2022 to 30.6.2023 RM	13.4.2021 to 31.12.2021 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES			
Profit before taxation	8,607,716	8,652,799	2,972,692
Adjustments for:-			
Allowance for impairment losses on contract assets	296,776	296,776	-
Allowance for impairment losses on trade receivables	411,076	411,076	-
Depreciation of plant and equipment	216,146	216,146	45,824
Depreciation of right-of-use assets	141,572	141,572	47,191
Finance costs	1,118,300	1,118,300	5,862
Plant and equipment written off	-	-	3,297
Gain on lease modification	(4,691)	(4,691)	-
Interest income	(16,391)	(16,391)	(435)
Unrealised gain on foreign exchange	(102,326)	(106,835)	(49,008)
Operating profit before working capital changes	10,668,178	10,708,752	3,025,423
Increase in contract assets	(25,680,184)	(25,680,184)	(2,790,049)
Increase in contract cost assets	(959,005)	(959,005)	-
Increase in inventories	(747,060)	(747,060)	(624,786)
Increase in trade and other receivables	(25,307,391)	(25,305,695)	(480,856)
Increase in amount owing by a subsidiary	-	(47,879)	-
Increase in amount owing by a fellow subsidiary	(364,021)	(364,021)	-
Decrease/(Increase) in amount owing by a related company	3,261,520	3,261,520	(3,261,520)
Increase in contract liabilities	943,061	943,061	-
Increase in trade and other payables	32,510,431	31,516,927	5,256,060
Increase in amount owing to a subsidiary	-	981,836	-
Increase in amount owing to a fellow subsidiary	216,372	216,372	-
Increase in amount owing to ultimate holding company	2,251,845	2,251,845	-
CASH (FOR)/FROM OPERATIONS	(3,206,254)	(3,223,531)	1,124,272
Interest paid	(1,118,300)	(1,118,300)	(5,862)
Interest received	16,391	16,391	435
Income tax paid	(1,880,000)	(1,880,000)	(540,000)
Income tax refunded	41,481	41,481	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(6,146,682)	(6,163,959)	578,845

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

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FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023 (CONT'D)

	NOTE	The Group 1.1.2022 to 30.6.2023 RM	The Company 1.1.2022 to 30.6.2023 RM	The Company 13.4.2021 to 31.12.2021 RM
CASH FLOW FOR INVESTING ACTIVITIES				
Acquisition of subsidiaries		-	(1,095,922)	-
Purchase of plant and equipment	34(a)	(1,267,897)	(277,897)	(543,908)
Increase in pledged fixed deposits with licensed banks		(2,580,120)	(2,580,120)	-
NET CASH FOR INVESTING ACTIVITIES		(3,848,017)	(3,953,939)	(543,908)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bankers' acceptance	34(b)	21,028,635	21,028,635	-
Drawdown of invoice financing	34(b)	15,771,318	15,771,318	-
Drawdown of factoring payables	34(b)	11,781,151	11,781,151	-
Drawdown of term loan	34(b)	500,000	500,000	-
Proceeds from issuance of ordinary shares		-	-	1,300,000
Repayment of bankers' acceptance	34(b)	(20,046,135)	(20,046,135)	-
Repayment of invoice financing	34(b)	(10,336,660)	(10,336,660)	-
Repayment of factoring payables	34(b)	(8,542,086)	(8,542,086)	-
Repayment of term loan	34(b)	(25,488)	(25,488)	-
Repayment of lease liabilities	34(b)	(138,934)	(138,934)	(45,138)
NET CASH FROM FINANCING ACTIVITIES		9,991,801	9,991,801	1,254,862
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,898)	(126,097)	1,289,799
EFFECT OF FOREIGN EXCHANGE TRANSLATION		7,215	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		1,289,799	1,289,799	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	34(d)	1,294,116	1,163,702	1,289,799

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

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.
Principal place of business	:	No.17, Jalan Astana 1B, Bandar Bukit Raja, 41050 Klang, Selangor.

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

2. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company is Founder Group Limited, a company incorporated in British Virgin Island and the ultimate holding company is Reservoir Link Energy Bhd., a company incorporated in Malaysia and is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad.

3. CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company has changed its financial year end from 31 December to 30 June to be coterminous with its holding company.

4. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of provision and implementation of solar photovoltaic projects. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

5. BASIS OF PREPARATION

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

5. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

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

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

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

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Impairment of Plant and Equipment

The Group determines whether an item of its plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of plant and equipment as at the reporting date disclosed in Note 8 to the financial statements.

(b) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 13 to the financial statements.

(c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date disclosed in Notes 14 and 11 to the financial statements respectively.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss rates if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables as at the reporting date are disclosed in Note 15 to the financial statements.

(e) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 11 to the financial statements.

(f) Income Taxes

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

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

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

(b) Non-controlling Interests

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

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.2 BASIS OF CONSOLIDATION (CONT'D)

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

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

(d) Loss of Control

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

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

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

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

6.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

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

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

6.4 FINANCIAL INSTRUMENTS

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

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

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

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

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

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

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

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

Ordinary Shares

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

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

(d) Derecognition

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

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

6.5 INVESTMENTS IN SUBSIDIARIES

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

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

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.6 PLANT AND EQUIPMENT

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

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

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

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

Equipment and tools	20%
Furniture and fittings	20%
Motor vehicles	20%
Office equipment	25%
Plant and machineries	20%
Renovation	25%
Signboard	25%

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

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.7 LEASES

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

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

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

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

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

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

6.8 INVENTORIES

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

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.9 COSTS TO FULFILL A CONTRACT

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

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

Ann impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

6.10 CONTRACT ASSETS AND CONTRACT LIABILITY

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

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

6.11 CASH AND CASH EQUIVALENTS

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

6.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.12 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.13 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

6.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

6.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.15 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

6.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

6.17 BORROWINGS COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

6.18 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.18 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

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

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realizable value (MFRS 102) or value in use (MFRS 136).

6.19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extend that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.19 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Sale of Goods

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

6.20 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

7. INVESTMENTS IN SUBSIDIARIES

	The Company	
	30.6.2023	31.12.2021
	RM	RM
Unquoted shares, at cost	1,095,922	-

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2021 %	Principal Activities
Subsidiaries of the Company				
Founder Assets Sdn. Bhd.	Malaysia	100	100	Dormant
Founder Energy (Singapore) Pte. Ltd. #	Singapore	100	100	Dormant

\# This subsidiary was audited by other firms of chartered accountants

(i) On 21 September 2022, the Company incorporated a wholly owned subsidiary namely, Founder Asset Sdn. Bhd. for RM100, settled in cash. Subsequently on 24 February 2023, the Company subscribed for an additional 999,900 ordinary shares for cash consideration of RM999,900.

(ii) On 27 May 2022, the Company incorporated a wholly owned subsidiary, namely Founder Energy (Singapore) Pte. Ltd., for RM95,922, settled in cash.

