

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF RESERVOIR LINK ENERGY BHD (“RESERVOIR LINK” OR “COMPANY”) DATED 25 JUNE 2020 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/ Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/ printed copy of the Prospectus directly from the Company, Kenanga Investment Bank Berhad (“**Kenanga IB**”) or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Kenanga IB and Reservoir Link take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 25 June 2020 and will close at 5.00 p.m. on 1 July 2020. In the event there is any change to the timetable, the Company will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind and shall not at any time be relied upon as such.

P R O S P E C T U S

THIS PROSPECTUS IS DATED 25 JUNE 2020



RESERVOIR LINK ENERGY BHD

Registration No. 201401044508 (1120690-K)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

PUBLIC ISSUE OF 57,126,000 NEW ORDINARY SHARES IN RESERVOIR LINK ENERGY BHD ("RESERVOIR LINK") COMPRISING:

- 14,250,000 NEW ORDINARY SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 4,000,000 NEW ORDINARY SHARES AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF RESERVOIR LINK AND ITS SUBSIDIARIES; AND
- 38,876,000 NEW ORDINARY SHARES AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

OFFER FOR SALE OF 31,000,000 ORDINARY SHARES IN RESERVOIR LINK COMPRISING:

- 2,500,000 ORDINARY SHARES AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- 28,500,000 ORDINARY SHARES AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;

AT AN ISSUE/OFFER PRICE OF RM0.41 PER SHARE PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Principal Adviser, Sponsor, Sole Underwriter
and Placement Agent

kenanga

KENANGA INVESTMENT BANK BERHAD

(Registration Number: 197301002193 (15678-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 37.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SECURITIES COMMISSION MALAYSIA ("SC").

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

RESERVOIR LINK

RESERVOIR LINK ENERGY BHD

P R O S P E C T U S



www.reservoirlink.com

RESPONSIBILITY STATEMENTS

The Directors and Promoters (as defined in this Prospectus) of Reservoir Link Energy Bhd ("**Reservoir Link**" or the "**Company**") and the Offerors (as defined in this Prospectus) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Kenanga Investment Bank Berhad ("**Kenanga IB**"), being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Offering.

STATEMENTS OF DISCLAIMER

Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for our Listing (as defined in this Prospectus). Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO (as defined in this Prospectus), our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form (as defined in this Prospectus), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investor should note that they may seek recourse under Sections 248, 249 and 357 of the Capital Market and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to the Company.

Shares listed on Bursa Securities are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the CMSA, is responsible.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are issued/ offered in Malaysia solely based on the contents of this Prospectus. Our Company, our Promoters, the Offerors and the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any country or jurisdiction other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall be illegal, unenforceable, avoidable or void in any such country and jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the electronic Prospectus and this Prospectus registered by the SC are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined in this Prospectus) may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an electronic Prospectus, you should immediately request from us, the Principal Adviser or the Issuing House (as defined in this Prospectus), a paper/ printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the electronic Prospectus and the contents of the paper/ printed copy of this Prospectus for any reason whatsoever, the contents of the paper/ printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (i) we do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of an electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institution which may be viewed via web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of an electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an electronic Prospectus, the accuracy and reliability of an electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or cost you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

An indicative timetable for our IPO is set out below:

Events	Date
Opening of application for our IPO	25 June 2020
Closing of application for our IPO	1 July 2020
Balloting of applications	3 July 2020
Allotment of Shares to successful applicants	13 July 2020
Listing on the ACE Market of Bursa Securities	15 July 2020

In the event there is any change to the timetable, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation. Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Reservoir Link” and “our Company” in this Prospectus are to Reservoir Link Energy Bhd, references to the “Reservoir Link Group” or “our Group” are to our Company and our subsidiaries taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

All reference to dates and times are references to dates and times in Malaysia unless otherwise stated. All references to the “LPD” in this Prospectus are to 31 May 2020, which is the latest practicable date prior to the registration of this Prospectus with the SC.

This Prospectus includes statistical data provided by us and various third parties. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where there is no source stated, it can be assumed that the information originates from us or is extracted from the Industry Overview prepared by Vital Factor Consulting Sdn Bhd which is included in Section 7 of this Prospectus. Vital Factor Consulting Sdn Bhd has been appointed to provide an independent industry review. In compiling its data for the review, Vital Factor Consulting Sdn Bhd had relied on its research methodology, industry sources, published materials, its own private databases and direct contacts within the industry.

Certain numbers presented in this Prospectus have been rounded off to the nearest thousand or two (2) decimal places, where applicable and hence may not be exact. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated. The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast”, or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) our future overall business development and operations;
- (ii) our financial performance and financing plans including earnings, cash flow and liquidity;
- (iii) potential growth opportunities;
- (iv) our business strategies, trends and competitive position and the effect of such competition;
- (v) the plans and objectives of our Company for future operations; and
- (vi) the general industry environment, including the demand and supply for our products and services.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors including, without limitations:

- (i) the economic, political and investment environment in Malaysia and globally; and
- (ii) government policy, legislation or regulation.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 4 on “Risk Factors” and Section 12 on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the Public Issue Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined or the context requires otherwise:

ACE Market	:	ACE Market of Bursa Securities
Acquisition of 60% RL Solutions	:	The acquisition by Reservoir Link of 60% of the issued share capital of RL Solutions comprising 60,000 ordinary shares for a cash consideration of RM2
Acquisition of Amsito	:	The acquisition by Reservoir Link of the entire issued share capital of Amsito comprising 1,000,000 ordinary shares and 5,000,000 CRNCPS for a cash consideration of RM2
Acquisition of RL Labuan	:	The acquisition by Reservoir Link of the entire issued share capital of RL Labuan comprising 100 ordinary shares for a cash consideration of RM109,000
Acquisition of RLSB	:	The acquisition by Reservoir Link of the entire issued share capital of RLSB comprising 888,888 ordinary shares for a purchase consideration of RM22,787,300 satisfied wholly by the issuance of 227,873,000 new Shares
Acquisitions	:	The Acquisition of Amsito, Acquisition of RL Labuan, Acquisition of 60% RL Solutions and Acquisition of RLSB
Act	:	Companies Act 2016, including amendments from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent, a person appointed by Bursa Depository under the Rules
ADA Code	:	ADA (Broker) Code
Admission	:	Admission of our Shares to the Official List of the ACE Market
AGS International	:	AGS International, LLC, a limited liability company organised under the laws of the State of Washington, United State of America
Amsito	:	Amsito Oilwell Services (Malaysia) Sdn Bhd (Registration No. 197901004381 (48661-A)), a wholly-owned subsidiary of Reservoir Link
Application	:	Application for our IPO Shares by way of Application Form, the Electronic Share Application or the Internet Share Application
Application Form(s)	:	The printed application form for the application of our IPO Shares
Archer Malaysia	:	Archer Well Company (M) Sdn Bhd (Registration No. 201001038427 (922351-H))
ATM	:	Automated Teller Machine
Board	:	Board of Directors of Reservoir Link
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))

DEFINITIONS *(Cont'd)*

Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	An account established by Bursa Depository for the recording of deposits of securities and for dealings in such securities by the Depositor
Central Depositories Act or SICDA	:	Securities Industry (Central Depositories) Act 1991
CMCO	:	Conditional movement control order
CMSA	:	Capital Markets and Services Act 2007, including amendments from time to time and any re-enactment thereof
COVID-19	:	Coronavirus disease 2019
CRNCPS	:	Cumulative Redeemable Non-Convertible Preference Shares
Crowe Malaysia	:	Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & AF1018, the Reservoir Link Group's Auditors and Reporting Accountants
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and shall have the meaning given in Section 2 of the CMSA
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet and/or an electronic storage medium, including but not limited to CD-ROMs
Electronic Application Share	:	Application for our IPO Shares through a Participating Financial Institution's ATM
EPS	:	Earnings per Share
FYE	:	Financial year ended/ ending 31 December, as the case may be
GBP	:	British pound sterling
GL	:	Gross loss
Government	:	Government of Malaysia
GP	:	Gross profit
IMR Report	:	"Independent Industry Assessment of the Provision of Hydrocarbon Well Services Industry in Malaysia", as set out in Section 7, prepared by Vital Factor Consulting

DEFINITIONS *(Cont'd)*

Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Applications, which is set out in Section 15
Internet Share Application	:	Application for our IPO Shares through an Internet Participating Financial Institution
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale collectively
IPO Price	:	RM0.41 per IPO Share, being the price payable by investors under the Public Issue and Offer for Sale
IPO Share(s)	:	The Public Issue Shares and Offer Shares collectively
Issuing House	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258315-X))
Kenanga IB or Principal Adviser or Sponsor or Sole Underwriter or Placement Agent	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)), our principal adviser, sponsor, sole underwriter and placement agent
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing	:	Listing of and quotation of our entire enlarged share capital on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	The Subdivision, Acquisitions, Transfer, IPO and Listing collectively
LPD	:	31 May 2020, being the latest practicable date prior to the registration of this Prospectus with the SC
LPS	:	Loss per Share
Malaysian Public	:	Malaysian citizens, companies, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities
MCO	:	Movement control order
MD&A	:	Management discussion and analysis
MFRS	:	Malaysian Financial Reporting Standards, as issued by the Malaysian Accounting Standards Board
MITI	:	Ministry of International Trade and Industry
MPERS	:	Malaysian Private Entities Reporting Standard
MyIPO	:	Intellectual Property Corporation of Malaysia

DEFINITIONS (Cont'd)

NA	:	Net assets
NBV	:	Net book value
NTA	:	Net tangible assets
Offer for Sale	:	The invitation by the Offerors to selected investors to purchase the Offer Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Offer Shares	:	The 31,000,000 Shares, which are the subject of the Offer for Sale
Offerors or Shareholders Selling	:	Collectively, Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan, Thien Chiet Chai and Pansar. Their respective Offer Shares are as follows:

Offerors	No. of Offer Shares	% of Enlarged Share Capital
Dato' Wan Hassan Bin Mohd Jamil	3,848,000	1.35
Mad Haimi Bin Abu Hassan	1,256,000	0.44
Thien Chiet Chai	9,945,000	3.49
Pansar	15,951,000	5.60
Total	31,000,000	10.88

Official List	:	A list specifying all securities which have been admitted for listing and which have not been removed from the ACE Market
OPEC	:	Organisation of the Petroleum Exporting Countries
Pansar	:	Pansar Berhad (Registration No. 197401002551 (18904-M)), a company listed on the Main Market of Bursa Securities
Participating Financial Institution(s)	:	The participating financial institution(s) for the Electronic Share Application, which is set out in Section 15
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Petronas	:	Petroleum Nasional Berhad (Registration No. 197401002911 (20076-K))
Petronas Carigali	:	Petronas Carigali Sdn Bhd (Registration No. 197801002266 (39275-U))
Petrotechnical	:	Petrotechnical Inspection (M) Sdn Bhd (Registration No. 198101006518 (72632-K))

DEFINITIONS (Cont'd)

Pink Form Shares	:	The total of 4,000,000 Public Issue Shares of our Company representing 1.40% of the enlarged issued share capital of our Company at the IPO Price to be issued to the eligible Directors, employees and business associates of our Group
Placement Shares	:	69,876,000 IPO Shares made available by way of private placement allocated in the following manner: <ul style="list-style-type: none"> • 41,376,000 Shares to selected investors; and • 28,500,000 Shares to Bumiputera investors approved by MITI
Promoters	:	RL Holdings, Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan and Thien Chiet Chai, collectively
Prospectus	:	This prospectus dated 25 June 2020
Public Issue	:	The invitation by our Company to the public to subscribe for the Public Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of the Prospectus
Public Issue Shares	:	The 57,126,000 new Shares, which are the subject of the Public Issue
R&D	:	Research and development
Record of Depositors	:	A record provided by Bursa Depository to Reservoir Link under Chapter 34 of the Rules
RMCO	:	Recovery MCO
Reservoir Link Group or the Group	:	Reservoir Link and its subsidiaries, collectively
Reservoir Link or Company	:	Reservoir Link Energy Bhd (Registration No. 201401044508 (1120690-K))
RL Holdings	:	Reservoir Link Holdings Sdn Bhd (Registration No. 201901019323 (1328652-U))
RL Labuan	:	Reservoir Link (Labuan) Ltd (Registration No. LL09465), a wholly-owned subsidiary of Reservoir Link
RL Solutions	:	Reservoir Link Solutions Sdn Bhd (Registration No. 201501039603 (1164921-V)), a 60% owned subsidiary of Reservoir Link
RLSB	:	Reservoir Link Sdn Bhd (Registration No. 200801030636 (831967-H)), a wholly-owned subsidiary of Reservoir Link
RM or sen	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
Roc Oil Sarawak	:	Roc Oil (Sarawak) Sdn Bhd (Registration No. 201301044747 (1074570-K))
Rules	:	Rules of Bursa Depository
SC	:	Securities Commission Malaysia

DEFINITIONS *(Cont'd)*

Share Registrar	:	Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
Share(s)	:	Ordinary share(s) in our Company
sq ft	:	Square feet
sq m	:	Square metres
Subdivision	:	Subdivision of one (1) Share into five (5) new Shares on the basis of five (5) new Shares for every one (1) existing Share each in the Company as set out in Section 5.5.1 (a) of this Prospectus
Subsidiaries	:	Amsito, RLSB, RL Labuan and RL Solutions, collectively
SWEC	:	Standardised Work and Equipment Categories
Transfer	:	The transfer of 105,000,000 Shares in Reservoir Link by Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan and Thien Chiet Chai to RL Holdings after the Subdivision and Acquisitions as set out in Section 5.5.1 (c) of this Prospectus
Underwriting Agreement	:	The underwriting agreement dated 9 June 2020 entered into between our Company and Kenanga IB pursuant to our Listing
USA	:	United States of America
USD	:	United States Dollars, the lawful currency of the United States of America
Vendors of RLSB	:	Dato' Wan Hassan Bin Mohd Jamil, Mad Haimi Bin Abu Hassan, Thien Chiet Chai, Pansar and Dato' Richard Wee Liang Huat @ Richard Wee Liang Chiat collectively
Vital Factor Consulting or IMR	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), our independent business and market research consultants

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GLOSSARY OF TECHNICAL TERMS

The following technical abbreviations in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Abandoned well	: A well that is no longer in use and which has been cleaned and sealed with cement plugs
Appraisal well	: A well drilled into a discovered O&G reservoir during the appraisal stage to gather data, determine the quantity of recoverable O&G that it may contain and delineate its geographic extent
Bottomhole	: The deepest part of an O&G well
Cased hole	: The portion of a well where casing has been installed
Casing	: Casing refers to pipes that are lowered into wells and cemented into place. The functions that they perform include preventing the wellbore from collapsing, protecting groundwater formations, isolating formations with different pressures and providing a means of maintaining control over fluids and pressure in the well
Casing conveyed perforation	: Well perforation conveyance system where the perforating gun is attached to the outside of the casing string and deployed during its initial running. The casing and perforating gun assembly are cemented in place and the perforating gun is then fired
Cement plug	: Solid plug made of hardened cement that forms a seal between the different sections of a plugged and abandoned well
Cementing	: In cementing, cement slurry is deposited at specific location in a well, where it subsequently hardens to create a physical seal between the wellbore and surrounding formation
Coiled tubing	: Well perforation conveyance system where the perforating gun is attached to a flexible tube which is run into the wellbore
Completion	: The process by which a well is brought to its final classification, such as an exploration well, appraisal well, production well and injector well
Control line	: A hydraulic line that is used to control downhole equipment in a well
Crude oil	: Crude oil is the portion of petroleum that exists in the liquid phase in underground reservoirs and remains in the liquid phase at surface pressure and temperature
Development	: The stage of O&G operations concerned with bringing O&G reservoirs into production. This includes, among others, drilling production wells to connect the O&G reservoirs to the surface
Down hole	: Down hole refers to a location that is within the wellbore and underground
Downstream	: Downstream refers to the O&G industry segments involved in refining and processing crude oil and natural gas and distributing the resulting products
Drilling	: The physical process of creating a well

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Drilling rig	:	Surface structure housing equipment and machinery to drill and complete wells. Drilling rigs may be located on land (“ onshore ”) or in the ocean (“ offshore ”)
Electric wireline	:	Slickline system where the wireline tool is connected to the surface by a steel cable and communications cable, which may be an electrical and/or fibre optic cable
Exploration and appraisal	:	The initial stages of O&G operations that are concerned with locating and characterising O&G reservoirs. Exploration activities include drilling wells to confirm the presence of O&G reservoirs. Appraisal activities include drilling appraisal wells to gather data, determine the quantity of recoverable O&G that a reservoir may contain and delineate its geographic extent
Exploration well	:	A well drilled during the exploration stage to determine if O&G are present in the area of interest and to gather data if O&G are found
Field	:	A field refers to an area consisting of an O&G reservoir or multiple O&G reservoirs all grouped on, or related to, the same individual geological structural features
Formation	:	A body of distinctive rock that is mostly of one (1) type or a combination of similar types. For example an O&G formation consists of rock that contains crude oil and/or natural gas that can be extracted
HSE	:	Health, safety and environment
Injector well	:	A well that is designed to inject liquid, gas or steam into an O&G reservoir to increase or sustain O&G production
IOR	:	Improved oil recovery refers to the practice of promoting additional crude oil and/or natural gas production from a reservoir
LTI	:	Lost time injury
Natural gas	:	A naturally occurring mixture of O&G gasses. Methane is the chief constituent of most natural gas
“O&G” or “oil and gas”	:	Oil and gas refers to hydrocarbons, which are mainly composed of hydrogen and carbon
Open hole	:	Open hole refers to the uncased portions of the well, where drilled rock is in contact with fluid
Packer	:	In a production well, packer is used to provide a seal between the outside of the production tubing and the inside of the casing or wellbore wall
Perforation	:	The process of creating holes in the well casing and channels in the surrounding formation, which are known as perforation tunnels. This creates the physical connection that allows O&G to flow into the wellbore and up to the surface

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Perforation, wash and cement	:	One of the processes in well plug and abandonment. The steps include performing perforations at specified plug locations; washing to remove debris; and cementing to install the cement plugs and heavy mud to complete the seal
Petroleum	:	Petroleum is a mixture of a naturally occurring O&G compounds found in underground reservoirs. Petroleum may be in gaseous, liquid or solid states
Production facility	:	An O&G production facility designed to extract and process crude oil and/or natural gas from underground O&G reservoir to a condition that is suitable for transportation (through tankers, pipelines or other means) to a processing facility or refinery. Production facilities can be onshore or offshore
Production well	:	A well that is used to extract O&G from the ground in the form of crude oil or natural gas, or a combination of both from an O&G reservoir
PSC	:	Production Sharing Contract, a contractual agreement between a company, referred to as PSC contractor or operator and the host Government for the discovery and production of O&G. In the context of this Prospectus, it also includes Project Development Management.
Reserve	:	O&G reserves are defined as those quantities of O&G that are anticipated to be commercially recoverable from a known reservoir
Reservoir	:	A naturally occurring underground rock formation that contains O&G in the form of crude oil or natural gas, or a combination of both
Shaped charge	:	An explosive device that is designed so that the energy from its detonation is directed in a specific and focused manner
Slickline	:	Wireline system where the wireline tool is connected to the surface only by a steel cable
Tubing conveyed perforation	:	Well perforation conveyance system where the perforating gun is conveyed into the wellbore by tubing, drill pipe or coiled tubing
Upstream	:	Upstream refers to the exploration, appraisal, development and production segments of the O&G industry
Well	:	A man-made shaft created for the purpose of identifying, assessing or producing O&G from underground reservoirs
Well intervention	:	Well intervention refers to services that are carried out on an O&G well, for example to alter its physical state, collect data or manage production. It can be carried out during or at the end of the well's productive life
Well plug and abandonment	:	The process of safely sealing an O&G well that is no longer in use. Among others, the steps include removing above ground and underground equipment and performing perforation, wash and cement
Wellbore	:	A drilled hole that forms the well, including the open hole and cased portions of the well. It is the inside cavity of the well through which O&G and other fluids flow

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Wellhead : The component at the surface of an O&G well that caps the well and contains its pressure, as well as provides access for tools. In an offshore environment, a wellhead that is located on a production platform is known as a "surface wellhead", while a wellhead that is located beneath the water is known as a "subsea wellhead"

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1. CORPORATE DIRECTORY**DIRECTORS**

Name and Designation	Address	Nationality
Datuk Tai Hee Non-Independent Non-Executive Chairman	No. 8, Drive 15 Brooke Drive 96000 Sibu Sarawak	Malaysian
Dato' Wan Hassan Bin Mohd Jamil Chief Executive Officer/ Managing Director	No. 2, Jalan Puchong Utama 7E, Taman Puchong Utama 47100 Selangor Darul Ehsan	Malaysian
Thien Chiet Chai Non-Independent Executive Director	Unit 63, Casaman No. 2, Changkat Intisari Desa Parkcity 52200 Wilayah Persekutuan Kuala Lumpur	Malaysian
Eric Lim Swee Khoon Independent Non-Executive Director	No. 37, Lorong Lapangan Terbang No. 1, Jalan Lapangan Terbang 93350 Kuching Sarawak	Malaysian
Siti Zurina Binti Sabarudin Independent Non-Executive Director	No. 43, Jalan Nova U5/76 Taman Subang Bestari Seksyen U5 40150 Shah Alam Selangor Darul Ehsan	Malaysian
Elain Binti Lockman Independent Non-Executive Director	Unit C-4-4, 202 Desa Cahaya Jalan Ampang 50450 Wilayah Persekutuan Kuala Lumpur	Malaysian

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1. CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Eric Lim Swee Khoon	Chairman	Independent Non-Executive Director
Datuk Tai Hee	Member	Non-Independent Non-Executive Chairman
Siti Zurina Binti Sabarudin	Member	Independent Non-Executive Director
Elain Binti Lockman	Member	Independent Non-Executive Director

REMUNERATION AND NOMINATION COMMITTEE

Name	Designation	Directorship
Siti Zurina Binti Sabarudin	Chairman	Independent Non-Executive Director
Datuk Tai Hee	Member	Non-Independent Non-Executive Chairman
Eric Lim Swee Khoon	Member	Independent Non-Executive Director
Elain Binti Lockman	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Dato' Wan Hassan Bin Mohd Jamil	Chairman	Chief Executive Officer/ Managing Director
Thien Chiet Chai	Member	Non-Independent Executive Director
Eric Lim Swee Khoon	Member	Independent Non-Executive Director
Siti Zurina Binti Sabarudin	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Pauline Kon Suk Khim (MAICSA 7014905)
CCM Practising Certificate 202008001607
*(Chartered Governance Professional/ Chartered Secretary,
Fellow Member of the Malaysian Institute of Chartered
Secretaries & Administrators)*
- 2nd Floor, Lot 144
Jalan Petanak
93100 Kuching
Sarawak
- Telephone No.: (6082) 248 491
Facsimile No.: (6082) 253 857
- Ho Khee Jeem (MIA 12422)
CCM Practising Certificate 201908002110
(Chartered Accountant, Malaysian Institute of Accountants)
- E-33-01, Menara SUEZCAP 2
KL Gateway
No. 2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Wilayah Persekutuan
Kuala Lumpur
- Telephone No. : (603) 2711 2128
Facsimile No. : (603) 2711 2120
- REGISTERED OFFICE** : 2nd Floor, Lot 144
Jalan Petanak
93100 Kuching
Sarawak
- Telephone No. : (6082) 248 491
Facsimile No. : (6082) 253 857
- HEAD OFFICE/ PRINCIPAL
PLACE OF BUSINESS** : E-33-01, Menara SUEZCAP 2
KL Gateway
No. 2, Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Wilayah Persekutuan
Kuala Lumpur
- Telephone No. : (603) 2711 2128
Facsimile No. : (603) 2711 2120
Email Address : investor.relation@reservoirlink.com
Website : [https:// reservoirlink.com](https://reservoirlink.com)
- PRINCIPAL SPONSOR,
UNDERWRITER
PLACEMENT AGENT** **ADVISER,
SOLE
AND** : Kenanga Investment Bank Berhad
Level 17, Kenanga Tower
No. 237, Jalan Tun Razak
50400 Wilayah Persekutuan
Kuala Lumpur
- Telephone No. : (603) 2172 2888
Facsimile No. : (603) 2172 2999

1. CORPORATE DIRECTORY (Cont'd)

LEGAL SOLICITORS **ADVISERS/** : Messrs. Lee Choon Wan & Co.
Advocates and Solicitors
No. 12, Lorong Dungun
Damansara Heights
50490 Wilayah Persekutuan
Kuala Lumpur

Telephone No. : (603) 2093 0078
Facsimile No. : (603) 2094 1750

AUDITORS AND REPORTING ACCOUNTANTS : Crowe Malaysia PLT
2nd Floor, C378, Block C
iCom Square
Jalan Pending
93450 Kuching
Sarawak

Telephone No. : (6082) 552 688
Facsimile No. : (6082) 552 688

Partner : Hudson Chua Jain

Approval No. : 02538/ 05/ 2022 J

Professional : Chartered Accountant (Malaysia),
Qualification CPA (Australia)
Chartered Accountant (CAANZ)

ISSUING HOUSE : Malaysian Issuing House Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Telephone No. : (603) 7890 4700
Facsimile No. : (603) 7890 4670

SHARE REGISTRAR : Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Telephone No. : (603) 7890 4700
Facsimile No. : (603) 7890 4670

1. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT AND MARKET CONSULTANTS **BUSINESS RESEARCH** : Vital Factor Consulting Sdn Bhd
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan

Telephone No. : (603) 7931 3188
Facsimile No. : (603) 7931 2188

Person-in-charge : Wooi Tan

Qualification : Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from The University of New South Wales, Australia and a Fellow of the Australian Marketing Institute and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)

LISTING SOUGHT : ACE Market of Bursa Securities

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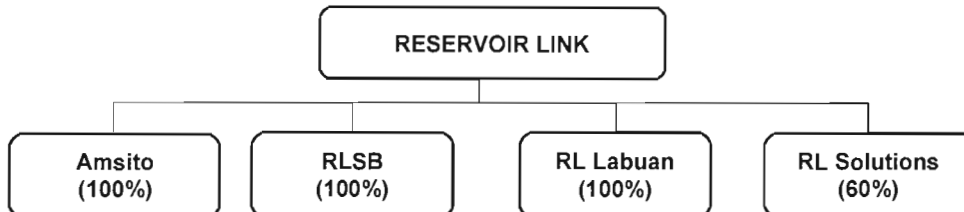
2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our shares.

2.1 OVERVIEW

We were incorporated in Malaysia under the Companies Act 1965 on 2 December 2014 as a public limited company under the name of Reservoir Link Energy Bhd. Our Company is also deemed registered under the Act.

An illustration of our Group structure is as follows:



The principal activities of our subsidiaries are as follows:

Company	Principal Activities
Amsito	Providing wireline and related services.
RLSB	Providing well leak repair; perforation; testing; perforate, wash and cement; and wireline services.
RL Labuan	Providing well perforation and well leak repair services, primarily outside of Malaysia.
RL Solutions	Developing and providing oil and gas production enhancement services and sand management solutions.

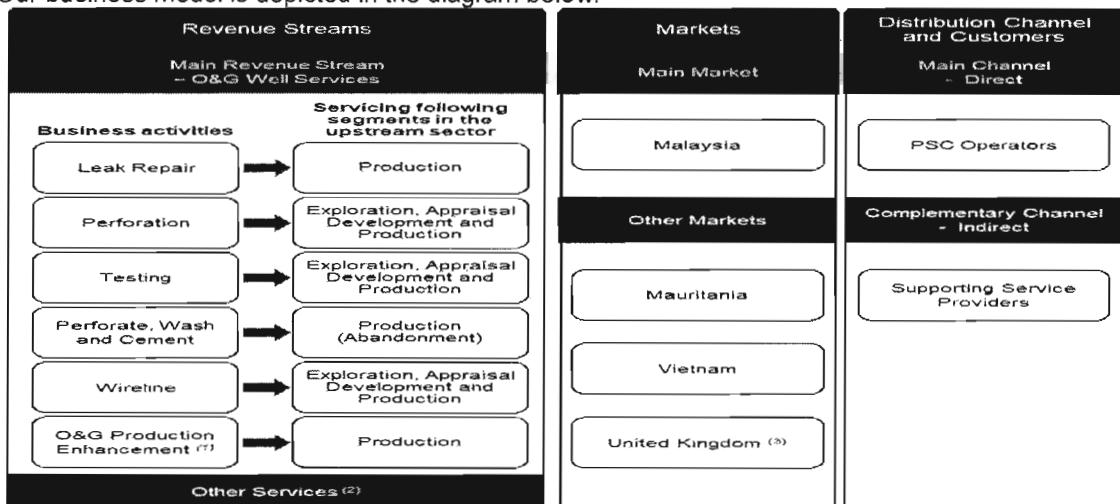
Further details of our subsidiaries are set out in Section 5.4 of this Prospectus.

2.2 SUMMARY OF OUR BUSINESS

Our Group commenced in 2008 with the incorporation of RLSB. We are mainly providers of O&G well services that support operators in the upstream sector of the O&G industry.

Business Model

Our business model is depicted in the diagram below:



PSC = Production Sharing Contract, O&G = Oil and Gas.

Notes:

(1) Comprising the supply of IOR chemicals and provision of sand management solutions.

(2) Supply of technical personnel and oilfield equipment; and Provision of construction and consultancy services.

(3) We supplied oilfield equipment to a customer in the United Kingdom during FYE 2016, and delivered the said oilfield equipment to that country. This was a one-off transaction.

2. PROSPECTUS SUMMARY *(Cont'd)*

Our main revenue stream is in providing O&G well services, which include well perforation, leak repair, testing, wash and cement, wireline and O&G production enhancement services. Other services include supplying technical personnel, oilfield equipment and providing construction and consultancy services.

2.2.1 Business Activities

Our well services business comprises the following activities:

(i) **Well Leak Repair**

Well leak repair services involve using a repair chemical to seal leaks in wells. Leaks can lead to fluids such as crude oil, natural gas, hydraulic fluid and other materials passing through joints in the tubing, isolation packer, underground safety valves and production trees. Such leaks can result in a loss of production, reduction in hydrocarbon reservoir pressure and environmental damage.

(ii) **Well Perforation**

Our well perforation services involve using shaped charges to create holes in the well casing and tunnels in the surrounding formation of the reservoir. These perforation tunnels allow the O&G to flow into the wellbore.

(iii) **Well Testing**

Our well testing services involve collecting data, such as pressure and temperature, flow rates and fluid samples, which are used to predict the characteristics of wells and O&G reservoirs. We conduct well testing services to support customers in the exploration, appraisal, development and production segments of the O&G industry.

(iv) **Well Perforate, Wash and Cement**

We provide well perforate, wash and cement services that are part of well abandonment. We perform well perforation, while our partner Archer Malaysia undertakes the wash and cement portion. Archer Malaysia provides specialised expertise and wash tools to clean the areas behind the perforated casing and accurately place the cement plugs. Our revenue for the perforation portion of perforate, wash and cement projects is captured under the "well perforation" segment.

(v) **Wireline**

We carry out wireline services, which involve sending wireline tools down wells to carry out well intervention and collect data. We perform slickline services where the wireline tool is connected to the surface by a steel cable and electric wireline services where the wireline tool is connected to the surface by steel and electric cables.

(vi) **O&G Production Enhancement**

We provide O&G production enhancement services that are intended to increase the rate and/or total amount of crude O&G production from a reservoir. We currently supply IOR chemicals and provide sand management solutions.

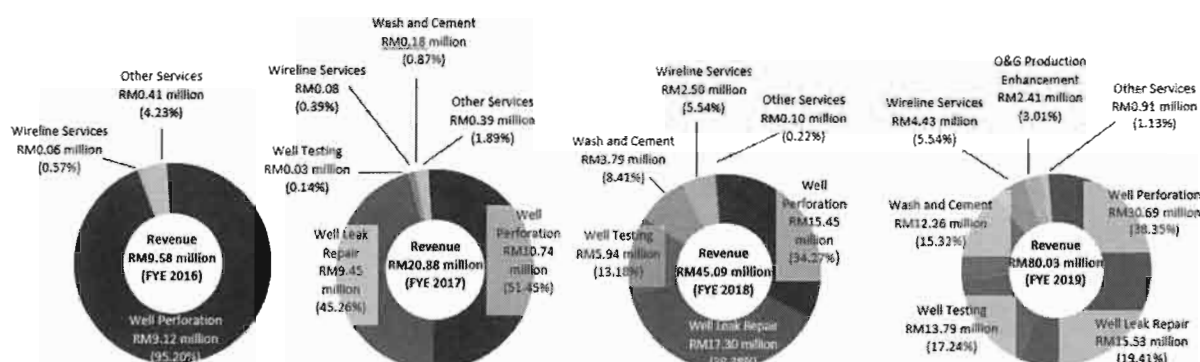
We also provide other services including supplying technical personnel and oilfield equipment, and providing construction and consultancy services.

Further details on our business activities are set out in Section 6.3.2 of this Prospectus.

2. PROSPECTUS SUMMARY (Cont'd)

2.2.2 Revenue Segmentation

Our revenue segmentation by business activities for the FYE 2016 to FYE 2019 are summarised in the following diagrams:



Further details on our revenue segmentation by business activities are set out in Section 6.3.5 of this Prospectus.

2.2.3 Markets

Our largest market was Malaysia, which represented more than 88.0% of our total revenue for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019. For the FYE 2019, our second largest market was Mauritania.

Further details on our markets are set out in Section 6.3.3 of this Prospectus.

2.2.4 Customers and Distribution Channels

Our main customers are PSC operators, while others are supporting service providers to the O&G industry. We mainly adopt a direct distribution channel, where we market and sell directly to PSC operators. We also use the indirect distribution channel where we market and sell our services to supporting service providers to the O&G industry, who would use us as subcontractors for their projects with PSC operators. In addition to our in-house sales and marketing team, we have appointed an agent in Indonesia to represent our Group in that market for the provision of well perforation and well leak repair services.

Further details on our customers and distribution channels are set out in Section 6.3.4 of this Prospectus.

2.2.5 Operational Facilities

As at the LPD, we have four (4) operational facilities at the following locations:



Further details on our operational facilities are set out in Section 6.1 of this Prospectus.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.3 IMPACT OF COVID-19 AND LOW CRUDE OIL PRICE ENVIRONMENT

2.3.1 COVID-19

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020.

To contain the spread of COVID-19 within Malaysia, the Government implemented movement restrictions commencing from 18 March 2020 through MCO, CMCO and RMCO. The RMCO is from 10 June 2020 till 31 August 2020. The RMCO provides further relaxation of economic, social and travel restrictions but not international travels. The Government may implement some form of movement control in the future if the spread of COVID-19 continues, increases or recurs after restrictive measures are relaxed.

As we are service providers in the O&G industry, our operations in Malaysia are classified as one (1) of the essential services and we are allowed to carry out our normal business operations subject to implementing measures to prevent and minimise the spread of COVID-19. The adverse effects of measures to contain the spread of COVID-19 on our operations in Malaysia, amongst others, are summarised as below:

- (i) As at the LPD, two (2) of our contracts have experienced or are expected to experience some delays. The expected delays in implementing and completing the work orders under these contracts will result in a corresponding deferment in recognising revenue and profit that we expect from these work orders. As a result, the revenue from these two (2) contracts may be affected by at least one (1) month in the FYE 2020 and consequently, affects our financial performance for the FYE 2020;
- (ii) We have experienced some delays in receiving perforating materials from some of our suppliers.
- (iii) In response to COVID-19, the Government of Mauritania closed its borders to travel into and out of the country effective from 17 March 2020. PC Mauritania 1 Pty Ltd served our Group with notice to suspend our contract to provide well perforate, wash and cement services to them from 28 April 2020 until further notice. This suspension of our call out contract will adversely affect our business activities and financial performance in Mauritania.

As part of this suspension, PC Mauritania 1 Pty Ltd agreed to pay us the following:

- (a) Non-refundable one-time upfront payment of USD2.27 million (equivalent to approximately RM9.86 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD). As of the LPD, we have received net upfront payment of USD2.09 million after deducting withholding tax of USD0.18 million; and
- (b) A non-refundable sum of USD10,000 per month (equivalent to approximately RM43,455 per month based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) as rental payment for facilities that we are renting in Mauritania for the duration of the suspension period.

Revenue and profit recognition will be deferred until PC Mauritania 1 Pty Ltd lifts its suspension of the contract and we can resume our work, which will not occur until the Government of Mauritania allows our personnel to travel into and out of the country. As at the LPD, we do not have any indication as to when travel restrictions will be lifted.

2.3.2 Low Crude Oil Price Environment

In early 2020, Brent crude oil price declined and became volatile. The average Brent crude oil price dipped to USD23.34 per barrel for April 2020, the lowest average price in the past ten (10) years. The fall in crude oil price was mainly due to the COVID-19 and the initial failure by major crude oil producers to reduce production. However, during the weekend of 12 April 2020, OPEC and allies including Russia have agreed to reduce crude oil production. The average Brent crude oil price for May 2020 was USD31.02 per barrel.

As at the LPD, we have not experienced any cancellation or suspension of subsisting work orders in Malaysia. However, we will be affected if we do not get any work orders from call out contracts or we do not receive any invitation to bid under umbrella contracts. In the event that we receive invitations to submit bids under our umbrella contracts, we may be subjected to competitive pricing.

A prolonged low crude oil price environment will have a negative impact on our business and financial performances, especially if PSC operators reduce their operating and capital expenditure in response. However, we expect PSC operators to carry out maintenance on their production wells and PSC operators are required to plug and abandon wells that are no longer in use. For the FYE 2017, FYE 2018, FYE 2019 and up to the LPD, all our well service contracts are for production wells or for the plug and abandonment of wells.

The decrease in crude oil prices did not have a material adverse effect on our operations in Mauritania as the suspension of our call out contract was in response to COVID-19.

Please refer to Section 6.23 of this Prospectus for further details of the impact of COVID-19 and low crude oil price environment on our business, financial performance and profitability.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.4 SUMMARY OF RISK FACTORS

Our business is subject to a number of risk factors, many of which are outside our control. Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risk factors (which may not be exhaustive) set out in Section 4 of this Prospectus.

The following are some of the key risks faced by us in our business operations:

- (i) We are dependent on two (2) major customers

We are dependent on Roc Oil Sarawak and the Petronas group of companies (comprising Petronas Carigali, PC Mauritania 1 Pty Ltd and KLCC Urusharta Sdn Bhd) which accounted for a significant proportion of our revenue during the FYE 2016 to FYE 2019. The loss of any of these customers may have an adverse effect on our operating results. Further, there can be no assurance that these major customers will continue to grant us future contracts upon the expiration of our respective contracts with them.

- (ii) We are dependent on three (3) major suppliers

We are dependent on AGS International for the supply of repair chemicals used in our well leak repair services; Petrotechnical for the supply of well testing equipment and personnel; and Archer Malaysia for the provision of equipment, expertise and services used in well perforate, wash and cement services, namely wash and cement tools that are used in cleaning the wellbore and installing cement plugs. There is a risk that the performance of our Group may be adversely affected if the supply of these products and services are interrupted and/or we are unable to source for alternative suppliers in a timely manner.

- (iii) All of our existing contracts with our customers do not provide assurance of future revenue

As at the LPD, all of our customers' contracts are either umbrella contracts (ten (10) contracts) or call out contracts (sixteen (16) contracts) which are not long term contracts and do not provide any assurance of future revenue. Our umbrella contracts do not provide any assurance of future revenue as there is no guarantee that the customer will issue requests for jobs or will engage us from among other pre-qualified service providers to carry out any job. Our call out contracts also do not provide any assurance of future revenue as there is no guarantee that the customer will issue any work orders to us during the contract period.

- (iv) We are required to comply with Petronas licencing and SWEC requirements

The O&G industry is subject to Petronas licencing and registration requirements, including meeting Petronas' SWEC requirements. Our failure to comply with the requirements of our Petronas licence and SWEC may disrupt our operations and could have a material adverse effect on our business operations and financial performance.

- (v) We are required to comply with HSE laws and regulations that govern the O&G industry

The O&G industry is subject to various HSE laws and regulations. Our failure to comply with any or all applicable HSE laws and regulations, or a change in any or all such regulations, may disrupt our operations and could have material adverse effect on our business operations.

- (vi) We may be adversely affected by changes in Petronas' policies

A change in Petronas' policy with regards to regulating the oil and gas industry in Malaysia may come about through the liberalisation of the oil and gas industry by, among others, removing licencing requirements for the provision of supporting products and services, loosening licencing requirements such that it becomes easier to obtain a licence and allowing foreign suppliers to operate in Malaysia without having to operate with a local partner and reducing other restrictions on their operations.

- (vii) Our business, financial performance and profitability are and may continue to be affected by COVID-19

COVID-19 has spread around the world with the World Health Organisation declaring it a pandemic on 11 March 2020. COVID-19 has reduced economic and social activities, which has reduced demand for crude oil and natural gas. This reduction in demand, coupled with expected increase in supply of crude oil from some countries (as described in Section 4.2.1 of this Prospectus), have contributed towards a reduction in the price of crude oil. If price of crude oil is sustained at a low level, there is a risk that our financial performance will be negatively affected.

2. PROSPECTUS SUMMARY (Cont'd)

To reduce the spread of COVID-19 within Malaysia, the Government has implemented measures to restrict the movement of people, economic and other activities, including MCO, CMCO and RMCO. As at the LPD, the RMCO is scheduled to end on 31 August 2020. There is a risk that the Government may implement increased restrictions in movement and economic and social activities in the future if the spread of COVID-19 continues or increases. While operators within the oil and gas industry are considered part of essential services and thus exempted from the MCO/ CMCO/ RMCO in Malaysia, we may still face difficulties obtaining goods and services as well as movement of personnel which has disrupted some of the jobs that we have within and outside of Malaysia.

On 29 March 2020, PC Mauritania 1 Pty Ltd has issued a notice to suspend our call out contract to provide well perforate, wash and cement services to them in Mauritania from 28 April 2020 until further notice. This suspension of our call out contract adversely affected our business and financial performance in Mauritania. There is also a risk that PC Mauritania 1 Pty Ltd may make a further declaration of force majeure to terminate the said call out contract. The measures taken to control the spread of COVID-19 in Malaysia and Mauritania have resulted in disruptions that have adversely affected our business, financial performance and profitability.

Please refer to Section 6.23 of this Prospectus for further details of the effect of COVID-19 on our business, financial performance and profitability.

- (viii) We depend on our Executive Directors, key management and technical personnel for our continued success

Our continuing operations and the successful execution of our business strategy will depend on the experience, expertise and contributions of our Executive Directors, key management and technical personnel, and may be adversely affected if we lose their services or fail to employ a suitable replacement in a timely manner.

- (ix) We are exposed to foreign currency exchange gains or losses

Some of our revenue and purchases are denominated in foreign currencies. We are exposed to foreign currency exchange gains or losses from timing differences between our billings, receipt of payments and conversion or translation of revenue and purchases denominated in USD into RM.

Further details on the risk factors are set out in Section 4 of this Prospectus.

2.5 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

- (i) **We Specialise in Providing Well Services**

Since carrying out our first job in 2009, we have specialised in providing well services. We have carried out well services in Malaysia, Vietnam and Mauritania.

Our portfolio of services allows us to meet the requirements for a range of wells and applications, and address a wide market, both in Malaysia and other countries

- (ii) **We Have An Established Track Record Providing Well Services**

Since we served our first customer in 2009, we have accumulated a track record of approximately eleven (11) years as providers of well perforation, three (3) years in well leak repair, testing, perforate, wash and cement, wireline services and one (1) year in providing O&G production enhancement services. Our customers include PSC operators and providers of supporting services to the O&G industry in Malaysia and operators involved in producing O&G in Vietnam and Mauritania. We have established business relationships with our customers during this time, which has provided us with a platform to address future business opportunities with them.

- (iii) **We Are A Petronas Licensed Company, Which Allows Us to Participate in the Malaysian O&G Industry**

It is mandatory to obtain a licence from Petronas to participate in the O&G industry in Malaysia. As at the LPD, we are licensed for a total of eighty four (84) SWEC, which provide us with opportunities to sustain and grow our business.

2. PROSPECTUS SUMMARY (Cont'd)**(iv) Our Services Cover All Stages of An O&G Well's Lifecycle**

Our well services cover every stage of an O&G well's lifecycle. We provide well perforation, testing and wireline services for the start-up stage; well perforation, testing, leak repair, wireline and O&G production enhancement services for the production stage; and well perforate, wash and cement services for the end-of-life stage. Our ability to provide services that cover all well lifecycle stages helps to sustain demand for our well services.