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8. PLANT AND EQUIPMENT

The Group	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	At 30.6.2023 RM
Carrying Amount				
Equipment and tools	-	33,389	(8,864)	24,525
Furniture and fittings	-	3,930	(66)	3,864
Motor vehicles	9,897	65,000	(17,322)	57,575
Office equipment	93,349	129,398	(54,891)	167,856
Plant and machineries	391,541	-	(128,141)	263,400
Renovation	-	39,000	(4,469)	34,531
Signboard	-	7,180	(2,393)	4,787
Capital work-in-progress	-	990,000	-	990,000
	494,787	1,267,897	(216,146)	1,546,538

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2023			
Equipment and tools	33,389	(8,864)	24,525
Furniture and fittings	3,930	(66)	3,864
Motor vehicles	75,797	(18,222)	57,575
Office equipment	231,841	(63,985)	167,856
Plant and machineries	427,136	(163,736)	263,400
Renovation	39,000	(4,469)	34,531
Signboard	7,180	(2,393)	4,787
Capital work-in-progress	990,000	-	990,000
	1,808,273	(261,735)	1,546,538

8. PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	At 30.6.2023 RM
Carrying Amount				
Equipment and tools	-	33,389	(8,864)	24,525
Furniture and fittings	-	3,930	(66)	3,864
Motor vehicles	9,897	65,000	(17,322)	57,575
Office equipment	93,349	129,398	(54,891)	167,856
Plant and machineries	391,541	-	(128,141)	263,400
Renovation	-	39,000	(4,469)	34,531
Signboard	-	7,180	(2,393)	4,787
	494,787	277,897	(216,146)	556,538

The Company	At 13.4.2021 (Date of Incorporation) RM	Additions RM	Written Off RM	Depreciation Charges RM	At 31.12.2021 RM
Carrying Amount					
Motor vehicles	-	10,797	-	(900)	9,897
Office equipment	-	102,443	-	(9,094)	93,349
Plant and machineries	-	430,668	(3,297)	(35,830)	391,541
	-	543,908	(3,297)	(45,824)	494,787

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2023			
Equipment and tools	33,389	(8,864)	24,525
Furniture and fittings	3,930	(66)	3,864
Motor vehicles	75,797	(18,222)	57,575
Office equipment	231,841	(63,985)	167,856
Plant and machineries	427,136	(163,736)	263,400
Renovation	39,000	(4,469)	34,531
Signboard	7,180	(2,393)	4,787
	818,273	(261,735)	556,538

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8. PLANT AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2021			
Motor vehicles	10,797	(900)	9,897
Office equipment	102,443	(9,094)	93,349
Plant and machineries	427,136	(35,595)	391,541
	540,376	(45,589)	494,787

9. RIGHT-OF-USE ASSETS

	At 1.1.2022 RM	Addition RM	Depreciation Charges RM	Derecognition Due to Lease Modification RM	At 30.6.2023 RM
The Group/The Company					
30.6.2023					
Carrying Amount					
Office building	235,954	285,014	(141,572)	(94,382)	285,014

	At 13.4.2021 (Date of Incorporation) RM	Addition RM	Depreciation Charges RM	At 31.12.2021 RM
The Company				
31.12.2022				
Carrying Amount				
Office building	-	283,145	(47,191)	235,954

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9. RIGHT-OF-USE ASSETS (CONT'D)

The Group and the Company leases office building of which the leasing activities are summarised below:-

Office building	The Group and the Company has leased office building for 1 year (2021 – 2 years), with an option to renew the lease of 1 year (2021 – 1 year) after that date. Lease payments are contracts for office building used in its operations.

10. DEFERRED TAX ASSETS/(LIABILITIES)

The Group/The Company	At 1.1.2022 RM	Recognised in Profit or Loss (Note 33) RM	At 30.6.2023 RM
30.6.2023			
Deferred Tax Asset			
Provisions	-	74,000	74,000
Deferred Tax Liabilities			
Plant and equipment	(75,315)	75,315	-

The Company	At 13.4.2021 (Date of Incorporation) RM	Recognised in Profit or Loss (Note 33) RM	At 31.12.2021 RM
31.12.2021			
Deferred Tax Liabilities			
Plant and equipment	-	(75,315)	(75,315)

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11. CONTRACT ASSETS/(LIABILITIES)

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Contract Assets			
At 1 January/13 April (date of incorporation)	2,790,049	2,790,049	-
Performance obligations performed	80,503,230	80,503,230	3,638,566
Transfer to trade receivables	(54,823,046)	(54,823,046)	(848,517)
Allowance for impairments losses	(296,776)	(296,776)	-
At 30 June/31 December	28,173,457	28,173,457	2,790,049
Represented by:-			
Construction of solar photovoltaic power plant and related services	28,173,457	28,173,457	2,790,049
Allowance for impairment losses:-			
At 1 January/13 April (date of incorporation)	-	-	-
Addition during the financial period	(296,776)	(296,776)	-
At 30 June/31 December	(296,776)	(296,776)	-

The contract assets primarily relate to the Group's and the Company's right to consideration for work completed on contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group and the Company issues billings in the manner as established in the contracts with customers.

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Contract Liabilities			
At 1 January/13 April (date of incorporation)	-	-	-
Performance obligations performed	674,367	674,367	-
Amount billed for unfulfilled performance obligations	(1,617,428)	(1,617,428)	-
At 30 June/31 December	(943,061)	(943,061)	-
Represented by:-			
Construction of solar photovoltaic power plant and related services	(943,061)	(943,061)	-

The contract liabilities primarily relate to advances received from customers for construction contracts which revenue is recognised over time during the construction work.

12. CONTRACT COST ASSETS

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Costs to fulfill a contact	959,005	959,005	-

The costs to fulfill a contract represent cost incurred in turn-key EPC contract that is used to fulfill the contract in future. The costs are to be recognised on a progressive basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

13. INVENTORIES

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Trading goods	1,371,846	1,371,846	624,786
Recognised in profit or loss:-			
Inventories recognised as cost of sales	41,996,982	41,996,982	17,689,363

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14. TRADE RECEIVABLES

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Third parties	22,159,869	22,159,869	379,098
Retention sum	2,195,631	2,195,631	-
	24,355,500	24,355,500	379,098
Allowance for impairment losses	(411,076)	(411,076)	-
	23,944,424	23,944,424	379,098

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Allowance for impairment losses:-			
At 1 January/13 April (date of incorporation)	-	-	-
Addition during the financial period	411,076	411,076	-
At 30 June/31 December	411,076	411,076	-

The Group's and the Company's normal trade credit terms range from 30 to 60 (2021 – 30 to 60) days. Other credit terms are assessed by and approved on a case-by-case basis.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Other receivables:-			
Third parties	495,196	493,500	36,015
Deposits	311,845	311,845	15,000
Prepayments	625,706	625,706	50,743
	1,432,747	1,431,051	101,758

16. AMOUNT OWING BY/(TO) A SUBSIDIARY

The amount owing by/(to) a subsidiary is non-trade in nature, unsecured, interest-free and are repayable on demand.

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17. AMOUNT OWING BY A FELLOW SUBSIDIARY

The amount owing by a fellow subsidiary is non-trade in nature, unsecured, bear interest of 1.5% above BLR (2021 – Nil) per annum and are repayable on demand.

18. AMOUNT OWING BY A RELATED COMPANY

The amount owing by a related company is trade in nature, unsecured, interest-free and is repayable on demand. The related company is a company in which one of the directors has significant controlling interest.

19. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.90% to 3.10% (2021 – Nil) per annum and 1.90% to 3.10% (2021 – Nil) per annum respectively. The fixed deposits have maturity periods ranging from 1 to 12 (2021 – Nil) and 1 to 12 (2021 – Nil) months for the Group and the Company respectively.

(b) Included in fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM2,580,120 (2021 – Nil) and RM2,580,120 (2021 – Nil) which has been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 23 to the financial statements.

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20. SHARE CAPITAL

	The Group/The Company			
	30.6.2023	31.12.2021	30.6.2023	31.12.2021
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January/13 April (Date of incorporation)	1,300,000	1	1,300,000	1
Issuance of new shares for cash	-	1,299,999	-	1,299,999
At 30 June/31 December	1,300,000	1,300,000	1,300,000	1,300,000

(a) 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.

(b) In the previous financial period, the Company increased its issued and paid-up share capital from RM1 to RM1,300,000 by way of issuance of 1,299,999 new ordinary shares at RM1 each for a cash consideration of RM1,299,999.

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

21. FOREIGN EXCHANGE TRANSLATION RESERVE

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

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22. LEASE LIABILITIES

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
At 1 January/13 April (Date of incorporation)	238,007	238,007	-
Addition	285,014	285,014	283,145
Interest expense recognised in profit or loss	14,066	14,066	5,862
Derecognition due to lease modification	(99,073)	(99,073)	-
Repayment of principal	(138,934)	(138,934)	(45,138)
Repayment of interest expense	(14,066)	(14,066)	(5,862)
At 30 June/31 December	285,014	285,014	238,007
Analysed by:-			
Current liabilities	139,319	139,319	91,367
Non-current liabilities	145,695	145,695	146,640
At 30 June/31 December	285,014	285,014	238,007

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23. BANK BORROWINGS

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Current liabilities			
Bankers' acceptances	982,500	982,500	-
Factoring payables	3,239,065	3,239,065	-
Invoice financing	5,434,658	5,434,658	-
Term loan	39,103	39,103	-
Bank overdrafts	167,608	167,608	-
	9,862,934	9,862,934	-
Non-current liabilities			
Term loan	435,409	435,409	-
	10,298,343	10,298,343	-

(a) The borrowings are secured by the followings:-

(i) Corporate guarantee provided by Reservoir Link Energy Berhad; and
(ii) Pledge of fixed deposits of the Group and of the Company as disclosed in Note 19.

(b) The bank overdraft of the Group and of the Company at the end of the reporting period bore interest 1.00% (2021 – Nil) per annum above the banker's base financing rate at daily rest.

(c) The bankers' acceptance of the Group and of the Company at the end of the reporting period bore effective interest at rate of 3.79% (2021 – Nil) per annum.

(d) The invoice financing of the Group and of the Company at the end of the reporting period bore effective interest at rate ranging from 6.45% to 6.70% (2021 – Nil) per annum.

(e) The factoring payables of the Group and of the Company at the end of the reporting period bore effective interest rate ranging from 5.45% to 5.70% (2021 – Nil) per annum.

(f) The repayment terms of the term loans are as follows:-

Term loan 1 at BFR – 1.00% per annum	Repayable by 120 monthly instalments of RM5,474 until full payment, effective from November 2022.

(g) Assignment of designated contract proceeds from specific customers.

24. TRADE PAYABLES

The Group and the Company's dealing with supplier is either on cash or credit terms. The suppliers that deal with the Group and the Company on credit terms generally grant credit terms of 30 to 60 (2021 – 30 to 60) days. Other credit term may be negotiated with suppliers on a case-by-case basis.

25. OTHER PAYABLES AND ACCRUALS

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Other payables:-			
Third parties	1,014,375	23,871	88,854
Accruals	366,743	363,743	7,200
	1,381,118	387,614	96,054

26. AMOUNT OWING TO A FELLOW SUBSIDIARY

The amount owing to a fellow subsidiary is non-trade in nature, unsecured, interest-free and are repayable on demand.

27. AMOUNT OWING TO ULTIMATE HOLDING COMPANY

The amount owing to ultimate holding company is non-trade in nature, unsecured, bear interest of 1.5% above BLR (2021 – Nil) per annum and are repayable on demand.

28. REVENUE

	The Group	The Company	
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Revenue from Contract with Customers			
Recognised over time			
Supply of renewable energy and related activites	81,120,470	81,120,470	3,638,566
Recognised at a point in time			
Supply of renewable energy, equipments and related activities	51,120,413	51,120,413	21,513,729
	132,240,883	132,240,883	25,152,295

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29. OTHER INCOME

	The Group	The Company	
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Discount received	1,700	1,700	-
Interest income	16,391	16,391	435
Gain on foreign exchange:			
- realised	-	-	218,147
- unrealised	106,835	106,835	49,008
Gain on secondment of staff	151,044	151,044	9,416
Gain on lease modification	4,691	4,691	-
	280,661	280,661	277,006

30. FINANCE COSTS

	The Group	The Company	
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Bank guarantee commission	177,189	177,189	-
Bank overdraft interest	33,114	33,114	-
Banker's acceptance interest	226,565	226,565	-
Factoring changes	61,434	61,434	-
Invoice financing interest	193,356	193,356	-
Interest expenses	375,859	375,859	-
Lease liabilities interest	14,066	14,066	5,862
Letter of credit commission	18,882	18,882	-
Term loan interest	17,835	17,835	-
	1,118,300	1,118,300	5,862

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31. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	The Company	
	2023	2023	2021
	RM	RM	RM
Impairment losses:			
- contract assets (Note 11)	296,776	296,776	-
- trade receivables(Note 14)	411,076	411,076	-
	707,852	707,852	-

32. PROFIT BEFORE TAXATION

	The Group	The Company	
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Profit before taxation is arrived at after charging:-			
Auditors' remuneration:			
- current period provision	48,000	45,000	7,000
- underprovision in previous financial period	8,000	8,000	-
Depreciation:			
- plant and equipment	216,146	216,146	45,824
- right-of-use assets	141,572	141,572	47,191
Directors' non-fee emoluments	831,054	831,054	173,985
Lease expenses			
- short-term leases	3,571,781	3,571,781	193,999
Management fees	148,123	148,123	-
Realised loss on foreign exchange	243,127	243,127	-
Plant and equipment written off	-	-	3,297
Staff costs:			
- salaries, allowances and bonuses	5,715,332	5,715,332	740,517
- E.I.S. contribution	6,069	6,069	936
- E.P.F. contribution	662,142	662,142	92,598
- SOCSO contribution	53,100	53,100	8,186
- HRDF contribution	41,992	41,992	-

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33. INCOME TAX EXPENSE

	The Group		The Company
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Current tax expense:			
- for the financial period	2,330,230	2,330,230	649,560
- underprovision in the previous financial period	28,958	28,958	-
	2,359,188	2,359,188	649,560
Deferred tax (Note 10):			
- for the financial period	(149,315)	(149,315)	75,315
	2,209,873	2,209,873	724,875

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Profit before taxation	8,607,716	8,652,799	2,972,692
Tax at the statutory tax rate of 24% (2021 - 24%)	2,065,852	2,076,672	713,446
Tax effects of:-			
Non-deductible expenses	115,063	104,243	23,191
Non-taxable income	-	-	(11,762)
Underprovision in the previous financial period	28,958	28,958	-
	2,209,873	2,209,873	724,875

34. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2022 to 30.6.2023 RM	13.4.2021 to 31.12.2021 RM
Plant and equipment			
Cost of plant and equipment purchased (Note 8)	1,267,897	277,897	543,908
Right-of-use assets			
Cost of right-of-use assets acquired (Note 9)	285,014	285,014	283,145
Less: Additions of new lease liabilities	(285,014)	(285,014)	(283,145)
	-	-	-

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34. CASH FLOW INFORMATION (CONT'D)