(v) We Have An Experienced Management Team to Expand and Develop Our Business

We are guided by an experienced management team, as summarised in the following table:

Name	Position	Approximate O&G Industry Experience
Thien Chiet Chai	Non-Independent Executive Director	31 years
Dato' Wan Hassan Bin Mohd Jamil	Chief Executive Officer/ Managing Director	24 years
Mad Haimi Bin Abu Hassan	Operations Director	19 years

We believe our experienced management team will help develop our business and provide the platform for future growth.

Further details on our competitive strengths are set out in Section 6.4 of this Prospectus.

2.6 FUTURE PLANS AND BUSINESS STRATEGIES

We will continue to leverage from our core competency as providers of O&G well services and implement the following strategy to further develop our business operations and strengthen our market position:

Purchase Well Testing Equipment

We currently provide our well testing services in collaboration with Petrotechnical. We intend to purchase well testing equipment to reduce reliance on Petrotechnical to develop and enhance our business capabilities. Owning our own well testing equipment will improve our position as a full service provider for well testing services.

Further details on our business strategies are set out in Section 6.22 of this Prospectus.

2.7 DIRECTORS AND KEY MANAGEMENT OF OUR GROUP

Our Directors and key management are as follows:

Name	Designation
<u>Directors</u>	
Datuk Tai Hee	Non-Independent Non-Executive Chairman
Dato' Wan Hassan Bin Mohd Jamil	Chief Executive Officer/ Managing Director
Thien Chiet Chai	Non-Independent Executive Director
Eric Lim Swee Khoo	Independent Non-Executive Director
Siti Zurina Binti Sabarudin	Independent Non-Executive Director
Elain Binti Lockman	Independent Non-Executive Director

Name	Designation
<u>Key Management</u>	
Mad Haimi Bin Abu Hassan	Operations Director
Ho Khee Jeem	Financial Controller
Anwarudin Bin Saidu Mohamed	Chief Technology Officer
Alphonsus Chiu Ching Chuen	Senior Manager, Business Development

Please refer to Section 8 of this Prospectus for further details of our Directors and key management.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS OF OUR GROUP

The following table sets out the shareholdings of our Promoters and substantial shareholders before and after our IPO:

Name	Country of Incorporation/ Nationality	^(a) No. of Shares Held Before the IPO				^(b) No. of Shares Held After the IPO			
		Direct	%	Indirect	%	Direct	%	Indirect	%
<u>Promoters and Substantial Shareholders</u>									
RL Holdings	Malaysia	105,000,000	46.08	-	-	105,000,000	36.84	-	-
Dato' Wan Hassan Bin Mohd Jamil	Malaysian	18,596,605	8.16	^(c) 105,000,000	46.08	14,748,605	5.18	^(c) 105,000,000	36.84
Mad Haimi Bin Abu Hassan	Malaysian	6,072,335	2.66	^(c) 105,000,000	46.08	4,816,335	1.69	^(c) 105,000,000	36.84
Thien Chiet Chai	Malaysian	48,072,835	21.10	-	-	38,127,835	13.38	-	-
<u>Substantial Shareholders</u>									
Pansar	Malaysia	45,574,703	20.00	-	-	29,623,703	10.39	-	-
Pan Sarawak Holdings Sdn Bhd	Malaysia	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39
Tai Sing Chii & Sons Sdn Bhd	Malaysia	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39
Inplaced Capital Sdn Bhd	Malaysia	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39
Puan Sri Datin Sri Ling Lah Kiong	Malaysian	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39
Dato' James Tai Cheong @ Tai Chiong	Malaysian	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39
Datuk Tai Hee	Malaysian	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39
David Tai Wei	Malaysian	-	-	^(d) 45,574,703	20.00	-	-	^(d) 29,623,703	10.39

Notes:

- (a) Based on the issued share capital of 227,874,000 Shares after the Subdivision, Acquisitions and Transfer.
- (b) Based on the enlarged issued share capital of 285,000,000 Shares after the Public Issue.
- (c) Deemed interested by virtue of his substantial shareholding in RL Holdings pursuant to Section 8 of the Act.
- (d) Deemed interested by virtue of its/ his/ her indirect substantial shareholding in Pansar.

Please refer to Section 8.1 of this Prospectus for further details of our Promoters and substantial shareholders.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 FINANCIAL HIGHLIGHT****Historical Statements of Profit or Loss and Other Comprehensive Income**

The following table sets out the financial highlights based on the audited combined statements of profit or loss and other comprehensive income of our Group for the past four (4) FYE 2016 to FYE 2019:

	----- Audited ----->			
	FYE 2016 RM'000	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000
Revenue	9,578	20,874	45,091	80,031
GL/ GP	(348)	4,918	10,932	20,674
LBT/ PBT ⁽¹⁾	(4,114)	594	5,157	11,283
LAT/ PAT attributable to:				
Owners of the Company	(3,674)	1,016	3,255	9,678
- From continuing operations ⁽¹⁾	(4,183)	316	4,011	9,678
- From discontinued operations	509	700	(756)	-
Non-controlling interests	(172)	-	(153)	35
	(3,846)	1,016	3,102	9,713
Number of Shares in issue ('000) ⁽²⁾	227,874	227,874	227,874	227,874
GP margin (%)	(3.63)	23.56	24.24	25.83
PBT margin (%)	(42.95)	2.85	11.44	14.10
LAT/ PAT margin (%)				
- Continuing operations ⁽³⁾	(43.67)	1.51	8.90	12.09
- Discontinued operations ⁽⁴⁾	5.31	3.35	(1.68)	-
Gross LPS/ EPS (sen) ⁽⁵⁾	(1.81)	0.26	2.26	4.95
Net LPS/ EPS (sen)				
- Continuing operations ⁽⁶⁾	(1.84)	0.14	1.76	4.25
- Discontinued operations ⁽⁷⁾	0.22	0.31	(0.33)	-
Diluted net LPS/ EPS (sen)				
- Continuing operations ⁽⁸⁾	(1.47)	0.11	1.41	3.40
- Discontinued operations ⁽⁹⁾	0.18	0.25	(0.27)	-

Notes:

- (1) Our losses recorded for the FYE 2016 were mainly attributed to Amsito. The revenue generated by Amsito was insufficient to support its direct operational expenses mainly comprised depreciation of wireline equipment, direct labour costs and rental of equipment during the FYE 2016. In addition, our overall Group revenue for the FYE 2016 was adversely affected by the decline in global crude oil prices during the year, which resulted in lower O&G industry activities in the upstream sector.
- (2) Based on the issued share capital of 227,874,000 Shares after the Subdivision, Acquisitions and Transfer.
- (3) The LAT/ PAT margin from continuing operations is calculated based on LAT/ PAT attributable to the owners of our Company from continuing operations divided by the revenue.
- (4) The LAT/ PAT margin from discontinued operations is calculated based on LAT/ PAT attributable to the owners of our Company from discontinued operations divided by the revenue.
- (5) The gross EPS is calculated based on PBT of our Company divided by the issued share capital of 227,874,000 Shares after the Subdivision, Acquisitions and Transfer.
- (6) The net LPS/ EPS from continuing operations is calculated based on LAT/ PAT attributable to the owners of our Company from continuing operations divided by the issued share capital of 227,874,000 Shares after the Subdivision, Acquisitions and Transfer.
- (7) The net LPS/ EPS from discontinued operations is calculated based on LAT/ PAT attributable to the owners of our Company from discontinued operations divided by the issued share capital of 227,874,000 Shares after the Subdivision, Acquisitions and Transfer.
- (8) The diluted net LPS/ EPS from continuing operations is calculated based on LAT/ PAT attributable to the owners of our Company from continuing operations divided by the enlarged issued share capital of 285,000,000 Shares after the Public Issue.
- (9) The diluted net LPS/ EPS from discontinued operations is calculated based on LAT/ PAT attributable to the owners of our Company from discontinued operations divided by the enlarged issued share capital of 285,000,000 Shares after the Public Issue.

Please refer to Section 12.2 of this Prospectus for further details.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.10 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and the principal details of our IPO Shares are as follows:

Number of new Shares to be issued under the Public Issue:	57,126,000
Number of existing Shares to be offered under the Offer for Sale:	31,000,000
Enlarged number of Shares upon Listing:	285,000,000
IPO Price:	RM0.41
Market capitalisation upon Listing (based on the IPO Price and enlarged number of Shares upon Listing)	RM116,850,000

Please refer to Section 3.3 of this Prospectus for further details of our IPO.

Our Promoters' entire shareholdings after IPO will be held under moratorium for six (6) months from the date of admission. Thereafter, our Promoters' shareholdings amounting to 45.0% of our enlarged issued share capital will remain under moratorium for another six (6) months. Our Promoters may sell, transfer or assign up to a maximum of one-third per year (on a straight line basis) of their Shares held under moratorium upon expiry of the second 6-month period.

Further details on the moratorium on the sale of our Shares are set out in Section 9.2 of this Prospectus.

2.11 UTILISATION OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of RM23,421,660 in the following manner:

	Description of Utilisation	Estimated Timeframe for Utilisation Upon Listing	⁽¹⁾ Amount (RM'000)	Percentage (%)
(i)	Purchase of well testing equipment	Within 24 months	10,000	42.70
(ii)	Working capital	Within 12 months	4,922	21.01
(iii)	Repayment of bank borrowings	Within 6 months	5,000	21.35
(iv)	Estimated listing expenses ⁽²⁾	Immediate	3,500	14.94
	Total Public Issue Proceeds		23,422	100.00

Notes:

(1) *The proceeds will be placed in interest bearing deposits with licensed financial institutions until eventual utilisation.*

(2) *If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.*

Further details on the utilisation of proceeds are set out in Section 3.7 of this Prospectus.

2.12 DIVIDEND POLICY

It is our policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserve for the future growth of our Group.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

Further details on our dividend policy are disclosed in Section 12.10 of this Prospectus.

3. DETAILS OF OUR IPO

3.1 OPENING AND CLOSING APPLICATIONS

Application for our IPO Shares under the IPO will open at 10:00 a.m. on 25 June 2020 and will remain open until 5:00 p.m. on 1 July 2020.

3.2 INDICATIVE TIMETABLE

An indicative timetable for our IPO is set out below:

Event	Date
Opening of application for our IPO	10.00 a.m., 25 June 2020
Closing of application for our IPO	5.00 p.m., 1 July 2020
Balloting of applications	3 July 2020
Allotment of IPO Shares to successful applicants	13 July 2020
Listing on the ACE Market	15 July 2020

In the event there is any change to the timetable, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

3.3 PARTICULARS OF OUR IPO

The Public Issue of 57,126,000 new Shares and Offer for Sale of 31,000,000 Shares are issued/ offered at the IPO Price payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

3.3.1 Public Issue

The Public Issue of 57,126,000 Shares at the IPO Price representing approximately 20.04% of our enlarged issued share capital will be made available for Application in the following manner:

(i) Malaysian Public (via Balloting)

14,250,000 Public Issue Shares representing 5.0% of our enlarged issued share capital, to be allocated via balloting will be made available for Application by the Malaysian Public, of which at least 50% shall be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Directors, Employees and Business Associates of Our Group

4,000,000 Public Issue Shares representing 1.40% of our enlarged issued share capital, will be made available for Application by the eligible Directors, employees and business associates of our Group.

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3. DETAILS OF OUR IPO (Cont'd)

The Pink Form Shares will be allocated to eligible Directors and employees of our Group based on the following criteria as approved by our Board:

- (a) the eligible employee must be a full time and confirmed employee of our Group;
- (b) the eligible employee must be on our Group's payroll;
- (c) seniority and position;
- (d) length of service;
- (e) past performance and respective contribution made to our Group; and
- (f) the eligible employee must be at least eighteen (18) years of age.

The Pink Form Shares to be allocated to the business associates of our Group will take into consideration their contribution to the success of our Group. Their allocations are based on, among others, their level of contributions to our Group and length of their respective relationships. The persons who have contributed to the success of our Group include among others, suppliers and customers.

The Directors of our Company are entitled for the Pink Form Shares as follows:

Name of Directors	Designation	No. of Shares
Datuk Tai Hee	Non-Independent Non-Executive Chairman	500,000
Eric Lim Swee Khoon	Independent Non-Executive Director	500,000
Siti Zurina Binti Sabarudin	Independent Non-Executive Director	500,000
Elain Binti Lockman	Independent Non-Executive Director	500,000
		2,000,000

Please refer to Section 8.3.1 of this Prospectus for the allocation of the Pink Form Shares to the key management of the Group.

Details of the Pink Form Shares allocation to our eligible Directors, employees and business associates of our Group are as follows:

	Number of Persons	Pink Form Shares Allocation
Directors	4	2,000,000
Employees and business associates	Up to 100	2,000,000
		4,000,000

3. DETAILS OF OUR IPO (Cont'd)

Save for the allocation made available for Application as disclosed Section 3.3.1(ii), it is not known to our Company as to whether any of the Directors or member of the key senior management have the intention to subscribe for the IPO Shares allocated under Section 3.3.1(i) for the Malaysian Public. Our Company is also not aware as to whether there is any person intending to subscribe for more than 5.0% of the IPO Shares allocated under the Section 3.3.1(i) for the Malaysian Public.

(iii) Private Placement

38,876,000 Public Issue Shares representing approximately 13.64% of our enlarged issued share capital will be made available by way of private placement to selected investors.

3.3.2 Offer for Sale

Concurrent with the Public Issue, the Offerors will offer for sale 31,000,000 Shares at the IPO Price representing approximately 10.88% of our enlarged issued share capital and will be made available in the following manner:

(i) Private Placement

2,500,000 Offer Shares representing approximately 0.88% of our enlarged issued share capital will be made available by way of private placement to selected investors.

(ii) Bumiputera Investors (via Private Placement)

28,500,000 Offer Shares representing 10.0% of our enlarged issued share capital will be made available by way of private placement to Bumiputera investors approved by MITI.

Details of the Offerors are set out below:

No.	Name	Address	Position/ Relationship With Our Group Within the Past Four (4) Years	Shareholdings Before IPO ⁽¹⁾		Offer for Sale			Shareholdings After IPO ⁽²⁾	
				No. of Shares	%	No. of Shares	% Before IPO ⁽¹⁾	% After IPO ⁽²⁾	No. of Shares	%
1.	Dato' Wan Hassan Bin Mohd Jamil	No. 2, Jalan Puchong Utama 7E, Taman Puchong Utama 47100 Selangor Darul Ehsan	Promoter, substantial shareholder and Director	18,596,605	8.16	3,848,000	1.69	1.35	14,748,605	5.18
2.	Mad Haimi Bin Abu Hassan	No. 7, Jalan Setia Perdana, U13/ 29H Bandar Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan	Promoter, substantial shareholder and key management	6,072,335	2.66	1,256,000	0.55	0.44	4,816,335	1.69

3. DETAILS OF OUR IPO (Cont'd)

No.	Name	Address	Position/ Relationship With Our Group Within the Past Four (4) Years	Shareholdings Before IPO ⁽¹⁾		Offer for Sale			Shareholdings After IPO ⁽²⁾	
				No. of Shares	%	No. of Shares	% Before IPO ⁽¹⁾	% After IPO ⁽²⁾	No. of Shares	%
3.	Thien Chiet Chai	Unit 63, Casaman No. 2, Changkat Intisari Desa Park City 52200 Wilayah Persekutuan Kuala Lumpur	Promoter, substantial shareholder and Director	48,072,835	21.10	9,945,000	4.36	3.49	38,127,835	13.38
4.	Pansar	4th Floor, Wisma Pansar 23 - 27, Jalan Bengkel 96000 Sibu Sarawak	Substantial shareholder	45,574,703	20.00	15,951,000	7.00	5.60	29,623,703	10.39
Total				118,316,478	51.92	31,000,000	13.60	10.88	87,316,478	30.64

Notes:

(1) Based on the issued share capital of 227,874,000 Shares after the Subdivision, Acquisitions and Transfer.

(2) Based on the enlarged issued share capital of 285,000,000 Shares after the Public Issue.

3.3.3 Underwriting Arrangement and Allocation of the IPO Shares

In summary, the IPO Shares will be allocated in the following manner:

	Public Issue		Offer for Sale		Total	
	No. of Shares ('000)	% of Enlarged Share Capital	No. of Shares ('000)	% of Enlarged Share Capital	No. of Shares ('000)	% of Enlarged Share Capital
Malaysian Public (via balloting)	14,250	5.00	-	-	14,250	5.00
Eligible Directors, employees and business associates of our Group	4,000	1.40	-	-	4,000	1.40
Private placement to selected investors	38,876	13.64	2,500	0.88	41,376	14.52
Bumiputera investors (via private placement)	-	-	28,500	10.00	28,500	10.00
Total	57,126	20.04	31,000	10.88	88,126	30.92

The 14,250,000 Public Issue Shares made available for Application by the Malaysian Public and the 4,000,000 Pink Form Shares made available to the eligible Directors, employees and business associates of our Group under Sections 3.3.1(i) and 3.3.1(ii) respectively are fully underwritten by our Sole Underwriter.

All the 41,376,000 IPO Shares made available to selected investors by way of private placement under Sections 3.3.1(iii) and 3.3.2(i) are not underwritten. Irrevocable undertakings have been obtained from selected investors to subscribe for the IPO Shares available under the private placement.

3. DETAILS OF OUR IPO *(Cont'd)*

The 28,500,000 Offer Shares made available for Application by Bumiputera investors approved by MITI under Section 3.3.2(ii) of this Prospectus are not underwritten as these Offer Shares have been allocated for MITI's approved Bumiputera investors whereby irrevocable undertakings from the Bumiputera investors have been or will be obtained.

In the event of an under-subscription of the 28,500,000 Offer Shares made available for Application by Bumiputera investors approved by MITI under Section 3.3.2(ii) of this Prospectus, the unsubscribed Offer Shares shall be made available to selected institutional investors via private placement. Subsequently, any of the Offer Shares that are not taken up shall be made available for Application by the Bumiputera public as part of the balloting process. Any further Offer Shares which are not taken up by the Bumiputera public will be made available for Application by the Malaysian Public and/or private placement to selected investors.

Any unsubscribed Pink Form Shares will be re-offered to our Group's other Directors, employees and/or business associates before being re-allocated to the Malaysian Public and/or selected investors via the private placement. Any unsubscribed Public Issue Shares by the Malaysian Public will be made available for Application by way of private placement to selected investors.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

There is no minimum subscription amount to be raised from the IPO. All the IPO Shares are either subscribed by the selected investors, pursuant to their irrevocable undertakings or fully underwritten by our Sole Underwriter. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

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3. DETAILS OF OUR IPO (Cont'd)

3.3.4 Share Capital

As at the LPD, the issued share capital for our Company is RM22,787,400 comprising 227,874,000 Shares.

Upon the allotment and issue of the Public Issue Shares pursuant to our IPO, our enlarged issued share capital of our Company will be RM45,061,324 comprising 285,000,000 Shares as follows:

	Number of Shares	Share Capital (RM)
Existing issued share capital	227,874,000	22,787,400
New Shares to be issued pursuant to the Public Issue	57,126,000	23,421,660
Estimated listing expenses directly attributable to the Public Issue	-	(1,147,736)
Enlarged issued share capital upon Listing	285,000,000	45,061,324
Offer for Sale	31,000,000	12,710,000
IPO PRICE PER SHARE (RM)		0.41
PROFORMA CONSOLIDATED NA		
Proforma consolidated NA as at 31 December 2019 (based on the enlarged issued share capital of 285,000,000 Shares after the Public Issue and utilisation of proceeds) (RM'000)		50,695
Proforma consolidated NA per Share (based on the enlarged issued share capital of 285,000,000 Shares) (RM)		0.18
MARKET CAPITALISATION OF OUR COMPANY (based on the IPO Price and enlarged issued share capital after the Public Issue) (RM'000)		116,850

Our market capitalisation upon Listing, based on the IPO Price and our enlarged issued share capital of 285,000,000 Shares will be RM116,850,000. The IPO Price is payable in full upon Application, subject to the terms and conditions of this Prospectus. The board lot size for our enlarged issued share capital upon Listing will be standardised at 100 units per board lot.

3.3.5 Classes of Shares and Ranking

As at the date of this Prospectus and upon completion of our IPO, we have only one (1) class of share in our Company, namely ordinary shares.

Our Public Issue Shares upon allotment and issuance will rank equally in all respects with our then existing Shares including voting rights and will be entitled to all dividends, rights and distributions that may be declared after its date of allotment and issuance.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid on the shares held by them, be entitled to share in the profits paid out by us as dividends or other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution, after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

3. DETAILS OF OUR IPO *(Cont'd)*

Each shareholder shall be entitled to be present and to vote at our general meeting in person or by proxy or by attorney or by duly authorised representative. Each person shall be entitled to appoint more than one (1) proxy to attend and vote at our general meeting. At any general meeting convened by our Company, a resolution put to the vote of the meeting shall be decided by poll. On a poll, every such person present shall have one (1) vote for every one (1) Share he holds.

3.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our IPO Price of RM0.41 per IPO Share was determined and agreed upon by us, the Offerors and our Principal Adviser, Sponsor, Sole Underwriter and Placement Agent after taking into consideration the following factors:

- (i) our pro forma consolidated NA per Share of RM0.18 as at 31 December 2019 based on our enlarged share capital of 285,000,000 Shares, after the IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 3.7 of this Prospectus;
- (ii) based on our historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 2019, we recorded a PAT attributable to the owners of the Company from continuing operations of RM9.68 million representing:
 - (a) net EPS of 4.25 sen (based on the existing issued share capital of 227,874,000 Shares as at the LPD) resulting in net PE Multiple of 9.65 times; and
 - (b) net EPS of 3.40 sen (based on our enlarged share capital of 285,000,000 Shares upon Listing) resulting in net PE Multiple of 12.06 times;
- (iii) our competitive strengths as described in Section 6.4 of this Prospectus;
- (iv) our business strategies as described in Section 6.22 of this Prospectus; and
- (v) industry overview as set out in Section 7 of this Prospectus respectively.

Prospective investors should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors as set out in Section 4 of this Prospectus.

3.5 EXPECTED MARKET CAPITALISATION UPON LISTING

Based on the IPO Price of RM0.41, the total market capitalisation of our Company upon Listing shall be RM116,850,000.

3.6 DILUTION

Dilution is the amount by which the IPO Price to be paid by the applicants for our Shares under the IPO exceeds our proforma NA per Share immediately after the implementation of the Listing Scheme. The proforma NA per Share as at 31 December 2019 based on the issued share capital of 227,874,000 Shares before the IPO is approximately RM30.77 million or RM0.14 per Share.

3. DETAILS OF OUR IPO (Cont'd)

Pursuant to the Public Issue of 57,126,000 new Shares at the IPO Price and after adjusting for the effects of the utilisation of proceeds, the proforma NA of our Group as at 31 December 2019 will increase to approximately RM50.69 million or RM0.18 per Share based on the enlarged issued capital of 285,000,000 Shares after the IPO. This represents an immediate increase in adjusted NA of RM0.04 per Share to our existing shareholders and an immediate dilution in NA of RM0.23 per Share to our new investors. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.41
Proforma NA per Share as at 31 December 2019 (after the Subdivision, Acquisitions and Transfer)	0.14
Increase in proforma NA per Share after adjusting for the Public Issue and utilisation of proceeds	0.04
Proforma NA per Share after the IPO	0.18
Dilution in NA per Share to new investors	0.23
Dilution in NA per Share to new investors as a percentage of the IPO Price	56.10%

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, substantial shareholders, Directors or key management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD.

	No. of Shares Before Our IPO	No. of Issue Shares ⁽¹⁾	Total Consideration (RM)	Average Cost Per Share (RM)
<u>Promoter and Substantial Shareholder</u>				
RL Holdings ⁽²⁾	105,000,000	-	10,500,000	0.10
<u>Promoters, Substantial Shareholders and Directors</u>				
Dato' Wan Hassan Bin Mohd Jamil ⁽³⁾	18,596,605	-	1,859,661	0.10
Thien Chiet Chai ⁽³⁾	48,072,835	-	4,807,284	0.10
<u>Promoter, Substantial Shareholder and Key Management</u>				
Mad Haimi Bin Abu Hassan ⁽³⁾	6,072,335	-	607,234	0.10
<u>Substantial Shareholder</u>				
Pansar ⁽⁴⁾	45,574,703	-	4,557,470	0.10
<u>Directors</u>				
Datuk Tai Hee	-	500,000	205,000	0.41
Eric Lim Swee Khoon	-	500,000	205,000	0.41
Siti Zurina Binti Sabarudin	-	500,000	205,000	0.41
Elain Binti Lockman	-	500,000	205,000	0.41

3. DETAILS OF OUR IPO (Cont'd)

	No. of Shares Before Our IPO	No. of Issue Shares ⁽¹⁾	Total Consideration (RM)	Average Cost Per Share (RM)
Key Management				
Ho Khee Jeem	-	100,000	41,000	0.41
Anwarudin Bin Saidu Mohamed	-	250,000	102,500	0.41
Alphonsus Chiu Ching Chuen	-	100,000	41,000	0.41
New Investors				
Public Issue	-	57,126,000	23,421,660	0.41
Offer for Sale	-	31,000,000	12,710,000	0.41

Notes:

- (1) Assuming all the Pink Form Shares are fully subscribed.
- (2) Pursuant to the Transfer.
- (3) Pursuant to the Acquisition of RLSB and Transfer.
- (4) Pursuant to the Acquisition of RLSB.

3.7 UTILISATION OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of RM23,421,660 in the following manner:

	Description of Utilisation	Estimated Timeframe for Utilisation Upon Listing	⁽¹⁾ Amount (RM'000)	Percentage (%)
(i)	Purchase of well testing equipment	Within 24 months	10,000	42.70
(ii)	Working capital	Within 12 months	4,922	21.01
(iii)	Repayment of bank borrowings	Within 6 months	5,000	21.35
(iv)	Estimated listing expenses ⁽²⁾	Immediate	3,500	14.94
Total Public Issue Proceeds			23,422	100.00

Notes:

- (1) The proceeds will be placed in interest bearing deposits with licensed financial institutions until eventual utilisation.
- (2) If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

3. DETAILS OF OUR IPO (Cont'd)

(i) Purchase of Well Testing Equipment

We have allocated Public Issue proceeds of RM10.0 million to finance the purchase well testing equipment. As at the LPD, the expected cost of the well testing equipment, the amount that we have spent so far and our proposed source of financing for the remaining amount are summarised in the following table:

Purchase of Well Testing Equipment	Estimated Value (RM'000)	Percentage of Total Estimated Cost (%)
Total spent as at the LPD	5,945	34.45
Total remaining amount	11,314	65.55
Total estimated cost	17,259	100.00
Financed by:		
Public Issue	10,000	57.94
Bank borrowings [#]	6,000	34.76
Internally generated funds	1,259	7.30
	17,259	100.00

Note:

[#] Please refer to Section 3.7(iii) of this Prospectus for the details of bank borrowings.

As at the LPD, we estimate that one (1) set of well testing equipment will cost approximately RM17.26 million. The status of the planned purchase of the well testing equipment as at the LPD is as follows:

- (i) we have ordered and paid a total of RM5.71 million for the portable cabin, dataport, flow line pipes, surge tank, choke manifold with data header, safety systems, instrumentation, data acquisition and process control systems, pumps and other equipment which have been delivered to our Group;
- (ii) we have paid deposit of RM0.24 million for an order placed for air compressors, safety systems and other equipment for a total of RM1.54 million. We expect to take delivery of these equipment by June 2020; and
- (iii) we have not yet placed orders for the remaining equipment with total estimated cost of RM10.01 million comprising burner system, pumps, three-phase horizontal test separator, safety systems, sand filter system, instrumentation, data acquisition and process control systems, and other equipment including baskets, electric centrifuges, and sandbox.

We plan to utilise the proceeds from the Public Issue to purchase well testing equipment for item (iii) above within twenty four (24) months upon our Listing.

In the event that the Public Issue proceeds are not sufficient to cover the cost for the purchase of the well testing equipment, we intend to use our internally generated funds to finance the remaining amount.

3. DETAILS OF OUR IPO (Cont'd)

We currently provide well testing services based on a Sub-Contract Agreement dated 25 October 2017 between RLSB and Petrotechnical for an umbrella contract awarded by Petronas which was obtained via a joint bid by RLSB and Petrotechnical ("**Petrotechnical Agreement**"). We will work together with Petrotechnical on the portion relating to the well testing services, whereby Petrotechnical will provide the equipment, the personnel to operate the equipment and training to our personnel. Our personnel will also take part in the well testing operations and at the same time receive training on operating the well testing equipment from the Petrotechnical. Although our Group has experienced personnel and expertise for some well testing services, we are unable to cover the entire scope of work. As such, our personnel are provided training on operating Petrotechnical's well testing equipment as well as providing the services as part of our agreement with Petrotechnical. Although we undertake the well testing services together with Petrotechnical, we are responsible for the preparation and submission of documentation including contract negotiations with the customer. Our personnel will be in charge of performing process engineering on well testing equipment setup and providing offshore lab cabin and dataport for data acquisition including actively involved in managing and liaising with customers in the execution including daily operational meeting with client relating to the well testing services.

Pursuant to the Petrotechnical Agreement, we pay Petrotechnical for the well testing equipment and personnel supplied by Petrotechnical for the performance of well testing services based on the prices and rates as stipulated in the Petrotechnical Agreement ("**Petrotechnical Revenue**") after deducting a fixed percentage as our commission which is calculated on the amount of the Petrotechnical Revenue. In carrying out the well testing services together with Petrotechnical, we also supply our personnel and/or well testing equipment (we started to have our own well testing equipment towards the end of the FYE 2018). Hence, we are entitled to the portion of the revenue that we charge our customer based on the prices and rates stipulated in the customer's work order (which is the same as per the Petrotechnical Agreement) for the well testing services in relation to the personnel and/or well testing equipment supplied by us.

As part of our business strategy we plan to purchase our own well testing equipment so that we can provide this service as a full service provider. By investing in our own well test equipment, we will be able to independently tender for well testing services jobs and we will not be relying heavily on Petrotechnical to provide the well test equipment hence ensuring timely execution of the service to our clients. This, in turn, is likely to result in an increase in the profit margin from this business segment and enhance the profitability of our Group.

Our Group believes that the purchase of the well testing equipment will not adversely affect our relationship with Petrotechnical, as this purchase is part of the terms of the Petrotechnical Agreement. It was agreed in the Petrotechnical Agreement that our Group, being a local company in Malaysia will be developed to gradually replace the role of Petrotechnical in performing well testing services over the next five (5) years from the date of the Petrotechnical Agreement in terms of investment for both personnel and equipment ("**Malaysianisation Plan**"). The Malaysianisation Plan involves, among others, an agreement by our Group to purchase a full set of well testing equipment and our investment in well testing equipment will increase annually within the five (5) years period.

3. DETAILS OF OUR IPO (Cont'd)

We can rent well testing equipment from other O&G service providers. For example, during March 2019, we provided well testing services on a sub-contract basis using well testing equipment rented from another service provider. We can also engage external consultants to work with our in-house personnel to operate the rented well testing equipment. In addition, the Petrotechnical Agreement only applies to the Group's umbrella contract with Petronas Carigali to provide well testing services as disclosed in item no. (1) in Section 6.3.6 (i) of this Prospectus. The Petrotechnical Agreement does not apply to the Group's other seven (7) umbrella contracts as at the LPD to provide well testing services as disclosed in items no. (3), (4), (6), (7), (8), (9) and (10) in Section 6.3.6 (i) of this Prospectus.

The purchase of the well testing equipment will increase our capacity to carry out concurrent well testing service jobs. For example, as at the LPD, we were carrying out one (1) well testing services job using well testing equipment from Petrotechnical. If our Group owned a set of well testing equipment, we could carry out one (1) additional well testing service job concurrently.

Further, the financial impact of this utilisation of proceeds is that by investing in our own well test equipment, we will be able to independently tender for well testing services jobs and we will not be relying heavily on Petrotechnical to provide the well test equipment hence ensuring timely execution of the service to our customers. This, in turn, is likely to result in an increase in the profit margin from this business segment and enhance the profitability of our Group.

(ii) Working Capital

The Public Issue earmarked for working capital of approximately RM4.92 million will be used to finance and support our Group's day-to-day operations. The proceeds will be utilised to fund our growth and increase in operational capacity as we expect our operational expenses to increase in tandem with the expected growth in our revenue.

The breakdown of the Public Issue proceeds earmarked for working capital is as follows:

Working Capital Requirement	RM'000
Purchase of perforating consumables and spares and consumables for well testing equipment as well as payment for freight and transportation services and subcontract works.	3,700
Purchase of raw materials for the production of IOR chemicals	1,000
Other working capital*	222
	4,922

Note:

* *Other working capital includes, but is not limited to, defrayment of operational expenses such as payment of payroll expenses, utility expenses and the purchase of other consumables including personal protective equipment, hand tools and cleaning chemicals.*

3. DETAILS OF OUR IPO (Cont'd)

Our working capital requirement will increase in tandem of our full involvement as a full service provider for the well testing activities in conjunction with our purchase of well testing equipment as disclosed in Section 3.7(i) of this Prospectus. As such, the enhancement in working capital will allow us to be less reliant on external funding to finance our business activities. The Group also expects to secure more perforation work orders from our end-of-life perforate, wash and cement contracts and productive perforation contracts in Malaysia. The additional working capital will help to finance these jobs. The Group also expects to secure more orders for the supply of IOR chemicals in Malaysia which can be partly financed by the additional working capital. The financial impact of this utilisation of proceeds is that it is expected to contribute to the profitability of our Group by helping to ensure that our jobs are executed and delivered accordingly.

(iii) Repayment of Bank Borrowings

We have allocated Public Issue amounting to RM5.0 million representing 21.35% of the proceeds from Public Issue to repay the bank borrowings that we have drawdown and plan to drawdown further to partially finance the purchase of well testing equipment.

Our Group has a term loan facility of RM6.0 million granted by AmBank (M) Bhd to finance the purchase of well testing equipment ("**Term Loan**"). As at the LPD, we have drawdown RM4.74 million and we plan to drawdown the balance of the said Term Loan to part finance certain portion of the estimated cost of the well testing equipment that we plan to purchase as part of our business strategy amounting to a total of approximately RM17.26 million as disclosed in Section 3.7(i) of this Prospectus. We intend to use RM5.0 million of our Public Issue proceeds to repay these bank borrowings within six (6) months of receiving the said Public Issue proceeds.

In the event that the allocated Public Issue proceeds of RM5.0 million is not sufficient to repay all of the said bank borrowings outstanding at that time, the remaining portion will be paid off progressively using our internally generated funds.

The effective annual interest rate for the Term Loan is base lending rate (BLR) + 1.0% per annum for a tenure of sixty (60) months to be matured on 1 September 2024. Based on the interest rate as at the LPD of 6.70% (the BLR as at the LPD is 5.70%) per annum, we expect to have interest savings of approximately RM0.34 million per annum.

The financial impact of this utilisation of proceeds is that it will lower our Group's interest cost, resulting in a positive impact on our Group's profitability.

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3. DETAILS OF OUR IPO (Cont'd)**(iv) Estimated Listing Expenses**

Our listing expenses are estimated to be RM3.50 million, details of which are as follows:

Estimated Listing Expenses ⁽¹⁾	Estimated Value (RM'000)	Percentage of Total Estimated Value (%)
Professional fees ⁽²⁾	1,800	51.43
Brokerage, underwriting and placement fees	1,100	31.43
Regulatory fees	70	2.00
Printing, advertising and other miscellaneous expenses relating to the Listing	530	15.14
Total	3,500	100.00

Notes:

- (1) *If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.*
- (2) *Includes fees for the Principal Adviser, Reporting Accountants, Solicitors and Independent Business and Market Research Consultants and other professional advisers as well as the Issuing House.*

We will bear all expenses and fees incidental to our listing, which include professional fees, brokerage, underwriting and placement fees, regulatory fees, printing, advertising and other miscellaneous fees, the aggregate of which is estimated to be RM3.50 million. Any difference arising from the utilisation as set out above will be adjusted accordingly with our working capital requirements.

The Offer for Sale is expected to raise gross proceeds of approximately RM12.71 million. The entire proceeds of the Offer for Sale shall accrue entirely to the Offerors and no part of the proceeds will be received by our Company. The Offerors shall bear all expenses such as placement, management and miscellaneous fees relating to the Offer Shares estimated to be approximately RM0.38 million.

3.8 UNDERWRITING, COMMISSION, BROKERAGE AND PLACEMENT FEES**3.8.1 Underwriting Commission**

Our Sole Underwriter has agreed to underwrite 18,250,000 Public Issue Shares made available for application by the Malaysian Public and the Pink Form Shares made available to the eligible Directors, employees and business associates of our Group as set out in Section 3.3.1 (i) and 3.3.1 (ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of 2.50% of the total value of the underwritten Shares based on the IPO Price.

3. DETAILS OF OUR IPO (Cont'd)

3.8.2 Brokerage Fee

We will pay brokerage at the rate of 1.0% on the IPO Price in respect of all successful applications that bear the stamp of either Kenanga IB, the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

3.8.3 Placement Fee

Our Placement Agent has agreed to place out 69,876,000 IPO Shares to be issued and/or offered to selected investors. We are obliged to pay our Placement Agent a placement fee at the rate of between 1.0% to 2.25% of the value of Shares placed out to selected investors at the IPO Price.

3.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We had on 9 June 2020 entered into the Underwriting Agreement with the Sole Underwriter, whereby, the Sole Underwriter has agreed to underwrite 18,250,000 Public Issue Shares ("**Underwritten Shares**") as set out in Sections 3.8.1 and 14.6 (xix) of this Prospectus, upon the terms and conditions as set out in the Underwriting Agreement.

The following are the salient terms contained in the Underwriting Agreement.

3.9.1 Agreement to Underwrite

- (a) In consideration of the payment by Reservoir Link of the underwriting commission, the Sole Underwriter, hereby relying upon each of the representations, warranties and undertakings by Reservoir Link set out in Clause 3 (referring to "*Representations, Warranties and Undertakings*") of the Underwriting Agreement and subject to the fulfilment of the conditions under Section 3.9.1 (c) of this Prospectus, at the request of Reservoir Link, agrees to underwrite the Underwritten Shares as set out in the Second Column of the First Schedule (referring to "*Number of Underwritten Shares/ Percentage of Underwritten Shares*") of the Underwriting Agreement upon the terms and conditions contained in the Underwriting Agreement.
- (b) The Sole Underwriter shall not be responsible for any failure by Reservoir Link to meet its obligations hereunder nor shall such failure relieve Reservoir Link of its obligations hereunder and nothing in the Underwriting Agreement shall be construed as constituting or evidencing a partnership between the Sole Underwriter and Reservoir Link ("**Parties**").
- (c) The obligations of the Sole Underwriter under the Underwriting Agreement are conditional upon:
 - (i) the Underwriting Agreement having been duly executed by Reservoir Link and the Sole Underwriter;

3. DETAILS OF OUR IPO (Cont'd)

- (ii) there having been on or prior to the last date and time for receipt of Application and payment for the Public Issue Shares in accordance with the Prospectus and the Application Form ("**Closing Date**"), neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of Reservoir Link and any company within the Reservoir Link Group, which is material in the context of the Listing and Public Issue from that set forth in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the reasonable opinion of the Sole Underwriter, which makes any of the representations and warranties contained in the Underwriting Agreement untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in the Underwriting Agreement;
- (iii) the delivery to the Sole Underwriter:
 - (aa) prior to the date of the registration of the Prospectus, a copy certified as a true copy by an authorised officer of Reservoir Link of all the resolutions of the Directors and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; and
 - (bb) a certificate, in the form or substantially in the form contained in the second schedule of the Underwriting Agreement, dated the date of the Prospectus signed by duly authorised officers of Reservoir Link stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Section 3.9.1 (b) of this Prospectus;
- (iv) the Prospectus being in the form and substance satisfactory to the Sole Underwriter;
- (v) the delivery to the Sole Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Directors of Reservoir Link as the Sole Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of Reservoir Link and the companies within the Reservoir Link Group;
- (vi) the Sole Underwriter having been satisfied that sufficient arrangements have been made by Reservoir Link to ensure payment of the expenses referred to in the Underwriting Agreement;
- (vii) the Listing and Public Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;
- (viii) Reservoir Link having complied and that the Listing and Public Issue is in compliance with the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto;
- (ix) Reservoir Link having fully complied with all the conditions which are required to be complied with prior to the issuance of the Prospectus or the Closing Date imposed by the SC and Bursa Securities in respect of the Listing and Public Issue;

3. DETAILS OF OUR IPO (Cont'd)

- (x) the acceptance for registration by the SC of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the Listing and the lodgement of the Prospectus with the CCM on or before its release;
 - (xi) Bursa Securities has agreed and approved in principle on or prior to the Closing Date to the admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of Reservoir Link on the ACE Market of Bursa Securities, and if such approvals shall be conditional, all conditions thereto being in terms acceptable to the Sole Underwriter on or prior to the Closing Date being reasonably satisfied and such approval not being withdrawn, revoked, suspended, terminated or lapsed and that such listing and quotation shall be granted two (2) clear Market Days after the submission to Bursa Securities of the relevant documents including the receipt of confirmation from Bursa Depository confirming that the securities accounts of all successful applicants have been duly credited and the Issuing House has confirmed that the notices of allotment have been despatched to entitled holders;
 - (xii) the approval of the directors of Reservoir Link via a resolution for the appointment of the Sole Underwriter;
 - (xiii) the Prospectus having been issued within forty-five (45) days of the date hereof or within such extended period as may be determined by the Sole Underwriter;
 - (xiv) the issue of the Public Issue Shares having been approved by Bursa Securities and any other relevant authorities and the shareholders of Reservoir Link in a general meeting and such authorisation has not been withdrawn, revoked, suspended, terminated or lapsed; and
 - (xv) all necessary approvals and authorisations required in relation to the Listing and Public Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect.
- (d) If any of the conditions set out in Section 3.9.1 (c) of this Prospectus is not satisfied by the Closing Date, the Sole Underwriter shall thereupon be entitled to terminate the Underwriting Agreement and in that event, except for the liability of Reservoir Link for the payment of costs and expenses as provided in the Underwriting Agreement incurred prior to the termination and any claims pursuant to the Underwriting Agreement, there shall be no further claims by the Sole Underwriter against Reservoir Link, and the Parties shall be released and discharged from their respective obligations hereunder provided that the Sole Underwriter may at its discretion and with respect to its obligations, waive compliance with any of the provisions of Section 3.9.1 (c) of this Prospectus. Thereafter, the Underwriting Agreement shall be terminated and be of no further force and effect and none of the Parties shall have a claim against the other, save and except in respect of any antecedent breaches. The Sole Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Sole Underwriter's rights under the Underwriting Agreement.

3.9.2 Termination/ Lapse of the Underwriting Agreement

- (a) Notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to Reservoir Link given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:

3. DETAILS OF OUR IPO *(Cont'd)*

- (i) there is any breach by Reservoir Link of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days (which shall be reasonable) as stipulated by the Sole Underwriter to Reservoir Link in writing or as stipulated in the notice informing Reservoir Link of such breach or by the Closing Date, whichever is earlier; or
- (ii) there is withholding of information which is required to be disclosed by or to the Sole Underwriter, pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days (which shall be reasonable) as stipulated by the Sole Underwriter to Reservoir Link in writing or as stipulated in the notice informing Reservoir Link of such breach which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Reservoir Link Group, the success of the Listing, or the distribution or sale of the Public Issue Shares; or
- (iii) there shall have occurred, happened or come into effect any material and adverse change to the business or financial condition of Reservoir Link or the Reservoir Link Group; or
- (iv) there shall have occurred, happened or come into effect any of the following circumstances:
 - (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing;
 - (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);
 - (cc) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
 - (dd) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power;
 - (ee) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;
 - (ff) any government requisition or other occurrence of any nature whatsoever which is reasonably likely to have a material adverse effect or materially affect the success of the Listing;
 - (gg) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more; and/or

3. DETAILS OF OUR IPO *(Cont'd)*

(hh) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise,

which, (in the opinion of the Sole Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Reservoir Link Group, the success of the Listing and/or Public Issue, or the distribution or sale of the Public Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

- (v) there is failure on the part of Reservoir Link to perform any of its obligations herein contained which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated by the Sole Underwriter to Reservoir Link in writing or as stipulated in the notice informing Reservoir Link of such breach or by the Closing Date, whichever is earlier; or
- (vi) the approval of Bursa Securities for the Listing is revoked, or withdrawn, or subject to the conditions not acceptable to the Sole Underwriter.