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

The Group/The Company	Bankers' Acceptances RM	Factoring Payables RM	Invoice Financing RM	Lease Liabilities RM	Term Loan RM	Total RM
30.6.2023						
At 1 January	-	-	-	238,007	-	238,007
Changes in Financing Cash Flows						
Proceeds from drawdown	21,028,635	11,781,151	15,771,318	-	500,000	49,081,104
Repayment of principal	(20,046,135)	(8,542,086)	(10,336,660)	(138,934)	(25,488)	(39,089,303)
Repayment of interest	(226,565)	(61,434)	(193,356)	(14,066)	(17,835)	(513,256)
	755,935	3,177,631	5,241,302	(153,000)	456,677	9,478,545
Other changes						
Acquisition of new leases (Note 22 and 34(a))	-	-	-	285,014	-	285,014
Modification of leases (Note 22)	-	-	-	(99,073)	-	(99,073)
Interest expense recognised in profit or loss (Note 30)	226,565	61,434	193,356	14,066	17,835	513,256
	226,565	61,434	193,356	200,007	17,835	699,197
At 30 June	982,500	3,239,065	5,434,658	285,014	474,512	10,415,749

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34. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Company	Lease Liabilities RM
31.12.2021	
At 13 April (Date of incorporation)	-
Changes in Financing Cash Flows	
Repayment of principal	(45,138)
Repayment of interest	(5,862)
	(51,000)
Other changes	
Acquisition of new leases (Note 22 and 34(a))	283,145
Interest expense recognised in profit or loss (Note 30)	5,862
	289,007
At 31 December	238,007

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

	The Group	**The Company**	
	1.1.2022 to 30.6.2023 RM	1.1.2022 to 30.6.2023 RM	13.4.2021 to 31.12.2021 RM
Payment of short-term leases	3,571,781	3,571,781	193,999
Interest paid on lease liabilities	14,066	14,066	5,862
Payment of lease liabilities	138,934	138,934	45,138
	3,724,781	3,724,781	244,999

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34. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Fixed deposits with licensed banks	2,580,120	2,580,120	-
Cash and bank balances	1,461,724	1,331,310	1,289,799
Bank overdrafts	(167,608)	(167,608)	-
	3,874,236	3,743,822	1,289,799
Less: Fixed deposits pledged to licensed banks (Note 19)	(2,580,120)	(2,580,120)	-
	1,294,116	1,163,702	1,289,799

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35. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors of the Group and of the Company.

The key management personnel compensation during the financial period are as follows:-

	The Group	The Company	
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
	RM	RM	RM
Directors			
Directors of the Company			
Short-term employee benefits:			
- salaries, bonuses and other benefits	737,073	737,073	155,000
Defined contribution benefits	93,981	93,981	18,985
Total directors' remuneration (Note 32)	831,054	831,054	173,985

36. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, holding companies, key management personnel and entities within the same group of companies.

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36. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial period:-

	The Group	The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2022 to 30.6.2023 RM	13.4.2021 to 31.12.2021 RM
Transactions with a related company			
Solar Bina Engineering Sdn. Bhd.:-			
Purchases	826	826	973,765
Purchase of plant and equipment	-	-	491,525
Sales of renewable energy products and services	(1,498)	(1,498)	(22,886,535)
Subcontractor income	(5,720,400)	(5,720,400)	-
Staff secondment receivable	-	-	(188,329)
Gain from secondment of staff	-	-	(9,416)
RL Sunseap Energy Sdn. Bhd.			
Subcontractor income	(6,084,005)	(6,084,005)	-
Transactions with ultimate holding company			
Reservoir Link Energy Berhad			
Interest charges	195,678	195,678	-
Management fee	148,123	148,123	-
Gain from secondment of staff	(108,872)	(108,872)	-
Transactions with fellow subsidiaries			
Reservoir Link Sdn. Bhd.			
Interest charges	141,275	141,275	-
Reservoir Link Renewable Sdn. Bhd.			
Subcontractor income	(96,066)	(96,066)	-
Transactions with a director			
Lee Seng Chi			
Rental expenses	153,000	153,000	51,000

37. CAPITAL COMMITMENT

	The Group	The Company	
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Purchase of plant and equipment	330,000	-	-

38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily Chinese Yuan ("RMB") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
30.6.2023					
Financial Assets					
Trade receivables	-	-	-	23,944,424	23,944,424
Other receivables	-	-	-	495,196	495,196
Amount owing by a fellow subsidiary	-	-	-	364,021	364,021
Fixed deposits with licensed banks	-	-	-	2,580,120	2,580,120
Cash and bank balances	-	-	120,333	1,341,391	1,461,724
	-	-	120,333	28,725,152	28,845,485

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
30.6.2023					
Financial Liabilities					
Lease liabilities	-	-	-	285,014	285,014
Bank borrowings	-	-	-	10,298,343	10,298,343
Trade payables	1,614,343	17,457,234	-	17,162,462	36,234,039
Other payables and accruals	-	-	-	1,381,118	1,381,118
Amount owing to a fellow subsidiary	-	-	-	216,372	216,372
Amount owing to ultimate holding company	-	-	-	2,251,845	2,251,845
	1,614,343	17,457,234	-	31,595,154	50,666,731

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
30.6.2023					
Net financial (liabilities)/assets	(1,614,343)	(17,457,234)	120,333	(2,870,002)	(21,821,246)
Less: Net financial liabilities denominated in the Group's functional currency	-	-	(120,333)	2,870,002	2,749,669
Currency Exposure	(1,614,343)	(17,457,234)	-	-	(19,071,577)

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
30.6.2023					
Financial Assets					
Trade receivables	-	-	-	23,944,424	23,944,424
Other receivables	-	-	-	493,500	493,500
Amount owing by a subsidiary	-	-	52,388	-	52,388
Amount owing by a fellow subsidiary	-	-	-	364,021	364,021
Fixed deposits with licensed banks	-	-	-	2,580,120	2,580,120
Cash and bank balances	-	-	-	1,331,310	1,331,310
	-	-	52,388	28,713,375	28,765,763

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
30.6.2023					
<u>Financial Liabilities</u>					
Lease liabilities	-	-	-	285,014	285,014
Bank borrowings	-	-	-	10,298,343	10,298,343
Trade payables	1,614,343	17,457,234	-	17,162,462	36,234,039
Other payables and accruals	-	-	-	387,614	387,614
Amount owing to a subsidiary	-	-	-	981,836	981,836
Amount owing to a fellow subsidiary	-	-	-	216,372	216,372
Amount owing to ultimate holding company	-	-	-	2,251,845	2,251,845
	1,614,343	17,457,234	-	31,583,486	50,655,063

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Chinese Yuan RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
30.6.2023					
Net financial (liabilities)/assets	(1,614,343)	(17,457,234)	52,388	(2,870,111)	(21,889,300)
Less: Net financial liabilities denominated in the Company's functional currency	-	-	-	2,870,111	2,870,111
Currency Exposure	(1,614,343)	(17,457,234)	52,388	-	(19,019,189)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Chinese Yuan RM	Ringgit Malaysia RM	Total RM
31.12.2021				
Financial Assets				
Trade receivables	-	-	379,098	379,098
Other receivables	-	-	36,015	36,015
Amount owing by a related company	-	-	3,261,520	3,261,520
Cash and bank balances	-	-	1,289,799	1,289,799
	-	-	4,966,432	4,966,432
Financial Liabilities				
Lease liabilities	-	-	238,007	238,007
Trade payables	2,573,084	180,327	2,357,587	5,110,998
Other payables and accruals	-	-	96,054	96,054
	2,573,084	180,327	2,691,648	5,445,059
Net financial (liabilities)/assets	(2,573,084)	(180,327)	2,274,784	(478,627)
Less: Net financial assets denominated in the Company's functional currency	-	-	(2,274,784)	(2,274,784)
Currency Exposure	(2,573,084)	(180,327)	-	(2,753,411)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	The Company	
	1.1.2022 to 30.6.2023	1.1.2022 to 30.6.2023	13.4.2021 to 31.12.2021
Effects On Profit After Taxation	RM	RM	RM
USD/RM			
- strengthened by 10%	(169,785)	(169,785)	(256,754)
- weakened by 10%	169,785	169,785	256,754
RMB/RM			
- strengthened by 10%	(1,739,285)	(1,739,285)	(18,940)
- weakened by 10%	1,739,285	1,739,285	18,940
SGD/RM			
- strengthened by 10%	-	5,239	-
- weakened by 10%	-	(5,239)	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowing 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 fluatuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 23 to the financial statements.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rate of floating rate term loan at the end of the reporting period does not has a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, 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 3 customers which constituted approximately 88% of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

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

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

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

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

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

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

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

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

Trade Receivables and Contract Assets

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

Inputs, Assumptions and techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables 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.

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

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

The expected loss rates are based on the payment profiles of sales over 18 months (2021 – 9 months) before the reporting date and the correspoinging historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information

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

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The Group/ The Company	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
30.6.2023				
Current (not past due)	7,361,763	(47,121)	(17,425)	7,297,217
1 to 30 days past due	3,726,751	(36,462)	(11,253)	3,679,036
31 to 60 days past due	6,877,642	(71,096)	(97)	6,806,449
61 to 90 days past due	6,115,434	(94,393)	(5,081)	6,015,960
91 to 120 days past due	163,799	(84)	(62,923)	100,792
More than 120 days past due	110,111	(6,984)	(58,157)	44,970
Trade receivables	24,355,500	(256,140)	(154,936)	23,944,424
Contract assets	28,470,233	-	(296,776)	28,173,457
	52,825,733	(256,140)	(451,712)	52,117,881

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Company	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
31.12.2021				
Current (not past due)	96,154	-	-	96,154
1 to 30 days past due	281,887	-	-	281,887
31 to 60 days past due	1,057	-	-	1,057
Trade receivables	379,098	-	-	379,098
Contract assets	2,790,049	-	-	2,790,049
	3,169,147	-	-	3,169,147

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Note 14 and 11 to the financial statements respectively.

Other Receivables, Amount Owing by a Subsidiary and Amount Owing by a Fellow Subsidiary

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables, amount owing by a subsidiary and amount owing by a fellow subsidiary.

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

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

<u>Other Receivables, Amount Owing by a Subsidiary and Amount Owing by a Fellow Subsidiary (Cont'd)</u>

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.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables, amount owing by a subsidiary and amount owing by a fellow subsidiary as it is negligible.

<u>Fixed Deposits with Licensed Banks, Cash and Bank Balances</u>

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
30.6.2023						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	5.40%	285,014	300,000	150,000	150,000	-
Trade payables	-	36,234,039	36,234,039	36,234,039	-	-
Other payables and accruals	-	1,381,118	1,381,118	1,381,118	-	-
Amount owing to a fellow subsidiary	-	216,372	216,372	216,372	-	-
Amount owing to ultimate holding company	8.20%	2,251,845	2,436,496	2,436,496	-	-
Bank borrowings	3.79% - 7.70%	10,298,343	10,888,114	10,452,705	156,412	278,997
		50,666,731	51,456,140	50,870,731	306,412	278,997

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
30.6.2023						
Non-derivative Financial Liabilities						
Lease liabilities	5.40%	285,014	300,000	150,000	150,000	-
Trade payables	-	36,234,039	36,234,039	36,234,039	-	-
Other payables and accruals	-	387,614	387,614	387,614	-	-
Amount owing to a subsidiary	-	981,836	981,836	981,836	-	-
Amount owing to a fellow subsidiary	-	216,372	216,372	216,372	-	-
Amount owing to ultimate holding company	8.20%	2,251,845	2,436,496	2,436,496	-	-
Bank borrowings	3.79% - 7.70%	10,298,343	10,888,114	10,452,705	156,412	278,997
		50,655,063	51,444,472	50,859,063	306,412	278,997

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
31.12.2021						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	5.40%	238,007	255,000	102,000	153,000	-
Trade payables	-	5,110,998	5,110,998	5,110,998	-	-
Other payables and accruals	-	96,054	96,504	96,504	-	-
		5,445,059	5,462,502	5,309,502	153,000	-

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions and payables less cash and bank balances and fixed deposits with licensed banks. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group		The Company
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Lease liabilities	285,014	285,014	238,007
Trade payables	36,234,039	36,234,039	5,110,998
Other payables and accruals	1,381,118	387,614	96,054
Amount owing to a subsidiary	-	981,836	-
Amount owing to a fellow subsidiary	216,372	216,372	-
Amount owing to ultimate holding company	2,251,845	2,251,845	-
Bank Borrowings	10,298,343	10,298,343	-
	50,666,731	50,655,063	5,445,059
Less: Cash and bank balances	(1,461,724)	(1,331,310)	(1,289,799)
Less: Fixed deposits with licensed banks (Note 19)	(2,580,120)	(2,580,120)	-
Net debt	46,624,887	46,743,633	4,155,260
Total equity	9,952,875	9,990,743	3,547,817
Debt-to-equity ratio	4.68	4.68	1.17

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

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company
	30.6.2023	30.6.2023	31.12.2021
	RM	RM	RM
Financial Assets			
Amortised Cost			
Trade receivables	23,944,424	23,944,424	379,098
Other receivables	495,196	493,500	36,015
Amount owing by a subsidiary	-	52,388	-
Amount owing by a fellow subsidiary	364,021	364,021	-
Amount owing by a related company	-	-	3,261,520
Fixed deposits with licensed banks	2,580,120	2,580,120	-
Cash and bank balances	1,461,724	1,331,310	1,289,799
	28,845,485	28,765,763	4,966,432
Financial Liabilities			
Amortised Cost			
Lease liabilities	285,014	285,014	238,007
Trade payables	36,234,039	36,234,039	5,110,998
Other payables and accruals	1,381,118	387,614	96,054
Amount owing to a subsidiary	-	981,836	-
Amount owing to a fellow subsidiary	216,372	216,372	-
Amount owing to ultimate holding company	2,251,845	2,251,845	-
Bank borrowings	10,298,343	10,298,343	-
	50,666,731	50,655,063	5,445,059

Registration No: 202101013707 (1414006-X)

FOUNDER ENERGY SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2023

38. FINANCIAL INSTRUMENTS (CONT'D)

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group	The Company	
	1.1.2022 to 30.6.2023 RM	1.1.2022 to 30.6.2023 RM	13.4.2021 to 31.12.2021 RM
Financial Assets			
Amortised Cost			
Net (losses)/gains recognised in profit or loss	(287,850)	(287,850)	49,443
Financial Liabilities			
Amortised Cost			
Net losses recognised in profit or loss	(1,118,300)	(1,118,300)	(5,862)

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38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Not Carried at Fair Value				
The Group/The Company	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2023					
Financial Liabilities					
Term loan:					
- Floating rate	-	474,512	-	474,512	474,512

(a) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of the Groups' term loan that carrying floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

(i) Founder Energy Sdn. Bhd., had on 27 May 2022, incorporated a subsidiary company in Singapore known as Founder Energy (Singapore) Pte. Ltd. ("FES"). FES was incorporated on 27 May 2022 with an issued and paid-up share capital of SGD30,000 comprising thirty thousand (30,000) ordinary shares.