(b) In the event of termination pursuant to Section 3.9.2 (a) of this Prospectus hereof, the respective Parties hereto shall, save and except for any antecedent breach, be released and discharged from their obligations hereunder whereupon the Underwriting Agreement shall be of no further force or effect save for the following:

- (i) the liability of Reservoir Link for the payment of costs and expenses as provided in the Underwriting Agreement incurred prior to or in connection with such termination shall remain;
- (ii) the liability of Reservoir Link for the payment of the Underwriting Commission as provided in the Underwriting Agreement hereof shall be as follows;
 - (aa) 50% of the Underwriting Commission in the event the termination of the Underwriting Agreement is not due to or arising from the fault of Reservoir Link and/or any company within the Reservoir Link Group or matters which were not within Reservoir Link's control; or
 - (bb) Underwriting Commission in full in the event the Underwriting Agreement is terminated due to or arising from the fault of Reservoir Link or any company within the Reservoir Link Group, or matters within Reservoir Link's control; and
 - (cc) Reservoir Link shall return any moneys paid without interest thereon to the Sole Underwriter within three (3) Market Days of the receipt of such notice of termination from the Sole Underwriter,

provided that the Sole Underwriter may at its discretion waive compliance with or modify any of the provisions of Section 3.9.2 (b) of this Prospectus without prejudice to its powers, rights and remedies under the Underwriting Agreement.

3. DETAILS OF OUR IPO (Cont'd)

- (c) In the event that the Underwriting Agreement is terminated pursuant to Section 3.9.2 (a) (iv) of this Prospectus, the Sole Underwriter and Reservoir Link may confer with a view to defer the Listing and Public Issue by amending its terms, or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither the Sole Underwriter nor Reservoir Link shall be under any obligation to enter into a fresh agreement.
- (d) Reservoir Link shall further refund to the Sole Underwriter the subscription monies, if any, paid by the Sole Underwriter for the subscription of the Underwritten Shares pursuant to the Underwriting Agreement not later than seven (7) days after Reservoir Link's receipt of the termination notice from the Sole Underwriter, failing which the Sole Underwriter shall be entitled to charge interest at the rate of eight per centum (8%) per annum on the amount outstanding to be calculated on a daily basis until the date of full payment of the amount outstanding.

3.9.3 Force Majeure

- (a) Notwithstanding anything herein contained, it will be an event of force majeure if the Sole Underwriter is unable to perform its obligations stipulated herein resulting from any event or series of events beyond the reasonable control of the Sole Underwriter, including without limitation where any one of the following occurs:
 - (i) any new law, regulation, directive, policy or ruling or any material change in any law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Sole Underwriter or any event or series of events beyond the reasonable control of the Sole Underwriter or which seriously affects or will seriously affect the business of Reservoir Link and/or the companies within the Reservoir Link Group;
 - (ii) any act or acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, any unavailability of transportation or severe economic dislocation, natural catastrophe, earthquake, typhoon, outbreak of war, outbreak of disease, acts of terrorism or the declaration of a state of national emergency;
 - (iii) any material adverse change or development involving a prospective change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia or overseas) or currency exchange rates or the occurrence of any combination of any of the foregoing which adversely affects or could have been reasonably expected to affect:
 - (aa) the business of Reservoir Link and/or the Reservoir Link Group; or
 - (bb) the success of the Listing and Public Issue;

3. DETAILS OF OUR IPO *(Cont'd)*

- (iv) the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (aa) on or after the date of the Underwriting Agreement; and
 - (bb) prior to the Closing Date,
 - lower than 85% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for three (3) consecutive Market Days; and/or
 - (v) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for three (3) consecutive Market Days.
- (b) In the event of a force majeure pursuant to Section 3.9.3 (a) of this Prospectus, the Sole Underwriter may, subject to prior consultation with Reservoir Link, at any time prior to or on the Closing Date:
- (i) terminate the Underwriting Agreement by giving notice to Reservoir Link in the manner set out in the Underwriting Agreement; or
 - (ii) request for the Closing Date to be extended to such reasonable date as the Sole Underwriter may decide.
- (c) Upon delivery of the notice of termination pursuant to Section 3.9.3 (b) (i) of this Prospectus, the Underwriting Agreement will terminate where after each Party's rights and obligations will cease and none of the Parties will have any claim against each other save and except such claims in respect of the costs and expenses of the Sole Underwriter and Underwriting Commission as set out in the Underwriting Agreement.

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4. RISK FACTORS

You should carefully consider the risk factors (which may not be exhaustive) listed below, in addition to the other information in this Prospectus. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

If you are in any doubt as to the information contained in this section, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

4.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

4.1.1 We Are Dependent on Two (2) Major Customers

We are dependent on Roc Oil Sarawak and the Petronas group of companies (comprising Petronas Carigali, PC Mauritania 1 Pty Ltd and KLCC Urusharta Sdn Bhd) which accounted for a significant proportion of our revenue during the FYE 2016 to FYE 2019. Their respective revenue contributions are summarised in the following table:

Customer	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Petronas group*	3,919	40.92	11,721	56.15	20,297	45.01	48,448	60.54
Roc Oil Sarawak	3,123	32.61	3,061	14.66	8,038	17.83	3,960	4.95
Total Group Revenue	9,578		20,874		45,091		80,031	

Note:

* The Petronas group comprised Petronas Carigali (which was our customer during FYE 2016, FYE 2017, FYE 2018 and FYE 2019), PC Mauritania 1 Pty Ltd (which was our customer during FYE 2017, FYE 2018 and FYE 2019) and KLCC Urusharta Sdn Bhd (which was our customer during FYE 2018 and FYE 2019).

The loss of any of these customers may have an adverse effect on our operating results as their contributions to our Group's revenue are significant. Additional information on our major customers may be found in Section 6.14 of this Prospectus.

Under the umbrella contracts that have been awarded to us, the customer has pre-qualified us (along with one (1) or more other service providers) to provide specified services for the duration of the contract. During the contract duration period, the customer may issue a request for a job to provide services under the umbrella contract. We will then submit a tender for the job and compete with the other pre-qualified supporting service providers to secure the job. However, there is no guarantee that the customer will issue requests for jobs under the umbrella contract during the contract duration period and there is no guarantee that the customer will engage us from among the other pre-qualified service providers to carry out the job.

Under the call out contracts that we have, the customer has engaged us to provide specified services during the contract duration period as and when they are required. Should there be a need for these services during the contract duration period, the customer will issue a work order to us and we have to provide these services within the timeframe defined under the call out contract. However, there is no guarantee that the customers will issue work orders to us during the contract duration period as we are only called to provide the services as and when they are required by the customers.

4. RISK FACTORS (Cont'd)

These contracts are summarised in the following table:

Customer	Contracted Well Services	Type of Contract	Contract Date	Contract Duration
Petronas Carigali	Well leak repair	Call out	February 2017	Three (3) years from contract date, extended for one (1) additional year
	Well testing, tubing conveyed perforation	Umbrella	April 2017	Five (5) years from contract date
	Perforate, wash and cement services	Umbrella	October 2017	Three (3) years from contract date with an option to extend for one (1) additional year
	Perforation, leak repair, wireline	Umbrella	February 2018 ⁽¹⁾	Two (2) years from contract date and extended for two (2) additional years
	Well perforation	Call out	November 2019	Three (3) years from contract date
PC Mauritania 1 Pty Ltd	Perforate, wash and cement	Call out	November 2018 ⁽²⁾	One (1) year from commencement date, which was from October 2019 ⁽³⁾
Roc Oil Sarawak	Perforation	Call out	August 2018	Two (2) years from contract date with an option to extend for one (1) additional year
	Perforate, wash and cement	Call out	November 2018	One (1) year from contract date, extended for one (1) additional year

Notes:

- (1) The date when the contract was awarded. However, as at the LPD, our Group has not secured any work orders from this contract.
- (2) The date when the contract was awarded.
- (3) On 29 March 2020, PC Mauritania 1 Pty Ltd made a declaration of force majeure on this contract, citing the closure of Mauritania's borders by the Mauritanian Government in response to COVID-19. Subsequently, on 25 April 2020 PC Mauritania 1 Pty Ltd served our Group with notice to suspend the contract from 28 April 2020 until further notice. As part of this suspension, PC Mauritania 1 Pty Ltd agreed to pay us the following:
- (a) non-refundable one-time upfront payment of USD2.27 million (equivalent to approximately RM9.86 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD, being equivalent to 40.0% of the remaining value of one (1) of the subsisting work order issued under this contract). As at the LPD, we have received net upfront payment of USD2.09 million (equivalent to approximately RM9.08 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) from PC Mauritania 1 Pty Ltd comprising the upfront payment of USD2.27 million after deducting withholding tax of USD0.18 million; and

4. RISK FACTORS (Cont'd)

- (b) *a non-refundable sum of USD10,000 per month (equivalent to approximately RM43,455 per month based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) as rental payment for a warehouse and explosive bunker that we are renting in Mauritania to implement this contract, for the duration of the suspension period.*

As the contracts listed above are umbrella or call out contracts, there can be no assurance that the respective companies will engage us for the jobs under these contracts and as a result there can be no assurance that we will recognise revenue from these contracts in the future.

In addition, we have established business relationships with these customers. As at the LPD, the Petronas group of companies and Roc Oil Sarawak have been our customers for seven (7) years and five (5) years respectively.

Notwithstanding the above contracts and business relationships, there can be no assurance that these major customers would not terminate their subsisting contracts or extend or renew our contracts in the future upon their expiration. Further, there can be no assurance that these major customers will continue to grant us future contracts upon the expiration of our respective contracts with them.

4.1.2 We Are Dependent on Three (3) Major Suppliers

We are dependent on three (3) of our suppliers, namely AGS International, Petrotechnical and Archer Malaysia for the supply of some of the products and services that we use in providing services to our customers. The value of the purchases during the FYE 2016 to FYE 2019 are summarised in the following table:

Supplier	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
AGS International	-	-	5,161	56.30	6,128	26.35	4,941	11.08
Petrotechnical	-	-	19	0.21	5,018	21.58	9,599	21.54
Archer Malaysia	-	-	173	1.89	3,608	15.52	10,989	24.65
Total Group Purchases	1,727		9,167		23,254		44,572	

We are dependent on AGS International for the supply of repair chemicals that we use to carry out well leak repair services as disclosed in Section 6.15 (i) of this Prospectus. As at the LPD, we have not purchased similar well leak repair chemicals from any other supplier.

We are dependent on Petrotechnical for the provision of well testing equipment used for well testing, the personnel to operate the equipment and to provide training to our personnel as disclosed in Sections 3.7 (i), 6.15 (ii) and 6.6.3 of this Prospectus.

We bid for well testing jobs together with Petrotechnical. When preparing for a joint-bid with Petrotechnical for Petronas' contract, each of us will fill in our respective scope of work as required in the bidding document. We will then submit the bid where we will identify Petrotechnical as our sub-contractor as well as their scope of work.

However, prior to submitting a bid, we will discuss with Petrotechnical to ascertain if they are interested in a joint-bid. In the event that Petrotechnical does not agree to participate in the joint-bid, we may look for alternative sub-contractor. In this situation, we will jointly bid with the alternative sub-contractor for Petronas' contract.

4. RISK FACTORS *(Cont'd)*

In the event that our joint-bid with Petrotechnical is successful and subsequently Petrotechnical is unable to supply the well testing equipment as per the Petronas contract, we will be in breach of Petronas contract which specifies using Petrotechnical as a sub-contractor. Under this circumstance, we may propose to Petronas with an alternative sub-contractor to replace Petrotechnical. Petronas may or may not agree to our proposal for the alternative sub-contractor.

We are dependent on Archer Malaysia for the provision of equipment, expertise and services used in well perforate, wash and cement services, namely wash and cement tools that are used in cleaning the wellbore and installing cement plugs as disclosed in Section 6.15 (iii) of this Prospectus.

We bid for well perforate, wash and cement services in collaboration with Archer Malaysia. When preparing for a joint-bid with Archer Malaysia for Petronas Carigali's contract, each of us will fill in our respective scope of work as required in the bidding document. We will then submit the bid where we will identify Archer Malaysia as our sub-contractor as well as their scope of work.

However, prior to submitting a bid, we will discuss with Archer Malaysia to ascertain if they are interested in a joint-bid. In the event that Archer Malaysia does not agree to participate in the joint-bid, we may look for alternative sub-contractor. In this situation, we will jointly bid with the alternative sub-contractor for Petronas Carigali's contract.

In the event that our joint-bid with Archer Malaysia is successful and subsequently Archer Malaysia is unable to fulfil its obligations, as per the Petronas Carigali contract, we will be in breach of Petronas Carigali contract which specifies using Archer Malaysia as a sub-contractor. Under this circumstance, we may propose to Petronas Carigali with an alternative sub-contractor to replace Archer Malaysia. Petronas Carigali may or may not agree.

There has been no occurrence of a major supplier stopping the supply of its products or services to our Group.

Notwithstanding our agreements with AGS International, Petrotechnical and Archer Malaysia, there can be no assurance that these companies will continue to supply us with the products and services upon the expiration of our respective agreements with them or that they would not terminate their subsisting agreements with us or extend or renew our agreements with them in the future upon their expiration. There is a risk that the performance of our Group may be adversely affected if the supply of these products and services are interrupted and/or we are unable to source for alternative suppliers in a timely manner.

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4. RISK FACTORS *(Cont'd)*

4.1.3 All of Our Existing Contracts with Our Customers Do Not Provide Assurance of Future Revenue

As at the LPD, our customers' contracts are either in the form of umbrella contracts (ten (10) contracts) or call out contracts (sixteen (16) contracts) which are not long term contracts and do not provide any assurance of future revenue. The duration of our umbrella and call out contracts range from one (1) to five (5) years. Certain contracts have an option to renew for one (1) additional year. The contract duration specified in the umbrella/ call out contracts is the duration period whereby the customer may issue a request for a job/ work order. A work order can be a single or multiple jobs and in general, the timeframe from the implementation until the completion of one (1) job under the work order by us independently ranges from one (1) week to one (1) month.

Our umbrella contracts do not provide any assurance of future revenue as there is no guarantee that the customer will issue request for jobs during the contract duration period. Further, there is no guarantee that the tender that we submit will be successful against the other pre-qualified service providers.

Our call out contracts also do not provide any assurance of future revenue as the services are only provided as and when they are required by the customer and there is no guarantee that the customer will issue any work orders to us during the contract duration period.

In the context of Malaysia oil and gas industry, while we may have subsisting umbrella and/or call out contracts, there is a risk that our Petronas' licence or SWEC may not be renewed, revoked, suspended or blacklisted. Under this circumstance, we will not be able to secure new work order from our subsisting umbrella and/or call out contract.

4.1.4 We Are Required to Comply with Petronas Licencing and SWEC Requirements

The O&G industry is subject to Petronas licencing and registration requirements, including meeting Petronas' SWEC requirements.

We must have a valid Petronas licence and meet SWEC requirements for the services that we provide to our customers in Malaysia. Even though we have obtained the required Petronas licence and have been approved for a number of SWEC, we are subject to continuous review under the Petronas' conditions, general guidelines and minimum technical requirements which are subject to change from time to time. Please refer to Section 6.18 of this Prospectus for details of our Petronas licence and SWEC that we require for our operations.

We face the risk that our Petronas licence may not be renewed, revoked, suspended or blacklisted if we fail to fulfil any conditions or general guidelines set by Petronas or we fail to meet our SWEC requirements. If we do not have a valid Petronas licence, we will not be able to bid for new contracts from any PSC operators in Malaysia, which will adversely affect our business operations and financial performance.

Some of the conditions/ guidelines/ requirements as stated in the Petronas' conditions, general guidelines and SWEC requirements relevant to our business which may cause our Petronas' licence not to be renewed, revoked, suspended or blacklisted are as follows:

- Commercial/ financial conditions, such as if our Group is found to be in the process of liquidation, winding-up or dissolution and having negative shareholders' fund.

4. RISK FACTORS *(Cont'd)*

- Operational conditions, such as failure to execute the award job until completion; failure to perform a contractual obligation or any other obligation under the law to partners, principals, agents, sub-contractors and oil and gas services, and equipment providers; sub-contract work to another contractor without written permission from Petronas; and reject any contract or tender awarded.
- SWEC requirements, such as failure to meet "Minimum Technical Requirements" including the following, among others:
 - availability of key personnel and their minimum qualifications and years of relevant experience;
 - availability of relevant facilities and equipment;
 - company's minimum number of years of experience;
 - relevant quality and standard accreditations; and
 - certification/ licences by external bodies, such as Royal Malaysian Police for storage and transportation of explosives, and Atomic Energy Licensing Board.

Our failure to comply with the requirements of our Petronas licence and SWEC may cause Petronas to take action against our Group, such as the non-renewal of a Petronas licence, which may disrupt our operations and could have a material adverse effect on our business operations and financial performance.

Within our Group, there was only one (1) incidence whereby there was a non-compliance with the applicable Petronas conditions where a Petronas licence was not renewed, namely Amsito's Petronas licence. Amsito's Petronas licence was not renewed upon its expiry on 7 October 2018 as it had negative shareholder's funds as at that date, which was in non-compliance with the applicable Petronas conditions. This did not affect our Group's operations as RLSB was able to take over the wireline services provided by Amsito as Amsito had novated its contracts to RLSB and RLSB has the relevant SWEC to undertake the work. There have been no other incidences of non-compliance that may cause our Petronas licence not to be renewed, revoked, suspended or blacklisted.

Further, we have incurred and expect to continue to incur operating costs to comply with our Petronas licence and to meet our SWEC requirements. These operating costs amounted to approximately RM0.21 million for FYE 2016, RM0.07 million for FYE 2017, RM0.19 million for FYE 2018 and RM0.20 million for FYE 2019.

While we constantly ensure that we meet Petronas' requirements, there can be no assurance that we will be able to maintain or renew our Petronas licence, continue to be qualified for our existing SWEC and qualify for new SWEC.

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4. RISK FACTORS (Cont'd)

4.1.5 We Are Required to Comply with HSE Laws and Regulations that Govern the O&G Industry

The O&G industry is subject to various HSE laws and regulations.

HSE laws and regulations address, among others, occupational safety and health of employees when they perform their jobs and the effect that performing those jobs may have on the environment. Failure to comply with any relevant laws and regulations, as well as injuries or other harm caused by such failure, may result in financial penalties, administrative or legal proceedings against us including the termination or suspension of our business activities.

Our failure to comply with any or all applicable HSE laws and regulations or a change in any or all such regulations, may disrupt our operations and could have a material adverse effect on our business operations. There have been no incidences of non-compliance of applicable HSE laws and regulations by our Group.

Further, we have incurred and expect to continue to incur operating costs to comply with HSE laws and regulations. These operating costs amounted to RM0.01 million for FYE 2016, RM0.04 million for FYE 2017, RM0.05 million for FYE 2018 and RM0.11 million for FYE 2019.

There can be no assurance that we will continue to remain in compliance with applicable HSE laws and regulations as we carry out our business. In addition, there can be no assurance that we will not be involved in future litigations or proceedings relating to regulatory matters, of which the cost could be material.

4.1.6 We May Be Adversely Affected by Changes in Petronas' Policies

A fundamental change in Petronas' policy with regards to regulating the oil and gas industry in Malaysia may come about through the liberalisation of the oil and gas industry. Petronas may liberalise the oil and gas industry in Malaysia by, among others:

- (a) removing licencing requirements for the provision of supporting products and services;
- (b) loosening licencing requirements such that it becomes easier to obtain a licence; and
- (c) allowing foreign suppliers to operate in Malaysia without having to operate with a local partner and reducing other restrictions on their operations.

Currently, operators that meet the Petronas licencing and registration requirements compete with other operators based on commercial, technical and other factors. Any change in Petronas' policy will apply to all oil and gas service, and equipment providers. However, there can be no assurance that any changes in Petronas' policies will not materially increase the level of competition in the industry and that we will be able to successfully adapt to any changes in policy.

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4. RISK FACTORS *(Cont'd)*

4.1.7 Our Business, Financial Performance and Profitability Are and May Continue to be Affected by COVID-19

COVID-19 was first detected in late 2019 and has since spread around the world with the World Health Organisation declaring the disease a pandemic on 11 March 2020. COVID-19 has resulted in, among others, a reduction in economic activities due to restrictions on travel, social, business and other activities as well as movement restrictions implemented by some governments to reduce the spread of the disease. The reduction in economic and social activities has resulted in, among others, a reduction in demand for crude oil and natural gas.

The reduction in demand for crude oil and natural gas, coupled with expected increase in supply of crude oil from some countries (as described in Section 4.2.1 of this Prospectus), have contributed towards a reduction in the price of crude oil. If COVID-19 continues to have a negative impact on the price of crude oil and results in it being sustained at a low level, our financial performance will be negatively affected.

To reduce the spread of COVID-19 within Malaysia, the Government implemented a MCO between 18 March 2020 and 3 May 2020. The MCO included, among others, closure of all government operations and private businesses except for essential goods and services, and restrictions on domestic and international travels. The Government subsequently implemented CMCO from 4 May 2020 to 9 June 2020 with the relaxation of certain MCO restrictions, including permitting most economic sectors to reopen, so long as specified guidelines and standard operating procedures are followed and large gatherings are avoided. On 7 June 2020, the Government announced the termination of CMCO on 9 June 2020 and commencement of a RMCO from 10 June 2020 till 31 August 2020. The RMCO provides further relaxation of economic, social and travel restrictions but not international travels. There is a risk that the Government may implement increased restrictions in movement and economic and social activities in the future if the spread of COVID-19 continues or increases.

While operators within the oil and gas industry are considered part of essential services and thus exempted from the MCO/ CMCO/ RMCO in Malaysia, we still face difficulties in obtaining goods and services as well as movement of personnel which has disrupted some of the jobs that we have within and outside of Malaysia. We have experienced some delays in receiving perforating materials from some of our suppliers due to the reduction in international flights and the temporary suspension of work at a facility in China where some of these products are manufactured.

For movements within Malaysia, our personnel face difficulties in getting flights between Peninsular Malaysia and East Malaysia to carry out work on offshore platforms located in East Malaysia waters. In addition, our personnel will need to be quarantined for fourteen (14) days on land before travelling to and after returning from offshore platforms. This has caused delays in the execution of our works in Malaysia as a result of the COVID-19 pandemic. As at the LPD, two (2) of our contracts have experienced or are expected to experience some delays, namely a call out contract to provide well perforation services to Petronas Carigali (estimated delay of two (2) months), and a call out contract to provide well leak repair services to Petronas Carigali (estimated delay of one (1) month). As a result, the revenue from these two (2) contracts may be affected by at least 1 month in FYE 2020 and consequently, affects our financial performance for the FYE 2020. Please refer to Section 6.23.1 (i) of this Prospectus for further details. However, with the announcement of the RMCO, travels within Malaysia has been relaxed but not international travels.

Other countries, such as Mauritania, China and USA, have also implemented measures to restrict the movement of people including within their countries and closing their borders.

On 29 March 2020, PC Mauritania 1 Pty Ltd made a declaration of force majeure on our call out contract to provide well perforate, wash and cement services to them in Mauritania, citing the closure of Mauritania's borders by the Mauritanian Government effective from 17 March 2020 in response to COVID-19, which affected our ability to change crews and consequently carry out our operations in that country. PC Mauritania 1 Pty Ltd subsequently issued a notice on 25 April 2020 to suspend the contract from 28 April 2020 until further notice. This suspension of our call out contract adversely affected our business and financial performance in Mauritania. There is also a risk that PC Mauritania 1 Pty Ltd may make a further declaration of force majeure to terminate the said call out contract.

4. RISK FACTORS (Cont'd)

As at the LPD, we have two (2) subsisting work orders to provide services issued under our call out contract from PC Mauritania 1 Pty Ltd with total value of USD8.69 million (equivalent to approximately RM37.76 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD). As at the LPD, the suspension involved the balance of approximately 80% of the work to be done for both the two (2) subsisting work orders as approximately 20% of the work have been completed. We have stopped work on these work orders following the suspension. Revenue recognition will be deferred until the suspension is lifted and we can resume work.

Under the suspension, PC Mauritania 1 Pty Ltd will pay us non-refundable one-time upfront payment of USD2.27 million (equivalent to approximately RM9.86 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD and representing 40.0% of the remaining value of one (1) of the subsisting work order issued under this contract) and non-refundable sum of USD10,000 per month (equivalent to approximately RM43,455 per month based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) as rental payment for a warehouse and explosive bunker that we are renting in Mauritania for the duration of the suspension period. We do not have to refund these payments to PC Mauritania 1 Pty Ltd even if the contract is terminated or cancelled. As at the LPD, we have received net upfront payment of USD2.09 million (equivalent to approximately RM9.08 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) from PC Mauritania 1 Pty Ltd comprising the upfront payment of USD2.27 million after deducting withholding tax of USD0.18 million. Please refer to Section 6.23.1 (ii) of this Prospectus for further details.

The measures taken to control the spread of COVID-19 in Malaysia and Mauritania have resulted in disruptions that have adversely affected our business and financial performance. The extent of the adverse effects will depend on, among others, the following:

- The duration of the RMCO and any future recurrence of restrictions in Malaysia;
- When the Government of Mauritania will open its international borders and consequently, when PC Mauritania 1 Pty Ltd will lift the suspension of our contract with them; and
- The extent to which the implementation of our work orders in hand are delayed.

Our profitability may be affected by the suspension and delay of our work orders due to the measures to control the spread of COVID-19 in Malaysia and Mauritania described above. The recognition of profits will be deferred until such time we can resume work on these work orders and consequently recognise the revenues. Consequently, we anticipate that our financial performance for the FYE 2020 may be affected.

Please refer to Section 6.23 of this Prospectus for further details of the effect of COVID-19 on our business, financial performance and profitability.

4.1.8 We Depend on Our Executive Directors, Key Management and Technical Personnel for Our Continued Success

Our continuing operations and the successful execution of our business strategy will depend on the experience, expertise and contributions of our Executive Directors, namely Dato' Wan Hassan Bin Mohd Jamil and Thien Chiet Chai, and key management and technical personnel, namely Mad Haimi Bin Abu Hassan and Anwarudin Bin Saidu Mohamed. Our business performance and the execution of our business strategy may be adversely affected if we lose their services and we are unable to employ a suitable replacement in a timely manner for any of our Executive Directors and/or key management and technical personnel named above, due to the roles that they play in our Group's business as follows:

- Dato' Wan Hassan Bin Mohd Jamil is our Chief Executive Officer/ Managing Director. He is responsible for leading and managing our Group in accordance with the strategic direction and vision developed by our Board;

4. RISK FACTORS (Cont'd)

- Thien Chiet Chai is our Non-Independent Executive Director. He is instrumental in developing our Group's business. He is responsible for developing and implementing growth strategies and establishing our Group's vision, mission and value. He is in charge of maintaining our relationships with our customers and principals;
- Mad Haimi Bin Abu Hassan is our Operations Director. He is responsible for planning and executing perforation services and related equipment, and providing well intervention and wireline services to customers. He is also in charge of implementing and executing our health, safety and environment policy; and
- Anwarudin Bin Saidu Mohamed is our Chief Technology Officer. He is responsible to head the business unit offering solutions to flow assurance, IOR, enhanced oil recovery, well stimulations and sand management solutions.

The profiles of our Directors and key management are respectively set out in Sections 8.1.2 and 8.3.2 of this Prospectus.

4.1.9 We Are Exposed to Foreign Currency Exchange Gains or Losses

Some of our revenue and purchases are denominated in foreign currencies, including in relation to our business operations in foreign countries. For the FYE 2016 to FYE 2019, the breakdown of our revenue transacted in RM and USD was as follows:

Currency	FYE 2016		FYE 2017		FYE2018		FYE2019	
	Revenue (RM'000)	%	Revenue (RM'000)	%	Revenue (RM'000)	%	Revenue (RM'000)	%
RM	5,564	58.09	12,988	62.22	24,222	53.72	68,333	85.38
USD	4,014	41.91	7,886	37.78	20,869	46.28	11,698	14.62
Total	9,578	100.00	20,874	100.00	45,091	100.00	80,031	100.00

For the FYE 2016 to FYE 2019 the breakdown of our purchases transacted in RM, USD and GBP was as follows:

Currency	FYE 2016		FYE 2017		FYE2018		FYE2019	
	Purchases (RM'000)	%	Purchases (RM'000)	%	Purchases (RM'000)	%	Purchases (RM'000)	%
RM	33	1.91	482	5.26	11,187	48.11	28,701	64.39
USD	1,611	93.28	8,522	92.96	11,933	51.31	15,778	35.40
GBP	83	4.81	163	1.78	134	0.58	93	0.21
Total	1,727	100.00	9,167	100.00	23,254	100.00	44,572	100.00

Foreign currencies constitute a material part of our revenue and purchases for the FYE 2016 to FYE 2019. This was because for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019, 41.91%, 37.78%, 46.28% and 14.62% of our revenue respectively was transacted in a foreign currency (namely the USD), and 98.09%, 94.74%, 51.89% and 35.61% of our purchases respectively were transacted in foreign currencies (namely the USD and GBP).

We are exposed to foreign currency exchange gains or losses from timing differences between our billings, receipt of payments and conversion or translation of revenue and purchases denominated in USD into RM. Fluctuation in the exchange rate between the RM and other currencies, including the USD, may have a material effect on our reported income and expenses, as they are required to be stated in RM in our combined financial statements.

4. RISK FACTORS (Cont'd)

4.2 RISK RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES

4.2.1 We May be Adversely Affected by A Sustained Fall in the Market Price of Crude Oil and Natural Gas

Crude oil and natural gas are internationally traded commodities whose prices are subject to fluctuation. Global economic conditions and outlook, geopolitical factors, unexpected supply disruptions, increase and reduction in demand, and other factors may influence the market price of these commodities.

In early 2020, the Brent crude oil price became volatile and recorded average prices of USD63.60, USD55.00 and USD32.98 per barrel in January, February and March respectively. Furthermore, the average Brent crude oil price dipped to USD23.34 per barrel for April 2020, the lowest average price in the past ten (10) years. The main reasons for this decline were as follows:

- During a meeting in early-March 2020, the OPEC and key non-OPEC producers including Russia, failed to extend their collective restriction on crude oil production beyond April 2020, which had helped to support crude oil prices. Instead, Saudi Arabia, Russia and some other countries signalled that they would increase output, which is expected to increase the global supply of crude oil.

Although OPEC and key non-OPEC producers have subsequently agreed to reduce crude oil production in mid-April 2020, the announced cuts were regarded as not sufficient to balance the decline in demand. It did not immediately result in a material increase in crude oil prices;

- Expected decrease in demand for crude oil and natural gas as economic activities and transportation are reduced due to the international and domestic travel restrictions, business slowdown and other measures taken by major economies including the USA, China, Japan, South Korea and European Union member states in an effort to control the COVID-19 pandemic;
- Trade war between the USA and China, which contributed to a slowdown in economic activity in China and some other countries resulting in reduced demand for energy including crude oil and natural gas; and
- However, during the weekend of 12 April 2020, OPEC and allies including Russia agreed to reduce crude oil production. The average Brent crude oil price for May 2020 was USD31.02 per barrel.

The expectation that crude oil demand would fall coupled with the expectation that supply would not be fully adjusted accordingly resulted in the steep decline in crude oil prices.

The level of oil and gas industry activity including operating expenses and capital expenditure are, to some degree, affected by fluctuations in the market price of crude oil and natural gas. For example, the level of activity tends to increase when prices are sustained at a high level, as producers tend to increase exploration and development activities to identify new reservoirs and bring them into production and they have more financial resources to do so. This increase in activity generally results in increases in operating expenses and capital expenditure by operators.

4. RISK FACTORS *(Cont'd)*

Oil and gas industry activity tends to decline when prices are sustained at a low level as producers may temporarily scale down development and production activities, and plug and abandon wells that are no longer commercially valuable. Exploration activity may still continue, although at a reduced level. This generally results in a decrease in capital expenditure as operators reduce investment in exploration and development activities. Operating expenses are also reduced, although usually to a lesser extent as operators seek to maintain existing production wells to sustain production.

There is a risk that sustained low price of hydrocarbons will negatively affect oil and gas industry activities, leading to lower demand for oil and gas supporting services including well services. This may adversely affect our financial performance in the event that our work is delayed. Such delays could lead to, among others, deferment in recognising revenue and profit until after such time as the affected work resumes.

Please refer to Sections 6.23.1 (ii) and 6.23.2 (ii) of this Prospectus for further details of the effect of sustained low crude oil prices on the Group.

4.2.2 We May Be Adversely Affected If Petronas and/or Other PSC Operators Reduce Their Capital Investment and/or Operating Expenditure

There is a risk that Petronas and/or other PSC operators may reduce their spending on capital investment and/or operating expenditure due to, among others, pandemic such as COVID-19 and sustained low crude oil price environment. As a result, Petronas and/or other PSC operators may reduce their activities in, among others, oil and gas industry exploration, development and production activity, and delay, suspend and/or terminate some of their projects.

In May 2020, Petronas announced that it planned to reduce its capital expenditure by 21% and operating expenditure by 12% compared to what it had previously budgeted for 2020. While these reductions would affect its operations in Malaysia and other countries, Petronas will strive as far as practically possible, to minimise the impact on its capital expenditure program in Malaysia. *(Source: Petronas)*

Such a reduction in spending could reduce demand for the services provided by our Group and consequently may have an adverse effect on our financial performance.

4.2.3 We Are Subject to Risks Related to Political, Economic, Regulatory and Medical Developments

Adverse developments in political, economic and regulatory conditions, and medical developments in Malaysia, Mauritania and Vietnam where our services are rendered could adversely affect the business prospects of our Group. In addition, adverse developments in political and economic conditions, and medical developments that occur in other countries or that occur on a global scale could also adversely affect the business prospects of our Group. These negative developments include, among others, changes in political leadership, outbreak of war or civil disturbances, pandemic such as the COVID-19 outbreak, changes in economic conditions, interest rates, method of taxation, fiscal and monetary policies of the Government such as foreign exchange control regulations, inflation, deflation, methods of taxation and tax policy (including customs, excise, duties and tariffs), unemployment trends and other matters that may influence business confidence and spending. The occurrence of one or more of these negative developments could reduce O&G industry capital investments and operational expenditures, which could reduce demand for the services provided by our Group and could adversely affect our financial performance.

4. RISK FACTORS (Cont'd)

Any slowdown in the global or local economy may also have an adverse impact on the demand for our services, which will in turn affect our Group's business and financial performance. We cannot assure you that any adverse political, economic and regulatory changes which have not impacted our business in the past, will not materially affect our business in the future.

4.2.4 We Operate in A Competitive Industry and Our Financial Performance May be Adversely Affected if We Are Unable to Compete

We compete with other service providers in securing well services contracts from O&G operators in Malaysia.

In Malaysia, oil and gas industry supporting services contracts, including contracts for well services, are typically awarded on a competitive tender basis. Our ability to secure contracts is dependent on, among other factors, our ability to meet technical requirements, service quality and responsiveness, pricing, ability to provide total solutions, safety record, technical capabilities and track record. Failure to secure new contracts moving forward may have an adverse effect on our financial performance.

Although we have successfully entered into contracts in the past, there can be no assurance that we will be able to remain competitive and/or continue to secure contracts in the future.

4.2.5 Our Business May be Affected if Crude Oil and Natural Gas Reservoirs in Malaysia Become Depleted

All crude oil and natural gas reservoirs are non-renewable, as it is not possible to regenerate them within a reasonable timeframe once they have been extracted. As such, all crude oil and natural gas reservoirs, including those in Malaysia, will eventually be depleted. Depletion of these reservoirs is likely to have a negative impact on production activity, which will in turn affect the demand for oil and gas supporting services, including crude oil and natural gas well services.

Petronas has implemented various measures and initiatives to increase Malaysia's crude oil and natural gas reserves, with new discoveries contributing to the hydrocarbon reserves in the country. In addition, current reserve estimates generally do not take into account factors such as the existence of crude oil and natural gas that have not been discovered, developments that can increase the amount of crude oil and natural gas that can be extracted from existing reserves and technological advances that enable production from previously inaccessible reserves.

However, there can be no assurance that oil and gas industry operators in Malaysia will continue to discover recoverable reserves quickly enough to replace reserves that are produced. There is no assurance that technological and other advances can materially increase the amount of crude oil and natural gas that can be extracted from reserves and enable production from inaccessible reserves.

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4. RISK FACTORS *(Cont'd)*

4.3 RISK RELATING TO INVESTMENT IN OUR SHARES

4.3.1 No Prior Market for Our Shares

Prior to our IPO, there has been no prior public market for our Shares. Hence, we cannot assure you that an active market for our Shares will develop, or if developed, we can sustain such a market.

We cannot assure you that a liquid market may develop for our Shares, shareholders are able to sell our Shares or at the price at which shareholders would be able to sell our Shares. Our share price could be lower than the IPO Price depending on many factors, including prevailing economic and financial conditions in Malaysia. We cannot assure you that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market upon or subsequent to our Listing.

The market price of our Shares may be volatile and fluctuate due to various factors, some of which are beyond our control. These include amongst others, changes in economic, political and regulatory conditions, stock market sentiments. Any changes in the market may have a material and adverse effect on the holders of our Shares.

4.3.2 There May be A Potential Delay to or Cancellation of Our Listing

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

- (i) Our Sole Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations thereunder;
- (ii) The revocation of approvals from the relevant authorities and/or parties for our Listing and/or admission for whatever reason; or
- (iii) We are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25.0% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing.

Where prior to the issuance and allotment of our IPO Shares:

- (a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the Applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the Applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (b) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all Applications for our IPO Shares will be refunded free of interest.

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4. RISK FACTORS *(Cont'd)*

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
 - (aa) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (bb) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the Directors.

Nonetheless, our Board will endeavour to ensure compliance with the various requirements for our successful Listing.

4.3.3 Share Price Volatility and Trading

Economic, political conditions and growth potential of the various sectors of the economy contribute to the volatility of trading volumes on Bursa Securities and this adds risks to the volatility of the market price of our Shares. The market price of our Shares may fluctuate due to, amongst others, the following factors, some of which are beyond our control:

- (i) variations in the liquidity of the market for our Shares;
- (ii) success or failure of our management team in implementing business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our Group's financial performance;
- (iv) changes in conditions affecting the industry, the general economic conditions, stock market sentiments or other events or factors; or
- (v) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed on Bursa Securities.

Further, many of the risks described elsewhere in this Prospectus could adversely affect the market prices of our Shares. Accordingly, we cannot assure you that our Shares will not trade at a price lower than the IPO price.

Over the past few years, the Malaysian, regional and global equity have experienced significant price and volume volatility that have affected the share price of many companies.

4. RISK FACTORS *(Cont'd)*

Share prices of many companies have experienced wide fluctuation that are unrelated to their operating performance. Although we are committed to ensure the sound management of our business, we cannot assure you that our Share price will not be subject to volatility due to market sentiments.

4.3.4 The Interest of Our Promoters Who Control Our Group May Not be Aligned With the Interest of Our Shareholders

As disclosed in Section 8.1.1, our Promoters will collectively hold in aggregate 57.09% of our enlarged share capital upon Listing. As a result, they will be able to control the business direction and management of our Group. This includes the election of Directors, the timing and payment of dividends as well as having voting control over our Group. As such, our Promoters will likely influence the outcome of certain matters requiring the vote of our shareholders except where they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. We cannot assure you that the interests of our Promoters will be aligned with those of our other shareholders.

4.3.5 Uncertainty of Forward-looking Statements

Certain statements in this Prospectus are based on historical data that may not be reflective of future results. Other statements are forward-looking in nature and are subject to uncertainties and contingencies. Although we believe that the expectations reflected in such forward looking statements are reasonable, we cannot assure you that that such expectation can materialise in future.

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5. INFORMATION ON OUR GROUP

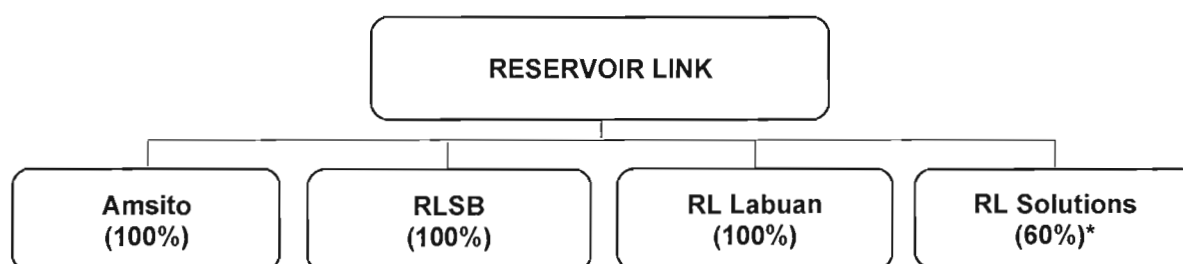
5.1 OUR COMPANY

We were incorporated in Malaysia under the Companies Act 1965 on 2 December 2014 as a public company under the name of Reservoir Link Energy Bhd. Our Company is also deemed registered under the Act.

Our principal activity is investment holding while the principal activities of our subsidiaries are disclosed in Section 5.2 of this Prospectus.

5.2 OUR GROUP

An illustration of our Group structure is as follows:



Note:

- * The remaining 40% equity interest in RL Solutions is held by our key management, Anwarudin Bin Saidu Mohamed. Anwarudin Bin Saidu Mohamed has the requisite background and expertise in the development of the IOR chemicals and he is a shareholder in RL Solutions for his commitment to develop the IOR chemical. Please refer to Section 5.4.1 (iv) (e) of this Prospectus for further details.

The principal activities of our subsidiaries are as follows:

Company	Principal Activities
Amsito	Providing wireline and related services.
RLSB	Providing well leak repair; perforation; testing; perforate, wash and cement; and wireline services.
RL Labuan	Providing well perforation and well leak repair services, primarily outside of Malaysia.
RL Solutions	Developing and providing oil and gas production enhancement services and sand management solutions.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.3 SHARE CAPITAL

Our issued share capital as at the LPD is RM100 comprising 200 Shares.

Details of the changes in the issued share capital of Reservoir Link since its incorporation up to the LPD are as follows:

Date of Allotment/ Subdivision	No. of Shares Allotted	Consideration	Cumulative Issued Share Capital (RM)	Cumulative No. of Shares
02.12.2014	200	Cash	100	200
10.03.2020	800	Subdivision	100	1,000
16.03.2020	227,873,000	Shares issued as consideration for the Acquisition of RLSB	22,787,300	227,874,000

Upon completion of the Public Issue, our Company's issued share capital will increase to RM42,776,284 comprising 285,000,000 Shares.

None of Reservoir Link's shares as tabulated above were issued at a discount, on special terms or on instalment payment terms.

As at the LPD, Reservoir Link does not have any warrant, option or convertible securities in issue or any uncalled capital.

5.4 DETAILS OF OUR SUBSIDIARIES

As at the LPD, our Company has four (4) subsidiaries, as follows:

Company	Registration Number	Date/ Place of Incorporation	Date of Commencement of Business	Issued Share Capital	Effective Equity Interest (%)	Principal Activities
Amsito	197901004381 (48661-A)	30.06.1979/ Malaysia	1979*	RM6,000,000	100	Providing wireline and related services.
RLSB	200801030636 (831967-H)	08.09.2008/ Malaysia	November 2008	RM7,008,000	100	Providing well leak repair; perforation; testing; perforate, wash and cement; and wireline services.
RL Labuan	LL09465	07.02.2013/ Labuan	June 2013	USD100	100	Providing well perforation and well leak repair services, primarily outside of Malaysia.
RL Solutions	201501039603 (1164921-V)	05.11.2015/ Malaysia	July 2018	RM100,000	60	Developing and providing oil and gas production enhancement services and sand management solutions.

Note:

* Amsito was acquired by our Group in 2015.

5. INFORMATION ON OUR GROUP *(Cont'd)*

5.4.1 Our Subsidiaries

(i) Amsito

(a) Background and History

Amsito was incorporated in Malaysia under the Companies Act 1965 as a private company on 30 June 1979, under its present name.

(b) Principal Place of Business

Amsito's principal place of business is at our Group's headquarters located at E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Wilayah Persekutuan, Kuala Lumpur.

(c) Principal Activities and Products/ Services

The principal activities of Amsito are providing wireline and related services. In addition, Amsito plans to offer its equipment for rental.

As disclosed in Section 4.1.4 of this Prospectus, Amsito's Petronas licence was not renewed upon its expiry on 7 October 2018 as it had negative shareholder's funds as at that date, which was in non-compliance with the applicable Petronas conditions. As such, we plan for Amsito to re-apply for a Petronas licence and approval for SWEC that are related to providing wireline services ("**Wireline SWEC**") after Amsito's shareholders' funds are positive. The granting of the licence and approval for the Wireline SWEC is subject to the discretion of Petronas.

Prior to our re-application for the Wireline SWEC, we will:

- (i) ensure that RLSB complete any subsisting work orders that were issued under umbrella contracts or call out contracts to provide wireline services; and
- (ii) seek the respective customers' prior approval to allow for the novation of the umbrella contracts or call out contracts, if any at that point in time, in favour of Amsito.

If Amsito receives the Petronas licence and approval for the Wireline SWEC for wireline services, we intend to leverage on Amsito's past track record of providing wireline services to submit bids for new wireline services contracts. In the event that Amsito secures wireline services contracts, Amsito will utilise its wireline equipment to provide these services.

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5. INFORMATION ON OUR GROUP (Cont'd)**(d) Share Capital**

As at the LPD, the issued share capital of Amsito is RM6,000,000 comprising 1,000,000 ordinary shares and 5,000,000 CRNCPS.

The changes in Amsito's issued share capital since incorporation are as follows:

Date of Allotment	No. of Shares Allotted	Cash Consideration (RM)	Cumulative Number of Shares	Cumulative Share Capital (RM)
Ordinary				
30.06.1979	2	2	2	2
11.11.1980	99,998	99,998	100,000	100,000
26.01.2002	400,000	400,000	500,000	500,000
29.10.2003	500,000	⁽¹⁾ 500,000	1,000,000	1,000,000
CRNCPS				
12.05.2011 ⁽²⁾	5,000,000	5,000,000	5,000,000	5,000,000

Notes:

- (1) Otherwise than cash (bonus issue).
- (2) On 12 May 2011, Amsito issued 5,000,000 Cumulative Redeemable Convertible Preference Shares ("CRNCPS"). On 30 December 2019, the said CRNCPS was converted to CRNCPS.

The salient terms of the CRNCPS of Amsito which are being held by Reservoir Link are as follow:

Dividend	4% per annum on a cumulative basis. The dividend shall be declared subject to the solvency position of Amsito.
Voting	No right to receive notice of or attend or to vote at any general meeting.
Rank	Rank in priority over all shares, ordinary or otherwise from time to time and for the time being.
Transfer	May only be transferred in accordance with the Constitution.
Redemption	Amsito shall be entitled to redeem the CRNCPS at any time by giving at least one (1) months' notice in writing.

None of Amsito's shares as tabulated above were issued at a discount, on special terms or instalment payment terms.

As at the LPD, Amsito does not have any warrant, option or convertible securities in issue or any uncalled capital.

5. INFORMATION ON OUR GROUP (Cont'd)**(e) Shareholder**

Amsito is our wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, Amsito does not have any subsidiary or associated company.

(ii) RLSB**(a) Background and History**

RLSB was incorporated in Malaysia under the Companies Act 1965 as a private company on 8 September 2008 under the name of Reservoir Link Engineering Sdn Bhd. On 15 June 2012, it changed its name to RLSB.

RLSB commenced operations in November 2008.

(b) Principal Place of Business

RLSB's principal place of business is at our Group's headquarters located at E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Wilayah Persekutuan, Kuala Lumpur. RLSB has two (2) service centres at Kemaman, Terengganu and Labuan, and an office in Miri, Sarawak.

(c) Principal Activities and Products/ Services

The principal activities of RLSB are providing well leak repair; perforation; testing; perforate, wash and cement; and wireline services.

(d) Share Capital

As at the LPD, the issued share capital of RLSB is RM7,008,000 comprising 888,888 ordinary shares.

The changes in RLSB's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Cash Consideration (RM)	Cumulative Number of Shares	Cumulative Share Capital (RM)
08.09.2008	100	100	100	100
12.12.2008	199,900	199,900	200,000	200,000
19.10.2009	300,000	300,000	500,000	500,000
30.12.2010	300,000	300,000	800,000	800,000
23.09.2014	88,888	6,208,000	888,888	7,008,000

5. INFORMATION ON OUR GROUP (Cont'd)

None of RLSB's shares as tabulated above were issued at a discount, on special terms or instalment payment terms.

As at the LPD, RLSB does not have any warrant, option or convertible securities in issue or any uncalled capital.

(e) Shareholder

RLSB is our wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, RLSB does not have any subsidiary or associated company.

(iii) RL Labuan**(a) Background and History**

RL Labuan was incorporated in Malaysia under the Labuan Companies Act 1990 as a private company on 7 February 2013 under its present name.

RL Labuan commenced operations on June 2013.

(b) Principal Place of Business

RL Labuan's principal place of business is at our Group's headquarters located at E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Wilayah Persekutuan, Kuala Lumpur.

(c) Principal Activities and Products/ Services

The principal activities of RL Labuan are providing well perforation and well leak repair services, primarily outside of Malaysia.

(d) Share Capital

As at the LPD, the issued share capital of RL Labuan is USD100 comprising 100 ordinary shares.

The changes in RL Labuan's issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Cash Consideration (USD)	Cumulative Number of Shares	Cumulative Share Capital (USD)
07.03.2013	100	100	100	100

None of RL Labuan's shares as tabulated above were issued at a discount, on special terms or instalment payment terms.

As at the LPD, RL Labuan does not have any warrant, option or convertible securities in issue or any uncalled capital.

5. INFORMATION ON OUR GROUP (Cont'd)

(e) Shareholder

RL Labuan is our wholly-owned subsidiary.

(f) Subsidiary or Associated Company

As at the LPD, RL Labuan does not have any subsidiary or associated company.

(iv) RL Solutions

(a) Background and History

RL Solutions was incorporated in Malaysia under the Companies Act 1965 as a private company on 5 November 2015 under the name of Petrowel Sdn Bhd. On 25 April 2018, it changed its name to Reservoir Link Solutions Sdn Bhd.

RL Solutions commenced operations on July 2018.

(b) Principal Place of Business

RL Solutions' principal place of business is at our Group's headquarters located at E-33-01, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Wilayah Persekutuan, Kuala Lumpur.

(c) Principal Activities and Products/ Services

The principal activities of RL Solutions are developing and providing oil and gas production enhancement services and sand management solutions.

(d) Share Capital

As at the LPD, the issued share capital of RL Solutions is RM100,000 comprising 100,000 ordinary shares.

The changes in RL Solutions' issued share capital since incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Cash Consideration (RM)	Cumulative Number of Shares	Cumulative Share Capital (RM)
05.11.2015	100	100	100	100
08.08.2018	99,900	99,900	100,000	100,000

None of RL Solutions' shares as tabulated above were issued at a discount, on special terms or instalment payment terms.

As at the LPD, RL Solutions does not have any warrant, option or convertible securities in issue or any uncalled capital.

5. INFORMATION ON OUR GROUP (Cont'd)**(e) Shareholder**

RL Solutions is our 60% owned subsidiary.

The shareholders of RL Solutions are as follows:

Shareholder	Direct		Indirect	
	No. of Ordinary Shares	(%)	No. of Ordinary Shares	(%)
Reservoir Link	60,000	60.00	-	-
Anwarudin Bin Saidu Mohamed*	40,000	40.00	-	-

Note:

* *Please refer to Section 8.3.2 (ii) of this Prospectus for the profile of Anwarudin Bin Saidu Mohamed.*

RL Solutions was acquired by RLSB on 8 August 2018 from its then shareholders, Dato' Wan Hassan Bin Mohd Jamil of 60 ordinary shares (60%) and Thien Chiet Chai of 40 ordinary shares (40%). On the same date, i.e. 8 August 2018, the issued share capital of RL Solutions was increased from 100 ordinary shares to 100,000 ordinary shares with RLSB subscribing for 59,900 ordinary shares and Anwarudin Bin Saidu Mohamed subscribing for 40,000 ordinary shares.

As disclosed in Section 6.6.6 of this Prospectus, our Group provides two (2) types of O&G production enhancement services, namely supplying IOR chemicals and providing sand management solutions. For the supply of IOR chemicals, Anwarudin Bin Saidu Mohamed has the requisite background and expertise in the development of the IOR chemicals. On the other hand, our Group has the core competencies in the O&G services relating to the usage and supply of IOR chemicals. In addition, our Group will be able to provide working capital for the development and supply of IOR chemicals.

Anwarudin Bin Saidu Mohamed became a shareholder in RL Solutions with 40% equity in August 2018 for his commitment to develop the IOR chemical. We have entered into a Shareholders' Agreement dated 21 February 2019 between RLSB, Anwarudin Bin Saidu Mohamed and RL Solutions in relation to the terms and conditions between RLSB and Anwarudin on their respective shareholdings, namely, 60% held by RLSB and 40% held by Anwarudin Bin Saidu Mohamed in RL Solutions and for the purpose of regulating their relationship with each other and certain aspects of the affairs and their dealings with and in RL Solutions as disclosed in Section 14.6 (vi) of this Prospectus ("**Shareholders' Agreement**"). Subsequently, on 26 February 2020, Reservoir Link, RLSB, Anwarudin Bin Saidu Mohamed and RL Solutions has entered into a Deed of Adherence to supplement the Shareholders' Agreement as Reservoir Link will be the shareholder of RL Solutions in place of RLSB pursuant to the Acquisition of 60% RL Solutions whereby Reservoir Link agrees to be bound by the terms, conditions and provisions of the Shareholders' Agreement as disclosed in Section 14.6 (xviii) of this Prospectus.

5. INFORMATION ON OUR GROUP *(Cont'd)*

(f) **Subsidiary or Associated Company**

As at the LPD, RL Solutions does not have any subsidiary or associated company.

5.5 LISTING SCHEME

5.5.1 Details of the Listing Scheme

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, our Company undertook a Listing Scheme which involved the following which are inter-conditional among each other:

(a) **Subdivision**

Our Company undertook a subdivision of one (1) existing ordinary share each in Reservoir Link into five (5) new Shares.

The Subdivision resulted in the ordinary shares of our Company to increase from 200 ordinary shares to 1,000 Shares. The issued share capital of our Company remains as RM100.

The Subdivision was completed on 10 March 2020.

(b) **Acquisitions**

(i) **Acquisition of Amsito**

Our Company had entered into a conditional sale and purchase agreement dated 26 June 2019 with RLSB to acquire 100.0% of the issued share capital of Amsito comprising 1,000,000 ordinary shares and 5,000,000 Cumulative Redeemable Convertible Preference Shares ("**CRCPS**") for a cash consideration of RM2. The purchase consideration of Amsito was based on the audited net tangible loss of Amsito as at 31 December 2018 of RM1,462,709 and was satisfied via internally generated funds. Further, on 30 December 2019, our Company had entered into a supplemental agreement with RLSB in relation to the variation of shares of Amsito, namely the acquisition of Amsito's 5,000,000 CRCPS to be changed to the acquisition of 5,000,000 CRNCPS, together with all of its existing rights and obligations.

The Acquisition of Amsito was completed on 13 March 2020.

(ii) **Acquisition of RL Labuan**

Our Company had entered into a conditional sale and purchase agreement dated 26 June 2019 with RLSB to acquire 100.0% of the issued share capital of RL Labuan comprising 100 ordinary shares for a cash consideration of RM109,000. The purchase consideration of RL Labuan was based on the audited NTA of RL Labuan as at 31 December 2018 of USD26,151 (equivalent to approximately RM108,225.91 based on the exchange rate of USD1=RM4.1385 as at 31 December 2018) and was satisfied via internally generated funds.

The Acquisition of RL Labuan was completed on 28 February 2020.

5. INFORMATION ON OUR GROUP (Cont'd)**(iii) Acquisition of 60% RL Solutions**

Our Company had entered into a conditional sale and purchase agreement dated 26 June 2019 with RLSB to acquire 60% of the issued share capital of RL Solutions comprising 60,000 ordinary shares for a cash consideration of RM2. The purchase consideration of RL Solutions was based on the audited net tangible loss of RL Solutions as at 31 December 2018 of RM281,971 and was satisfied via internally generated funds.

The Acquisition of RL Solutions was completed on 13 March 2020.

(iv) Acquisition of RLSB

Our Company had entered into a conditional sale and purchase agreement dated 26 June 2019 with the Vendors of RLSB to acquire the entire issued share capital of RLSB comprising 888,888 ordinary shares for a purchase consideration of RM22,787,300, satisfied wholly by the issuance of 227,873,000 new Shares. The purchase consideration of RLSB was based on the adjusted audited NTA of RLSB as at 31 December 2018 of RM22,787,392, after adjusting for the gain on disposal of an associate company, namely Amsito Worldwide (BVI) Ltd, as set out below:

	RM
Audited NTA of RLSB as at 31 December 2018	21,727,241
Gain on disposal of an associate company, Amsito Worldwide (BVI) Ltd on 15 May 2019	1,060,151
Adjusted audited NTA of RLSB as at 31 December 2018	<u>22,787,392</u>

The shareholdings of the Vendors of RLSB in our Company pursuant to the Acquisition of RLSB are as follows:

Shareholders	No. of Ordinary Shares Held in RLSB	Equity Interest %	Purchase Consideration RM	No. of Reservoir Link Shares Issued
Dato' Wan Hassan Bin Mohd Jamil	277,332	31.20	7,109,610	71,096,105
Mad Haimi Bin Abu Hassan	208,000	23.40	5,332,234	53,322,335
Thien Chiet Chai	208,000	23.40	5,332,234	53,322,335
Pansar	177,778	20.00	4,557,470	45,574,703
Dato' Richard Wee Liang Huat @ Richard Wee Liang Chiat	17,778	2.00	455,752	4,557,522
Total	888,888	100.00	22,787,300	227,873,000

The Acquisition of RLSB was completed on 16 March 2020.

The Acquisition of RLSB resulted in our issued share capital being increased from 1,000 Shares to 227,874,000 Shares.

The new Shares issued pursuant to the Acquisition of RLSB ranked pari passu in all respect with our existing Shares, except that the new Shares will not be entitled to any dividends, rights, allotment or other distributions declared, made or paid prior to the date of allotment and issuance of the said Shares.

5. INFORMATION ON OUR GROUP (Cont'd)**(c) Transfer**

Following the Subdivision and Acquisitions, the following shareholders transferred certain portion of their respective Reservoir Link Shares to RL Holdings, an investment holding company:

Shareholders	After the Subdivision and Acquisitions		Transfer		After the Subdivision, Acquisitions and Transfer	
	No. of Reservoir Link Shares	#%	No. of Reservoir Link Shares	#%	No. of Reservoir Link Shares	#%
Dato' Wan Hassan Bin Mohd Jamil	71,096,605	31.20	(52,500,000)	(23.04)	18,596,605	8.16
Mad Haimi Bin Abu Hassan	53,322,335	23.40	(47,250,000)	(20.74)	6,072,335	2.66
Thien Chiet Chai	53,322,835	23.40	(5,250,000)	(2.30)	48,072,835	21.10
RL Holdings	-	-	105,000,000	46.08	105,000,000	46.08
Total	177,741,775	78.00	-	-	177,741,775	78.00

Note:

Based on the issued share capital of 227,874,000 Shares after the Subdivision and Acquisitions.

The Transfer was completed 27 March 2020.

Further details of RL Holdings are disclosed in Section 8.1.2 (i) of this Prospectus.

(d) IPO

Subsequently, we will undertake an IPO, the details of which are set out in Section 3.3 of this Prospectus.

(e) Listing of and Quotation for Our Shares

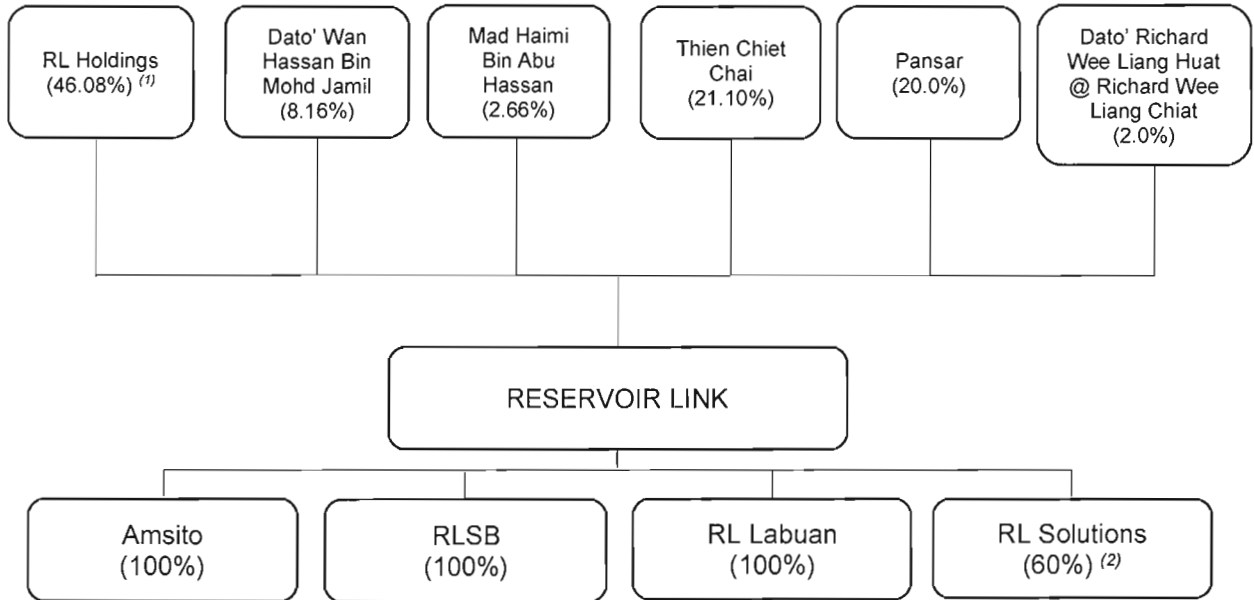
Upon completion of the abovementioned IPO, we will seek the admission of our Shares into the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.5.2 Our Group Structure Before and After the IPO

Our Group structure as at the LPD is as follows:



Notes:

(1) The shareholders of RL Holdings with their respective shareholdings in RL Holdings are as follows:

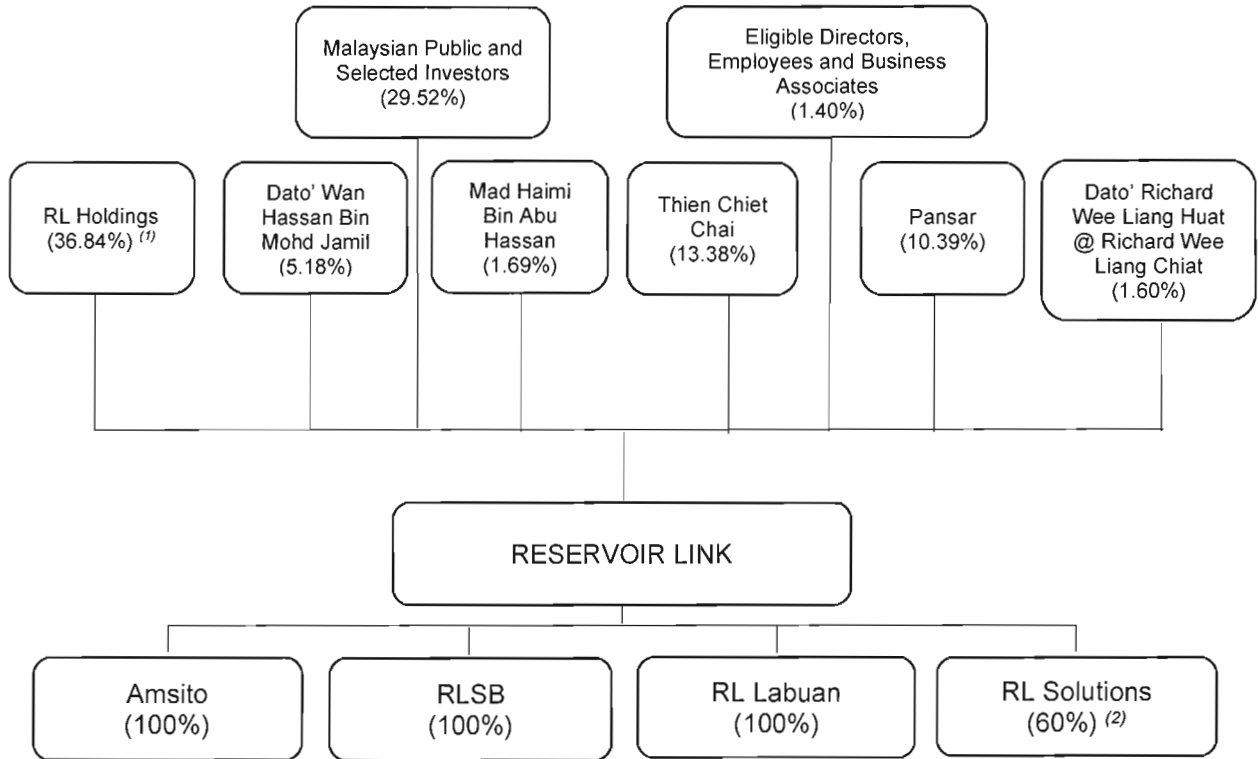
Shareholders of RL Holdings	No. of Ordinary Shares	%
Dato' Wan Hassan Bin Mohd Jamil	500	50
Mad Haimi Bin Abu Hassan	450	45
Thien Chiet Chai	50	5
Total	1,000	100

(2) The remaining 40% equity interest in RL Solutions is held by our key management, Anwarudin Bin Saidu Mohamed.

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5. INFORMATION ON OUR GROUP (Cont'd)

Our Group structure after the IPO is as follows:



Notes:

(1) The shareholders of RL Holdings with their respective shareholdings in RL Holdings are as follows:

Shareholders of RL Holdings	No. of Ordinary Shares	%
Dato' Wan Hassan Bin Mohd Jamil	500	50
Mad Haimi Bin Abu Hassan	450	45
Thien Chiet Chai	50	5
Total	1,000	100

(2) The remaining 40% equity interest in RL Solutions is held by our key management, Anwarudin Bin Saidu Mohamed.

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6. BUSINESS OVERVIEW

6.1 HISTORY

Our Group commenced in 2008 with the incorporation of RLSB. Our Group was founded in September 2008 by Mad Haimi Bin Abu Hassan (our Operations Director) and another founder who was a majority shareholder (at that time) who is no longer involved in our Group as a shareholder, director or employee. Thien Chiet Chai (our Non-Independent Executive Director) joined RLSB in November 2008 as our Executive Director.

In December 2008, Mad Haimi Bin Abu Hassan and the other founder mentioned above sold all of their equity interest in RLSB to Shorefield Offshore Services Sdn Bhd, an investment holding company, which was a company under the OBYU group of companies. Between December 2008 to December 2010, RLSB was a wholly-owned company of Shorefield Offshore Services Sdn Bhd. Subsequently on 5 April 2017, Shorefield Offshore Services Sdn Bhd changed its name to Shorefield Communications Sdn Bhd.

Dato' Wan Hassan Bin Mohd Jamil (our Chief Executive Officer/ Managing Director) joined RLSB in September 2010 as our Chief Executive Officer. In December 2010, he became a shareholder when he acquired and subscribed for a 25.0% equity interest in RLSB and was appointed as the Managing Director. In the same year, Mad Haimi Bin Abu Hassan and Thien Chiet Chai became shareholders of RLSB when they acquired and subscribed for a 14.0% and 16.0% equity interest in RLSB respectively in December 2010.

Shorefield Offshore Services Sdn Bhd eventually sold all of its equity interest in RLSB to our existing shareholders, namely Dato' Wan Hassan Bin Mohd Jamil (40.0%), Mad Haimi Bin Abu Hassan (30.0%) and Thien Chiet Chai (30.0%) in May 2012.

In September 2014, Pansar Berhad acquired a 11.1% equity interest in RLSB and subsequently subscribed for additional shares in the same month to eventually hold 20.0% equity interest in RLSB.

We are providers of O&G well services that support operators in the upstream segment of the O&G industry. We provide the following well services:

- Well leak repair services that involve conducting tests to determine if a well has a leak, identifying the location and nature of the leak, and then sealing that leak;
- Well perforation services using a range of perforating gun systems to carry out our services, including hollow carrier guns and through-tubing guns, and used a variety of conveyance methods including slickline, electric wireline, coiled tubing and tubing conveyed perforation. We have also used both conventional and reactive shaped charges in our perforating services;
- Well testing services to collect data that are used to create models to predict the characteristics of wells and O&G reservoirs, and to calibrate fluid flow meters;
- Well perforate, wash and cement services are one of the steps involved in well plugging and abandonment, which involves sealing a well that is no longer in use. We carry out the perforations, while Archer Malaysia performs the wash and cement;
- Wireline services are performed by sending wireline downhole tools down the wells to recover wellbore equipment such as plugs, gaslift valves, downhole pressure gauges as well as performing well intervention and collection of data. Wireline services can also be used to adjust sliding side door located downhole for zone change, as well as repair tubing leak or damage; and

6. BUSINESS OVERVIEW (Cont'd)

- O&G production enhancement services are intended to increase the rate and/or total amount of crude O&G production from a reservoir. We currently provide two (2) types of O&G production enhancement services, namely supplying IOR chemicals and providing sand management solutions.

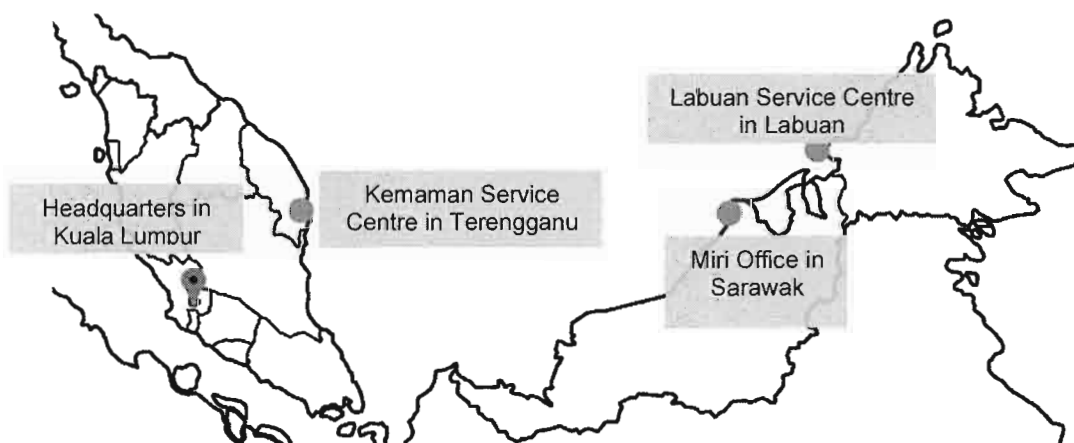
Our well services are used in all stages of a well's life, including first perforation as part of the completion process to initiate production, O&G production enhancement services during production and up to perforate, wash and cement services as part of plugging and abandonment services to seal the well when it reaches the end of its useful life. Our well services are used in the exploration, appraisal, development and production segments of the O&G industry. O&G well services collectively accounted for majority of our total revenue for the FYE 2016 to FYE 2019 as detailed in Sections 6.3.2 and 6.3.5 of this Prospectus.

We also provide other services comprising supplying oilfield equipment and technical personnel, and providing construction and consultancy services. These other services accounted for the balance of our total revenue for the FYE 2016 to FYE 2019.

We secured our first overseas project in 2009, which was to provide perforation services in Vietnam. Since then, we have also provided our services in Mauritania and supplied oilfield equipment to the United Kingdom. Our business, however, is currently focused in Malaysia, which accounted for 92.05%, 88.86%, 90.07% and 96.54% of our total revenue for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019 respectively.

As at the LPD, we have four (4) operational facilities. Our headquarters is located in Menara SuezCap 2, KL Gateway, Kuala Lumpur. We have service centres at two (2) of the main marine supply bases that support the offshore O&G industry in Malaysia, namely the Kemaman Supply Base in Terengganu and the Asian Supply Base in Labuan. The main function of the Kemaman Supply Base in Terengganu is to support offshore O&G industry activities that take place in the waters offshore Peninsular Malaysia. The Kemaman Supply Base comprises approximately 180 hectares of developed area, with an additional 60 hectares of land bank for future expansion. As for the Asian Supply Base in Labuan, the main function is to support offshore O&G industry activities that take place in the waters offshore Sabah and Sarawak. The Asian Supply Base comprises approximately 140 hectares of developed area. We also have an office in Miri, Sarawak. The locations of our operational facilities are depicted in the following map.

Our Operational Facilities



6. BUSINESS OVERVIEW (Cont'd)

Our Leased Service Centre at the Kemaman Supply Base, Terengganu



Our Leased Service Centre at the Asian Supply Base, Labuan



6. BUSINESS OVERVIEW (Cont'd)

The key events in our Group's history and the development of our business are set out in the following table:

Year	Event
2008	<ul style="list-style-type: none"> Our Group was founded with the incorporation of Reservoir Link Engineering Sdn Bhd in Malaysia on 8 September 2008. The company changed its name to RLSB on 15 June 2012. RLSB commenced operations in 2008.
2009	<ul style="list-style-type: none"> RLSB obtained its Petronas licence in June 2009. We secured our first customer, Haliburton Energy Services (M) Sdn Bhd, for the supply of shaped charges used for well perforation. We secured our first start-up and production stage perforation services contract in 2009 when we were engaged by Geowell Sdn Bhd to provide the service at the Tinggi field offshore Terengganu, Malaysia. <p>We secured our first project outside of Malaysia from Petroleum Well Logging Ltd to provide start-up and production stage perforation services at offshore O&G fields in Vietnam.</p>
2013	<ul style="list-style-type: none"> We incorporated RL Labuan in Labuan on 7 February 2013.
2014	<ul style="list-style-type: none"> Reservoir Link was incorporated in Malaysia on 2 December 2014 as an investment holding company.
2015	<ul style="list-style-type: none"> We acquired Amsito, a provider of wireline services, which marked our entry into that business segment.
2016	<ul style="list-style-type: none"> We secured our first well leak repair service contract in October 2016, which was from Petronas Carigali to provide the service in Malaysia.
2017	<ul style="list-style-type: none"> In September 2017 we secured our first job in Mauritania, from PC Mauritania 1 Pty Ltd for well leak repair services at the Chiguetti and Banda fields in Mauritania, prior to their scheduled plug and abandonment. We secured our first well perforate, wash and cement contract in September 2017, which was from Roc Oil Sarawak to provide the service in Malaysia. During the same year we also secured contracts from Petronas Carigali to provide the same service. We secured our first contract to provide well testing services in April 2017, which was from Petronas Carigali to provide the service in Malaysia. We also secured a contract to provide well testing services from JX Nippon Oil & Gas Exploration (Malaysia) Ltd during the same year. Amsito secured a contract from JX Nippon Oil & Gas Exploration (Malaysia) Ltd to provide wireline services to support their well testing project. This was the first contract that Amsito secured independently since it joined our Group. In October 2017 we entered into a distributorship agreement with Archer Malaysia, where we were appointed as their distribution agent in Malaysia for wash tools used as part of well perforate, wash and cement services. We also entered into sales representation agreements with AGS International for the supply of the repair chemicals that we use for our well leak repair services.

6. BUSINESS OVERVIEW (Cont'd)

Year	Event
2018	<ul style="list-style-type: none"> RL Solutions obtained its Petronas licence in November 2018. In February 2018 we secured a contract from Petronas Carigali to provide wireline services in relation to Risk Transfer Incentive Contract (RTIC) for idle well reactivation and production enhancement services. <p>Petrowel Sdn Bhd changed its name to RL Solutions on 25 April 2018 and was acquired by RLSB from its then shareholders, Dato' Wan Hassan Bin Mohd Jamil and Thien Chiet Chai on 8 August 2018. RL Solutions commenced business operations in 2018 developing O&G production enhancement services and sand management solutions.</p>
2019	<ul style="list-style-type: none"> We began to provide sand management solutions to our customer. We began to supply IOR chemicals (a part of our O&G production enhancement services) to our customers.

6.2 CUSTOMER TESTIMONIALS AND AWARDS

From 2014 up to the LPD, we have obtained the following customer testimonials and awards:

Year	Awarding Party	Customer Testimonials and Awards
2014	Petronas Carigali (Kemaman Operations)	"HSE Tabulation Awards" for remarkable contribution towards the 1 million man-hours without LTI 2014.
2014	Petronas Carigali	"Outstanding HSE performance" for outstanding HSE performance and contribution towards achieving 1 million man-hours without LTI.
2015	Petronas Carigali (Sabah Operations)	"HSE Tabulation Awards" for outstanding performance and lasting contribution towards achieving 2.5 million man-hours without LTI in May 2014.
2016	Petronas Carigali	"HSE Achievement" for contributing towards 8 million man-hours without LTI between April 2009 and December 2016.
2016	Petronas Carigali (Sabah Operations)	"HSE Tabulation Awards" for outstanding performance and lasting contribution towards achieving 3.0 million man-hours without LTI.
2016	Petronas Carigali (Kemaman Operations)	"HSE Tabulation Awards" in appreciation for contributing to achieving 2 million man-hours without LTI for PSS well intervention ⁽¹⁾ and services for Peninsular Malaysia Assets for 2016.
2016	Petronas Carigali (Sarawak Operations)	"HSE Tabulation Awards" in appreciation for contributing to achieving 8 million man-hours without LTI for 2016.
2017	Petronas Carigali (Sarawak Operations)	"Focused Recognition" for successfully executing additional well perforation services with zero LTI at the D18 and Bokor fields, which significantly contributed to SK Oil production in 2016.

6. BUSINESS OVERVIEW (Cont'd)

Year	Awarding Party	Customer Testimonials and Awards
2017	Petronas Carigali (Sabah Operations)	"Focused Recognition" for successfully completing well perforation services for the EW-B202, EW-110, EW-111 and EW-202 wells at the Erb West field.
2018	Petronas Carigali (Sabah Operations)	"Focused Recognition" for: <ul style="list-style-type: none"> - efficiently conducting Gr-CCL operations for the Erb West and TMBG fields; - successfully executing tubing cut job for the EW-123 L1 and EW-123 L2 wells at the Erb West field; and - successfully contributing towards 3.5 million man-hours without LTI since March 2006
2019	EnQuest Petroleum Production Malaysia Ltd	"HSE Tabulation Awards" in recognition of valuable contribution towards achieving zero LTI between 2014 and 2018.
2019	Petronas Carigali (Peninsular Malaysia Assets)	"Focused Recognition" for: <ul style="list-style-type: none"> - successfully curing Sepat A2 and A3 wells for tubing hanger rectification after minor incident using well leak repair chemicals; - diligently submitting UAUC(2) from 1 to 7 May 2019 with best quality UAUC(2) submission. All UAUC(2) submitted had high impact in helping ensure HSE at the work place; - diligently and continuously reporting UAUC(2) at AnDP-E well and highlighting hazards through HSE online system. - successfully completing well perforation services for new discovered zone on the NL-A3ST2 well within two (2) days without HSE and non-productive time issues. This helped to change well status from "idle" to "active"; - successfully completing 10,728 manhours of well testing services at AnDP-B, C, D and E wells with zero incidents. Successfully delivered well testing results for production activity and metring study; and - successfully completing technically challenging water shut-off and additional well perforation services at Resak A6L well in a safe manner. RLSB team demonstrated extensive collaboration and planning contributing to gas production gain that exceeded customer's target.

6. BUSINESS OVERVIEW (Cont'd)

Year	Awarding Party	Customer Testimonials and Awards
2019	Petronas Carigali (Sarawak Operations)	<p>"Focused Recognition" for:</p> <ul style="list-style-type: none"> - successfully executing additional well perforation services with good HSE performance and zero LTI at Temana Field, which significantly contributed to oil production and idle well reactivation; - the joint effort in executing well preparation campaign for four (4) wells prior to rig entry for well plugging and abandonment with zero LTI and HSE incidents, and in a timely manner; - successfully executing additional well perforation services between end-2019 and early-2019 with good HSE performance and zero LTI at the Temana Field, which was completed efficiently and contributed towards increasing oil production in 2019; - working closely in resolving an issue at BO-112L well, which has been closed-in since July 2019; and - achieving excellent performance in production enhancement through well perforation services for Sarawak Operations during the first through third quarters of 2019 resulting in immediate gain in hydrocarbon production with zero LTI and good HSE performance.
2019	Petronas Carigali (Sabah Operations)	"Focused Recognition" for showing great commitment in safely delivering well integrity, data acquisition and production enhancement jobs in 2018 beyond the target for 2018. Contributed towards achieving Sabah Operations' well integrity and production enhancement target of 3.9 million safe manhours.
2020	Petronas Carigali (Sarawak Operations)	"Focused Recognition" for excellent contribution in supporting Sarawak Operations' well intervention activities for 2019, which contributed towards Petronas Carigali's overall performance.
2020	Petronas Carigali (Peninsular Malaysia Assets)	"Focused Recognition" for supporting well intervention and integrity activities in realising Peninsular Malaysia Assets' targets for 2019.

Notes:

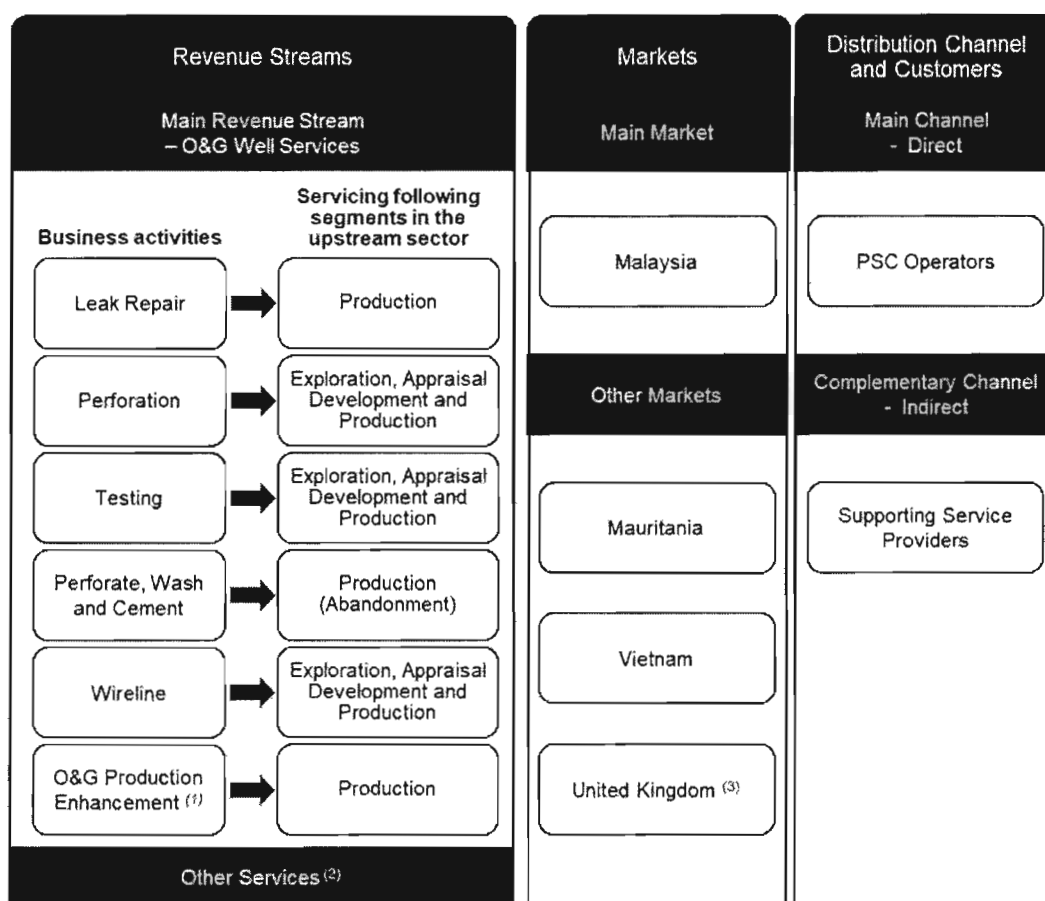
- (1) "PSS" well intervention refers to Peninsular Malaysia sub-surface well intervention. The services rendered were well perforation services.
- (2) "UAUC" refers to unsafe act unsafe condition, which are unsafe acts by personnel or unsafe workplace conditions that can cause accidents.

6. BUSINESS OVERVIEW (Cont'd)

6.3 OUR BUSINESS

6.3.1 Our Business Model

Our business model is depicted in the diagram below:



PSC = Production Sharing Contract, O&G = Oil and Gas.

Notes:

(1) Comprising the supply of IOR chemicals and provision of sand management solutions.

(2) Supply of technical personnel and oilfield equipment; and Provision of construction and consultancy services

(3) We supplied oilfield equipment to a customer in the United Kingdom during FYE 2016, and delivered the said oilfield equipment to that country. This was a one-off transaction.

6.3.2 Revenue Streams

Our main revenue stream is in providing O&G well services, which accounted for 95.77%, 98.11% 99.78% and 98.87% of our total revenue for FYE 2016, FYE 2017, FYE 2018 and FYE 2019 respectively. They include well leak repair, perforation, well testing, wash and cement, wireline and O&G production enhancement services.

Other services include supplying technical personnel, oilfield equipment and providing construction and consultancy services, which accounted for 4.23%, 1.89%, 0.22% and 1.13% of our revenue for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019 respectively.

6. BUSINESS OVERVIEW (Cont'd)

Our well services business comprises the following activities:

(i) Well Leak Repair

Well leak repair services involve using a repair chemical to seal leaks that are detected in wells. Leaks can lead to fluids such as crude oil, natural gas, hydraulic fluid and other materials passing through joints in the tubing, isolation packer, underground safety valves and production trees. Such leaks can result in a loss of production, reduction in hydrocarbon reservoir pressure and environmental damage.

(ii) Well Perforation

Our well perforation services involve using shaped charges to create holes in the well casing and tunnels in the surrounding formation of the reservoir. These perforation tunnels are the physical connection between the well and formation that allow the O&G to flow into the wellbore.

Well perforation services are carried out during the early and production stages of an O&G well's lifecycle to initiate and support the extraction of O&G from the formation and during the end-of-life stage as part of the well plug and abandonment process.

The perforation service projects that we carry out usually include:

- (a) shaped charge performance modelling;
- (b) supplying the shaped charges, perforating guns and related equipment;
- (c) assembling the perforating gun; and
- (d) supplying and supervising the personnel undertaking the perforation work.

The perforation design, such as the location and number of perforation tunnels to create, are normally provided by our customers.

(iii) Well Testing

Our well testing services involve collecting data, such as pressure and temperature measurements, flow rates and fluid samples, which are used to predict the characteristics of wells and O&G reservoirs. We conduct well testing services to support customers in the exploration, appraisal, development and production segments of the O&G industry.

(iv) Well Perforate, Wash and Cement

We provide well perforate, wash and cement services that are part of the well plug and abandonment process. While we perform the well perforations, the wash and cement steps are carried out in collaboration with an external party, Archer Malaysia. Archer Malaysia provides the specialised expertise and wash tools that are used to clean the areas behind the perforated casing and accurately place the cement plugs.

Our revenue for the perforation portion of perforate, wash and cement projects is captured under the "well perforation" segment.

6. BUSINESS OVERVIEW *(Cont'd)*

(v) Wireline

We carry out wireline services, which involve sending wireline tools down wells to carry out well intervention and collect data. We perform slickline services where the wireline tool is connected to the surface by a steel cable.

(vi) O&G Production Enhancement

We provide O&G production enhancement services that are intended to increase the rate and/or total amount of crude O&G production from a reservoir. We currently supply IOR chemicals and provide sand management solutions.

We have entered into the following types of contracts with some of our customers to provide well services:

- Umbrella contracts to provide well perforation (for well perforation services under well perforate, wash and cement services), well testing and perforate, wash and cement services; and
- Call out contracts to provide well leak repair, perforation (for well perforation services only), perforate, wash and cement, wireline and O&G production enhancement services.

Based on these contracts, our customers will issue work orders for us to perform the respective well services.

In addition, some customers that do not have umbrella or call out contracts for well leak repair, perforation, well testing, perforate, wash and cement, and wireline services will also issue purchase orders to us to provide these services. We currently provide O&G production enhancement services, namely IOR chemicals and sand management solutions based on purchase orders issued by customers.

Well leak repair, perforation and perforate, wash and cement jobs normally take between five (5) and ten (10) days to complete. We will generate revenue once the customer confirms that we have completed the services that they have engaged us to perform, following which we will issue an invoice to the customer.

Well testing services jobs normally take between twenty one (21) and thirty (30) days to complete and wireline services job normally take between fifteen (15) and twenty eight (28) days to complete. We perform these services and generate revenue based on services rendered. The revenue for some of our well testing and wireline services jobs are recognised on a monthly accrual basis and subsequently invoiced in later months.

Providing IOR chemicals normally takes between five (5) to seven (7) days for wells or one (1) to two (2) weeks for pipelines. The sand management solutions that we currently provide involve providing maintenance services and providing desanders on a turnkey basis. Providing these maintenance services normally takes between one (1) and two (2) weeks. With respect to providing desanders on a turnkey basis, the design, engineering and fabrication of the equipment would normally take between six (6) to nine (9) months, with an additional one (1) month for installation at the site and one (1) week for commissioning.