(ii) Founder Energy Sdn. Bhd., had on 21 September 2022, incorporated a subsidiary company in Malaysia known as Founder Asset Sdn. Bhd.. Founder Assets Sdn. Bhd. was incorporated on 21 September 2022 with issued and paid-up share capital of RM100 comprising one hundred (100) ordinary shares. Subsequently on 24 February 2023, the Company subscribed for an additional 999,900 ordinary shares for cash consideration of RM999,900

40. COMPARATIVE FIGURES

The Group has changed its financial year end from 31 December to 30 June to be coterminous with its holding company. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not comparable to that for the current 18-months period ended 30 June 2023.

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APPENDIX III – SALIENT TERMS OF THE REPRESENTATIVE WARRANTS

1. FGL has agreed to issue to the Representative or its designees warrants to purchase a number of Issue Shares equal to 4% of the total number of Issue Shares sold in the Proposed IPO, including any shares issued upon exercise of the Underwriter's Over-Allotment Option ("**Representative Warrants**").

2. The Representative Warrants will have an exercise price per share equal to 120% of the offering price offered to the public and may be exercised on a cashless basis, in accordance with the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where,

X	=	The number of new FGL Shares to be issued to the Representative;
Y	=	The number of Representative Warrant issued (i.e. 4% of total Issue Shares sold in the Proposed IPO);
A	=	The fair market value of one FGL Share, being the highest intra-day price capped at USD20.00 per share or closing price on the Company's primary exchange or the over-the-counter trading platform on the day prior to the date of exercise of the Representative Warrants; and
B	=	The Exercise Price.

The Warrants shall contain cashless exercise provisions and shall be non-callable and non-cancellable with immediate demand and/or piggy-back registration rights to the satisfaction of the Representative at FGL's expense, so that they are registered in the registration statement being filed by FGL for its IPO where applicable. This value of USD20.00 is determined by FGL as the price to set an upper limit for the number of Warrant Shares to be issued to the Registered Holder.

3. Any and all Representative Warrants to be issued to the Representative will be due and payable upon the closing of the IPO and shall be issued to the Representative in conjunction with the closing of the IPO (unless otherwise agreed to in writing).

4. The Representative Warrants are exercisable commencing six (6) months following the date of commencement of sales of the public offering, and will be exercisable until such Representative Warrants expire three (3) years after the date of commencement of sales of the public offering.

5. The Representative's Warrants will be transferable within the Underwriter(s)'s organisation at its discretion. In compliance with the United States Financial Industry Regulatory Authority's Rule, the Representative's Warrants may not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities for a period of six (6) months following the commencement of sales of the public offering, except that they may be assigned, in whole or in part, to any successor, officer, manager, member or partner of the Representative (or to officers, managers or members of any such successor, member or partner), if all securities so transferred remain subject to the lock-up restriction for the remainder of the time period.

6. The Representative's Warrants shall also have customary anti-dilution provisions for stock dividends, splits, mergers and shall provide for automatic exercise immediately prior to expiration.

APPENDIX IV – SALIENT TERMS OF THE VCQ WARRANT TO PURCHASE

1. FGL has agreed to grant VCQ or its registered assigns (the "**Registered Holder**"), the right to subscribe for and purchase from the Company ("**VCQ Warrant**"), at the exercise price of USD2.00 per share ("**Exercise Price**"), 300,000 shares of the Company (the "**Warrant Shares**") of no par value (the "**Ordinary Shares**") subject to the provisions and upon the terms and conditions set out in the Warrant To Purchase.

2. This VCQ Warrant shall be exercisable by the Registered Holder as to the Warrant Shares after the successful listing of the Company on any of the market or stock exchange at any time during the period commencing from and after 9:00 a.m. New York Time on date of Warrant To Purchase ("**Issuance Date**") and ending on 5:00 p.m., New York Time, on 1 July 2028 ("**Expiration Date**"). At 5:00 p.m., New York Time, on the Expiration Date, the VCQ Warrant, to the extent not previously exercised, shall become void and of no further force or effect.

3. Subject to para 9 below, upon exercise or surrender of the VCQ Warrant in accordance to the provisions of the Warrant To Purchase and upon payment of the Exercise Price multiplied by the number of Warrant Shares then issuable upon exercise of the VCQ Warrant the Company shall promptly issue and cause to be delivered to or upon the written order of the Registered Holder, and in such name or names as the Registered Holder may designate, a certificate for the Warrant Shares issued upon such exercise.

4. The Registered Holder may pay the applicable Exercise Price, at the option of the Registered Holder, either (i) by cashier's or certified bank check payable to the Company, or (ii) by wire transfer of immediately available funds to the account which shall be indicated in writing by the Company to the Registered Holder, in either case, in an amount equal to the product of the Exercise Price multiplied by the number of Warrant Shares being purchased upon such exercise (the "**Aggregate Exercise Price**").

5. Cashless Exercise. In lieu of exercising the VCQ Warrant by payment of cash by wire transfer or check payable to the order of the Company, the Registered Holder may elect to receive the number of Warrant Shares equal to the amount of the VCQ Warrant (or the portion thereof being exercised), by surrender of the VCQ Warrant to the Company, together with the exercise form attached, in which event the Company shall issue to the Registered Holder, Warrant Shares in accordance with the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where,

X	=	The number of Warrant Shares to be issued to Registered Holder;
Y	=	The number of Warrant Shares for which the VCQ Warrant is being exercised;
A	=	The fair market value of one Warrant Share; and
B	=	The Exercise Price.

For purposes of this para 5, the fair market value of a Warrant Share is defined as the highest intra-day price capped at USD20.00 per share or closing price on the Company's primary exchange or the over-the-counter trading platform on the day prior to the date of exercise of the VCQ Warrant or if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Company's Board of Directors. In such unlikely event, the fair market value may be supported and justified by a valuation report from an independent valuer engaged separately by the Company. This value of USD20.00 is determined by FGL as the price to set an upper limit for the number of Warrant Shares to be issued to the Registered Holder.

6. The VCQ Warrant will be exercisable either in its entirety or, from time to time, for part, only of the number of Warrant Shares which are issuable hereunder. If the VCQ Warrant shall have been exercised only in part, the Company shall, at the time of delivery of the certificates for the Warrant Shares issued pursuant to such exercise, deliver to the Registered Holder a new VCQ Warrant evidencing the rights to purchase the remaining Warrant Shares in substantially in the form of the VCQ Warrant.

7. The Company will, at its expense, use it best efforts to cause such Warrant Shares to be included in or listed on (subject to issuance or notice of issuance of Warrant Shares) all markets or stock exchanges in or on which the Ordinary Shares is included or listed not later than the date on which the Ordinary Shares is first included or listed on any such market or exchange and will thereafter maintain such inclusion or listing of all shares of Ordinary Shares from time to time issuable upon exercise of the VCQ Warrant.

8. The Company shall not effect the exercise of the VCQ Warrant, and the Registered Holder shall not have the right to exercise the VCQ Warrant, to the extent that after giving effect to such exercise, the Registered Holder (together with such Registered Holder's affiliates) would beneficially own in excess of 4.99% of the Ordinary Shares outstanding immediately after giving effect to such exercise. The aggregate number of Ordinary Shares beneficially owned by such Registered Holder and its affiliates shall include the number of Ordinary Shares issuable upon exercise of the VCQ Warrant with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares which would be issuable upon:

   (a) exercise of the remaining, unexercised portion of the VCQ Warrant beneficially owned by such Registered Holder and its affiliates; and

   (b) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Registered Holder and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion orexercise analogous to the limitation contained herein.