We also provide other services in addition to well services. They include supplying technical personnel and oilfield equipment, and providing construction and consultancy services.

6. BUSINESS OVERVIEW (Cont'd)

6.3.3 Markets

Our largest market was Malaysia, which represented more than 88.0% of our total revenue for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019. For the FYE 2019, our second largest market was Mauritania.

6.3.4 Customers and Distribution Channel

Our main customers are PSC operators. For FYE 2016, FYE 2017, FYE 2018 and FYE 2019, revenue from PSC operators amounted to 73.52%, 91.49%, 84.94% and 76.57% of our total revenue respectively.

Other customers mainly comprise other providers of supporting services to the O&G industry.

We mainly adopt a direct distribution channel, where we market and sell directly to PSC operators, who are operators that have a contractual agreement with the host Government for the exploration and production of O&G. We also use the indirect distribution channel where we market and sell our services to supporting service providers to the O&G industry, who would use us as subcontractors for their projects with PSC operators. Supporting service providers provide a range of services, such as well services to support PSC operators. Refer to Section 6.10 of this Prospectus for additional information.

In addition to our in-house sales and marketing team, in March 2018, we appointed an agent in Indonesia to represent our Group in that market for the provision of well perforation and well leak repair services. We are interested in entering the Indonesia market to provide these services and have engaged the agent to gather market information and where possible help us secure jobs in Indonesia.

6.3.5 Revenue Segmentation by Business Activities

Revenue Contribution	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Well Services	9,173	95.77	20,480	98.11	44,990	99.78	79,123	98.87
Well leak repair	-	-	9,447	45.26	17,303	38.38	15,532	19.41
Well perforation	9,118	95.20	10,741	51.45	15,453	34.27	30,693	38.35
Well testing ⁽¹⁾	-	-	29	0.14	5,944	13.18	13,794	17.24
Wash and cement ⁽²⁾	-	-	181	0.87	3,793	8.41	12,262	15.32
Wireline	55	0.57	82	0.39	2,497	5.54	4,431	5.54
O&G production enhancement	-	-	-	-	-	-	2,411	3.01
Other Services ⁽³⁾	405	4.23	394	1.89	101	0.22	908	1.13
TOTAL	9,578	100.00	20,874	100.00	45,091	100.00	80,031	100.00

Notes:

- (1) We currently provide well testing services together with Petrotechnical. Our arrangement with and payment to Petrotechnical in carrying out the well testing services are in accordance with the Petrotechnical Agreement as disclosed in Section 3.7 (i) of the Prospectus. Also, in carrying out the well testing services together with Petrotechnical, we are entitled to the portion of the revenue that we charge our customer in relation to the personnel and/or well testing equipment supplied by us, the details of which is as disclosed in Section 3.7 (i) of the Prospectus.

6. BUSINESS OVERVIEW (Cont'd)

- (2) *End-of-life stage well perforation is normally performed prior to wash and cement, which is part of well plug and seal process. We currently provide well perforate, wash and cement within a single agreement with Archer Malaysia. For the purpose of presenting our revenue segmentation by business activity, the revenue from well perforate, wash and cement services is split into two parts, namely the end-of-life stage well perforation performed by us and wash and cement performed by Archer Malaysia.*
- (3) *Other services comprise supplying technical personnel and oilfield equipment, and providing construction and consultancy services.*

Provision of well services are our main business activity with the largest contribution to our total revenue for the FYE 2016 to FYE 2018. Although well perforation services accounted for almost all of our revenue for FYE 2016, we have progressively diversified our business from FYE 2017 onwards. Well leak repair, well testing and wash and cement services contributed a significant portion of our revenue for the FYE 2017, FYE 2018 and FYE 2019. We also started to earn revenue from a new service, O&G production enhancement in FYE 2019.

Please refer to Section 12 of this Prospectus for further details on our Group's financial information.

6.3.6 Our Contracts in Hand

Our secured customer contracts in hand as at the LPD consist of umbrella contracts and call out contracts.

(i) Our Umbrella Contracts in Hand

Under an umbrella contract, the customer has pre-qualified us (along with one (1) or more other supporting service providers) to provide specified services for the duration of the contract. During the contract duration period, the customer may issue a request for a job to provide services under the umbrella contract. We will then submit a tender for the job and compete with the other pre-qualified supporting service providers to secure the job.

As at the LPD, the secured umbrella contracts in hand that we are currently implementing or which are pending implementation for well services are as follows:

No.	Customer Name	Well Provided Services	Contract Start	Contract Duration	Status as at the LPD
1.	Petronas Carigali	Well testing, perforation	April 2017	5 years	Implementing
2.	Petronas Carigali	Well perforate, wash and cement	October 2017	3 years + 1 year optional renewal	Implementing
3.	JX Nippon Oil & Gas Exploration (M) Ltd	Well testing, perforation	November 2017	5 years	Pending implementation
4.	Petrofac (Malaysia-PM304) Ltd	Well testing, perforation	November 2017	5 years	Pending implementation
5.	Petronas Carigali	Well perforation, leak repair, wireline	February 2018	2 years + extended for 2 additional years	Pending implementation
6.	EnQuest Petroleum Production Malaysia Ltd	Well testing, perforation	June 2018	5 years	Pending implementation
7.	Sea Hibiscus Sdn Bhd	Well testing, perforation	November 2018	5 years	Pending implementation

6. BUSINESS OVERVIEW (Cont'd)

No.	Customer Name	Well Services Provided	Contract Start	Contract Duration	Status as at the LPD
8.	Sapura Exploration And Production (PM) Ltd. Sapura Exploration & Production (Sarawak) Ltd	Well testing, perforation	April 2019	5 years	Pending implementation
9.	Vestigo Petroleum Sdn Bhd	Well testing, perforation	June 2019	2 years 10 months	Pending implementation
10.	PTTEP HK Offshore Ltd, Malaysia Branch	Well testing, perforation	September 2019	5 years	Pending implementation

Notes:

The umbrella contracts that the Group are "implementing" as at the LPD refer to those that the Group has secured at least one (1) work order from the contract start up to the LPD.

The umbrella contracts that are "pending implementation" as at the LPD refer to those that the Group has not yet secured any work orders from the contract start up to the LPD.

Our umbrella contracts do not provide any assurance of future revenue for the following reasons:

- there is no guarantee that the customer will issue requests for jobs under the umbrella contract during the contract duration period; and
- there is no guarantee that the customer will engage us from among the other pre-qualified service providers to carry out the job.

(ii) Our Call Out Contracts in Hand

Under a call out contract, the customer has engaged us to provide specified services during the contract duration period, as and when they are required. The call out contract will stipulate the rates that we can charge for these specified services. Should there be a need for these services during the contract duration period, the customer will issue a work order to us and we have to provide these services within the timeframe defined under the call out contract.

As at the LPD, the secured call out contracts in hand that we are currently carrying out or which are pending implementation for well services are as follows:

No.	Customer Name	Well Services Provided	Contract Date	Contract Duration	Status as at the LPD
1.	Petronas Carigali	Well leak repair	February 2017	3 years from contract date + extended for 1 additional year	Implementing
2.	ExxonMobil Exploration & Production Malaysia Inc	Well leak repair	May 2017	3 years from contract date + extended for 2 additional years	Implementing
3.	Oceancare Corp. Sdn Bhd	Well leak repair	June 2017	3 years from contract date + 1 year optional renewal ⁽¹⁾	Implementing
4.	JX Nippon Oil & Gas Exploration (M) Ltd	Wireline	November 2017	2 years from contract date + extended for 1 additional year	Implementing
5.	Repsol Oil & Gas Malaysia Ltd	Well leak repair	May 2018	2 years from contract date + extended for 1 additional year	Implementing

6. BUSINESS OVERVIEW (Cont'd)

No.	Customer Name	Well Services Provided	Contract Date	Contract Duration	Status as at the LPD
6.	PTTEP Sabah Oil Limited (formerly known as Murphy Oil Corp. Malaysia)	Well leak repair and O&G production enhancement	May 2018	3 years from contract date + 1 year optional renewal	Implementing
7.	ROC Oil Sarawak	Well perforation	August 2018	2 years from contract date + 1 year optional renewal	Implementing
8.	ROC Oil Sarawak	Well perforate, wash and cement	November 2018	1 year from contract date + extended for 1 additional year	Implementing
9.	PC Mauritania 1 Pty Ltd	Well perforate, wash and cement	November 2018 ⁽¹⁾	1 year from commencement date ⁽²⁾	Suspended ⁽³⁾
10.	Japan Vietnam Petroleum Company Ltd	Well leak repair	April 2020	1 year from contract date + 1 year optional renewal	Implementing
11.	Enquest Petroleum Production Malaysia Ltd	Well perforation	September 2019	4 years from contract date + 1 year option renewal	Implementing
12.	Petronas Carigali	Well perforation	November 2019	3 years from contract date	Implementing
13.	Sarawak Shell Berhad	Well perforate, wash and cement	November 2019	11 months from contract date + 1 year optional renewal	Implementing
14.	Vestigo Petroleum Sdn Bhd ⁽⁴⁾	Well perforation	February 2020	Valid from February 2020 until September 2023	Implementing
15.	Vestigo Petroleum Sdn Bhd ⁽⁴⁾	Wireline	February 2020	4 months from contract date ⁽⁵⁾	Implementing
16.	Repsol Oil & Gas Malaysia Ltd	Well perforation	June 2020	2 years from contract date + 1 year optional renewal	Implementing

Notes:

- (1) *The contract was effective from 1 June 2017, hence the contract has expired on 31 May 2020. The extension on the contract between our Group and Oceancare Corp. Sdn Bhd is dependent on the extension of the contract between Oceancare Corp. Sdn Bhd with Sarawak Shell Berhad. As at the LPD, our Group has yet to receive any official notification from Oceancare Corp. Sdn Bhd on the status of the extension.*
- (2) *Indicates contract award date. The commencement date was October 2019.*
- (3) *On 29 March 2020, PC Mauritania 1 Pty Ltd made a declaration of force majeure on this contract, citing the closure of Mauritania's borders by the Mauritanian Government in response to COVID-19. Subsequently, on 25 April 2020 PC Mauritania 1 Pty Ltd served our Group with notice to suspend the contract from 28 April 2020 until further notice. As part of this suspension, PC Mauritania 1 Pty Ltd agreed to pay us the following:*
- (a) *non-refundable one-time upfront payment of USD2.27 million (equivalent to approximately RM9.86 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD, being equivalent to 40.0% of the remaining value of one (1) of the subsisting work order issued under this contract). As at the LPD, we have received net upfront payment of USD2.09 million (equivalent to approximately RM9.08 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) from PC Mauritania 1 Pty Ltd comprising the upfront payment of USD2.27 million after deducting withholding tax of USD0.18 million; and*

6. BUSINESS OVERVIEW (Cont'd)

(b) a non-refundable sum of USD10,000 per month (equivalent to approximately RM43,455 per month based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) as rental payment for a warehouse and explosive bunker that we are renting in Mauritania to implement this contract, for the duration of the suspension period.

(4) Vestigo Petroleum Sdn Bhd is a subsidiary of Petronas Carigali.

(5) The contract will expire on 27 June 2020.

The call out contracts that the Group are "implementing" as at the LPD refer to those that the Group has secured at least one (1) work order from the contract start up to the LPD.

The call out contracts that are "pending implementation" as at the LPD refer to those that the Group has not yet secured any work orders from the contract start up to the LPD.

Our call out contracts do not provide any assurance of future revenue as we are only called to provide the services as and when they are required by the customers and there is no guarantee that the customers will issue work orders to us during the contract duration period.

(iii) Fixed Contracts

As at the LPD, we do not have any fixed contracts. Under a fixed contract, the customer engages us to provide them with specified products and/or services during the contract duration period, for which we will be paid a specified sum or fee based on the products and/or services provided.

(iv) Revenue Segmentation by Type of Contract

Our revenue segmentation by type of contract is summarised in the following table:

Types of Contract	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Umbrella and call out	7,042	73.52	19,098	91.49	38,034	84.35	61,480	76.82
Non-umbrella and non-call out	2,536	26.48	1,776	8.51	7,057	15.65	18,551	23.18
TOTAL	9,578	100.00	20,874	100.00	45,091	100.00	80,031	100.00

6.3.7 Our Warranties to Our Contracts

All contracts or order received or fulfilled by RLSB, Amsito, RL Labuan and RL Solutions contain warranties. The warranties are mainly standard in nature and relate to the following:

- (i) that the work shall be performed by suitably qualified personnel and shall be free from defects and deficiencies;
- (ii) that any goods to be supplied shall be new, unused, comply with specifications and fit and suitable for their purpose; and
- (iii) that the warranty period shall be twelve (12) months from installation or eighteen (18) months from delivery as the case may be for the goods or products that are supplied as part of the services.

6. BUSINESS OVERVIEW *(Cont'd)*

In relation to item (iii) above, such standard contracts prepared by our customers include warranties for both goods and works that shall be performed ("**Works**"). The warranty period for goods does not apply to us as there are no goods or products that are being supplied pursuant to the well services contracts or orders fulfilled by us. Only the warranties stated in the standard contracts or orders in relation to Works apply to us. However, the nature of our services is such that upon certification of the services or Works being carried out by us being obtained from the customers, our services or Works pursuant the contracts or orders are deemed complete.

The remedies for breach are generally rectification of defective works at the cost and expense of RLSB, Amsito, RL Labuan and/or RL Solutions.

There are two (2) sub-contracts; one (1) with Archer Malaysia (as disclosed in Section 6.17 (iv) of this Prospectus) and the other, with Petrotechnical (as disclosed in Sections 3.7 (i) and 6.17 (ii) of this Prospectus). Both have 'back to back' arrangements by way of reference to the relevant main contract and incorporating the terms thereof into the sub-contract and a covenant by the relevant sub-contractor to observe and perform the terms in the main contract.

There has been no occurrence of warranty claims made by our customers:

- (i) to our Group since the commencement of our business;
- (ii) for Amsito since we acquired Amsito on 2 December 2015; and
- (iii) for RL Solutions since the commencement of its O&G production enhancement services in January 2019.

6.4 COMPETITIVE STRENGTHS

Our competitive strengths are important in sustaining our business and providing our Group with future growth opportunities.

6.4.1 We Specialise in Providing Well Services

We specialise in providing well services and carried out our first job in 2009 for Geowell Sdn Bhd at the Tinggi field offshore Terengganu, Malaysia. We have carried out well services in Malaysia, Vietnam and Mauritania. We have also carried out well services for all of the upstream O&G industry segments, namely the exploration, appraisal, development and production segments.

We provide the following well services:

- Well leak repair services that involve conducting tests to determine if a well has a leak, identifying the location and nature of the leak, and then sealing that leak;
- Well perforation services using a range of perforating gun systems to carry out our services, including hollow carrier guns and through-tubing guns, and used a variety of conveyance methods including slickline, electric wireline, coiled tubing and tubing conveyed perforation. We have also used both conventional and reactive shaped charges in our perforating services;
- Well testing services to collect data that are used to create models to predict the characteristics of wells and O&G reservoirs, and to calibrate fluid flow meters;

6. BUSINESS OVERVIEW *(Cont'd)*

- Well perforate, wash and cement services are one (1) of the steps involved in well plugging and abandonment, which involves sealing a well that is no longer in use. We carry out the perforations, while Archer Malaysia performs the wash and cement;
- Wireline services are performed by sending wireline downhole tools down the wells to recover wellbore equipment such as plugs, gaslift valves, downhole pressure gauges as well as performing well intervention and collection of data. Wireline services can also be used to adjust sliding side door located downhole for zone change, as well as repair tubing leak or damage; and
- O&G production enhancement services, comprising supplying IOR chemicals and providing sand management solutions.

Our portfolio of services allows us to meet the requirements for a diverse range of wells and applications. This allows us to address a wider market for well services, both in Malaysia and other countries.

6.4.2 We Have An Established Track Record Providing Well Services

Since we served our first customer in 2009, we have accumulated a track record of approximately eleven (11) years as providers of well perforation since 2009, three (3) years in well leak repair, well testing, perforate, wash and cement, and wireline services since 2017, and one (1) year in O&G production enhancement services since 2019. Our customers include:

- (i) PSC operators in Malaysia such as Petronas Carigali, ExxonMobil Exploration and Production Malaysia Inc, HESS Exploration & Production Malaysia B.V., Repsol Malaysia Ltd, Roc Oil Sarawak and JX Nippon Oil & Gas Exploration (Malaysia) Ltd;
- (ii) providers of supporting services to the O&G industry in Malaysia such as Dimension Bid (M) Sdn Bhd, Deleum Oilfield Services Sdn Bhd and Haliburton Energy Services (M) Sdn Bhd; and
- (iii) operators that produce O&G in other countries such as Petrovietnam Domestic Exploration Production Operating Company Ltd, Petrovietnam Exploration Production Corporation Ltd and Japan Vietnam Petroleum Company Ltd in Vietnam and PC Mauritania 1 Pty Ltd in Mauritania.

We have established business relationships with our customers during this time, which has provided us with a platform to address future business opportunities with them. The awards and recognitions that we have received also form part of our track record. Please refer to Section 6.2 for additional information relating to the customer awards and testimonials that we have received.

Our track record serves as a reference to our ability to provide a range of well services, which helps us to win new customers and expand our existing customer base.

6. BUSINESS OVERVIEW *(Cont'd)*

6.4.3 We Are A Petronas Licensed Company, Which Allows Us to Participate in the Malaysian O&G Industry

It is mandatory to obtain a licence or registration from Petronas to participate in the O&G industry in Malaysia. This constitutes a barrier to entry into the O&G industry in Malaysia for prospective new entrants. The Petronas licence must be for the appropriate type of services and products, and must be kept valid. In this respect we have obtained the necessary licence from Petronas, which allows us to provide our services to operators in the O&G industry in Malaysia, including PSC operators and other providers of supporting services in the industry. As at the LPD, we are licensed for a total of eighty four (84) SWEC, which provides us with opportunities to sustain and grow our business.

As at the LPD, the areas covered by our SWEC include the following:

- Chemicals, including for well leak repair and IOR;
- Civil maintenance services;
- Consultancy services;
- Manpower supply, including of technical personnel;
- Marine transportation services;
- Mechanical filters, such as desanders;
- Offshore facilities construction, including minor fabrication and decommissioning;
- Onshore fabrication;
- Pipeline and associated services;
- Production drilling, workover and associated services, including well leak repair, perforation, well testing, wireline and perforation, wash and cement services; and
- Underwater services.

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6. BUSINESS OVERVIEW (Cont'd)

During FYE 2016, FYE 2017, FYE 2018 and FYE 2019, our Group generated revenue from business activities covered by the SWEC listed in the following table:

SWEC	Description of Service
SP2120000	Production/ Drilling/ Workover Associated Services-Well Abandonment
SP2200000	Production/ Drilling/ Workover Associated Services-Well Testing Equipment & Services
SP2220100	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Tubing conveyed perforation
SP2220200	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Coiled Tubing Well Perforating Services
SP2220300	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Slickline Well Perforating Services
SP2220400	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Through Tubing Well Perforation Services
SP2220500	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Electricline Well Perforating Services
SP2220600	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Well Tubing Puncher Services
SP2270000	Production/ Drilling/ Workover Associated Services-Slickline Equipment and Services (Reclassified from SP2270100;SP2270201;SP2270202;SP2270203 and/or SP2270204)
SP2340000	Production/ Drilling/ Workover Associated Services-Well Leak Repair Services
PM1081000	Mechanical – Filter Elements and Accessories - Desander

6.4.4 Our Services Cover All Stages of An O&G Well's Lifecycle

The well services that we provide cover every stage of an O&G well's lifecycle, from initial well exploration and completion to its plugging and abandonment. This is summarised in the following table:

O&G Well Lifecycle Stage	Our Services
Start-up	<ul style="list-style-type: none"> • Well perforation • Well testing • Wireline
Production	<ul style="list-style-type: none"> • Well perforation • Well testing • Well leak repair • Wireline • O&G production enhancement
End-of-life	<ul style="list-style-type: none"> • Well perforate, wash and cement

Our ability to provide services that cover all stages of a well's lifecycle helps to sustain demand for our well services, as they are required throughout the life of the well and when they are eventually shut down.

6. BUSINESS OVERVIEW *(Cont'd)*

6.4.5 We Have An Experienced Management Team to Expand and Develop Our Business

We are guided by an experienced management team. The most experienced member of our management team is our Non-Independent Executive Director, Thien Chiet Chai, who has approximately thirty one (31) years of experience in providing well and other services in the O&G industry. Our Chief Executive Officer/ Managing Director, Dato' Wan Hassan Bin Mohd Jamil, has approximately twenty four (24) years of experience in the O&G industry, while Mad Haimi Bin Abu Hassan, our Operations Director, has approximately nineteen (19) years of experience.

We believe our experienced management team will help develop our business and provide the platform for future growth.

Some of our staff at our leased service centre at the Kemaman Supply Base, Terengganu.



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6. BUSINESS OVERVIEW (Cont'd)**6.5 EMPLOYEES**

All our employees are Malaysian and the total numbers of employees of our Group as at 31 December 2019 is as follows:

Category of Employees	Number of Employees
	As at 31 December 2019
Directors	4
Executive Management	1
Accounting and Finance	6
Human Resource and Administration	6
Contract Management	3
Business Development	8
Operation	
Well perforations services	30
Operation support	12
Well leak repair services	12
Wireline services	5
Well testing services	10
Sand management solutions	3
Chemicals	4
Driver	3
Total	107

As at 31 December 2019, all of our Directors, executive management, accounting and finance, human resource and administration, contract management, business development and drivers are based at our headquarters in Kuala Lumpur. Our Group has two (2) contractual employees as at 31 December 2019.

With respect to our operations employees, as at the LPD, fifteen (15) persons are based at our headquarters in Kuala Lumpur, thirty two (32) persons are based at our Kemaman service centre, thirty two (32) persons are based at our Labuan service centre, eight (8) persons are based at our Miri office and two (2) persons based at their respective residences.

As at the LPD, our Group does not have any foreign workers.

As at the LPD, none of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes.

We regard our employees as vital to our continued growth and we aim to provide continuous training (external training and in-house training) and education to every employee in the areas of soft skills, technical knowledge and regulatory updates, and on job competencies in order to develop their functional skills related to their respective job scope.

6. BUSINESS OVERVIEW *(Cont'd)*

6.6 OUR PRODUCTS AND SERVICES

We currently provide a range of O&G well services to support the exploration, appraisal, development and production segments of the upstream O&G industry. The well services that we provide include leak repair, perforation, testing, perforate, wash and cement, wireline services and O&G production enhancement services. These well services cover all stages of an O&G well's lifecycle, namely the start-up, production and end-of-life stages.

6.6.1 Well Leak Repair Services

Our well leak repair services involve conducting tests to determine if a well has a leak, identifying the location and nature of the leak, and then sealing that leak.

The first step is to carry out tests to determine if a leak is present in well components such as surface wellheads, control lines, packers and casing. If a leak is detected, we will perform further tests to locate and determine the nature of the leak. Leaks are detrimental to O&G industry operators as they result in loss of production and consequently revenue and reduced O&G reservoir's pressure over time. They can also result in environmental damage if the leaked materials contaminate the sea or land surface.

Well leaks are commonly caused by the following:

- (i) corrosion in the wellhead, casing, tubing, control line, safety valves and other well components;
- (ii) mechanical wear and tear of well components;
- (iii) well pressure fluctuations; and
- (iv) damage caused by well stimulation, which are the usual causes of deeper leaks.

We repair leaks by pumping a repair chemical into the well that fills in any holes and cracks that may be present in the wellhead, control lines and packer. The repair chemical that has filled the holes and cracks will harden when it is exposed to pressure to form a strong and flexible seal that plugs the holes and cracks, thereby restoring the integrity of the component. Any excess repair chemical remains in liquid form and is removed without hardening. The repair chemical that we use can withstand high pressure and temperature, form a seal with a range of surfaces including metal and plastic and is corrosion resistant.

We have entered into sales representation agreement with AGS International for the supply of repair chemicals the details of which are disclosed in Section 6.15(i) of this Prospectus. AGS International is based in the USA and is currently the agent in Asia for repair chemicals from Sealmaker International Ltd. Sealmaker International Ltd is based in the USA and is a developer and manufacturer of a range of chemicals for the O&G industry, including repair chemicals to fix leaks in O&G wells.

The material equipment that we use to provide well leak repair services is listed in the following table:

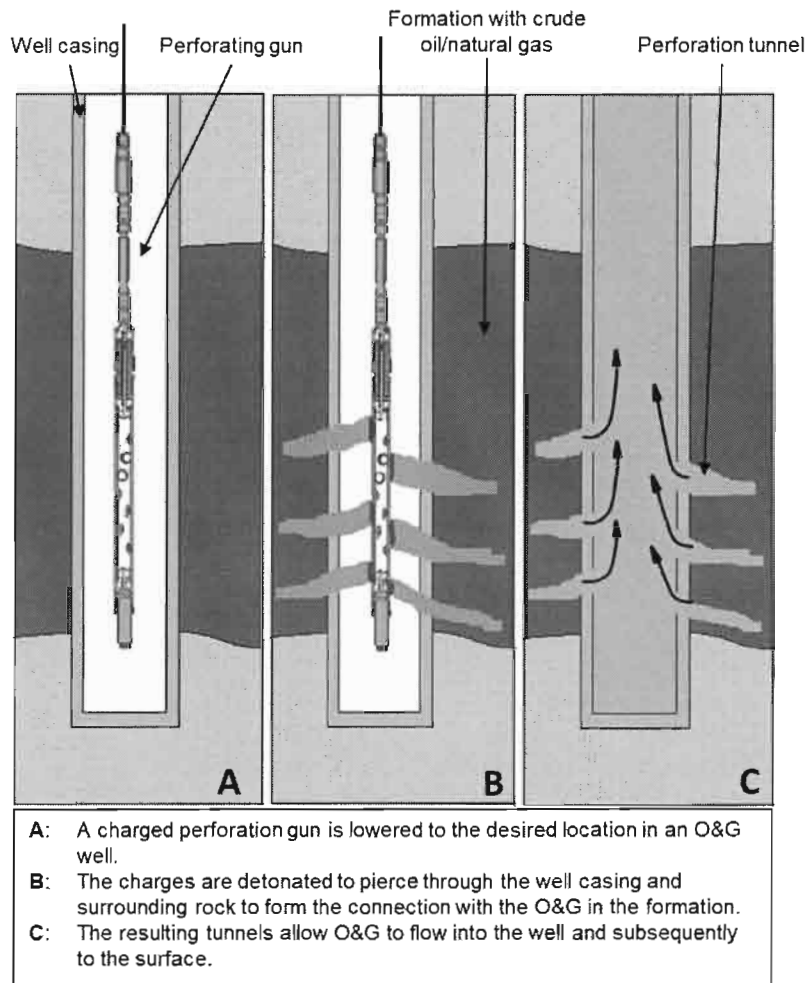
Equipment	Status
ASL60 Autoclave Pump	Owned by our Group
ASL35 Autoclave Pump	Owned by our Group
AHL33 Autoclave Pump	Owned by our Group
Wilden Pump H800	Owned by our Group

6. BUSINESS OVERVIEW (Cont'd)

6.6.2 Well Perforation Services

(i) Description of Services

The well perforation services that we provide involve creating holes at specific points of the well casing and the surrounding formation in an O&G reservoir. These holes, known as perforation tunnels, are the physical connection between the well and the formation.



These services can be grouped into two (2) categories based on when they are performed during a well's lifecycle:

- (a) **Start-up and production stage** perforation services that we provide fall under the exploration and appraisal, development and production segments of the O&G industry. Perforations performed during the exploration and appraisal phase are generally performed to complete exploration wells to allow measurements to be taken or to collect samples. Development and production segment perforations are generally carried out to complete production and injector wells. The objectives are summarised in the following table:

6. BUSINESS OVERVIEW (Cont'd)

Oil and Gas Industry Segment	Objectives
Exploration and appraisal	<ul style="list-style-type: none"> To allow fluids that are present in the surrounding formation, including crude oil, natural gas and other materials, to flow into the wellbore. These fluids can then be analysed by sensors placed in the wellbore, or collected and returned to the surface for testing and analysis.
Development	<ul style="list-style-type: none"> In production wells, perforations allow O&G to flow from the formation into the wellbore and then up to the surface resulting in O&G production. In injector wells, the perforations allow fluids such as water, chemical solutions, gas and steam to be pumped into the formation to stimulate O&G production.
Production	<ul style="list-style-type: none"> For production and injectors wells that are drilled and complete, and currently produce O&G through a production facility.

- (b) We perform **end-of-life stage** perforation as part of the well perforate, wash and cement services that we provide in collaboration with Archer Malaysia. As part of this collaboration we are responsible for the perforation portion of the service, while Archer Malaysia is responsible for wash and cement. Additional information on the overall perforate, wash and cement service is provided in Section 6.6.4 of this Prospectus.

The perforation service projects that we are engaged in usually involve the following scopes of work:

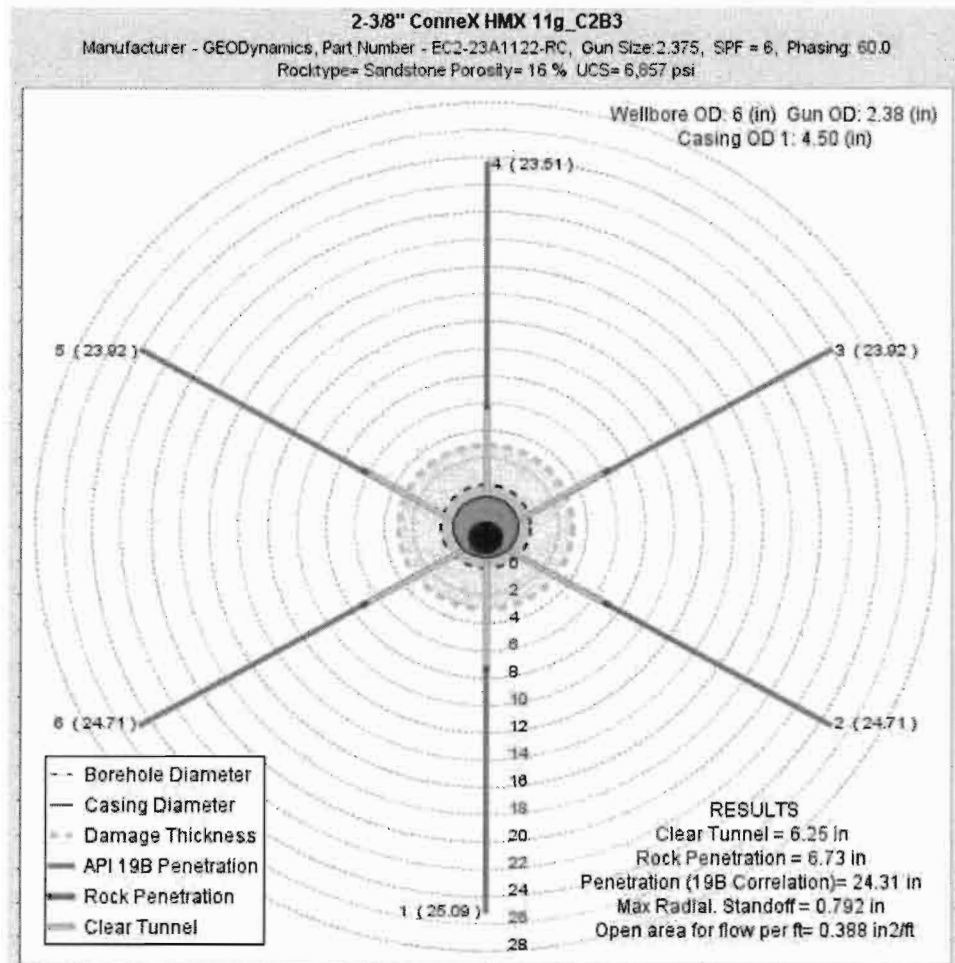
- (aa) **shaped charge performance modelling** involves running computer simulations to predict the results that would be obtained from using different shaped charges and shot densities, based on the conditions found in the perforation zone. The results obtained are measured in terms of casing penetration size and the diameter and depth of the perforation tunnel created. The conditions that can materially affect perforation results include the diameter and thickness of the well casing; types and composition of fluids such as crude oil, natural gas and water present and the type of formation. Carrying out charge performance modelling allows us to determine the most suitable type of shaped charges to use.

The shaped charge performance modelling results in the creation of a diagram that provides a visual representation of the results obtained, including the distribution and depth of the perforation tunnels formed. An top-down view of one of our (1) shaped charge performance modelling results is depicted in the following diagram.

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6. BUSINESS OVERVIEW (Cont'd)

Example of our Shaped Charge Performance Modelling Result (Top-down view)



- (bb) we are responsible for **supplying the firing heads, perforating guns, shaped charges, components and related equipment** used in our perforation service projects. We purchase guns, shaped charges and other components from our suppliers, including GEODynamics Inc., DynaEnergetics, Hunting Titan, Core Laboratories Malaysia and Probe Tech.
- (cc) **perforating gun assembly** is carried out by our qualified personnel who perform their work according to industry safety regulations. Our personnel will install the secondary explosives including shaped charges, detonating cord and booster on the perforating gun. For guns conveyed by slickline, we also programme the smart firing head with the pre-determined conditions and motion signal that must be fulfilled before any detonating sequence can be initiated. The final installation of the primary explosive detonation system, comprising the detonator on the firing head, is only carried out at the worksite shortly before the gun assembly is sent down into the well and the gun assembly is only armed after it is in the wellbore; and

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6. BUSINESS OVERVIEW (Cont'd)

- (dd) we **supply and supervise the personnel** who are involved in carrying out the perforation service works onsite. The team typically includes supervisors, perforating service experts, wireline operators and other skilled workers. The personnel that we deploy onsite are either staff employed by us or qualified contract workers that we engage on a project basis, managing personnel and performing the perforation work. Normally we deploy an average of three (3) staff for each job. As and when required we will engage contract workers. For FYE 2018 and FYE 2019, we only engaged two (2) contract workers respectively. From 1 January 2020 up to the LPD we engaged two (2) contract workers.

The installation of explosive components, including the shaped charges and detonation system, on the perforating gun is carried out by perforating services experts. They are also responsible for initiating the command to detonate the gun assembly, either by using the electronic firing panel, sending the pre-determined motion signal to the smart firing head, or applying hydraulic pressure to the wellbore, depending on the method. All of our perforating service experts are trained in-house. They are required to attend and pass an annual "refresher" explosive safety course that is conducted by our Group.

(ii) Description of Perforating Gun

Well perforation is performed with a tool called a "perforating gun". This tool generally consists of the perforating gun itself, shaped charges and sensors as described below:

(a) Perforating Guns

Some of Our Perforating Guns



A perforating gun is a metal casing on which other components are attached. Guns are available in several lengths, including one (1) foot, two (2) feet, four (4) feet, seven (7) feet, eleven (11) feet and fifteen (15) feet.

The type of perforating gun that we use to provide our well perforation services is the hollow carrier gun, where the shaped charges and other components are positioned and sealed within a steel tube. They are typically used when downhole conditions are unsuitable for exposed guns, or when debris creation has to be minimised. Hollow carrier guns can be conveyed by wireline, electric wireline, tubing or through tubing.

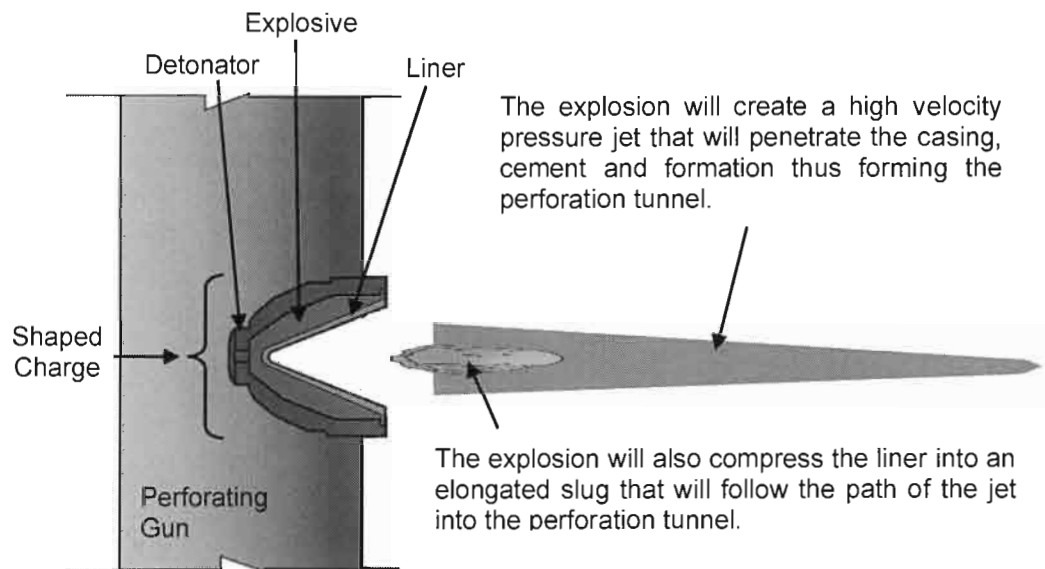
We only use expendable perforating guns that can only be used once.

6. BUSINESS OVERVIEW (Cont'd)

Perforating guns that are designed to operate in active production wells are known as "through-tubing guns". They are designed to be small enough to fit through the restricted clearance of production tubing and then operate effectively within the wider diameter of the wellbore below the production tubing. They are used to perforate new sections of well casing to bring new sections of the formation into production.

(b) Shaped Charges

How a Shaped Charge Creates a Perforating Tunnel



Shaped charges are explosive devices that are designed so that the energy from its detonation is directed in a specific and focused manner. The focused nature of the explosion enables shaped charges to achieve the following objectives:

- perforate the well casing and achieve maximum formation penetration to create the best possible perforation tunnel for the flow of O&G in production wells, or injected materials in injector wells; and
- minimise damage to the surrounding well casing.

Two (2) types of shaped charges are currently used in well perforation services, namely conventional and reactive shaped charges. We use both conventional and reactive shaped charges in our perforation service projects, depending on our customers' requirements.

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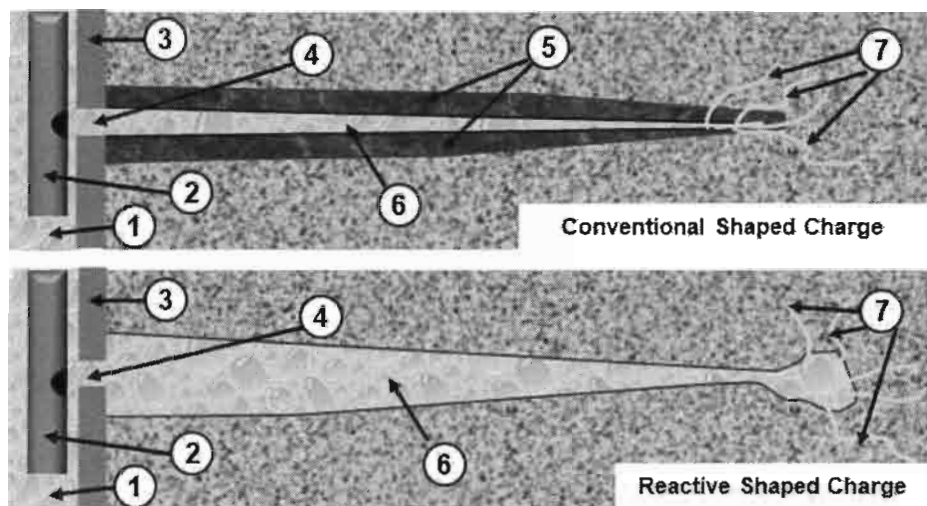
6. BUSINESS OVERVIEW (Cont'd)

With a **conventional shaped charge**, the soft metal liner is made from an inert metal. Conventional shaped charges generally function in the following way:

- the command to detonate initiates causes explosive charge to detonate;
- the shape of the outer case or liner focuses the energy from the explosion into a narrow jet of high pressure energy that punctures the casing, cement and formation, thus creating the perforation tunnel;
- at the same time, the explosion compresses the soft metal liner into a dense slug that travels along the perforated tunnel created by the initial jet of high pressure energy; and
- the slug and compacted debris are deposited along the tunnel. Additional work may be required to clear the liner material and debris from the perforation tunnel to improve flow.

A **reactive shaped charge** is similar in design and construction to a conventional shaped charge, except that the soft metal liner is composed of reactive metals. They also function in a similar manner, except that the liner metal that is deposited along the tunnel spontaneously reacts to generate heat and pressure within and around the tunnel. This heat and pressure breaks up the compacted debris and expels it into the well, thereby cleaning the perforation tunnel in the process.

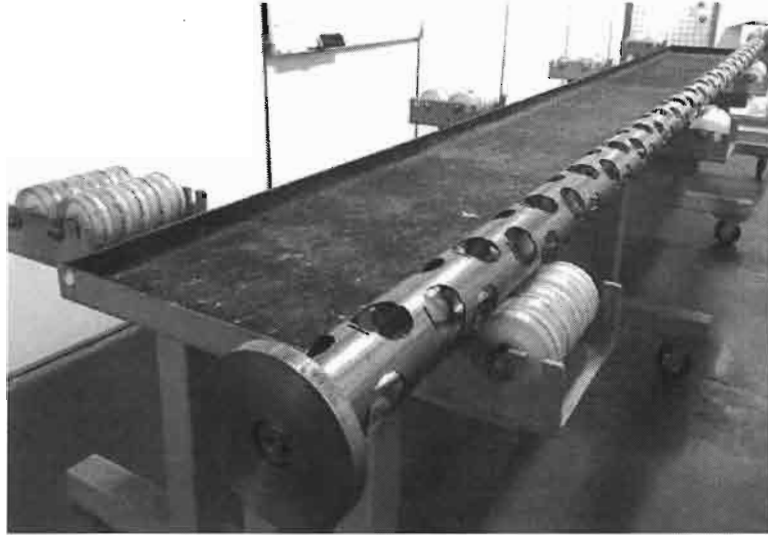
The differences in the types of perforation tunnels normally created with conventional and reactive shaped charges are illustrated in the following diagrams.



1. Wellbore 2. Perforation gun 3. Well casing and cement 4. Perforation through casing and cement 5. Compacted debris caused by the slug travelling into the formation 6. Tunnel created by the slug 7. Crude oil/natural gas from the formation seeping into the tunnel

6. **BUSINESS OVERVIEW** (Cont'd)

One of Our Perforating Guns Being Prepared for Use



- (c) **Sensors:** Sensors are used to measure downhole parameters such as pressure, temperature and casing collar locator.

(iii) **Conveyance Systems**

The conveyance system is the means by which the gun is physically connected to the surface and controlled. The type of detonation method used is influenced by the conveyance system used, The main types of conveyance systems are:

- (a) **Slickline:** The perforating gun is connected to the surface through a steel cable. This is the simplest and least costly method conveyance system. It is generally only used when a small number of perforating guns are needed to complete the well perforation project. Gun assembly detonation is automatically initiated by an attached firing head, with minimal operator intervention when pre-determined downhole conditions are met.
- (b) **Electric wireline:** The steel cable carries an electrical and/or fibre optic cable to control the perforating gun and supply it with power. This is the primary conveyance system used in wells where a high degree of accuracy is required in placing the perforation, for example in formations where the O&G-bearing rock zone is relatively small. Gun assembly detonation may be initiated by operators using a control panel on the surface.
- (c) **Coiled tubing:** The perforating gun is attached to a flexible tube which is run into the wellbore. The perforating gun may be connected to the surface by an electric and/or fibre optic line within the tube. The rigidity and strength of the tube makes this the preferred conveyance system in highly deviated wells, horizontal wells and when multiple perforating guns are used.

6. BUSINESS OVERVIEW *(Cont'd)*

- (d) **Tubing conveyed perforation:** The perforating guns are conveyed in the wellbore by tubing, drill pipe or integrated with well completion tubing. Tubing conveyed perforation is used in highly deviated or horizontal wells, to carry large guns and/or to perforate long intervals at the same time.

We currently provide perforation services using the slickline, electric wireline, coiled tubing and tubing conveyed perforating methods, depending on our customer's requirements. We currently use the services of external suppliers selected and engaged by our customers to convey our guns into wells when we provide our perforating services.

(iv) Detonation Methods

In general, perforating guns are detonated by a command initiated by an operator on the surface.

Perforating guns that are conveyed by slickline are equipped with a separate tool known as a "smart firing head" which is used to detonate the gun assembly without requiring electrical signals sent from the surface. The smart firing head has sensors to measure downhole conditions pressure, temperature, depth and movement, and a programmable electronic memory tool. The operator will programme the smart firing head to detonate the gun assembly only when all of the specified physical conditions are fulfilled and a specific sequence of motion signals is received.

Tubing conveyed perforating guns are usually detonated by using hydraulic pressure firing heads. When the gun assembly is at the desired location, the operator on the surface will increase the hydraulic pressure in the wellbore above the threshold level, which will cause the hydraulic pressure firing head's firing pins to shear off and the gun assembly to detonate.

Perforating guns that are conveyed by electric wireline may also be detonated by an operator from the surface. The electrical firing head is equipped with a gamma ray or casing collar locator tool and is connected to a firing panel on the surface by the electrical wire. The firing panel provides the operator with readings of physical measurements collected by sensors on the perforating gun. The operator monitors the progress of the perforating gun as it is lowered into the well and sends the electrical signal to initiate the detonation of the gun assembly when they determine that the perforating gun is at the desired depth and location.

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6. BUSINESS OVERVIEW (Cont'd)

(v) Equipment Used

The material equipment that we use to provide well leak repair services is listed in the following table:

Equipment	Status
Primary explosive magazine (BSEN)	Owned by our Group
Secondary explosive magazine (BSEN)	Owned by our Group
Secondary explosive magazine (DNV)	Owned by our Group
20 feet open top basket (DNV)	Owned by our Group
12 feet multipurpose toolbox (BSEN)	Owned by our Group
Low power electronic firing head (inclusive of mechanical safety switch)	Owned by our Group
Electronic detonator tester	Owned by our Group
Explosive storage magazine	Owned by our Group
Memory correlation tool	Owned by our Group
Memory cement bond log tool (CBL)	Owned by our Group
Gamma gun Geiger	Owned by our Group
Portable flowmeter	Owned by our Group
Firing control panel	Owned by our Group
Shot detection tool	Owned by our Group
Spartek Line Management System	Owned by our Group

6.6.3 Well Testing Services

We provide well testing services to collect data that are used to create models to predict the characteristics of wells and O&G reservoirs. The data collected, including pressure and temperature measurements, flow rates and fluid samples, are important in understanding and predicting an O&G reservoirs' behaviour and production potential. Well testing is also performed to calibrate fluid flow meters.

Well testing involves a range of tests and measurements to gather data, including:

- (a) measuring the flow rate of fluids in the well;
- (b) measuring the quantity of fluids that are produced from a well to the surface during a specific period of time;
- (c) measuring how pressure within a well changes after the flow of fluids out of the well has been shut off (known as "**shut in pressure measurement**");
- (d) collecting fluid samples from within the well and at the surface; and

6. BUSINESS OVERVIEW (Cont'd)

- (e) comparing the composition of fluid samples collected within the well and the composition of fluids collected at the surface.

These tests and measurements are conducted at multiple points of the well to gather the data and samples used to estimate the size of an O&G reservoir.

The data gathered through well testing allow O&G operators to conduct analysis to predict well and O&G reservoir characteristics, including:

- (a) the types of crude oil, natural gas and other materials that a well will produce;
- (b) the relative proportion crude oil, natural gas and other materials that are produced from the well;
- (c) the rate at which the well will produce these fluids;
- (d) the quantity of O&G such as crude oil and natural gas that are present in a reservoir;
- (e) the physical delineation of the reservoir, including its potential boundaries; and
- (f) the future behaviour of the well.

These well characteristics are important factors in designing well completions, developing field producing strategies and designing production facilities.

In addition, well testing is also performed to calibrate fluid flow meters at a production facility. Knowing the relative proportion of crude oil and natural gas in a sample collected at the surface enables operators to calculate the quantity of these materials that are present in fluids produced during a specific period of time.

The data that we collect are used by our customers to conduct their own analysis, deliberate on their own decisions and fulfil their own objectives. Well testing is conducted during the exploration and appraisal, development and production segments. The data collected and objectives change with each segment, as summarised in the following table:

Oil and Gas Industry Segment	Data Collected and Objectives
Exploration and appraisal	<ul style="list-style-type: none"> • Collect downhole fluid sample to confirm that O&G are present. • Determine the composition of fluids, including crude oil, natural gas and other materials present. • Determine the characteristics of the fluids that are present, which are used to determine the type of process equipment that must be installed to extract, treat and transport the produced O&G from the well to the refinery. • Estimate the quantity of recoverable O&G in a reservoir. • Delineate O&G reservoir's physical boundaries. • Ascertain permeability of the surrounding formations. • Determine other physical characteristics, such as pressure, temperature and potential production rates. • Assess the well and O&G reservoir's production potential and commercial viability.

6. BUSINESS OVERVIEW (Cont'd)

Oil and Gas Industry Segment	Data Collected and Objectives
Development	<ul style="list-style-type: none"> • Evaluate pressure and flow rates. • Ascertain compartmentalisation within the O&G reservoir, namely how pockets of crude oil and natural gas are distributed and connected to one another. • Clean up the wellbore to remove perforation debris, sand and other materials before production equipment are installed. This is done to prevent these materials from damaging the production equipment. • Assess the effectiveness of the completion work done, including perforations.
Production	<ul style="list-style-type: none"> • Find the cause of any unexpected changes in production and determine if they are due to the nature of the O&G reservoir, or due to the well's completion. • Calibrate flow meters. • Evaluate the effectiveness of any subsequent completion work done during the production phase.

We currently provide our well testing services based on an agreement with Petrotechnical. Under our agreement, Petrotechnical is responsible for providing the equipment used for well testing, the personnel to operate the equipment and training to our personnel. We will provide personnel to take part in operations and receive training on operating the equipment from Petrotechnical.

We bid for well testing jobs together with Petrotechnical. When preparing for a joint-bid with Petrotechnical for Petronas' contract, each of us will fill in our respective scope of work as required in the bidding document. We will then submit the bid where we will identify Petrotechnical as our sub-contractor as well as their scope of work.

However, prior to submitting a bid, we will discuss with Petrotechnical to ascertain if they are interested in a joint-bid. In the event that Petrotechnical does not agree to participate in the joint-bid, we may look for alternative sub-contractor. In this situation, we will jointly bid with the alternative sub-contractor for Petronas' contract.

In the event that our joint-bid with Petrotechnical is successful and subsequently Petrotechnical is unable to supply the well testing equipment as per the Petronas contract, we will be in breach of Petronas contract which specifies using Petrotechnical as a sub-contractor. Under this circumstance, we may propose to Petronas with an alternative sub-contractor to replace Petrotechnical. Petronas may or may not agree to our proposal for the alternative sub-contractor.

As part of our business strategy we intend to purchase our own well testing equipment and provide the full package of well testing services to our customers. Please refer to Section 6.22 of this Prospectus for additional information.

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6. BUSINESS OVERVIEW (Cont'd)

The material equipment that we use to provide well testing services is listed in the following table:

Equipment	Status
8' x 8' A60 rated DNV 2.1-1, Zone 2 office lab cabin	Owned by our Group
DAQ System	Owned by our Group
Flow line pipes	Provided by Petrotechnical
Surge tank	Provided by Petrotechnical
Choke manifold with data header	Provided by Petrotechnical
Burner system	Provided by Petrotechnical
Pumps	Provided by Petrotechnical
Three-phase horizontal test separator	Provided by Petrotechnical
Safety systems	Provided by Petrotechnical
Sand filter system	Provided by Petrotechnical
Instrumentation, data acquisition and process control systems	Provided by Petrotechnical
Other equipment^	Provided by Petrotechnical

Note:

^ *Other equipment includes baskets, well test crossovers, O&G diverters, electric and hand driven centrifuges, and sandbox.*

6.6.4 Wash and Cement Services

Wash and cement services are a part of the perforate, wash and cement services that we currently provide.

We are currently engaged by our customers to provide O&G well perforate, wash and cement services, which is one (1) of the steps involved in well plugging and abandonment. Well plugging and abandonment involves sealing a well that is no longer in use. For example, production and injection wells may be sealed for the following reasons:

- (i) their O&G reservoirs have been depleted;
- (ii) production from the well is no longer considered to be commercially viable; and
- (iii) the PSC operator's lease has ended.

Operators in the O&G industry are required to properly plug and abandon wells that are no longer in use. This is to prevent environmental contamination resulting from fluids moving from one (1) rock formation to another, such as from O&G reservoir into formations that contain ground water or from the O&G reservoir up to the land or sea.

6. BUSINESS OVERVIEW (Cont'd)

Well plug and abandonment involves removing above ground and underground equipment and performing perforation, wash and cementing. The above ground equipment that are removed include wellheads, manifolds and surface risers, while underground equipment includes casing, production tubing, pumps, valves, sensors and other tools that may be present underground. We are currently not involved in removing above ground and underground equipment.

Perforate, wash and cement refers to installing the cement plugs and heavy mud at specific locations along the well. The locations involved include:

- (a) along every section of the wellbore has been perforated (the perforation intervals);
- (b) one (1) or more plugs installed around the middle of the well; and
- (c) one (1) final plug installed close to the surface.

Perforate, wash and cement involves the following steps:

- (aa) **Perforation:** The specified plug locations are perforated, including at existing perforation intervals;
- (bb) **Washing:** The cement behind the casing locations are then thoroughly washed; and
- (cc) **Cementing:** Cement slurry is pumped into the plug location and the cement slurry hardens into a solid plug. Displacement fluid is then pumped into the location to complete the seal.

We provide the perforate, wash and cement service in collaboration with Archer Malaysia. The perforate, wash and cement service that we provide in collaboration with Archer Malaysia have the ability to perform the well perforation, clean-up and install the cement plug in a single trip, which can result in time savings.

Our roles as part of the collaboration are as follows:

- (1) we are responsible for performing the end-of-life perforation; and
- (2) Archer Malaysia provides the wash tools that are used to wash the area behind the perforated casing and accurately install the cement plug, and the personnel to operate the wash tools. The wash tool is attached to the drill pipes that carry the perforating gun and the wash tool and perforating gun are run into the well at the same time or separately. After the perforating gun has been fired to create the perforation tunnels at the plug location, Archer Malaysia will operate the wash tool is to thoroughly wash the cement behind the casing locations to remove rock, cement and other debris from the plug location. After the washing has been completed, Archer Malaysia will operate the wash tool to pump the cement slurry followed by displacement fluid to place the plug in its location. The cement slurry will set and harden to form a solid plug that creates the seal.

We bid for well perforate, wash and cement services in collaboration with Archer Malaysia. When preparing for a joint-bid with Archer Malaysia for Petronas Carigali's contract, each of us will fill in our respective scope of work as required in the bidding document. We will then submit the bid where we will identify Archer Malaysia as our sub-contractor as well as their scope of work.

However, prior to submitting a bid, we will discuss with Archer Malaysia to ascertain if they are interested in a joint-bid. In the event that Archer Malaysia does not agree to participate in the joint-bid, we may look for alternative sub-contractor. In this situation, we will jointly bid with the alternative sub-contractor for Petronas Carigali's contract.

6. BUSINESS OVERVIEW (Cont'd)

In the event that our joint-bid with Archer Malaysia is successful and subsequently Archer Malaysia is unable to fulfil its obligations, as per the Petronas Carigali contract, we will be in breach of Petronas Carigali contract which specifies using Archer Malaysia as a sub-contractor. Under this circumstance, we may propose to Petronas Carigali with an alternative sub-contractor to replace Archer Malaysia. Petronas Carigali may or may not agree.

We have been appointed by Archer Malaysia as its distribution agent in Malaysia for wash tool services carried out as part of well abandonment services as detailed in Section 6.15 (iii) of this Prospectus.

The material equipment that is used to provide wash and cement services is listed in the following table:

Equipment	Status
Wash tools	Provided by Archer Malaysia

6.6.5 Wireline Services

Wireline services are performed by sending wireline downhole tools down the wells to recover wellbore equipment such as plugs, gaslift valves, downhole pressure gauges as well as performing well intervention and collection of data. Wireline services can also be used to adjust sliding side door located downhole for zone change, as well as repair tubing leak or damage.

With **slickline**, the tool is connected to the surface by a cable introduced into a well that lowers and raises downhole tools to the appropriate depth. The operator at the surface monitors wireline's tension via a weight indicator gauge and depth with a depth counter. To perform memory cased logging operation via wireline, instructions are programmed in the tool and the tool performs its task when the programmed conditions are achieved (such as reaching a certain depth, or when a specific pressure or temperature range is detected). For data collection, the tool will store the data that it collects in its memory and the data is retrieved when the tool is recovered and brought to the surface.

With **electric wireline** an electrical cable is used to lower and raise the tools, and transmit data about the conditions of the wellbore. The electrical cable supplies the wireline tool with electric power and facilitates real time two (2) way communication between the operator and the wireline tool.

The types of data that we collect using wireline services include:

- (i) downhole pressure and temperature;
- (ii) gamma ray casing collar locator (GRCCCL);

Some of Our Smart Firing Heads Tools



6. BUSINESS OVERVIEW (Cont'd)

- (iii) reservoir production data; and
- (iv) tubing integrity.

Our Gamma Ray Wireline Tools



We currently use the following types of wireline and slickline downhole tools to provide our services:

Wireline & Slickline Tool	Functions
Memory cased hole logging tool	A tool equipped with multiple sensors to measure and collect data on various parameters in the wellbore. The tool is installed down hole where it collects data over a period of time. The data is stored electronically on the tool and data retrieved when the tool is recovered.
Gamma ray casing collar locator (GRCCCL)	A tool used to locate casing collars within wells and is used for depth correction and leakage detection.
Sliding sleeve manipulator	A tool equipped with mechanical devices used to open and close bottom hole sleeves and are used to initiate, regulate or stop flow of O&G from a well.
Bottom hole pressure and temperature measurement tool	A tool equipped with pressure and temperature sensors and data storage devices used to measure and record downhole pressure and temperature.
Paraffin cutter	A tool equipped with devices to cut and physical remove deposits of solid organic matter that accumulates in a wellbore.

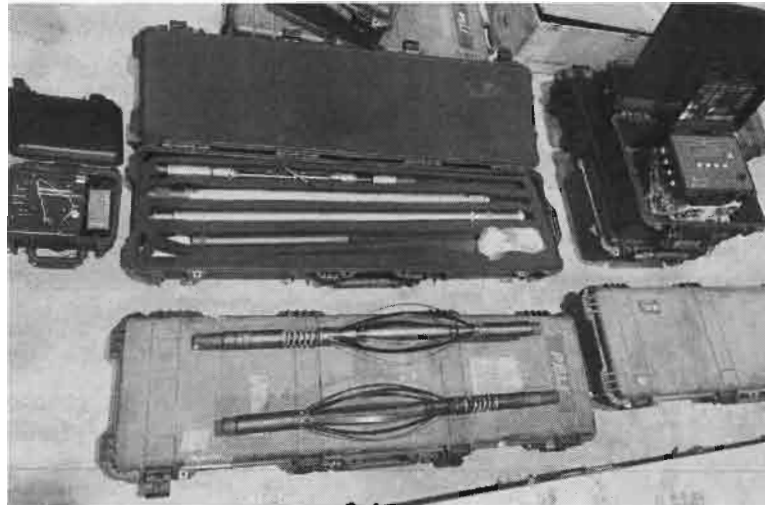
6. BUSINESS OVERVIEW (Cont'd)

We also provide tubing cutting services, which involves lowering a wireline tool known as a radial cutting torch ("RCT") into a well to cut downhole metal tubing. The RCT is packed with specially formulated flammable material, which is ignited when the RCT reaches the desired location to produce hot plasma. The hot plasma is directed out of the tool via a series of nozzles to melt and cut the surrounding metal tubing. The cut metal tubing can then be freed, recovered or pushed further down the well. We engage a sub-contractor to provide wireline services for tubing cutting, as we do not have the expertise, equipment and technology to provide this service.

As at the LPD, we own and operate the following types of major wireline equipment:

Major Equipment	Units
Wireline package, including wireline unit with power pack, pressure control equipment and downhole tools of various sizes.	2 sets

Some of Our Memory Cased Hole Logging Tools



6.6.6 O&G Production Enhancement Services

O&G production enhancement services are intended to increase the rate of crude O&G production from a reservoir and/or to increase the total amount of crude O&G that is extracted from a reservoir over the course of its productive life. We currently provide two (2) types of O&G production enhancement services, namely supplying IOR chemicals and providing sand management solutions.

(i) Supplying IOR Chemicals

IOR refers to the practice of promoting additional hydrocarbon production from a reservoir. IOR methods that are currently in use include, among others, water injection, gas injection and chemical injection.

6. BUSINESS OVERVIEW (Cont'd)

We have developed a range of specialised chemicals for use in IOR. RL Solutions' in-house IOR chemicals make use of solvents, alkaline, surfactants, acid blends and other composite fluids to remediate problems faced by wells. These IOR chemicals are designed to improve crude oil recovery by methods such as removing deposits from near wellbore and tubing, changing formation characteristics to promote better conditions for crude oil flow, removing blockage in conduits such as tubing and/or reducing water production from the reservoir. These methods act together to improve the producibility of hydrocarbons and reduce the production of unwanted fluids and solids, such as water, sand and other fine particles.

Compatible IOR chemicals can be mixed together to form a blend. We customise the blend based on the specific properties and issues to be addressed at the reservoir and wells.

We have completed development of the IOR chemicals and have engaged a third-party toll blender to mix the IOR chemicals for us based on our specifications. We began to supply IOR chemicals to PSC and other service providers during FYE 2019.

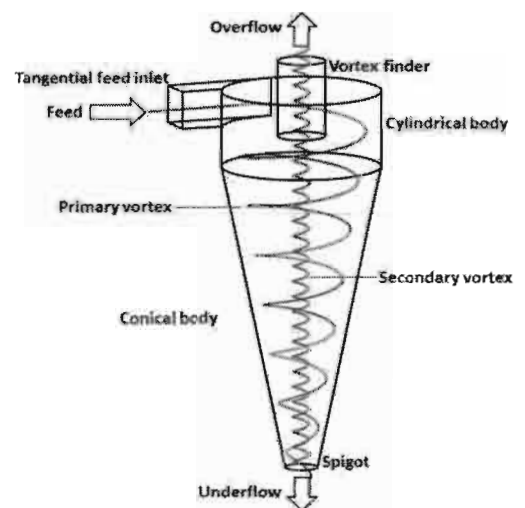
(ii) Sand Management Solutions

The products that are initially produced from a production well consists of a mixture of crude O&G, water, sand and other liquids and solids. Sand management refers to the process of removing sand and other solids from this mixture. The sand management solutions that we provide include providing equipment such as desanders, chemicals and maintenance services for desanders.

We use desanders as part of the sand management solutions that we provide. A desander is a device that physically separates sand and other solid materials from the stream of crude O&G, water and other liquids, and gasses from a production well. Desanders are typically installed at a production facility such as on an offshore platform. The produced mixture is pumped into the desander, within which it moves as a spiralling vortex. Heavier and denser material such as sand and other solid particles will be driven downwards, separated from the other materials and exit the desander through the opening at the bottom (known as the underflow). Crude O&G and lighter and finer solid materials will be driven upwards (the secondary vortex) and exit the desander through the vortex finder opening at the top (known as the overflow). The crude O&G with lighter and finer solid material is then fed through a desilter, which removes the remaining light and fine solid materials.

Production well characteristics such as the composition, thickness and flow rate of produced materials, well pressure and the type of sand and solid materials produced can influence desander performance. As a result, we need to study the characteristics of our customer's production wells in order to customise the desander design and optimise the sand management solution that we provide to them.

Illustration of How a Desander Works



6. BUSINESS OVERVIEW *(Cont'd)*

Our desanders are packaged together with other equipment on a skid that is easy to transport and install on-site. The desander is designed by our Group and fabricated by a third-party fabricator based on our design.

Other aspects of the sand management solutions that we offer to our customers include providing chemicals as part of the overall sand management solution to enable finer sand to be removed by the desander. These chemicals function by increasing the tendency for sand particles to clump together. We also provide maintenance services for wellhead desanders that are installed at production facilities.

We began to provide sand management solutions to another service provider during FYE 2019.

6.6.7 Other Products and Services

In addition to well services, we also supply other services to our customers, although these do not constitute a major contribution to our revenue. Revenue from other products and services accounted for 4.23%, 1.89%, 0.22% and 1.13% of our total revenue for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019 respectively. We provide these other products and services based on an ad hoc basis and moving forward we do not plan to focus on these other products and services.

(i) Supplying Technical Personnel

Supplying technical personnel involves providing our customers with the services of O&G industry personnel as and when they are requested by the customer. We are responsible for identifying candidates who possess the experience and academic, technical and other qualifications that are stipulated by our customer. We provided this service in FYE 2017 and FYE 2019, whereby the technical personnel involved were contract workers.

(ii) Supplying Oilfield Equipment

We were involved in supplying oilfield equipment comprising a power generating unit at the request of one (1) of our customers during FYE 2016 as a one-off arrangement.

(iii) Construction and Consultancy Services

During FYE 2016, FYE 2018 and FYE 2019, we were engaged by our customers to provide construction and consultancy services as separate services.

6.7 CAPACITY AND UTILISATION

In general, the measurement of capacity and utilisation is not applicable to our well service businesses as they are service-based business activity. Furthermore, these services are usually carried out at our customers' facilities such as offshore production platforms and as a result, our capacity to provide these services does not depend on our own facilities.

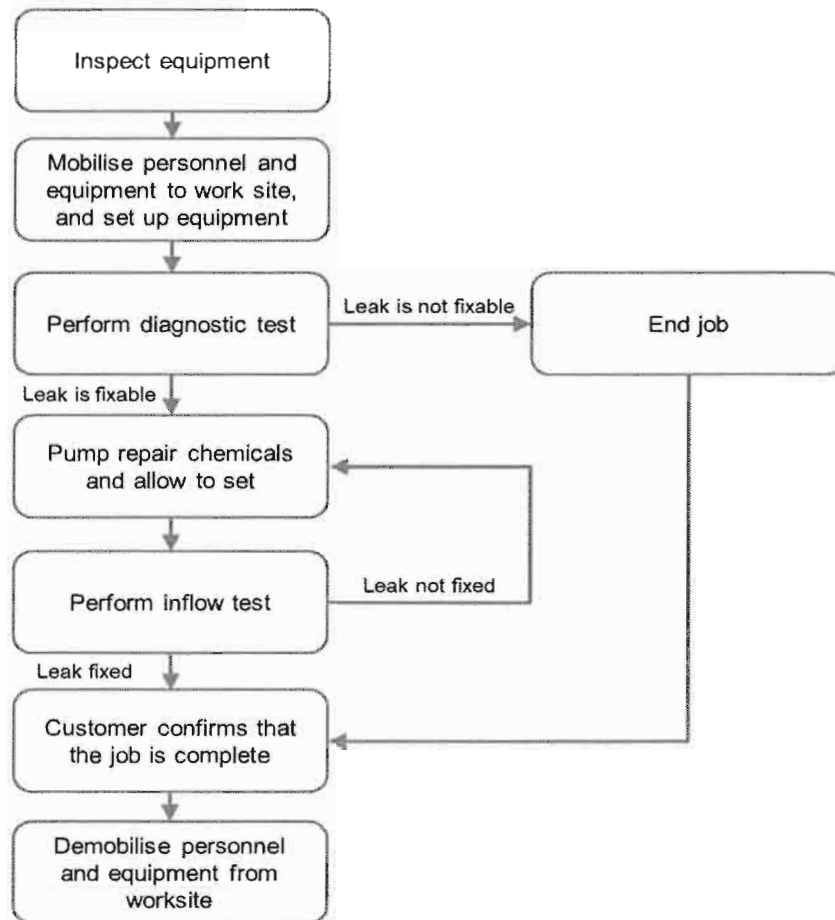
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6. BUSINESS OVERVIEW (Cont'd)

6.8 BUSINESS PROCESS

6.8.1 Well Leak Repair

The following diagram depicts our general process flow for well leak repair services:



The equipment that will be used in the well leak repair job is first inspected to ensure that they are in good working condition and any damaged equipment is repaired or replaced. Equipment used for well leak repair includes pumps, digital pressure gauges, hoses, valves and fittings, and hand tools. We also check that sufficient quantities of repair chemicals have been prepared and mobilised for the job. When all the equipment and repair chemicals are ready, the personnel and equipment are mobilised to the worksite.

The pumps, digital pressure gauges, hoses and other equipment are then connected together. A diagnostic test is carried out using pump and pressure measurement equipment connected to the well component to be tested, such as the surface wellhead, control line, packer or casing. The pump is used to pressurise the component for a specific period of time and the pressure and other required information is recorded with the measuring equipment. Variations such as changes in pressure and the rate of decrease over time are noted and analysed by the Engineer to determine if the leak is fixable or not fixable. If we determine that the leak is not fixable, our role ends and the customer may have to consider other options to resolve the problem.

6. BUSINESS OVERVIEW *(Cont'd)*

If the leak is fixable, the information gathered is used to calculate the volume of repair chemicals needed to seal the leak. The required volume of repair chemicals is prepared and pumped into the well component to be fixed. The component is pressurised for a specific period of time to allow the repair chemical to set and seal the leak. The component is then flushed to remove excess repair chemicals. Once this is completed, we will conduct an inflow test on the component (by reducing its pressure so that it is lower than the formation pressure) to determine if the leak has been fixed. If the leak is not fixed, more repair chemicals are pumped into the component, pressurised and allowed to set, and flushed. This process may be repeated until the leak is fixed.

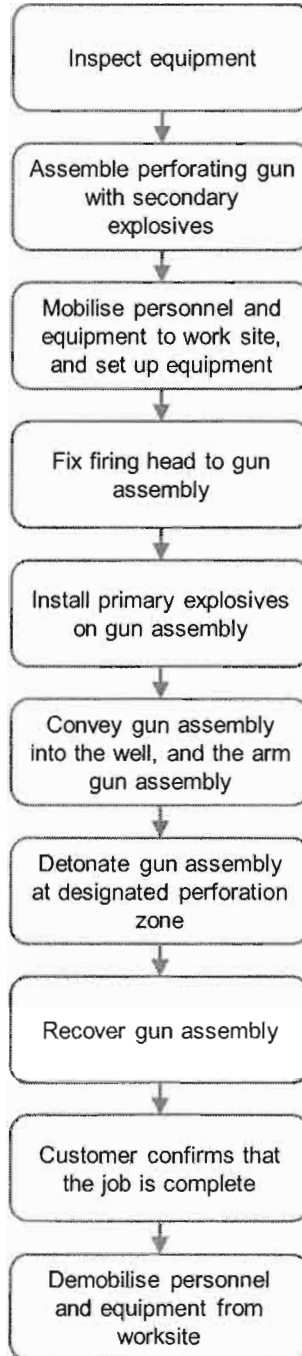
The customer will then confirm that the leak repair services job has been completed and provide a completion certificate. We will disconnect our equipment and demobilise our personnel and equipment from the worksite.

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6. BUSINESS OVERVIEW (Cont'd)

6.8.2 Perforation

The following diagram depicts our general process flow for well perforation services:



The equipment that will be used for the well perforation job is inspected to ensure that they are in good working condition. The equipment used include firing heads, perforating guns, sensors, shaped charges, detonating cord, detonators and firing panels. Any damaged equipment is repaired or replaced.

6. BUSINESS OVERVIEW *(Cont'd)*

Gun assembly is carried out by our perforating services experts according to industry safety regulations. The first step of gun assembly is to install the secondary explosives, including shaped charges, detonation cord and booster, on the perforating gun.

The crew and equipment are then mobilised to the worksite.

Perforating guns that are conveyed by slickline are installed with a smart firing head or pressure actuated firing head, depending on the detonation method used:

- (i) if a smart firing head is used, our personnel will program the device with the pre-determined physical conditions and motion signal that must be fulfilled before any detonating sequence can be initiated; and
- (ii) if a pressure activated firing head is used, it is prepared with the appropriate firing pin set-up for the detonation pressure threshold selected.

Perforating guns conveyed by electric wireline are installed with firing heads that are equipped with sensors to measure physical parameters such as pressure, temperature and depth. The firing head is connected to a firing panel on the surface and information collected by the sensors are displayed on the firing panel's electric logging unit display.

Shortly before the perforating gun assembly is sent into the well, our perforating services experts will carry out the final installation of the primary explosive detonation system, comprising the firing head detonator. The detonating system is then armed and the perforating gun assembly is then conveyed into the well by slickline, electric wireline, coiled tubing and tubing conveyed.

Our perforating services experts on the surface will monitor the progress of the gun assembly as it travels in the well. The command to detonate the gun assembly is initiated by our perforating services experts when it has reached the designated perforation zone:

- (a) if a smart firing head is used, our perforating services experts will initiate the specific sequence of motion signals that will initiate the detonator and fire the gun assembly;
- (b) if a pressure activated firing head is used, the wellbore pressure is increased to above the selected detonation pressure threshold. This will cause the firing pins to shear off and initiate the detonator and fire the gun assembly; and
- (c) if electric wireline is used, our perforating services experts will unlock the safety lock system and two perforating services experts will simultaneously compress the two (2) buttons of the dual button firing system to initiate the detonator and fire the gun assembly.

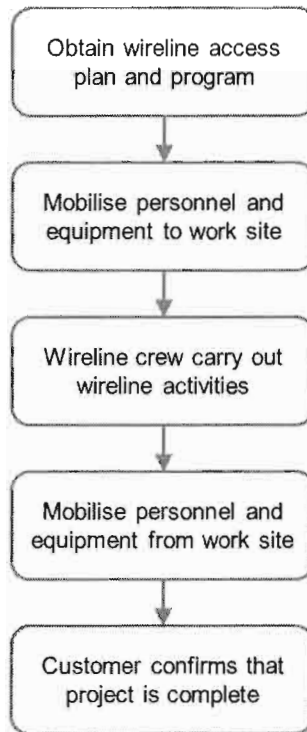
After the gun assembly has been detonated, it is recovered from the well inspected to confirm that all of the shaped charges installed on the gun have been fired. The customer will confirm that the perforation services have been completed and provide a completion certificate. Thereafter, we will pack up our equipment and demobilise our personnel and equipment from the worksite.

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6. BUSINESS OVERVIEW *(Cont'd)*

6.8.3 Wireline Services

The following diagram depicts our general process flow for providing wireline services:



The first step is to obtain the wireline access plan and program from the customer. We will then mobilise our personnel and equipment to the worksite. The worksite is where the well is located, such as an onshore or offshore drilling rig or production platform. The wireline crew executes the required wireline activities at the worksite, which will depend on our scope of work and the customer's requirements.

At the end of the job, the customer will confirm that the services have been provided and completed, and provide a completion certificate. We will pack up our equipment and demobilise our personnel and equipment from the worksite once the wireline job is completed.

6.9 QUALITY AND SAFETY MANAGEMENT PROGRAMME

6.9.1 Quality Management System

The quality of the service that we provide to our customers is important to us and we adhere to stringent quality standards. Our Group's quality management system has received independent certification to the ISO 9001:2015 and ISO/ TS 29001:2010 standards. ISO/ TS 29001:2010 is the quality management standard that was developed for organisations in the O&G industry and it provides additional requirements to the ISO 9001:2015 standard that are specific to the O&G industries. Our certifications provide assurance to our customers that our quality management system complies with the stipulated standards, including those that are specific to the O&G industry's requirements.

6. BUSINESS OVERVIEW (Cont'd)

Our quality management system certifications are summarised in the following table:

Company	Standard	Scope	Issuing Body	Validity Period
RLSB*	ISO 9001:2015	"Provision of Oil & Gas Well Intervention Equipment & Services Provider"	DNV Business Assurance	GL 21 June 2019 to 21 June 2022
RLSB*	ISO/ TS 29001:2010	"Provision of Oil & Gas Wells Intervention Equipment & Services Provider"	DNV Business Assurance	GL 21 June 2019 to 21 June 2022

Note:

* The certification includes RLSB's headquarter, Kemaman service centre and warehouse and Labuan service centre and warehouse.

6.9.2 Safety Management

As we operate in the O&G industry, we are committed to maintaining high worksite safety standards. Starting from when we served our first customer in 2009 and as at the LPD, we have recorded 577,763 man-hours of operations without LTI, which is a testament to our commitment to ensure safe working conditions. In addition, we have received customer testimonials and awards recognising our achievement in providing services without LTI. Please refer to Section 6.2 for further details on these customer testimonials and awards.

We pay particular attention to the safe storage, transportation, handling and use of explosive materials, including the shaped charges, detonating cords, detonators and other explosives that we use to carry out well perforations. The safety measures that we adopt for explosive materials include:

- (i) only personnel who have completed the relevant training are permitted to handle shaped charges, detonators and detonating cords and other explosives;
- (ii) only perforating services experts who have completed the relevant training, including our annual in-house refresher course, are allowed to handle explosives, install explosive components on perforating guns and initiating the command to detonate the shaped charges in manually detonated perforating guns. As at the LPD, twenty six (26) of our employees were perforating services experts;
- (iii) all explosive materials at our Kemaman service centre and Labuan service centre are stored in explosives bunkers at their respective locations when not in use; and
- (iv) portable explosive magazines are used at all times to transport explosive materials from our Kemaman service centre and Labuan service centre to our worksites.

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6. BUSINESS OVERVIEW (Cont'd)

Our Leased Explosive Bunker at Kemaman Supply Base



Two (2) of Our Portable Explosive Magazines



6. BUSINESS OVERVIEW *(Cont'd)*

6.9.3 Approach Towards Quality and Safety Standards

We adopt the following approaches to ensure that our personnel maintain and adhere to our quality and safety standards at the worksite at all times:

- (i) the design of services, which document the procedures, drawings, contingency plans responsibility trees for all of our projects, are prepared in accordance to our ISO/ TS 29001:2010 documentation;
- (ii) we have instituted workplace safety procedures covering worksite procedures, handling explosives, machinery and equipment operations and workers' safety practices;
- (iii) only personnel who hold valid offshore safety passport issued by Petronas are deployed to offshore worksites. As at the LPD, a total of fifty seven (57) of our employees held valid offshore safety passport issued by Petronas;
- (iv) all personnel are required to wear the personal protective equipment ("PPE") that is appropriate to performing their tasks while they are at their respective worksites;
- (v) the work performed by our personnel at the worksite are recorded in the daily job log;
- (vi) when required, our team of professionals comprising supervisors and safety officers are on hand to implement our quality and safety standards and procedures. Our safety officers are not required to be at some of the work sites that have their own safety officer, such as at offshore platforms. For the work sites that do not have their own safety officer, we will deploy our safety officer to implement our quality and safety standards, and procedures; and
- (vii) all of the materials that are provided by external suppliers must meet our quality control standards before they are used in our projects. Incoming materials are inspected using the incoming, storage and outgoing material and equipment procedures in our ISO/TS 29001:2010 documentation. The inspection includes visual inspection on all incoming packages and materials to check that they are free of visible damage; and a complete quantity count on all incoming materials (with the exception of loose parts and components) to check that the quantity and types of items received by us corresponds with the quantity and type stipulated in the delivery order, invoice or packing list.

As at LPD, we have three (3) quality and HSE personnel who are involved in managing the quality and safety of our O&G well services.

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6. BUSINESS OVERVIEW (Cont'd)

Our Staff Lowering a Wireline Tool into a Well

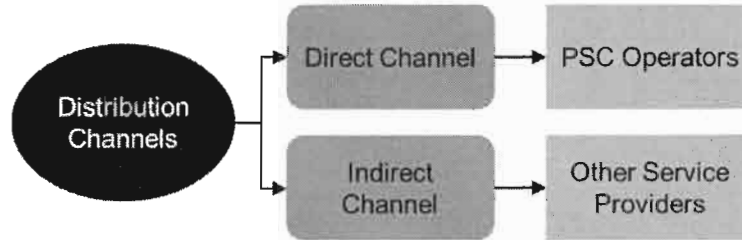


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6. BUSINESS OVERVIEW (Cont'd)

6.10 MODE OF MARKETING, DISTRIBUTION AND SALES

We adopt both direct and indirect distribution channels for our sales and marketing activities.



PSC = Petroleum Sharing Contract.

We adopt a direct distribution channel strategy where we market and sell our services directly to PSC operators. They are mainly involved in carrying out exploration, appraisal, development and production of O&G resources. Our direct distribution channel strategy allows us to explain the technical benefits of our services directly to users, which places us in the best position to secure contracts to sustain and grow our business.

We also adopt an indirect distribution channel strategy where we market and sell our services to supporting services providers to the O&G industry, who use us to service PSC operators. In this situation, our customers are the supporting services providers who engage us as subcontractor for their projects.

As at the LPD, we have seven (7) sales and marketing personnel who are all based at our headquarters in Kuala Lumpur.

We have one (1) agent to represent us to market our services in Indonesia. This agent, who has represented us since March 2018, enables prospective customers in Indonesia to learn about our services without our Group having to be in Indonesia during the most part of the sale and marketing stage. As at the LPD, we have not secured any contracts or purchase orders through this agent in Indonesia. Additional information relating to our agent is summarised in the following table:

Agent	Products and Services Covered	Geographic Coverage
PT Wiyar Reka Utama	Well leak repair services.	Indonesia

We participate in local and overseas exhibitions and conventions to market and promote our services. The exhibitions and conventions that we have participated since 2015 include:

Company	Event	Location	Year
RLSB	2016 Offshore Technology Conference Asia	Kuala Lumpur, Malaysia	2015
RLSB	Society of Petroleum Engineers Reservoir Management & Surveillance Summit 2017	Kota Kinabalu, Malaysia	2017
RLSB	42 nd Indonesian Petroleum Association Convention and Exhibition 2018	Jakarta, Indonesia	2018
RLSB	2018 Society of Petroleum Engineers Asia Pacific Oil & Gas Conference and Exhibition	Brisbane, Australia	2018
RL Solutions	4th Malaysian Oil & Gas Services Exhibition & Conference (MOGSEC 2018)	Kuala Lumpur, Malaysia	2018

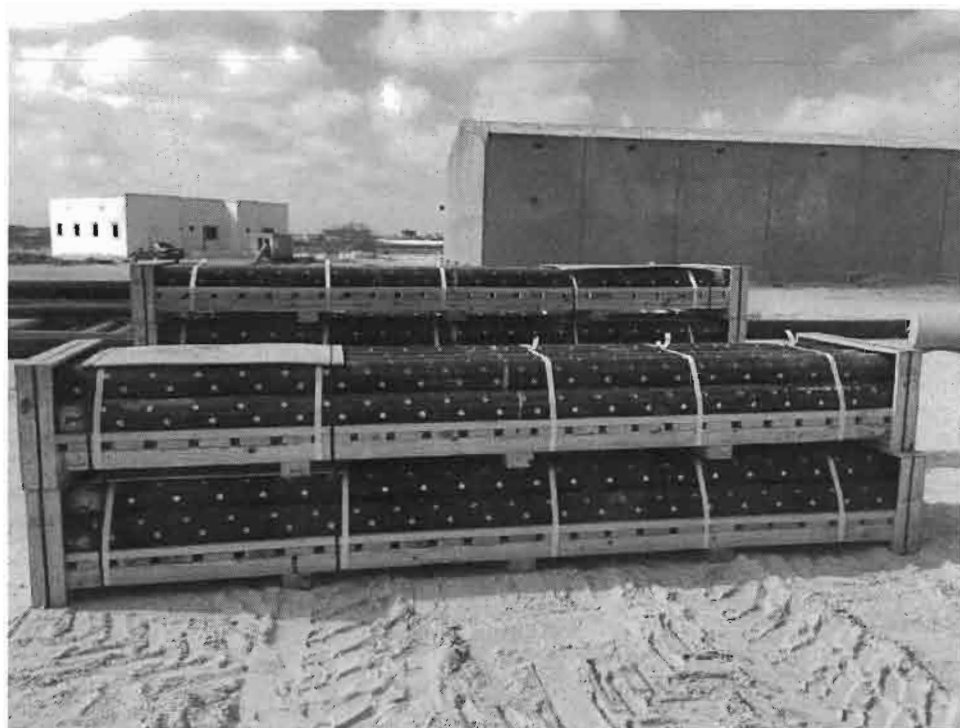
6. BUSINESS OVERVIEW *(Cont'd)*

Company	Event	Location	Year
RLSB	Sabah Oil & Gas Conference Exhibition (7th SOGCE 2019)	Kota Kinabalu, Malaysia	2019
RLSB	Improved Oil Recovery Forum 2019 (IOREX Forum 2019)	Langkawi, Malaysia	2019
RLSB	Abu Dhabi International Petroleum Exhibition & Conference 2019	Abu Dhabi, United Arab Emirates	2019

Our Explosives Magazines Used to Transport Explosive Materials in Mauritania



Some of Our Perforating Guns in Mauritania



6. BUSINESS OVERVIEW (Cont'd)

6.11 SEASONALITY

Our Group's business is not subject to any seasonal trends.

6.12 INTERRUPTION TO OUR BUSINESS IN THE PAST TWELVE (12) MONTHS

Save as disclosed in Sections 4.1.7 and 6.23 of this Prospectus in relation to the implementation of the movement restrictions via a MCO/ CMCO in Malaysia and the closure of Mauritania borders, we have not experienced any interruption to our business that had a significant effect on our operations in the past twelve (12) months preceding the LPD.

6.13 PRINCIPAL MARKETS FOR PRODUCTS AND SERVICES

The principal market for our products is Malaysia. The breakdown of our revenue by our principal markets for the FYE 2016 to FYE 2019 is as follows:

Revenue Breakdown by Geographical Markets #								
	FYE 2016		FYE 2017		FYE 2018		FYE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	8,817	92.05	18,549	88.86	40,615	90.07	77,264	96.54
Foreign Countries	761	7.95	2,325	11.14	4,476	9.93	2,767	3.46
Mauritania	-	-	2,325	11.14	4,002	8.88	2,767	3.46
Vietnam	375	3.92	-	-	474	1.05	-	-
United Kingdom	386	4.03	-	-	-	-	-	-
Total	9,578	100.00	20,874	100.00	45,091	100.00	80,031	100.00

Note:

Revenue is allocated to the respective geographical markets based on where we provide products and services.

Malaysia is currently our main market having accounted for more than 88.0% of our total revenue for FYE 2016 to FYE 2019. Our foreign markets during the FYE 2016 to FYE 2019 comprised Mauritania, Vietnam and United Kingdom, as illustrated in the following map:

The Geographical Markets Where We Provided Products and Services



6. BUSINESS OVERVIEW (Cont'd)**6.14 MAJOR CUSTOMERS**

Our top five (5) customers for the FYE 2016 to FYE 2019 are as follows:

FYE 2016

Customer Name	Country	Services Supplied	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2016	
				Revenue RM'000	% of Total Revenue
Petronas Carigali ⁽²⁾	Malaysia	Well perforation	4	3,919	40.92
Roc Oil Sarawak ⁽³⁾	Malaysia	Well perforation	2	3,123	32.61
Dimension Bid (M) Sdn Bhd ⁽⁴⁾	Malaysia	Well perforation	6	626	6.53
Uzma Engineering Sdn Bhd ⁽⁵⁾	Malaysia	Well perforation	2	604	6.30
Setegap Ventures Petroleum Sdn Bhd ⁽⁶⁾	Malaysia	Well perforation	1	472	4.93
Total of Top 5 Customers				8,744	91.29

Notes:

- (1) Length of relationship as at the FYE 2016.
- (2) The company's principal activities are exploration, development and production of O&G.
- (3) The company's principal activities are exploration, development and production of O&G.
- (4) The company's principal activities are providing wireline and well perforation services.
- (5) The company's principal activities are geoscience and reservoir engineering, drilling, project and operations services and other specialised services within the O&G industry.
- (6) The company's principal activities are oil and gas engineering, construction and consultancy services; carriers, transportation and distribution of petroleum; property investment.

FYE 2017

Customer Name	Country	Services Supplied	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2017	
				Revenue RM'000	% of Total Revenue
Petronas group of companies ⁽²⁾	Malaysia and Australia	Well perforation, leak repair and testing	5	11,721	56.15
Roc Oil Sarawak ⁽³⁾	Malaysia	Well perforation and perforate, wash and cement	3	3,061	14.67
ExxonMobil Exploration and Production Malaysia Inc ⁽³⁾	Malaysia	Well leak repair	1	2,136	10.23
REPSOL Oil & Gas Malaysia Ltd ⁽³⁾	Malaysia	Well perforation	7	1,698	8.14
Setegap Ventures Petroleum Sdn Bhd ⁽⁴⁾	Malaysia	Well perforation and leak repair	2	775	3.71
Total of Top 5 Customers				19,391	92.90

Notes:

- (1) Length of relationship as at FYE 2017.