9. The number of Warrant Shares to be purchased upon exercise of the VCQ Warrant is subject to change or adjustment from time to time as follows:

   (a) Reverse Stock Split: If, after the date of the Warrant To Purchase, and subject to the terms of the Warrant To Purchase, the number of outstanding Ordinary Shares is decreased by a reverse stock split or other similar event, then on the effective day thereof, the number of Ordinary Shares purchasable shall be decreased in proportion to such decrease in outstanding Ordinary Shares, and the Exercise Price shall be proportionately increased;

   (b) Fundamental Transaction: In case the Company (a) consolidates with or merges into any other corporation and is not the continuing or surviving corporation of such consolidation or merger, or (b) permits any other corporation to consolidate with or merge into the Company and the Company is the continuing or surviving corporation but, in connection with such consolidationor merger, the Ordinary Shares is changed into or exchanged for shares or other securities of any other corporation or cash or any other assets, or (c) transfers all or substantially all of its properties and assets to any other corporation, or (d) effects a capital reorganization or reclassification of the share capital of the Company in such a way that holders of Ordinary Shares shall be entitled to receive shares, securities, cash and/or assets with respect to or in exchange for Ordinary Shares, then, and in each such case, (each a "Fundamental Transaction"), upon any subsequent exercise of the VCQ Warrant, the holder shall have the right to receive for each Ordinary Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, the number of Ordinary Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional or alternative consideration (the "Alternative Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares for which the VCQ Warrant is exercisable immediately prior to such Fundamental Transaction.

For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternative Consideration based on the amount of Alternative Consideration issuable in respect of one Ordinary Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternative Consideration in a reasonable manner reflecting the relative value of any different components of the Alternative Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder shall be given the same choice as to the Alternative Consideration it receives upon any exercise of the VCQ Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under the VCQ Warrant, and to deliver to the holder in exchange for the VCQ Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the VCQ Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Ordinary Shares acquirable and receivable upon exercise of the VCQ Warrant prior to such Fundamental Transaction, and with an exercise price which applies the Exercise Price to such share capital (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of the VCQ Warrant immediately prior to the consummation of such Fundamental Transaction). Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of the VCQ Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of, the Company and shall assume all of the obligations of the Company, under the VCQ Warrant with the same effect as if such Successor Entity had been named as the Company.

10. The Registered Holder represents that it is acquiring the VCQ Warrant to be issued to it for its own account and not with a view to the distribution thereof, and agrees not to sell, transfer, pledge or hypothecate the VCQ Warrant, any purchase rights evidenced by the VCQ Warrant or any Warrant Shares unless in compliance with the Securities Act of 1933, USA and the applicable laws.

11. The VCQ Warrant shall be governed and controlled as to the validity, enforcement, interpretations, construction and effect and in all other aspects by the substantive laws of the British Virgin Islands.

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APPENDIX V – SALIENT TERMS OF THE CNP WARRANT TO PURCHASE

1. FGL has agreed to grant CNP Equity Limited or its registered assigns (the "**Registered Holder**"), the right to subscribe for and purchase from the Company ("**CNP Warrant**"), at the exercise price of USD2.00 per share ("**Exercise Price**"), 1,200,000 shares of the Company (the "**Warrant Shares**") at no par value (the "**Ordinary Shares**") subject to the provisions and upon the terms and conditions set out in the Warrant To Purchase.

2. This CNP Warrant shall be exercisable by the Registered Holder as to the Warrant Shares after the successful listing of the Company on any of the market or stock exchange at any time during the period commencing from and after 9:00 a.m. New York Time on date of Warrant To Purchase ("**Issuance Date**") and ending on 5:00 p.m., New York Time, on 1 July 2028 ("**Expiration Date**"). At 5:00 p.m., New York Time, on the Expiration Date, the CNP Warrant, to the extent not previously exercised, shall become void and of no further force or effect.

3. Subject to para 9 below, upon exercise or surrender of the CNP Warrant in accordance to the provisions of the Warrant To Purchase and upon payment of the Exercise Price multiplied by the number of Warrant Shares then issuable upon exercise of the CNP Warrant the Company shall promptly issue and cause to be delivered to or upon the written order of the Registered Holder, and in such name or names as the Registered Holder may designate, a certificate for the Warrant Shares issued upon such exercise.

4. The Registered Holder may pay the applicable Exercise Price, at the option of the Registered Holder, either (i) by cashier's or certified bank check payable to the Company, or (ii) by wire transfer of immediately available funds to the account which shall be indicated in writing by the Company to the Registered Holder, in either case, in an amount equal to the product of the Exercise Price multiplied by the number of Warrant Shares being purchased upon such exercise (the "**Aggregate Exercise Price**").

5. Cashless Exercise. In lieu of exercising the CNP Warrant by payment of cash by wire transfer or check payable to the order of the Company, the Registered Holder may elect to receive the number of Warrant Shares equal to the amount of the CNP Warrant (or the portion thereof being exercised), by surrender of the CNP Warrant to the Company, together with the exercise form attached, in which event the Company shall issue to the Registered Holder, Warrant Shares in accordance with the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where,

X	=	The number of Warrant Shares to be issued to Registered Holder;
Y	=	The number of Warrant Shares for which the CNP Warrant is being exercised;
A	=	The fair market value of one Warrant Share; and
B	=	The Exercise Price.

For purposes of this para 5, the fair market value of a Warrant Share is defined as the highest intra-day price capped at USD20.00 per share or closing price on the Company's primary exchange or the over-the-counter trading platform on the day prior to the date of exercise of the CNP Warrant or if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Company's Board of Directors. In such unlikely event, the fair market value may be supported and justified by a valuation report from an independent valuer engaged separately by the Company. This value of USD20.00 is determined by FGL as the price to set an upper limit for the number of Warrant Shares to be issued to the Registered Holder.

6. The CNP Warrant will be exercisable either in its entirety or, from time to time, for part, only of the number of Warrant Shares which are issuable hereunder. If the CNP Warrant shall have been exercised only in part, the Company shall, at the time of delivery of the certificates for the Warrant Shares issued pursuant to such exercise, deliver to the Registered Holder a new CNP Warrant evidencing the rights to purchase the remaining Warrant Shares in substantially in the form of the CNP Warrant.

7. The Company will, at its expense, use it best efforts to cause such Warrant Shares to be included in or listed on (subject to issuance or notice of issuance of Warrant Shares) all markets or stock exchanges in or on which the Ordinary Shares are included or listed not later than the date on which the Ordinary Shares are first included or listed on any such market or exchange and will thereafter maintain such inclusion or listing of all shares of Ordinary Shares from time to time issuable upon exercise of the CNP Warrant.

8. The Company shall not effect the exercise of the CNP Warrant, and the Registered Holder shall not have the right to exercise the CNP Warrant, to the extent that after giving effect to such exercise, the Registered Holder (together with such Registered Holder's affiliates) would beneficially own in excess of 4.99% of the Ordinary Shares outstanding immediately after giving effect to such exercise. The aggregate number of Ordinary Shares beneficially owned by such Registered Holder and its affiliates shall include the number of Ordinary Shares issuable upon exercise of the CNP Warrant with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares which would be issuable upon:

   (a) exercise of the remaining, unexercised portion of the CNP Warrant beneficially owned by such Registered Holder and its affiliates; and

   (b) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Registered Holder and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion orexercise analogous to the limitation contained herein.