6. BUSINESS OVERVIEW (Cont'd)

- (2) *The Petronas group of companies comprised Petronas Carigali and PC Mauritania 1 Pty Ltd. The principal activities of Petronas Carigali are exploration, development and production of O&G and of PC Mauritania 1 Pty Ltd are exploration, development and production O&G.*
- (3) *The company's principal activities are exploration, development and production of O&G.*
- (4) *The company's principal activities are oil and gas engineering, construction and consultancy services; carriers, transportation and distribution of petroleum; property investment.*

FYE 2018

Customer Name	Country	Services Supplied	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2018	
				Revenue RM'000	% of Total Revenue
Petronas group of companies ⁽²⁾	Malaysia and Australia	Well perforation, leak repair and testing	6	20,297	45.01
Roc Oil Sarawak ⁽³⁾	Malaysia	Well perforation and perforate, wash and cement	4	8,038	17.83
ExxonMobil Exploration and Production Malaysia Inc ⁽³⁾	Malaysia	Well leak repair	2	6,332	14.04
Geowell Sdn Bhd ⁽⁴⁾	Malaysia	Well perforation	10	2,799	6.21
REPSOL Oil & Gas Malaysia Ltd ⁽³⁾	Malaysia	Well perforation	8	2,347	5.20
Total of Top 5 Customers				39,813	88.29

Notes:

- (1) *Length of relationship as at the FYE 2018.*
- (2) *The Petronas group of companies comprised Petronas Carigali and PC Mauritania 1 Pty Ltd and KLCC Urusharta Sdn Bhd. The principal activities of Petronas Carigali are exploration, development and production of O&G, of PC Mauritania 1 Pty Ltd are exploration, development and production of O&G, and of KLCC Urusharta Sdn Bhd are building and facilities management.*
- (3) *The company's principal activities are exploration, development and production of O&G.*
- (4) *The company's principal activities are providing wireline and well completion services.*

FYE 2019

Customer Name	Country	Services Supplied	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2019	
				Revenue RM'000	% of Total Revenue
Petronas group of companies ⁽²⁾	Malaysia and Australia	Well perforation, leak repair and testing	7	48,448	60.54
Archer Malaysia ⁽³⁾	Malaysia	Well perforation	2	6,479	8.09
ExxonMobil Exploration and Production Malaysia Inc ⁽⁴⁾	Malaysia	Well leak repair	3	4,978	6.22
Dowell Schlumberger (M) Sdn Bhd ⁽⁵⁾	Malaysia	Well testing	1	4,609	5.76
Roc Oil Sarawak ⁽⁴⁾	Malaysia	Well perforation and perforate, wash and cement	5	3,960	4.95
Total of Top 5 Customers				68,474	85.56

6. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) *Length of relationship as at the FYE 2019.*
- (2) *The Petronas group of companies comprised Petronas Carigali, PC Mauritania 1 Pty Ltd and KLCC Urusharta Sdn Bhd. The principal activities of Petronas Carigali are exploration, development and production of O&G; PC Mauritania 1 Pty Ltd are exploration, development and production of O&G; and KLCC Urusharta Sdn Bhd are building and facilities management.*
- (3) *The company's principal activities are carrying out well service operations.*
- (4) *The company's principal activities are exploration, development and production of O&G.*
- (5) *The company's principal activities are providing services to the O&G industry.*

(i) Dependence on Customers

We are dependent on Petronas group of companies and Roc Oil Sarawak as customers due to their respective contributions to our revenue during the FYE 2016 to FYE 2019.

The Petronas group of companies was one (1) of our top five (5) customers for FYE 2016, FYE 2017, FYE 2018 and FYE 2019. Petronas Carigali is a PSC operator in the upstream segment of the O&G industry in Malaysia and is involved in exploration and appraisal, development and production. It is a subsidiary of Petronas, which is entrusted with developing and adding value to all O&G resources in Malaysia. As a result, Petronas and its subsidiaries are principal operators in the Malaysian O&G industry and are significant customers of our Group and other providers of supporting services in Malaysia. Petronas Carigali has been our customer for eight (8) years as at the LPD, which indicates that we have a stable business relationship with them. PC Mauritania 1 Pty Ltd is a subsidiary of Petronas that is incorporated in Australia which is involved in the upstream segment of the O&G industry in Mauritania. KLCC Urusharta Sdn Bhd is involved in providing property management services. Vestigo Petroleum Sdn Bhd is a subsidiary of Petronas Carigali that focuses on producing O&G from small and marginal fields. Petronas Carigali, PC Mauritania 1 Pty Ltd and KLCC Urusharta Sdn Bhd have been our customers during FYE 2016, FYE 2017, FYE 2018 and FYE 2019. While Vestigo Petroleum Sdn Bhd was not a customer during the said financial years, we have secured one (1) umbrella contract and two (2) call out contracts from Vestigo Petroleum Sdn Bhd and we are implementing these contracts as at the LPD.

We have expanded the range of services that we provide to Petronas Carigali during the FYE 2016 to FYE 2019. We only provide perforation services to Petronas Carigali during the FYE 2016. We subsequently began to provide well leak repair and well testing services from FYE 2017 and added wash and cement services from FYE 2018. These services collectively accounted for 51.44% of our revenue from Petronas Carigali for the FYE 2017, 80.26% for the FYE 2018 and 81.49% for the FYE 2019.

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6. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we have umbrella and call out contracts to provide well services to Petronas Carigali, PC Mauritania 1 Pty Ltd and Vestigo Petroleum Sdn Bhd. These contracts are summarised in the following table:

No.	Well Services Provided	Contract Date	Contract Duration	Status as at the LPD	Type of Contract
<u>Petronas Carigali</u>					
1.	Well leak repair	February 2017	Three (3) years from contract date, extended for one (1) additional year	Implementing	Call out
2.	Well testing, tubing conveyed perforation	April 2017	Five (5) years from contract date	Implementing	Umbrella
3.	Well perforate, wash and cement	October 2017	Three (3) years from contract date with an option to extend for one (1) additional year	Implementing	Umbrella
4.	Perforation, leak repair, wireline	February 2018 ⁽¹⁾	Two (2) years from contract date, extended for an additional two (2) years	Pending implementation	Umbrella
5.	Well perforation	November 2019	Three (3) years from contract date	Implementing	Call out
<u>PC Mauritania 1 Pty Ltd</u>					
1.	Well perforate, wash and cement	November 2018	One (1) year upon commencement which was from October 2019	Suspended ⁽²⁾	Call out
<u>Vestigo Petroleum Sdn Bhd</u>					
1.	Well testing, perforation	June 2019	Two (2) years ten (10) months from June 2019	Pending Implementation	Umbrella
2.	Well perforation	February 2020	Valid from February 2020 until September 2023	Implementing	Call out
3.	Wireline	February 2020	Four (4) months from contract date	Implementing	Call out

Notes:

- (1) The date when the contract was awarded as implementation has yet to commence as at the LPD.
- (2) On 29 March 2020, PC Mauritania 1 Pty Ltd made a declaration of force majeure on this contract, citing the closure of Mauritania's borders by the Mauritanian Government in response to COVID-19. Subsequently, on 25 April 2020 PC Mauritania 1 Pty Ltd served our Group with notice to suspend the contract from 28 April 2020 until further notice. As part of this suspension PC Mauritania 1 Pty Ltd agreed to pay us the following:
- (a) non-refundable one-time upfront payment of USD2.27 million (equivalent to approximately RM9.86 million based on the exchange rate of RM4.3455 to USD1.0000 as at LPD, being equivalent to 40.0% of the remaining value of one (1) of the subsisting work order issued under this contract). As at the LPD, we have received net upfront payment of USD2.09 million (equivalent to approximately RM9.08 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) from PC Mauritania 1 Pty Ltd comprising the upfront payment of USD2.27 million after deducting withholding tax of USD0.18 million; and

6. BUSINESS OVERVIEW (Cont'd)

- (b) a non-refundable sum of USD10,000 per month (equivalent to approximately RM43,455 per month based on the exchange rate of RM4.3455 to USD1.0000 as at LPD) as rental payment for a warehouse and explosive bunker that we are renting in Mauritania to implement this contract for the duration of the suspension period.

However, as our contracts with Petronas Carigali, PC Mauritania 1 Pty Ltd and Vestigo Petroleum Sdn Bhd are umbrella contracts or call out contracts, there can be no assurance that the respective companies will engage us for jobs under these contracts and as a result there can be no assurance that we will recognise revenue from these contracts in the future.

The Petronas group of companies are not related parties to our Group.

Roc Oil Sarawak was one (1) of our top five (5) customers for FYE 2016, FYE 2017, FYE 2018 and FYE 2019. Roc Oil Sarawak is a subsidiary of Roc Oil Company Limited, which is based in Australia. Petronas Carigali has appointed Roc Oil Sarawak as the PSC operator and project development manager for specified oil fields offshore of Sarawak. They are responsible for subsurface management, well engineering, new facilities projects and redevelopment project execution. During the FYE 2016 to FYE 2019, we provided well perforation and well perforate, wash and cement services to Roc Oil Sarawak.

As at the LPD, we have the following contracts with Roc Oil Sarawak to provide well services, which are summarised in the following table:

Well Services Provided	Contract Date	Contract Duration	Status as at the LPD	Type of Contract
Perforation	August 2018	Two (2) years from contract date with an option to extend for one (1) additional year	Implementing	Call out
Perforate, wash and cement	November 2018	One (1) year from contract date, extended for one (1) additional year	Implementing	Call out

As they are call out contracts, there can be no assurance that the respective companies will engage us for jobs under these contracts and as a result there can be no assurance that we will recognise revenue from these contracts in the future.

During the FYE 2016 to FYE 2019, we have expanded the range of services that we provide to Roc Oil Sarawak. While we only provide perforation services to Roc Oil Sarawak during the FYE 2016, we began to provide wash and cement services from FYE 2017. This service accounted for 5.90% of our revenue from Roc Oil Sarawak for the FYE 2017, 26.69% for the FYE 2018 and 61.24% for the FYE 2019.

Roc Oil Sarawak is not a related party to our Group.

We plan to continue to meet the HSE, service quality and other requirements of the Petronas group of companies, Roc Oil Sarawak and all of our other customers in order to ensure that they will continue to be our customers in the future. In addition, during the FYE 2019, we commenced O&G production enhancement services, namely, IOR chemicals and sand management solutions, and as such, we can provide these services to our existing customers and also secure new customers.

6. BUSINESS OVERVIEW (Cont'd)**(ii) Number of Customers**

Our Group served a total of nine (9) customers during FYE 2016, thirteen (13) customers during FYE 2017, twenty three (23) customers during FYE 2018 and eighteen (18) customers during FYE 2019.

6.15 MAJOR SUPPLIERS

Our top five (5) suppliers for the FYE 2016 to FYE 2019 are as follows:

FYE 2016

Supplier Name	Country	Products and Services Purchased	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2016	
				Purchases RM'000	% of Total Purchase
GEODynamics Inc. ⁽²⁾	USA	Shaped charges and hardware	8	843	48.81
PT Hazelindo Pratama ⁽³⁾	Indonesia	Spare parts	5	347	20.09
Hunting Titan Ltd ⁽⁴⁾	USA	Shaped charges and hardware	8	116	6.72
Sentergy Ltd ⁽⁵⁾	United Kingdom	Hardware	7	55	3.18
Probe Tech. Serv. Inc. ⁽⁵⁾	USA	Hardware	6	49	2.84
Total of Top 5 Purchases				1,410	81.64

Notes:

- (1) Length of relationship as of FYE 2016.
- (2) The company's principal activities are developing and manufacturing perforating, downhole completion, intervention and wireline conveyed solutions.
- (3) The company is a manufacturer of surface equipment for the O&G industry.
- (4) The company is a manufacturer of perforating systems, wireline selective firing systems, cased hole logging instruments, nuclear detectors, energetics (i.e. explosives) and associated wireline hardware and accessories.
- (5) The company's principal activities are developing and manufacturing wireline tools.

FYE 2017

Supplier Name	Country	Products and Services Purchased	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2017	
				Purchases RM'000	% of Total Purchase
AGS International ⁽²⁾	USA	Well leak repair chemicals	1	5,161	56.30
GEODynamics group ⁽³⁾	USA and United Kingdom	Shaped charges and hardware, perforating guns	9	2,899	31.62
Hunting Titan Ltd ⁽⁴⁾	USA	Shaped charges and hardware	9	315	3.44
Pungut Bin Luntar ⁽⁴⁾	Malaysia	Drilling supervisor	1	286	3.12
Core Laboratories Malaysia Sdn Bhd	Malaysia	Shaped charges and hardware	7	211	2.30
Total of Top 5 Purchases				8,872	96.78

6. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Length of relationship up to FYE 2017.
- (2) The company's principal activities are supplying chemicals.
- (3) The GEODynamics group of companies comprise GEODynamics Inc. of the USA and GEODynamics (UK) Ltd of the United Kingdom. Their principal activities are developing and manufacturing perforating, downhole completion, intervention and wireline conveyed solutions.
- (4) The company is a manufacturer of perforating systems, wireline selective firing systems, cased hole logging instruments, nuclear detectors, energetics (i.e. explosives) and associated wireline hardware and accessories.
- (5) A drilling supervisor whom we engaged as a private contractor.
- (6) The company is a provider of O&G reservoir optimisation solutions.

FYE 2018

Supplier Name	Country	Products and Services Purchased	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2018	
				Purchases RM'000	% of Total Purchase
AGS International ⁽²⁾	USA	Well leak repair chemicals	2	6,128	26.35
Petrotechnical ⁽³⁾	Malaysia	Well testing equipment and services	2	5,018	21.58
Archer Malaysia ⁽⁴⁾	Malaysia	Well wash and cement equipment and services	1	3,608	15.52
GEODynamics group ⁽⁴⁾	USA, United Kingdom	Shaped charges and hardware, perforating guns	10	3,567	15.34
Daya Maxflo Sdn Bhd ⁽⁶⁾	Malaysia	Radial cutting torch services	1	1,500	6.45
Total of Top 5 Purchases				19,821	85.24

Notes:

- (1) Length of relationship up to FYE 2018.
- (2) The company's principal activities are supplying chemicals.
- (3) The company's principal activities are providing inspection of petroleum products, non-destructive testing, industrial inspections, supply of general inspectors, volumetric calibrations and other quantity and quality control services.
- (4) The company's principal activities are carrying out well service operations.
- (5) The GEODynamics group of companies comprise GEODynamics Inc of the USA and GEODynamics (UK) Ltd of the United Kingdom. Their principal activities are developing and manufacturing perforating, downhole completion, intervention and wireline conveyed solutions.
- (6) The company's principal activities providing products and services for exploration, drilling and well intervention, production enhancement and production technologies specifically for offshore and onshore O&G, refining, chemical and petro-chemical industries.

6. BUSINESS OVERVIEW (Cont'd)**FYE 2019**

Supplier Name	Country	Products and Services Purchased	Length of Relationship ⁽¹⁾ (No. of Years)	FYE 2019	
				Purchases RM'000	% of Total Purchase
Archer Malaysia ⁽²⁾	Malaysia	Well wash and cement equipment and services	2	10,989	24.65
Petrotechnical ⁽³⁾	Malaysia	Well testing equipment and services	3	9,599	21.54
Hunting Titan Ltd ⁽⁴⁾	USA	Shaped charges and hardware	11	7,074	15.87
AGS International ⁽⁵⁾	USA	Well leak repair chemicals	3	4,941	11.08
GEODynamics group ⁽⁶⁾	USA, United Kingdom	Shaped charges and hardware, perforating guns	11	2,178	4.89
Total of Top 5 Purchases				34,781	78.03

Notes:

- (1) Length of relationship up to FYE 2019.
- (2) The company's principal activities are carrying out well service operations.
- (3) The company's principal activities are providing inspection of petroleum products, non-destructive testing, industrial inspections, supply of general inspectors, volumetric calibrations and other quantity and quality control services.
- (4) The company is a manufacturer of perforating systems, wireline selective firing systems, cased hole logging instruments, nuclear detectors, energetics (i.e. explosives) and associated wireline hardware and accessories.
- (5) The company's principal activities are supplying chemicals.
- (6) The GEODynamics group of companies comprise GEODynamics Inc of the USA and GEODynamics (UK) Ltd of the United Kingdom. Their principal activities are developing and manufacturing perforating, downhole completion, intervention and wireline conveyed solutions.

Dependency on Suppliers**(i) AGS International**

We are dependent on AGS International for the supply of repair chemicals that we use to carry out well leak repair services. AGS International is based in the USA and is currently the agent in Asia for repair chemicals from Sealmaker International Ltd. Sealmaker International Limited is based in the USA and is a developer and manufacturer of a range of chemicals for the O&G industry, including repair chemicals to fix leaks in O&G wells.

As at the LPD, AGS International is our only supplier of repair chemicals. We have entered into a sales representation agreement with AGS International for them to supply us with these repair chemicals for the Malaysia market, initially valid from February 2017 to February 2019, which has been extended for another two (2) years and will now valid through to February 2021. The said agreement (as detailed in Section 6.17 (i) of this Prospectus) will provide some assurance that AGS International will continue to supply repair chemicals to us.

6. BUSINESS OVERVIEW (Cont'd)

We only use AGS International's chemicals in our provision of well leak repair services. We do not jointly bid with AGS International for contracts. As such, in the event that AGS International stops supplying us with well leak repair chemicals, we can purchase similar well leak repair chemicals from other suppliers under similar terms and conditions, or alternative well leak repair chemicals from other suppliers under differing terms and conditions.

(ii) Petrotechnical

We are dependent on Petrotechnical for the provision of well testing equipment used for well testing, the personnel to operate the equipment and to provide training to our personnel as disclosed in Sections 3.7 (i) and 6.6.3 of this Prospectus.

We bid for well testing jobs together with Petrotechnical. When preparing for a joint-bid with Petrotechnical for Petronas' contract, each of us will fill in our respective scope of work as required in the bidding document. We will then submit the bid where we will identify Petrotechnical as our sub-contractor as well as their scope of work.

However, prior to submitting a bid, we will discuss with Petrotechnical to ascertain if they are interested in a joint-bid. In the event that Petrotechnical does not agree to participate in the joint-bid, we may look for alternative sub-contractor. In this situation, we will jointly bid with the alternative sub-contractor for Petronas' contract.

In the event that our joint-bid with Petrotechnical is successful and subsequently Petrotechnical is unable to supply the well testing equipment as per the Petronas contract, we will be in breach of Petronas contract which specifies using Petrotechnical as a sub-contractor. Under this circumstance, we may propose to Petronas with an alternative sub-contractor to replace Petrotechnical. Petronas may or may not agree to our proposal for the alternative sub-contractor.

We can rent well testing equipment from other O&G service providers. For example, during March 2019, we provided well testing services on a sub-contract basis using well testing equipment rented from another service provider. We can also engage external consultants to work with our in-house personnel to operate the rented well testing equipment. In addition, the Petrotechnical Agreement (as disclosed in Section 3.7(i) of this Prospectus) only applies to our Group's umbrella contract with Petronas Carigali to provide well testing services as disclosed in item no. (1) in Section 6.3.6 (i) of this Prospectus. The Petrotechnical Agreement does not apply to our Group's other seven (7) umbrella contracts as at the LPD to provide well testing services as disclosed in items no. (3), (4), (6), (7), (8), (9) and (10) in Section 6.3.6 (i) of this Prospectus.

(iii) Archer Malaysia

We are dependent on Archer Malaysia for the provision of equipment, expertise and services used in well perforate, wash and cement services, namely the cement wash tool that are used in cleaning the cement behind casing and placement of new cement plugs.

Archer Malaysia is a subsidiary of Archer Limited. Archer Limited is a provider of supporting services to the O&G industry with one (1) of its office located in the United Kingdom and is listed on the Oslo Stock Exchange, Norway.

6. BUSINESS OVERVIEW *(Cont'd)*

We provide well perforate, wash and cement services in collaboration with Archer Malaysia and we have been appointed as their distribution agent in Malaysia for their Oil Tools Services Division carried out as part of well perforate, wash and cement services. Our appointment provides some assurance that they will continue to provide such services to us. We also have a sub-contract agreement with Archer Malaysia for Petronas Carigali's perforate, wash and cement umbrella contract. The distributorship agreement is detailed in Section 6.17 (iii) of this Prospectus, whereas the sub-contract agreement is detailed in Section 6.17 (iv) of this Prospectus.

We bid for well perforate, wash and cement services in collaboration with Archer Malaysia. When preparing for a joint-bid with Archer Malaysia for Petronas' contract, each of us will fill in our respective scope of work as required in the bidding document. We will then submit the bid where we will identify Archer Malaysia as our sub-contractor as well as their scope of work.

However, prior to submitting a bid, we will discuss with Archer Malaysia to ascertain if they are interested in a joint-bid. In the event that Archer Malaysia does not agree to participate in the joint-bid, we may look for alternative sub-contractor. In this situation, we will jointly bid with the alternative sub-contractor for Petronas' contract.

In the event that our joint-bid with Archer Malaysia is successful and subsequently Archer Malaysia is unable to fulfil its obligations, as per the Petronas contract, we will be in breach of Petronas contract which specifies using Archer Malaysia as a sub-contractor. Under this circumstance, we may propose to Petronas with an alternative sub-contractor to replace Archer Malaysia. Petronas may or may not agree.

Save for AGS International, Petrotechnical and Archer Malaysia described above, we are not dependent on any of the other individual suppliers listed in the table above. Please refer to Section 4.1.2 of this Prospectus on the risk relating to our dependency on our major suppliers.

With respect to shaped charges and hardware, and perforating guns for well perforating services, these products are available from a range of suppliers and we can engage alternative suppliers should the need arise. During FYE 2016 to FYE 2019, we engaged between four (4) to six (6) different suppliers of these perforating consumables. The other types of products and services that we use, such as spare parts, hardware, drilling services and radial cutting torch services, can be sourced from other suppliers.

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6. BUSINESS OVERVIEW (Cont'd)**6.16 TYPES, SOURCES AND AVAILABILITY OF INPUT MATERIALS AND SERVICES**

The following are the major types of input materials and services that we purchased for our business operations for the FYE 2016, FYE 2017, FYE 2018 and FYE 2019:

Purchases of Input Materials and Services for FYE 2016

	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (%)	Import (%)
MATERIALS	1,522	88.13	1.31	98.69
Shaped charges and hardware	1,175	68.04	1.70	98.30
Others	347	20.09	-	100.00
SUB-CONTRACTED AND OTHER SERVICES	205	11.87	100.00	-
Well perforating equipment and services	189	10.94	100.00	-
Construction services	16	0.93	100.00	-
TOTAL	1,727	100.00	13.03	86.97

Purchases of Input Materials and Services for FYE 2017

	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (%)	Import (%)
MATERIALS	8,689	94.79	2.49	97.51
Repair chemicals	5,161	56.30	-	100.00
Shaped charges and hardware	3,528	38.49	6.12	93.88
SUB-CONTRACTED AND OTHER SERVICES	478	5.21	100.00	-
Well perforating equipment and services	286	3.12	100.00	-
Well wash and cement services	173	1.89	100.00	-
Well testing equipment and services	19	0.20	100.00	-
TOTAL	9,167	100.00	7.56	92.44

Purchases of Input Materials and Services for FYE 2018

	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (%)	Import (%)
MATERIALS	12,267	52.75	6.23	93.77
Repair chemicals	6,128	26.35	-	100.00
Shaped charges and hardware	6,139	26.40	12.45	87.55
SUB-CONTRACTED AND OTHER SERVICES	10,987	47.25	98.52	1.48
Well testing equipment and services	5,018	21.58	100.00	-
Well wash and cement services	3,608	15.52	100.00	-
Well perforating equipment and services	-	-	-	-
Wireline services	2,277	9.79	92.85	7.15
Construction services	84	0.36	100.00	-
TOTAL	23,254	100.00	49.83	50.17

6. BUSINESS OVERVIEW (Cont'd)**Purchases of Input Materials and Services for FYE 2019**

	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (%)	Import (%)
MATERIALS	18,283	41.02	7.92	92.08
Repair chemicals	4,941	11.09	-	100.00
Shaped charges and hardware	12,825	28.77	7.96	92.04
IOR chemicals	517	1.16	82.75	17.25
SUB-CONTRACTED AND OTHER SERVICES	26,289	58.98	95.31	4.69
Well testing equipment and services	9,599	21.54	100.00	-
Well wash and cement services	13,065	29.31	90.57	9.43
Well perforating equipment and services	-	-	-	-
Wireline services	2,763	6.20	100.00	-
Technical personnel	768	1.72	100.00	-
Sand management services	73	0.16	100.00	-
Construction services	21	0.05	100.00	-
TOTAL	44,572	100.00	59.47	40.53

The input materials that we purchased during FYE 2016, FYE 2017, FYE 2018 and FYE 2019 are not commodity based and as such they are not subject to price volatility.

6.17 DEPENDENCY ON CONTRACTS, AGREEMENTS, DOCUMENTS OR OTHER ARRANGEMENTS

As at the LPD, save for the licenses disclosed in Section 6.18 of this Prospectus and the commercial agreements with the suppliers which we have set out below, our Group is not materially dependent on any contracts, arrangements or any matters that could affect our business or profitability.

(i) Sales Representation Agreement Dated 23 February 2017 between AGS International and RLSB

Products/ services	: The evaluation, leak repair and pressure maintenance with pressure activated liquids that turn to a solid or semi-solid within the repair site, as provided by Sealmaker International Ltd ("AGS Products")
Territory	: Malaysia
Restrictions	: (a) RLSB shall sell AGS Products only as they relate to a specific industry; and (b) RLSB shall not sell other products and services that compete in any way or form with AGS Products
Duration	: From 23 February 2017 till 22 February 2019 ("Term"). The Term may be extended upon mutual agreement of the parties for a period of two (2) additional years and shall renew automatically for an additional two (2) years if a notice of termination has not been received by AGS International from RLSB ninety (90) days prior to the end of the Term or by RLSB from AGS International ninety (90) days prior to the end of the Term, unless otherwise indicated

6. BUSINESS OVERVIEW (Cont'd)

Extension of Duration : The Term was extended from 22 February 2019 till 22 February 2021 by a letter dated 2 May 2019 from AGS International to RLSB.

Termination :

- (a) Termination by RLSB: RLSB may terminate the Agreement at the end of the Term but the notice of termination must be received by AGS International at least ninety (90) days before the date of expiration of the Agreement or any extension;
- (b) Termination by AGS International: AGS International may terminate the Agreement immediately at the end of the Term or any extension thereof by providing written notice to RLSB if RLSB:
 - (i) becomes insolvent, bankrupt or any proceeding by or against RLSB as a debtor is commenced or there is a substantial change in ownership or control of RLSB's business, whether voluntary or by operation of law; or
 - (ii) is incapable of satisfying the financial and performance requirements set forth by Petronas Carigali to be a qualified bidder for contracts;
 - (iii) violates the criminal provisions of applicable laws or resolutions within Malaysia;
 - (iv) fails to disclose past financial or performance issues that impacted its ability to qualify for contracts in Malaysia;
 - (v) knowingly misleads AGS International in regards to its business activities in Malaysia whereby AGS International or its contractor(s) are adversely impacted; and
 - (vi) brings legal action against AGS International or its contractor(s) prior to or during the Term.
- (c) Other Termination by AGS International: AGS International may terminate the Agreement at the end of the Term or any extension thereof by providing ninety (90) days written notice of termination to RLSB if RLSB:
 - (i) fails to comply with any of the terms of the Agreement;
 - (ii) fails to achieve Annual Sales Goals (defined in the last paragraph below);
 - (iii) fails to provide sufficient staffing (accounting, sales, field or management personnel) to satisfactorily develop work, complete projects and/or invoice and collect fees for projects.
- (d) Upon termination of the Agreement, RLSB shall immediately return to AGS International all sales materials, product exemplars, client lists, AGS International's sales and marketing book, data sheets, samples, models, technical documents, drawings, blue prints and other written materials ("Sales Materials") provided by AGS International to RLSB. AGS International reserves the right to withhold any and all commissions until the return of all of the Sales Materials and AGS Products reasonably requested by AGS International at the time of termination.
- (e) Termination of the Agreement shall not relieve either party of the obligation to pay to the other any amounts payable at the time of termination or which were earned during the Term and payable in the future except as set forth in the above paragraph.

6. BUSINESS OVERVIEW (Cont'd)

(f) Upon termination of the Agreement for whatever reason, AGS International's sole liability to RLSB, whether by claim or right in Court or otherwise, shall be to pay previously earned but unpaid commission, except as set forth in this paragraph. In no event shall AGS International be liable for consequential or punitive damages of any kind for:

- (i) lost profits, real, anticipatory or otherwise;
- (ii) lost goodwill, creation of clients, damage to reputation; or
- (iii) advertising, sales or employee's costs.

AGS International and RLSB shall review the minimum sales goals ("**Annual Sales Goals**") quarterly and yearly and shall adjust the same accordingly to AGS International's then current corporate sales and marketing plan for Malaysia. Failure to achieve these Annual Sales Goals may result in adjustments in Malaysia, including but not limited to reducing the territory size, increasing the number of representatives working within Malaysia or terminating the Agreement.

Assignment : RLSB may not assign or transfer any or all of the Agreement to a third party (person, individuals or company) without the express written consent of AGS International.

Status as at the LPD : Subsisting

(ii) **Sub-Contract Agreement Dated 25 October 2017 between RLSB and Petrotechnical ("Sub-Contract")**

Products/ Services : Petronas had entered into an umbrella contract with RLSB dated 24 October 2017 for the provision of well testing and tubing conveyed perforations for petroleum arrangement contractors. A portion of the contract works in relation to well testing was subcontracted out by RLSB to Petrotechnical ("**Services**").

Territory : Malaysia

Duration : 25 October 2017 till 5 April 2022

Exclusivity : RLSB appointed Petrotechnical as its sole and exclusive contractor to perform the Services and Petrotechnical accepted such appointment and agreed to perform the Services solely and exclusively for RLSB in accordance with the terms and conditions of this Sub-Contract.

Termination : (a) RLSB shall have the right to terminate this Sub-Contract for any reason, at any time on giving prior notice in writing to Petrotechnical.

(b) If Petrotechnical:

- (i) fails to proceed with the Services with due diligence; or
- (ii) fails to execute the Services or to perform its other material obligations in accordance with this Sub-Contract; or
- (iii) becomes bankrupt or enters a deed of arrangement with its creditors or goes into liquidation (other than a voluntary liquidation for the purposes of reconstruction) or has a receiver appointed of all or part of its undertaking;

then in such event and without prejudice to any other rights or remedies, RLSB may under this Sub-Contract or at law, by written notice to Petrotechnical, terminate this Sub-Contract.

6. BUSINESS OVERVIEW (Cont'd)

	<p>(c) Termination of this Sub-Contract howsoever caused shall not prejudice the rights or obligations of either parties which have accrued prior to termination.</p> <p>(d) Upon termination or expiry of this Sub-Contract, RLSB must pay to Petrotechnical all amounts owing in respect of the Services that have been completed but not billed as at the date of the termination or expiry, provided that the Services have been performed.</p> <p>(e) RLSB may in lieu of notice of termination take part of the Services out of the hands of Petrotechnical and may by itself or by others execute, complete and maintain such part and in such event, RLSB may recover all reasonable costs of so doing from Petrotechnical or deduct the costs from monies otherwise due to Petrotechnical, however always subject to the limitations of liability in this Sub-Contract.</p>
Assignment	: Petrotechnical shall not assign the whole or any part of this Sub-Contract nor shall Petrotechnical sublet the whole or any part of the Services without getting prior written consent from RLSB and where required, Petronas Carigali.
Malaysianisation Plan	<p>(a) RLSB and Petrotechnical agreed to develop a local company that has the right culture towards its service delivery whilst not overreaching in terms of spending for a local company. As such, the progress will be gradual in terms of investment for both personnel and equipment for RLSB.</p> <p>(b) The amount of expenditure on the asset and personnel will ultimately be depended on the amount of Services awarded, as the expenditure and revenue will need to be consistent to ensure that the venture is profitable.</p> <p>(c) For the purposes of the Malaysianisation plan, Petrotechnical has agreed to provide training for RLSB's personnel in Malaysia and any other location operating by Petrotechnical.</p> <p>(d) In view that RLSB will gradually replace the role of Petrotechnical in performing the Services over the next five (5) years from 25 October 2017, the parties have mutually agreed that the payment for the Services shall be payable to RLSB in consideration and in proportion of the Services performed and replaced by RLSB.</p>
Status as at	: Subsisting the LPD

(iii) Distributorship Agreement Dated 31 October 2017 between Archer Malaysia and RLSB

Products/ services	: Oiltools stronghold products and associated services related to plug and abandonment
Territory	: Malaysia
Duration	: From 31 October 2017 till 1 November 2018 ("Term") and will thereafter renew for one (1) or more consecutive year extension(s) unless otherwise terminated by other party in writing.
Extension of Duration	: The Term was extended via the following letters from Archer Malaysia to RLSB. <ul style="list-style-type: none"> (a) till 30 October 2020 by a letter dated 15 January 2020; and (b) till 30 October 2021 by a letter dated 15 June 2020.
Termination	: The Agreement will be eligible for termination under any one (1) or more of the following circumstances: <ul style="list-style-type: none"> (a) by Archer Malaysia upon discovery by Archer Malaysia that RLSB has breached compliance with applicable laws or upon RLSB's engagement in any conduct prejudicial to the promotion, sale or marketing of products/ services by RLSB;

6. BUSINESS OVERVIEW (Cont'd)

(b) by either party upon failure of the other party to remedy its breach of any material term or condition of the Agreement within thirty (30) days of receipt of written notice from the other party requiring such material breach to be remedied and having failed to satisfactorily remedy such breach or at any time provided that the terminating party provides the other party with not less than thirty (30) days prior written notice;

(c) by other party upon the other party's entry into liquidation either compulsory or voluntary, except for the purpose of reconstruction or amalgamation; upon appointment of a receiver and/or manager with respect to the whole or any part of the other party's assets; upon assignment by the other party for the benefit of or composition with its creditors generally; upon the threat of any of the preceding events listed in this subparagraph by the other party; or upon entry of any judgment against the other party or any similar occurrence in any jurisdiction which effects the terminating party.

Upon termination of the Agreement, RLSB undertakes as follows:

(aa) to return to Archer Malaysia all samples and publicity, promotional and advertising material used in the promotion and sale of products/ services, all originals and copies of all documents and information in any form (other than correspondences between Archer Malaysia and RLSB) containing or covering in any way any part of the intellectual properties (if any), registered/ held under Archer Malaysia;

(bb) to cease carrying on promotion and sale of products/ services; and

(cc) to cease all use of the trade names and trademarks of Archer Malaysia.

Neither the expiration nor termination of the Agreement shall release any party from the obligations to pay sums then owing to the other and from the obligation to perform any other duty or to discharge any other liability that had been incurred prior to the date of expiration or termination.

A termination of the Agreement will not prejudice RLSB's right to receive shipment of the Products if ordered by RLSB and accepted by Archer Malaysia prior to the date of such termination and to continue to sell the Products to customers in Malaysia and where RLSB has committed to sell the Products to a customer without having secured backup orders from Archer Malaysia, then in such case, Archer Malaysia and RLSB agree to work together in good faith and acting reasonably with the purpose of reaching a mutually acceptable arrangement in order to ensure that RLSB's commitment is fulfilled.

Neither party shall by reason of the expiration or termination of the Agreement be liable to the other party for any other compensation, reimbursement or damages of any kind on account of loss of prospective profits on anticipated sales or on account of expenditures, investments, leases or other commitments related to the business or goodwill of either party.

Assignment : Neither party may assign, transfer or subcontract any part of the Agreement without the prior written approval of the other, such consent not to be unreasonably withheld.

Status as at : Subsisting
the LPD

6. BUSINESS OVERVIEW (Cont'd)**(iv) Subcontract Dated 1 October 2018 between RLSB and Archer Malaysia**

Products/ services	<p>: Petronas Carigali had entered into an umbrella contract with RLSB dated 7 March 2018 ("Main Contract") for the provision of annulus wash and cementing assurance (perforate, wash and cement services as disclosed in item no. 2 of the table in Section 6.3.6 (i) of this Prospectus). A portion (approximately 50%) of the contract works was subcontracted out by RLSB to Archer Malaysia ("Services").</p> <p>This job was obtained via a joint bid by RLSB and Archer Malaysia. It was explicitly understood that Archer Malaysia would perform the Services and Petronas Carigali had awarded the Main Contract on that basis.</p>
Duration	<p>: For the duration of the Main Contract. Currently, the duration of the Main Contract is from 1 October 2018 till 24 October 2020 subject to further extensions by Petronas Carigali for the Main Contract.</p>
Exclusivity	<p>: RLSB appointed Archer Malaysia as its sole and exclusive subcontractor to perform the Services and Archer Malaysia accepted such appointment and agreed to perform the Services solely and exclusively for RLSB in accordance with the terms and conditions of the Subcontract. Neither Archer Malaysia nor anyone employed by Archer Malaysia shall be deemed for any purpose to be an employee, agent, partner, servant and/or representative of RLSB or Petronas Carigali.</p>
Termination:	<p>(a) RLSB shall have the right to terminate the Subcontract for any reason, at any time, by giving thirty (30) days written notice in writing to Archer Malaysia. Termination of the Subcontract howsoever caused shall not prejudice the rights or obligations of either parties which have accrued prior to termination. Upon termination or expiry of the Subcontract, Archer Malaysia shall be entitled to recover from RLSB all monies due for that part of the Services satisfactorily completed prior to such termination but not billed as at the date of termination or expiry (provided that such Services provided have been performed in accordance with applicable performance standards and otherwise in accordance with the terms of the Subcontract, plus reasonable costs actually incurred or committed by Archer Malaysia (such as costs which are not cancellable or recoverable or for specially engineered equipment), except that where such termination is due to termination by Petronas Carigali under the Main Contract, such entitlement shall apply only to the extent that such payments are recoverable from Petronas Carigali.</p> <p>(b) If Archer Malaysia:</p> <ul style="list-style-type: none"> (i) fails to proceed with the Services with due diligence; or (ii) fails in any material respect to execute the Services or to perform its other material obligations in accordance with the Subcontract; or (iii) fails to remove defective materials and/or make good defective Services; or (iv) becomes insolvent, or makes an assignment on behalf of creditors, or is the debtor named in bankruptcy, receivership, or like proceedings (voluntary or involuntary); <p>then in such event and without prejudice to any other rights or remedies, RLSB may have under the Subcontract or at law, RLSB may by thirty (30) days written notice to Archer Malaysia immediately terminate the Subcontract. In such event, RLSB may withhold any amounts then due to Archer Malaysia for the Services completed prior to such termination until final completion of such Services by RLSB, or others and RLSB may use such sums to offset any increased costs incurred by RLSB on completing such Services or losses incurred by RLSB as a result of any of the events described above.</p>

6. BUSINESS OVERVIEW (Cont'd)

- (c) RLSB may in lieu of notice of termination under Item (i), take part of the Services out of the hands of Archer Malaysia and may by itself or by others execute, complete and maintain such part and in such event, RLSB may recover all reasonable costs of so doing from Archer Malaysia or deduct the costs from monies otherwise due to Archer Malaysia, however always subject to the limitations of liability contained in the Main Contract.

Assignment : (a) Where under the Main Contract, RLSB is obliged to assign the benefits and/or obligations of any subcontract entered into by RLSB in connection with the terms of the Main Contract (including the Subcontract) in certain stated circumstances and it relates to the Services that has been given to Archer Malaysia, Archer Malaysia shall as required in writing by RLSB, agree to co-operate fully with RLSB and Petronas Carigali in the execution of such assignment.

- (b) Archer Malaysia shall not assign the whole or any part of the Subcontract nor shall Archer Malaysia sublet the whole or part of the Services without the prior written consent of RLSB and where required by the Main Contract, of Petronas Carigali, such consent(s) not to be unreasonably withheld.

RLSB shall have the right to assign the Subcontract to any affiliate of RLSB and shall notify Archer Malaysia of such assignment in writing.