9. The number of Warrant Shares to be purchased upon exercise of the CNP Warrant is subject to change or adjustment from time to time as follows:

   (a) <u>Reverse Stock Split:</u> If, after the date of the Warrant To Purchase, and subject to the terms of the Warrant To Purchase, the number of outstanding Ordinary Shares is decreased by a reverse stock split or other similar event, then on the effective day thereof, the number of Ordinary Shares purchasable shall be decreased in proportion to such decrease in outstanding Ordinary Shares, and the Exercise Price shall be proportionately increased;

   (b) <u>Fundamental Transaction</u>: In case the Company (a) consolidates with or merges into any other corporation and is not the continuing or surviving corporation of such consolidation or merger, or (b) permits any other corporation to consolidate with or merge into the Company and the Company is the continuing or surviving corporation but, in connection with such consolidationor merger, the Ordinary Shares is changed into or exchanged for shares or other securities of any other corporation or cash or any other assets, or (c) transfers all or substantially all of its properties and assets to any other corporation, or (d) effects a capital reorganization or reclassification of the share capital of the Company in such a way that holders of Ordinary Shares shall be entitled to receive shares, securities, cash and/or assets with respect to or in exchange for Ordinary Shares, then, and in each such case, (each a "Fundamental Transaction"), upon any subsequent exercise of the CNP Warrant, the holder shall have the right to receive for each Ordinary Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, the number of Ordinary Shares of the successor or acquiring corporation or of the

Company, if it is the surviving corporation, and any additional or alternative consideration (the "Alternative Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares for which the CNP Warrant is exercisable immediately prior to such Fundamental Transaction.

For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternative Consideration based on the amount of Alternative Consideration issuable in respect of one Ordinary Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternative Consideration in a reasonable manner reflecting the relative value of any different components of the Alternative Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder shall be given the same choice as to the Alternative Consideration it receives upon any exercise of the CNP Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under the CNP Warrant, and to deliver to the holder in exchange for the CNP Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the CNP Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Ordinary Shares acquirable and receivable upon exercise of the CNP Warrant prior to such Fundamental Transaction, and with an exercise price which applies the Exercise Price to such share capital (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of the CNP Warrant immediately prior to the consummation of such Fundamental Transaction). Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of the CNP Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of, the Company and shall assume all of the obligations of the Company, under the CNP Warrant with the same effect as if such Successor Entity had been named as the Company.

10. The Registered Holder represents that it is acquiring the CNP Warrant to be issued to it for its own account and not with a view to the distribution thereof, and agrees not to sell, transfer, pledge or hypothecate the CNP Warrant, any purchase rights evidenced by the CNP Warrant or any Warrant Shares unless in compliance with the Securities Act of 1933, USA and the applicable laws.

11. The CNP Warrant shall be governed and controlled as to the validity, enforcement, interpretations, construction and effect and in all other aspects by the substantive laws of the British Virgin Islands.

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular. M&A Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Adviser to RLEB in relation to the Proposals.

3. MATERIAL COMMITMENTS

As at LPD, save as disclosed below, there are no material commitments incurred or known to be incurred by our Group that is likely to have an impact on our profits or NA upon becoming enforceable:

	RM'000
Approved and contracted for:	
Purchase of equipment	189
Purchase of solar PV assets	3,292
	3,481

4. CONTINGENT LIABILITIES

As at LPD, save as disclosed below, there are no contingent liabilities, incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the ability of our Group to meet its obligations as and when they fall due.

	RM'000
Bank guarantee relating to performance guarantee provided to our Group's customers	7,796
Bank guarantee for tenancy agreement	86
	7,882

The bank guarantees are given to our subsidiaries namely Reservoir Link Sdn Bhd, Reservoir Link Solutions Sdn Bhd and FESB.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at E289 1st Floor, Block E iCom Square, Jalan Pending, 93450 Kuching, Sarawak during normal business hours (except public holidays) from the date of this Circular up to and including the date of the meeting of members:

(a) Constitution of our Company and FESB;

(b) SSA;

(c) Audited consolidated financial statements of our Company for FYE 31 December 2021 and 2022 as well as the latest published results of our Company for the 3-month FPE 31 March 2024;

(d) Audited financial statements of FESB for FPE 30 June 2023;

(e) Announcement on the Acquisition dated 11 June 2021;

(f) Material contracts of FGL Group as referred to in Section 7 of Appendix I; and

(g) Letters of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix;

(h) Letter dated 13 July 2023 from the Vendor and the Board resolution dated 30 August 2023 in relation to the Proposed PG Extension; and

(i) Letter of Assignment.

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RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

NOTICE OF MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN that the meeting of members of Reservoir Link Energy Bhd ("**RLEB**" or the "**Company**") will be conducted entirely on a fully virtual basis through live streaming and online remote voting via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Wednesday, 24 July 2024 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION 1

PROPOSED LISTING OF FOUNDER GROUP LIMITED, A 51.00%-OWNED SUBSIDIARY OF RLEB ON THE NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATIONS STOCK EXCHANGE ("PROPOSED LISTING OF SUBSIDIARY")

"THAT, subject to the approvals of all relevant authorities and/or parties being obtained (if required), approval be and hereby is given to RLEB to undertake the Proposed Listing of Subsidiary.

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise, implement and/or give full effect to the Proposed Listing of Subsidiary with full power to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to carry out, implement, finalise and/or give full effect to the Proposed Listing of Subsidiary."

ORDINARY RESOLUTION 2

PROPOSED EXTENSION OF THE PROFIT GUARANTEE PERIOD FROM 31 AUGUST 2023 TO 31 DECEMBER 2023 IN RELATION TO THE ACQUISITION OF 51.00% EQUITY INTEREST IN FOUNDER ENERGY SDN BHD FROM LEE SENG CHI ("PROPOSED PG EXTENSION")

"**THAT**, the Proposed PG Extension, details of which is set out the in the Circular dated 9 July 2024, be and is hereby approved, ratified and confirmed.

AND THAT the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed PG Extension with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed PG Extension."

BY ORDER OF THE BOARD

WONG YOUN KIM
(SSM Practising Certificate No. 201908000410)
(MAICSA 7018778)

Company Secretary

Kuala Lumpur
9 July 2024

Notes:

(i) In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 July 2024 (meeting of members Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.

(ii) A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.

(iii) Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) shareholdings to be represented by each proxy.

*(iv) Where a member of the Company is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

(v) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the meeting of members, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.

(vi) The proxy form shall be in writing, executed by or on behalf of the appointer or his (her) attorney duly authorised in writing or, if the appointer is a corporation, either be executed under its common seal or by its duly authorised attorney or officer.

*(vii) The proxy form and the power of attorney or other authority, if any, under which it is signed or a duly notarised copy of that power or authority must be deposited to the Company's Share Registrar office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or by electronic means via Boardroom Smart Investor portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. **Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote virtually**. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the meeting of members or adjourned meeting of members.*

(viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolution set out in the Notice of the meeting of members will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

Personal Data Privacy:

*By submitting proxy form(s) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the meeting of members and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting of members (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting of members (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We ______________________ NRIC/Passport no./Registration no. ______________

of ____
being a *member/members of RESERVOIR LINK ENERGY BHD, hereby appoint:

(1) Name of proxy : ______________ NRIC/ Passport no. : ______________

Address : ____
____

Email address : ______________ Telephone no. : ______________

(2) Name of proxy : ______________ NRIC/ Passport no. : ______________

Address : ____
____

Email address : ______________ Telephone no. : ______________

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the meeting of members of the Company to be conducted entirely on fully virtual basis through live streaming and online remote voting at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Wednesday, 24 July 2024 at 10.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

No.	**Ordinary Resolution**	**For**	**Against**
1.	Proposed Listing of Subsidiary		
2.	Proposed PG Extension		

Dated this _____ day of _____________ 2024

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	**Percentage (%)**
Proxy 1		
Proxy 2		
Total		**100**

____
Signature/Seal

** Strike out whichever is not applicable*

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN BHD
THE SHARE REGISTRAR OF

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

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

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