Status as at : Subsisting
the LPD

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6. BUSINESS OVERVIEW (Cont'd)

6.18 APPROVALS, MAJOR LICENCES, PERMITS AND REGISTRATIONS

As at the LPD, we hold the following major licences, permits and registrations for our business operations:

No.	Licence Holder	Issuer/ Authority	Date of Issuance	Date of Expiry	Type of Licence/ Permit/ Registration	Salient Conditions	Status of Compliance
1.	RLSB ^{(a)/(b)} _(c)	Petronas	28.08.2018	27.08.2021	Licence to supply product/ service to exploration and oil/ gas companies in Malaysia	<p>(i) RLSB is required to register, obtain a licence, permit or authorisation from the relevant authorities to carry out the services or supply of product or material used in the company's operation and activities. ^(a)</p> <p>(ii) This licence is not transferable to any company/ other party.</p> <p>(iii) This licence will be revoked if RLSB is found to be in the process of liquidation, winding-up or dissolution.</p> <p>(iv) RLSB shall inform Petronas on any changes related to RLSB's position such as equity ownership, board of directors and management staff within fourteen (14) days. Failure to do so can result in the revocation of this licence.</p> <p>(v) RLSB should take immediate action to adhere to the special conditions imposed as stated in the appendix of the Petronas licence certificate and to inform Petronas on the progress of this action.</p> <p>(vi) RLSB is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from Petronas.</p> <p>(vii) This licence is only valid for services and supply of products as stated in the appendix of the Petronas licence certificate.</p>	Complied
2.	RLSB ^(a)	Royal Malaysia Police	09.06.2020	08.07.2020	Licence to import/ export or remove explosives from KLIA, Sepang/ LTSAAS, Subang/ Pelabuhan, Kelang/ Tanjung Kupang/ Bukit Kayu Hitam/ Pelabuhan Johor/ Bentong/ Kota Kinabalu to USA / Germany/ Vietnam/ Thailand/ Singapore/ Labuan/ Netherland/ Indonesia/ Myanmar/ United Kingdom/ China	RLSB shall give at least six (6)-hour-notice to the licensing officer before landing or removal takes place.	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence Holder	Issuer/ Authority	Date of Issuance	Date of Expiry	Type of Licence/ Permit/ Registration	Salient Conditions	Status of Compliance
3.	RLSB ^(a)	Royal Malaysia Police	09.06.2020	08.07.2020	Licence to import/export or remove explosives from USA/ Germany/ Vietnam/ Thailand/ Singapore/ Labuan/ Netherland/ Indonesia/ Myanmar/ United Kingdom/ China to KLIA, Sepang/ LTSAAS, Subang/ Pelabuhan, Kelang/ Tanjung Kupang/ Bukit Kayu Hitam/ Pelabuhan Johor/ Tok Bali	RLSB shall give at least six (6)-hour-notice to the licensing officer before landing or removal takes place.	Complied
4.	RLSB ^(a)	Royal Malaysia Police	09.06.2020	08.07.2020	Licence to import/export or remove explosives from KLIA, Sepang/ LTSAAS, Subang/ Pelabuhan, Kelang/ Tanjung Kupang/ Bukit Kayu Hitam/ Pelabuhan Johor/ Tok Bali to Kemaman Supply Base, Kemaman	RLSB shall give at least six (6)-hour-notice to the licensing officer before landing or removal takes place.	Complied
5.	RLSB ^(a)	Royal Malaysia Police	09.06.2020	08.07.2020	Licence to import/export or remove explosives from Kemaman Supply Base, Kemaman to KLIA, Sepang/ LTSAAS, Subang/ Pelabuhan, Kelang/ Tanjung Kupang/ Bukit Kayu Hitam/ Pelabuhan Johor/ Tok Bali	RLSB shall give at least six (6)-hour-notice to the licensing officer before landing or removal takes place.	Complied
6.	RLSB	Dewan Bandaraya Kuala Lumpur	07.12.2019	06.12.2020	Premise licence for E-33-A1, E-33-B2, E-33-B3, E-33-A4, E-33-A5, E-33-B6, Menara Suezcap 2, KL Gateway, No 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.	<p>(i) RLSB shall carry out licenced activities and comply with the stipulated conditions of the licence.</p> <p>(ii) RLSB shall obtain planning approval and building plan approval.</p> <p>(iii) RLSB shall register its business and submit a copy each of its financial statement and current annual statement to the Companies Commission of Malaysia.</p> <p>(iv) RLSB shall meet the safety criteria stipulated by the Fire and Rescue Department of Malaysia.</p> <p>(v) RLSB shall not conduct illegal activities.</p>	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence Holder	Issuer/ Authority	Date of Issuance	Date of Expiry	Type of Licence/ Permit/ Registration	Salient Conditions	Status of Compliance
						<p>(vi) RLSB shall comply with the hygiene requirements stipulated by the Health and Environment Department of Dewan Bandaraya Kuala Lumpur.</p> <p>(vii) RLSB shall ensure that the activities carried out do not cause disturbances.</p>	
7.	RLSB	Majlis Perbandaran Kemaman	02.01.2020	31.12.2020	Business and signboard licence for Warehouse 32, Door 16, Phase 2, Kemaman Supply Base, Teluk Kalong, 24000 Kemaman, Terengganu	<p>(i) RLSB shall comply with the conditions stipulated by Kemaman Municipal Council, from time to time.</p> <p>(ii) RLSB is to notify Majlis Perbandaran Kemaman, should its business ceased operations.</p>	Complied
8.	RLSB (Dato' Wan Hassan Bin Mohd Jamil)	Atomic Energy Licensing Board	07.03.2020	06.03.2022	Licence to purchase, own, possess, transport, export, handle, use, import and store one (1) unit of Americium-241	<p>(i) Dato' Wan Hassan Bin Mohd Jamil is the person responsible for the licence.</p> <p>(ii) This licence is not transferable to any party.</p> <p>(iii) RLSB shall prepare a copy of the licence close to the radiation equipment so that it can be checked easily at any time.</p> <p>(iv) Application for renewal of the licence shall be made not less than fourteen (14) days and no more than thirty (30) days via online system (e-Lesen) before the expiry date of the licence.</p> <p>(v) RLSB shall update any change of the name of the company which does not involve the change of the registration number of the company via online system (e-Lesen).</p> <p>(vi) RLSB shall update any addition of the address of the company via online system (e-Lesen).</p> <p>(vii) RLSB shall ensure that the Radiation Protection Officer or Supervisor participates in the scheduled inspection.</p> <p>(viii) RLSB shall comply with all directions issued by Atomic Energy Licensing Board from time to time.</p>	Complied
9.	Dato' Wan Hassan Bin Mohd Jamil ^(f)	Royal Malaysia Police	22.12.2019	31.12.2020	Licence to store explosives at Lot 3020, Fasa 2, Kemaman Supply Base, Mukim Telok Kalong, Kemaman, Terengganu Darul Iman	<p>(i) Dato' Wan Hassan Bin Mohd Jamil shall erect a magazine to store explosives at the specified site, namely, Lot 3020, Kemaman Supply Base, Mukim Telok Kalong, Daerah Kemaman, Negeri Terengganu.</p>	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence Holder	Issuer/ Authority	Date of Issuance	Date of Expiry	Type of Licence/ Permit/ Registration	Salient Conditions	Status of Compliance
						<p>(ii) Dato' Wan Hassan Bin Mohd Jamil shall comply with the conditions stipulated by the Technical Department of Terengganu, the land regulations of Terengganu and the National Land Code.</p> <p>(iii) The type and quantity of explosives to be stored are as follows: Shape charge – 1600 kilogrammes; Detronator – 3000 radius; and Detonating cord – 9000 meters.</p> <p>(iv) Dato' Wan Hassan Bin Mohd Jamil shall comply with the laws pursuant to Explosives Act 1957 and the Explosive Rules 1923.</p> <p>(v) Dato' Wan Hassan Bin Mohd Jamil shall submit the name of the blaster contractor and the workers in relation to the rock breaking works to the chief district police.</p> <p>(vi) Dato' Wan Hassan Bin Mohd Jamil shall submit the complete list of the employees of RLSB with their full names, identity card numbers, age, nationality, address, type of employment to the chief of district police on a monthly basis. Dato' Wan Hassan Bin Mohd Jamil would be required to inform and obtain the consent of the chief of district police before the employment of an employee.</p> <p>(vii) The explosives must not be unloaded from its magazine without the consent from the chief of district police. Any unloading of the explosives from the magazine to the quarry must be escorted by security personnel.</p> <p>(viii) All of the original keys of the padlock to access the gate and door into the magazine must be kept in the nearest police station to the magazine. The original keys can only be retrieved upon consent by the chief of district police. The duplicate keys are to be kept by the chief of district police in his/her safe deposit box.</p> <p>(ix) Detonators are to be kept separately from all other explosives.</p> <p>(x) The application to renew this licence must be done a month before the expiry of the same.</p>	

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence Holder	Issuer/ Authority	Date of Issuance	Date of Expiry	Type of Licence/ Permit/ Registration	Salient Conditions	Status of Compliance
						<p>(xi) This licence expires on 31 December, every year. The application form on the renewal of this licence is to be obtained from the District Police Headquarters the latest by October, every year.</p> <p>(xii) Explosives are not allowed to be taken in and taken out from the magazine, until this licence has been renewed.</p>	
10.	RL Solutions	Dewan Bandaraya Kuala Lumpur	07.12.2019	06.12.2020	Premise licence for E-33-B7, Menara Suezcap 2, KL Gateway, No 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.	<p>(i) RL Solutions shall carry out licenced activities and comply with the stipulated conditions of the licence.</p> <p>(ii) RL Solutions shall obtain planning approval and building plan approval.</p> <p>(iii) RL Solutions shall register its business and submit a copy each of its financial statement and current annual statement to the Companies Commission of Malaysia.</p> <p>(iv) RL Solutions shall meet the safety criteria stipulated by the Fire and Rescue Department of Malaysia.</p> <p>(v) RL Solutions shall not conduct illegal activities.</p> <p>(vi) RL Solutions shall comply with the hygiene requirements stipulated by the Health and Environment Department of Dewan Bandaraya Kuala Lumpur.</p> <p>(vii) RL Solutions shall ensure that the activities carried out do not cause disturbances.</p>	Complied
11.	RL Solutions (c) (g)	Petronas	29.11.2018	28.11.2021	Licence to supply product/ service to exploration and oil/ gas companies in Malaysia	<p>(i) RL Solutions is required to register, obtain a licence, permit or authorisation from the relevant authorities to carry out the services or supply of product or material used in the company's operation and activities.^(g)</p> <p>(ii) This licence is not transferable to any company/ other party.</p> <p>(iii) This licence will be revoked if RL Solutions is found to be in the process of liquidation, winding-up or dissolution.</p> <p>(iv) RL Solutions should take immediate action to adhere to the special conditions imposed as stated in the appendix of the Petronas licence certificate and to inform Petronas on the progress of this action.</p>	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	Licence Holder	Issuer/ Authority	Date of Issuance	Date of Expiry	Type of Licence/ Permit/ Registration	Salient Conditions	Status of Compliance
						<p>(v) RL Solutions shall inform Petronas on any changes related to the company's position such as equity ownership, board of directors and management staff within fourteen (14) days. Failure to do so can result in the revocation of this licence.</p> <p>(vi) RL Solutions is not allowed to take another company as principal, agent, sub-contractor or otherwise to provide any service or supply of any facility, fittings or equipment on its behalf without prior written consent from Petronas.</p> <p>(vii) This licence is only valid for services and supply of products as stated in the appendix of the Petronas licence certificate.</p>	
12.	Amsito	Dewan Bandaraya Kuala Lumpur	07.12.2019	06.12.2020	Premise licence for E-33-A8, Menara Suezcap 2, KL Gateway, No 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.	<p>(i) Amsito shall carry out licenced activities and comply with the stipulated conditions of the licence.</p> <p>(ii) Amsito shall obtain planning approval and building plan approval.</p> <p>(iii) Amsito shall register its business and submit a copy each of its financial statement and current annual statement to the Companies Commission of Malaysia.</p> <p>(iv) Amsito shall meet the safety criteria stipulated by the Fire and Rescue Department of Malaysia.</p> <p>(v) Amsito shall not conduct illegal activities.</p> <p>(vi) Amsito shall comply with the hygiene requirements stipulated by the Health and Environment Department of Dewan Bandaraya Kuala Lumpur.</p> <p>(vii) Amsito shall ensure that the activities carried out do not cause disturbances.</p>	Complied
13.	Amsito	Majlis Perbandaran Kemaman	02.01.2020	31.12.2020	Business and signboard licence for Warehouse 32, Door 16, Phase 2, Kemaman Supply Base, Teluk Kalong, 24007 Cukai Terengganu	<p>(i) Amsito shall comply with the conditions stipulated by Kemaman Municipal Council, from time to time.</p> <p>(ii) Amsito is to notify Majlis Perbandaran Kemaman, should its business ceased operations.</p>	Complied

6. BUSINESS OVERVIEW (Cont'd)

Notes:

(a) The categories of products and services authorised by the licence are as follows:

No.	SWEC	Description of Service	Minimum Bumiputera Requirements (%)	Status of Compliance
1.	PD1050100	Drilling Equipment And Materials-Auxiliary Cementing And Casing Accessories-Float Equipment And Accessories. (Reclassified from PD1050000- Drilling Equip & Mat- Cementing/ Casing Acc)	*51	Complied
2.	SC3010601	Consultancy Services-Project Management-Decommissioning of Facilities/ Project-Onshore Pipeline Facilities	30	Complied
3.	SM2010100	Manpower Supply-Labour Supply	*51	Complied
4.	SM2010300	Manpower Supply-General Manpower for Office Serv	*51	Complied
5.	SM2020100	Manpower Supply-Technician	*51	Complied
6.	SM2020200	Manpower Supply-Skilled Manpower-Electrical (Reclassified From SM2020700 – Chargeman)	*51	Complied
7.	SM2020300	Manpower Supply-Telecon	*51	Complied
8.	SM2020400	Manpower Supply -Coded Welders	*51	Complied
9.	SM2020500	Manpower Supply-Radio, Telex, Switchboard Operators	*51	Complied
10.	SM2020600	Manpower Supply-Machinist	*51	Complied
11.	SM2020800	Manpower Supply-Offshore Crane Operator	*51	Complied
12.	SM2020900	Manpower Supply- Instrument	*51	Complied
13.	SM2021000	Manpower Supply-Skilled Manpower-Welding Inspector	*51	Complied
14.	SM2021100	Manpower Supply-Skilled Manpower-Painting Inspector	*51	Complied
15.	SM2021200	Manpower Supply-Skilled Manpower-Drilling Completion and Workover Support Staff	*51	Complied
16.	SM2030100	Manpower Supply-HSE Specialist	*51	Complied
17.	SM2030200	Manpower Supply-Const Technical Personnel	*51	Complied
18.	SM2030300	Manpower Supply-Material, Corrosion & Inspection Specialist	*51	Complied
19.	SM2030400	Manpower Supply - Specialist Manpower – Specialist Mechanical/ Piping	30	Complied
20.	SM2030500	Manpower Supply - Specialist Electrical	30	Complied
21.	SM2030600	Manpower Supply - Specialist Instrumentation	30	Complied
22.	SM2030700	Manpower Supply - Specialist Civil & Structural	*51	Complied
23.	SM2030800	Manpower Supply - Specialist Process	*51	Complied
24.	SM2030900	Manpower Supply - Specialist Pipeline	*51	Complied
25.	SM2031300	Manpower Supply - Specialist Manpower-Drilling Completion and Workover Specialist	*51	Complied
26.	SM2031500	Manpower Supply- Specialist Manpower - Subsea Specialist	*51	Complied
27.	SO2010400	Offshore Facilities Const-Decomm of Offshore Facilities	30	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	SWEC	Description of Service	Minimum Bumiputera Requirements (%)	Status of Compliance
28.	SC3010300	Consultancy Serv-Drilling	30	Complied
29.	SC3060900	Consultancy Services -Upstream Consultancy Services - Specialized Drilling And Completion Consultancy (Reclassified From SC3060105, Consultancy Serv-Drilling Consultancy)	30	Complied
30.	SO2020206	Offshore Facilities Const-Minor Onshore Fabrication-Structural	*51	Complied
31.	SO2020300	Onshore Fabrication - Commissioning of Specialist Electrical, Hvac & Instrumentation System	30	Complied
32.	SO2020400	Onshore Fabrication - Dry Tree Unit (Dtu)	30	Complied
33.	SP2010101	Production/ Drilling/ Workover Associated Services-Drilling Rigs-Offshore Rig-Jackup Rig Services	*51	Complied
34.	SP2030400	Production/ Drilling/ Workover Associated Services-Dedicated Workover Services-Coiled Tubing Unit & Services	30	Complied
35.	SP2040000	Production/ Drilling/ Workover Associated Services-Tubular Handling Equipment & Running Services	*51	Complied
36.	SP2080000	Production/ Drilling/ Workover Associated Services-Drilling/ Completion Fluid & Services	*51	Complied
37.	SP2120000	Production/ Drilling/ Workover Associated Services-Well Abandonment	30	Complied
38.	SP2130000	Production/ Drilling/ Workover Associated Services-Directional Drilling, Gyro While Drilling, Measurement While Drilling and Logging While Drilling (Reclassified From Sp2140000-Measurement While Drilling & Serv and Sp2150000-Logging While Drilling & Serv)	*51	Complied
39.	SP2170100	Production/ Drilling/ Workover Associated Services-Electric Logging & Services-Open Hole (Rig Assisted)	*51	Complied
40.	SP2170200	Production/ Drilling/ Workover Associated Services-Electric Logging & Services-Cased Hole (Rig Assisted and/or Non-Rig Assisted)	*51	Complied
41.	SP2200000	Production/ Drilling/ Workover Associated Services-Well Testing Equipment & Services	*51	Complied
42.	SP2210000	Drilling Serv-Liner Hanger Equip & Serv	30	Complied
43.	SP2220100	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Tubing Conveyed Perforation	*51	Complied
44.	SP2220200	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Coiled Tubing Well Perforating Services	*51	Complied
45.	SP2220300	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Slickline Well Perforating Services	*51	Complied
46.	SP2220400	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Through Tubing Well Perforation Services	*51	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	SWEC	Description of Service	Minimum Bumiputera Requirements (%)	Status of Compliance
47.	SP2220500	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Electricline Well Perforating Services	*51	Complied
48.	SP2220600	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Well Tubing Puncher Services	*51	Complied
49.	SP2230100	Production/ Drilling/ Workover Associated Services-Specialized Sand Control Equipment & Services-Stand Alone Screen Equipment & Services	*51	Complied
50.	SP2240000	Drilling Serv-Well Completion Equip & Serv	30	Complied
51.	SP2270000	Production/ Drilling/ Workover Associated Services-Slickline Equipment and Services –Slickline Equipment and Services (Reclassified From Sp2270100;Sp2270201;Sp2270202;Sp2270203 and/or Sp2270204)	*51	Complied
52.	SP2280100	Production/ Drilling/ Workover Associated Services-Artificial Lift Services-Electrical Submersible Pump (Esp)	30	Complied
53.	SP2280200	Production/ Drilling/ Workover Associated Services-Artificial Lift Services-Gas Lift	30	Complied
54.	SP2310600	Production/ Drilling/ Workover Associated Services-Specialised Drilling/ Workover Services-Smart/ Intelligent Well System (Reclassified From Sp2310602,Drilling Serv-Flow Ctr)	30	Complied
55.	SP2311100	Production/ Drilling/ Workover Associated Services-Specialised Drilling/ Workover Services-Well Bore Cleanup Equipment and Services	*51	Complied
56.	SP2340000	Production/ Drilling/ Workover Associated Services-Well Leak Repair Services	30	Complied
57.	SU1050000	Underwater Serv-Underwater Inspection/ Diving Serv	*51	Complied
58.	SP2010105	Production/ Drilling/ Workover Associated Services-Drilling Rigs-Offshore Rig-Semi-Submersible (Reclassified from SP2010106,Drilling Serv-Deepwater Oilfield Rig Serv)	*51	Complied
59.	SP2050000	Production/Drilling/Workover Associated Services-Oilfield Fishing Equipment & Services	*51	Complied
60.	SP2370000	Production/ Drilling/ Workover Associated Services -Rig Inspection Services	*51	Complied

Note:

- * As at the LPD, RLSB is required to have a minimum of 51% Bumiputera requirement at equity, board of directors, management and employees levels. Upon listing of Reservoir Link, RLSB will only require a minimum of 35% Bumiputera equity for its shareholders. The other requirements as to the board of directors, management and employees shall continue to apply to RLSB.

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6. BUSINESS OVERVIEW (Cont'd)

(b) We have generated revenues for the FYE 2016 to FYE 2019 from the following eleven (11) SWEC. The details of the said SWEC are as follows:

No.	SWEC	Description of Service	Minimum Bumiputera Requirements (%)	Status of Compliance
1.	SP2120000	Production/ Drilling/ Workover Associated Services-Well Abandonment	30	Complied
2.	SP2200000	Production/ Drilling/ Workover Associated Services-Well Testing Equipment & Services	*51	Complied
3.	SP2220100	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Tubing Conveyed Perforation	*51	Complied
4.	SP2220200	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Coiled Tubing Well Perforating Services	*51	Complied
5.	SP2220300	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Slickline Well Perforating Services	*51	Complied
6.	SP2220400	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Through Tubing Well Perforation Services	*51	Complied
7.	SP2220500	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Electricline Well Perforating Services	*51	Complied
8.	SP2220600	Production/ Drilling/ Workover Associated Services-Well Perforation Equipment & Services-Well Tubing Puncher Services	*51	Complied
9.	SP2270000	Production/ Drilling/ Workover Associated Services-Slickline Equipment and Services (Reclassified from SP2270100;SP2270201;SP2270202;SP2270203 and/or SP2270204)	*51	Complied
10.	SP2340000	Production/ Drilling/ Workover Associated Services-Well Leak Repair Services	30	Complied
11.	PM1081000	Mechanical – Filter Elements and Accessories - Desander	*51	Complied

Note:

* As at the LPD, RLSB is required to have a minimum of 51% Bumiputera requirement at equity, board of directors, management and employees levels. Upon listing of Reservoir Link, RLSB will only require a minimum of 35% Bumiputera equity for its shareholders. The other requirements as to the board of directors, management and employees shall continue to apply to RLSB.

(c) The General Guidelines (v8.0) as at 1 December 2018 on Petronas Licence and Registration Applications issued by Petronas are applicable to the licence-holders. The guidelines, amongst others, are as follows:

- (i) The licence-holder shall have minimum paid-up capital of RM100,000 (for licence) or RM10,000 (for registration). The paid-up capital is in the form of ordinary shares.
- (ii) The licence-holder shall have positive shareholders' fund.
- (iii) The licence-holder shall meet minimum Bumiputera requirement at four (4) levels, for the applied SWEC, which are equity, board of directors, management and employees. The SWEC's minimum Bumiputera requirements range from 100%, 51% and 30%. There are also SWECs with no requirement on Bumiputera participation. Flexibility is given to "Sdn Bhd" company which is owned at least 51% by a "Berhad" company listed on Bursa Securities to hold a minimum of 35% Bumiputera equity when it applies for SWECs with minimum 51% Bumiputera requirement.

6. BUSINESS OVERVIEW (Cont'd)

- (iv) *The licence-holder shall submit the application to renew or register this licence within three (3) months before the expiry date of the licence/ registration. Delay in renewing the licence/ registration will affect the licence-holder's chances in participating in tender.*
- (v) *The licence-holder shall submit an application to change its existing principal to other principal if there is any such change.*
- (vi) *The licence-holder is required to update its profile and its relevant documents via Update Company's Profile ("UCP") application when there is a change in:*
 - (a) *the licence-holder's name*
 - (b) *shareholders' equity*
 - (c) *board of directors*
 - (d) *management*
 - (e) *number of employees*
 - (f) *Minimum Technical Requirements compliance to SWEC requirements*
 - (g) *shareholders' fund (if The licence-holder's shareholders' fund becomes negative during licence/ registration period)*

The update must be done within fourteen (14) days from the date of such change. Failure to do so may result in consequence management of the licence/ registration.

- (vii) *The licence-holder is also required to update the bank details via UCP, as and when required. The bank account must be verified by the respective bank.*
- (d) *This refers to the licences, permits that a licence-holder must obtain and maintain in order to carry out the specific jobs. In the case of the Group, the licences set out in items 2 to 11 in the table above are the ones required by the Group to carry out the jobs. These include, among others, licence to import/ export or remove explosives, premise licence, business and signboard licence, licence to purchase, own, possess, transport, export, handle, use, import and store one (1) unit of Americium-241 and licence to store explosives.*
- (e) *The licences to import/ export or remove explosives are subject to monthly renewal. The licences cover shape charge, detonator and detonating cord.*
- (f) *The Explosives Act 1957 requires a licence to be obtained for the storage of explosives at premises. While the explosives stored at Lot 3020, Fasa 2, Kemaman Supply Base, Mukim Telok Kalong, Kemaman, Terengganu Darul Iman are owned and used by RLSB, the licence is issued to Dato' Wan Hassan Bin Mohd Jamil as it is the practice of the issuing authority to issue the licence to individuals so that they can hold the individuals accountable for the storage of the explosives. Dato' Wan Hassan Bin Mohd Jamil is responsible for the compliance of the conditions of the licence through RLSB.*
- (g) *The categories of products and services authorised by the licence are as follows:*

No.	SWEC	Description of Service	Minimum Bumiputera Requirements (%)	Status of Compliance
1.	PC1010100	Chemicals-Acidizing Chemicals-Hydrochloric Acid	*51	Complied
2.	PC1010200	Chemicals-Acidizing Chemicals-Hydrofluoric Acid	*51	Complied
3.	PC1010300	Chemicals-Acidizing Chemicals-Formic Acid	*51	Complied
4.	PC1010400	Chemicals-Acidizing Chemicals-Acetic Acid	*51	Complied
5.	PC1090100	Chemical-Common Chemicals-Commodity Chemicals	*51	Complied
6.	PM1081000	Mechanical-Filters Elements and Accessories-Desander	*51	Complied
7.	SC3020400	Consultancy Serv-Civil & Structural Engineering Consultancy	*51	Complied
8.	SC3030200	Consultancy Serv-Environment Consultancy	*51	Complied
9.	SC3060104	Consultancy Serv-Production Technology Consultancy	30	Complied
10.	SM3030303	Marine Transportation Serv-Chemical Cleaning	*51	Complied
11.	SM3031800	Marine Transportation Serv-Tank Cleaning Equip	*51	Complied

6. BUSINESS OVERVIEW (Cont'd)

No.	SWEC	Description of Service	Minimum Bumiputera Requirements (%)	Status of Compliance
12.	SM3032101	Marine Transportation Serv-Tube	*51	Complied
13.	SM3032102	Marine Transportation Serv-Plate	*51	Complied
14.	SM3040100	Marine Transportation Serv-Cleaning and Disposal Services (Sm3040101, Sm3040102, Sm3040103, Sm3040104 & Sm3040300 Reclass to Sm3040100)	*51	Complied
15.	SP1040105	Pipeline & Associated Serv-Pipeline Maintenance-Pipeline Cleaning, Inspection & Repair-Pipeline Inspection & Repair-Offshore Pipeline Inspection & Repair	30	Complied
16.	SP2110000	Production/ Drilling/ Workover Associated Services-Well Killing and Pumping Services	30	Complied
17.	SP2350000	Production/ Drilling/ Workover Associated Services-Well Stimulation/ Enhancement Services	*51	Complied
18.	SC3100400	Consultancy Services – Laboratory Services – Laboratory Consultancy Services	30	Complied
19.	SG1010200	Geological Services – Sample Analysis – Routine Fluid Sample Analysis (SC3040600 & SG1020000 reclass SG1010200)	30	Complied
20.	SG1040000	Geological Services – Geological Fieldwork	30	Complied
21.	SG1050100	Geological Services – Sample/Data Preservation, Handlinh & Transp-Rock Sample	30	Complied
22.	SG1050200	Geological Services – Sample/Data Preservation, Handlinh & Transp-Rock Sample	30	Complied
23.	SP2311000	Production/ Drilling/ Workover Associated Services-Specialised Drilling/Workover Services – Downhole Conveying Device	30	Complied
24.	PE1090100	Electrical – Electrical Heating System – Heat Tracing System	*51	Complied

Note:

- * As at the LPD, RL Solutions is required to have a minimum of 51% Bumiputera requirement at equity, board of directors, management and employees levels. Upon listing of Reservoir Link, RL Solutions will only require a minimum of 35% Bumiputera equity for its shareholders. The other requirements as to the board of directors, management and employees shall continue to apply to RL Solutions.


With regards the storage of explosives by RLSB in Labuan, the licence pertaining thereto was issued by the Royal Malaysia Police to an individual, namely, Dato' Harris Haji Annuar Tan, who is the chief executive officer of Asian Supply Base Sdn Bhd ("**ASB**"). As per the Tenancy Agreement dated 26 July 2017 between ASB and RLSB, RLSB is currently renting bunker facilities, warehouses and workshops from ASB. Further details of the Tenancy Agreement are set out in Section 14.6 (ii) of this Prospectus.

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6. BUSINESS OVERVIEW (Cont'd)

6.19 PATENTS, TRADEMARKS, BRAND NAMES AND TECHNICAL ASSISTANCE AGREEMENTS

As at the LPD, trademarks of our Group are as set out below:

No.	Trademark/Description	Applicant Name/ Application No./ Legal Status	Class No.	Description of Class	Approving Authority	Date of Application	Date of Registration	Date Gazetted	Date of Issuance of Certificate	Date of Expiry
1.		RLSB/ 2019027077/ Pending registration ⁽¹⁾	42	Solutions which comprises of products and services to be applied for hydrocarbon, exploration, well-bore construction, extraction and production for enhancement of oil and gas productions related to oil and gas reservoir; all included in Class 42.	MyIPO	25.07.2019	Pending	Pending	Pending	Pending
2.	Smart-SWEEP/ This trademark is in relation to the reservoir fluid diverter to improve the sweep efficiency of water injection program.	Anwarudin Bin Saidu Mohamed/ 2018000508/ Registered	1	Chemicals for use in oil and gas industry; chemical compositions for use in well maintenance and reservoir management; chemical preparation and formulation for use in treating of wells; all included in Class 1	MyIPO	16.01.2018	16.01.2018	06.09.2018	27.11.2018	16.01.2028
3.	iMWIS/ This trademark is in relation to the modular water injection system with chemical de-aeration.	Anwarudin Bin Saidu Mohamed/ 2018000507/ Registered	1	Chemical products used in oil and gas industry; chemical composition for use in well maintenance; chemical preparation and mixing in water for use of water injection into well; all included in Class 1	MyIPO	16.01.2018	16.01.2018	31.01.2019	08.04.2019	16.01.2028
4.	ATC175/ This trademark is in relation to the specialty chemical used for wellbore damage and paraffin blockage remediation.	Anwarudin Bin Saidu Mohamed/ 2018003411/ Registered	1	Chemical formulation used in oil and gas industry; chemical composition to treat oilwell and other flow conduits impaired by organic deposition; chemical preparation and formulation for use in treatment of well and hydrocarbon flow conduits; all included in Class 1	MyIPO	26.03.2018	26.03.2018	06.09.2018	27.11.2018	26.03.2028

6. BUSINESS OVERVIEW (Cont'd)

No.	Trademark/Description	Applicant Name/ Application No./ Legal Status	Class No.	Description of Class	Approving Authority	Date of Application	Date of Registration	Date Gazetted	Date of Issuance of Certificate	Date of Expiry
5.	SCALE-FREEZE/ This trademark is in relation to the specialty chemical used for scale inhibition near the wellbore.	Anwarudin Bin Saidu Mohamed/ 2017007411/ Pending appeal ⁽²⁾	1	Chemicals; all included in class 1	MyIPO	17.07.2017	Pending	Pending	Pending	Pending
6.	FLO- EASE/ This trademark is in relation to the specialty chemical used for well stimulation/ production enhancement	Anwarudin Bin Saidu Mohamed/ 2017008918/ Pending appeal ⁽²⁾	1	Chemicals; all included in Class 1	MyIPO	17.08.2017	Pending	Pending	Pending	Pending
7.	FLO-SAFE/ This trademark is in relation to the specialty chemical used to remove inorganic scale for well and pipeline.	Anwarudin Bin Saidu Mohamed/ 2018003409/ Pending appeal ⁽²⁾	1	Chemicals used in oil and gas industry; chemical compositions for use in treatment of pipelines, petrochemicals plants and well conduit; chemical preparation and formulation for use in flow assurance of oil and gas asset; all included in class 1	MyIPO	26.03.2018	Pending	Pending	Pending	Pending
8.	Hydro-EXPELL/ This trademark is in relation to the specialty chemical for water cut reduction/ relative permeability modifier.	Anwarudin Bin Saidu Mohamed/ 2018003410/ Pending appeal ⁽²⁾	1	Chemicals used in oil and gas industry; chemical composition for use to treat oilwell with high water production and injector with poor sweep efficiency; chemical preparation and formulation for use in treatment of wells for water shut-off or profile modification; all included in class 1	MyIPO	26.03.2018	Pending	Pending	Pending	Pending
9.	QUICK-FLO/ This trademark is in relation to the specialty chemical used to separate sludge, rag, muck and emulsion.	Anwarudin Bin Saidu Mohamed/ 2018003408/ Pending appeal ⁽²⁾	1	Chemicals used in oil and gas industry; chemical compositions for use in treatment of sludge at pipelines, petrochemical plants, floating production storage and offloading tanks, vessels; chemical preparation and formulation for use in treatment of hydrocarbon based sludge and waste management; all included in class 1	MyIPO	26.03.2018	Pending	Pending	Pending	Pending

6. BUSINESS OVERVIEW (Cont'd)

No.	Trademark/Description	Applicant Name/ Application No./ Legal Status	Class No.	Description of Class	Approving Authority	Date of Application	Date of Registration	Date Gazetted	Date of Issuance of Certificate	Date of Expiry
10.	SandPRO/ This trademark is in relation to the chemically enhanced multiphase hydrocyclone desander.	RL Solutions/ 2018017347/ Pending appeal ⁽²⁾	7	Desanding hydrocyclone; all included in Class 7.	MyIPO	14.12.2018	Pending	Pending	Pending	Pending

Notes:

- (1) *As at the LPD, the application for the registration of the trademark is still under substantive examination by MyIPO.*
- (2) *The appeal was sought in order to allow for the usage of common words for the registration this trademark.*

The trademarks as tabulated in items (2) to (4) in the table above are registered in the name of Anwarudin Bin Saidu Mohamed whilst for items (5) to (9), the applications have been filed but pending registration under the name of Anwarudin Bin Saidu Mohamed, our key management and the Executive Director of RL Solutions.

The applications of trademarks were filed by Anwarudin Bin Saidu Mohamed between July 2017 to March 2018 prior to him joining RL Solutions in July 2018 and the Shareholders' Agreement dated 21 February 2019 between RLSB, Anwarudin Bin Saidu Mohamed and RL Solutions.

Subsequently, RL Solutions acquired the trademarks from Anwarudin Bin Saidu Mohamed pursuant to the Deed of Assignment dated 31 May 2019 between Anwarudin Bin Saidu Mohamed and RL Solutions whereby Anwarudin Bin Saidu Mohamed has assigned and transferred all rights, title and interest in the trademarks set out in items (2) to (9) in the table above to RL Solutions. On 24 June 2019, RL Solutions had filed for the Deed of Assignment with MyIPO for the trademarks to be registered in its name.

Please refer to Section 14.6 (x) of this Prospectus for further details on the Deed of Assignment.

As at the LPD, the trademarks are used by RL Solutions for its marketing brochures.

In addition, as at the LPD, we do not have any patents and/or copyrights.

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Registration No.: 201401044508 (1120690-K)

6. BUSINESS OVERVIEW (Cont'd)

6.20 MATERIAL PROPERTY, PLANT, MACHINERY AND EQUIPMENT

6.20.1 Properties

As at the LPD, we own the following properties:

No.	Registered Owner/ Beneficial Owner	Title Identification/ Postal Address	Description/ Existing Use	Date Certificate Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at 31.12.2019 (RM'000)
1.	RLSB	<p>Title: Parcel No. E-33-A1, E-33-A4, E-33-A5, E-33-A8, E-33-B2, E-33-B3, E-33-B6 and E-33-B7, held under Master Title PN 51531, Lot 480578, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (formerly known as H.S.(D) 118779, PT 9114, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur).</p> <p>Postal Address: E-33-01, E-33-02, E-33-03, E-33-3A, E-33-05, E-33-06, E-33-07 and E-33-08, Menara SUEZCAP 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.</p>	<p>Description: Eight (8) office units on the thirty third (33rd) floor of an office building.</p> <p>Existing Use: Office.</p>	30.11.2017	This land is to be used for trade buildings for the purpose of service apartments, offices and shopping complexes only.	<p>(i) 1,200 sq ft for each Parcel No. E-33-A1, E-33-A4, E-33-A5 and E-33-A8.</p> <p>(ii) 1,700 sq ft for each Parcel No. E-33-B2, E-33-B3, E-33-B6 and E-33-B7.</p>	99 years expiring on 11 April 2111.	Charged to United Overseas Bank (Malaysia) Bhd	9,933

6. BUSINESS OVERVIEW (Cont'd)

No.	Registered Owner/ Beneficial Owner	Title Identification/ Postal Address	Description/ Existing Use	Date Certificate of Completion and Compliance	Express Conditions	Floor Area	Tenure	Encumbrances	Audited NBV as at 31.12.2019 (RM'000)
2.	RLSB	<p>Title: No. Geran 70251, No. Lot 60493, No. Bangunan M2-A, No. Tingkat 30, No. Petak 419, Mukim Batu, Negeri Wilayah Persekutuan Kuala Lumpur</p> <p>Postal Address: Unit 29-1, Level 29, Menara 1 Mont Kiara, Kompleks 1 Mont Kiara, No. 1, Jalan Kiara, Mont Kiara, 50480 Wilayah Persekutuan, Kuala Lumpur</p>	<p>Description: One (1) office unit on the twenty ninth (29th) floor of an office building</p> <p>Existing use: RLSB Office. (landlord) has rented out this office unit to Messrs Lee & Koh (tenant). Details of the tenancy agreement have been disclosed in Section 14.6(i) of this Prospectus.</p>	25.11.2010	This land is to be used for trade buildings, for the purpose of shopping complexes, office towers and service apartments with recreational facilities and parking lots only.	775 sq m	Freehold	Charged Public Islamic Bank Berhad	5,283
Total									15,216

The above properties owned by our Group are not in breach of any land use conditions and/or are in compliance with the relevant statutory requirements, land rules and/or building regulations/ by-laws.

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6. BUSINESS OVERVIEW (Cont'd)

6.20.2 Rented Properties

As at the LPD, we rented the following properties:

No.	Landlord	Tenant	Postal Address	Description/ Existing Use	Floor Area	Tenure	Rental Per Annum (RM)	
1.	Asian Supply Base Sdn Bhd	RLSB	Postal Address: Multi Bay No. 6 & 7, ASB Main Base, Ranca-Ranca Industrial Estate, Labuan Federal Territory	Description: Two (2) Explosive Bunker Facilities Lot CL 20535775, Mukim Kampung Merinding, Wilayah Persekutuan Labuan Two (2) Workshops and One (1) Overhead Crane Multi Bay No. 6 & 7, ASB Main Base, Ranca-Ranca Industrial Estate, 87017 Labuan Federal Territory. Existing Use: Explosive bunker facilities, workshops and overhead crane.	Two (2) Explosive Bunker Facilities: 6.25 sq m and 3.12 sq m Two (2) Workshops: 1,005 sq m each	26 January 2020 to 25 January 2021	439,800	
2.	Pangkalan Bekalan Kemaman Sdn Bhd ("PBK")	RLSB	Postal Address: Letter Box 39, Admin. Building A, Warehouse 32, Door 16, Phase II, Kemaman Supply Base, Terengganu Darul Iman.	Description: One (1) Warehouse Warehouse 32, Door 16, Phase II, Kemaman Supply Base, Kawasan Perindustrian Teluk Kalong, 24007 Teluk Kalong, Kemaman, Terengganu Darul Iman. One (1) Explosive Store Lot No. EX20309, Phase II, Kemaman Supply Base, Kawasan Perindustrian Teluk Kalong, 24007 Teluk Kalong, Kemaman, Terengganu Darul Iman. One (1) Open Yard OY20155, Phase II, Kemaman Supply Base, Kawasan Perindustrian Teluk Kalong, 24007 Teluk Kalong, Terengganu Darul Iman.	Warehouse: 372 sq m Explosive Store: 41 sq m Open Yard: 530 sq m	01.04.2020 to 31.03.2022	133,207.20	
Total							Existing Use: Warehouse	573,007.20

6. BUSINESS OVERVIEW (Cont'd)

Note:

PBK has via its letters dated 27 February 2020 and 2 June 2020 agreed to extend the duration of the tenancy from 1 April 2020 till 31 March 2022. However, the new tenancy agreement in relation to the extension is currently pending stamping. Please refer to Section 14.6 (iii) of this Prospectus for further details.

The above properties rented by our Group are not in breach of any land use conditions and/or are in compliance with the relevant statutory requirements, land rules and/or building regulations/ by-laws.

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6. BUSINESS OVERVIEW (Cont'd)**6.20.3 Material Plant and Equipment**

As at 31 December 2019, our Group's material equipment is as follows:

No.	Equipment	Description	No. of Units	Purchase Price (RM'000)	Audited NBV as at 31.12.2019 (RM'000)
1	Primary explosive magazine (BSEN) ⁽¹⁾	Well perforation services projects	6	46	-
2	Secondary explosive magazine (BSEN) ⁽²⁾	Well perforation services projects	7	67	-
3	Secondary explosive magazine (DNV)	Well perforation services projects	17	399	251
4	20 feet open top basket (DNV)	Well perforation services projects	5	111	61
5	12 feet multipurpose toolbox (BSEN) ⁽³⁾	Well perforation services projects	2	52	-
6	Low power electronic firing head (inclusive of mechanical safety switch)	Well perforation services projects	16	1,445	658
7	Electronic detonator tester ⁽⁴⁾	Well perforation services projects	8	54	-
8	Explosive storage magazine ⁽⁵⁾	Well perforation services projects	2	12	-
9	Memory correlation tool	Well perforation services projects	7	1,034	212
10	Memory cement bond log tool (CBL) ⁽⁶⁾	Well perforation services projects	2	836	-
11	Gamma gun Geiger	Well perforation services projects	2	38	16
12	Portable flowmeter ⁽⁷⁾	Well perforation services projects	1	73	-
13	Firing control panel	Well perforation services projects	4	124	7
14	Shot detection tool	Well perforation services projects	1	15	6
15	Spartek line management system	Well perforation services projects	7	158	36
16	8' x 8' A60 rated DNV 2.1-1, Zone 2 office lab cabin	Well testing services projects	1	532	461
17	DAQ system	Well testing services projects	1	209	183
18	ASL60 autoclave pump	Well leak repair services project	6	629	338
19	ASL35 autoclave pump	Well leak repair services project	2	297	149
20	AHL33 autoclave pump	Well leak repair services project	2	410	191
21	Wilden pump H800	Well leak repair services project	1	32	13
22	Wireline unit ⁽⁸⁾	Wireline services project	2	2,352	-
23	20 feet open top basket	Light weight well testing project	2	85	84

6. BUSINESS OVERVIEW (Cont'd)

No.	Equipment	Description	No. of Units	Purchase Price (RM'000)	Audited NBV as at 31.12.2019 (RM'000)
24	14 feet open top basket	light weight well testing project	2	84	83
25	12 feet open top basket	light weight well testing project	4	121	119
26	Dual compartment surge tank (SSV299)	light weight well testing project	1	1,095	1,068
27	Flow line pipes with connections	light weight well testing project	1 set (568 pipes)	1,345	1,312
28	Portable dead weight tester de wit Model: 35270-5	light weight well testing project	1	52	51
29	BR5000 series chemical injection pump	light weight well testing project	2	61	58
Total				11,768	5,357

Notes:

- (1) *There is no limit to the useful life of a primary explosive magazine (BSEN), as long as it is properly maintained and passes its annual inspection. As at the LPD, six (6) units of this equipment are in use by the Group.*
- (2) *There is no limit to the useful life of a secondary explosive magazine (BSEN), as long as it is properly maintained and passes its annual inspection. As at the LPD, seven (7) units of this equipment are in use by the Group.*
- (3) *There is no limit to the useful life of a twelve (12) feet multipurpose toolbox (BSEN), as long as it is properly maintained. As at the LPD, eight (2) units of this equipment are in use by the Group.*
- (4) *There is no limit to the useful life of an electronic detonator tester, as long as it is properly maintained and passes its annual inspection. As at the LPD, eight (8) units of this equipment are in use by the Group.*
- (5) *There is no limit to the useful life of an explosive storage magazine, as long as it is properly maintained. As at the LPD, two (2) units of this equipment are in use by the Group.*
- (6) *There is no limit to the useful life of a memory cement bond log tool (CBL), as long as it is properly maintained. As at the LPD, two (2) units of this equipment are in use by the Group.*
- (7) *There is no limit to the useful life of a portable flowmeter, as long as it is properly maintained and passes its annual calibration. As at the LPD, one (1) unit of this equipment is not in use by the Group.*
- (8) *There is no limit to the useful life of a wireline unit, as long as it is properly maintained. As at the LPD, one (1) unit of the wireline unit in use by the Group.*

As at 31 December 2019, the total purchase price and NBV of our Group's material equipment are approximately RM11.77 million and RM5.36 million respectively.

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6. BUSINESS OVERVIEW *(Cont'd)*

As at the LPD, all of the material equipment listed in the table above is in use by the Group with the exception of the following:

- (a) One (1) unit of portable flowmeter is functional but not in use;
- (b) One (1) unit of wireline unit is functional but not in use; and
- (c) One (1) set of dual compartment surge tank (SSV299) is functional but not in use.

6.20.4 Material Plans to Construct, Expand or Improve Facilities

As at the LPD, save as disclosed in Sections 3.7 and 6.22 of this Prospectus, we have no immediate plans to construct, expand or improve any of our existing facilities.

6.21 GOVERNING LAWS AND REGULATIONS INCLUDING ENVIRONMENTAL CONCERNS

Our Group's business operations are subject to the following key governing laws and regulations:

- (i) Environmental Quality Act 1974;
- (ii) Explosives Act 1957;
- (iii) Explosive Rules 1923;
- (iv) Occupational Safety and Health Act 1994;
- (v) Petroleum Development Act 1974; and
- (vi) Petroleum Regulation 1974.

As at the LPD, our Group has complied with all regulatory and environmental requirements which may materially affect our Group's operations and/or utilisation of assets. In addition, there are no environmental proceedings or investigations to which we are or might become a party to.

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6. BUSINESS OVERVIEW *(Cont'd)*

6.22 OUR BUSINESS STRATEGIES

We will continue to leverage from our core competency as providers of O&G well services and implement the following strategy to further develop our business operations and strengthen our market position:

Enhancement of Our Capability to Provide Well Testing Services

We currently provide our well testing services in collaboration with Petrotechnical, whereby Petrotechnical is responsible for providing the equipment and personnel used in well testing, and training our personnel. We will provide personnel to take part in operations and receive training on operating the equipment from Petrotechnical.

As part of our business strategy we intend to purchase one (1) set of well testing equipment to provide well testing services using our in-house equipment and resources, which will develop our business capabilities and enhance our ability to serve our customers as we will not be relying on Petrotechnical to provide the well testing equipment, hence ensuring timely execution of the service to Petronas. This is also likely to result in an increase in the profit margin from this business segment and enhance the profitability of our Group. Owning our own well testing equipment will also improve our position as a full service provider for well testing services and allow us to independently tender for well testing services jobs.

As per our agreement with Petrotechnical, we intend to continue to work together with Petrotechnical in providing well testing services after we purchase the one (1) set of well testing equipment. We plan to engage Petrotechnical to provide well testing equipment and/or personnel in the event that we secure well testing services contracts or purchase orders that we are unable to fulfil.

As at the LPD, our Group has experienced personnel and expertise for some well testing services scope of work, but we do not have experienced personnel and expertise to cover the entire scope of well testing work. As part of our agreement with Petrotechnical, our personnel are being provided training on operating well testing equipment and providing the well testing service. We can also engage external contractors to perform well testing services, as and when they are required.

The well testing equipment comprises the following:

- (a) sand filter system, to remove sand and other solid particles from the fluid that is extracted from the well;
- (b) pumps, which are used to pressurise and circulate the fluids within the well testing equipment and chemical injection pump, which is used to pump chemicals into the well during testing;
- (c) three-phase horizontal test separator, which is a pressure vessel that is designed to separate the fluid that is extracted from the well into its constituent parts, such as crude oil, natural gas, water and other materials. The test separator is also equipped with sensors to measure parameters such as the flow rate of crude oil, natural gas and other materials;
- (d) surge tanks, which is a vessel to store crude oil after separation. It is also used to measure the flow rate of crude oil;

6. BUSINESS OVERVIEW *(Cont'd)*

- (e) safety systems, comprising surface safety valves, check valves and emergency shutdown systems that are designed to shut the flow of fluids from the well in the event of an emergency, or at the instruction of the operator;
- (f) burners system, which is used to burn off the crude oil and natural gas produced during testing;
- (g) instrumentation, data acquisition and process control system, which take measurements and collect, and allow the operator to control the equipment;
- (h) dataport, which is a wireless digital pressure and temperature gauge system for data acquisition;
- (i) choke manifold with data header, where the choke manifold is a device used to reduce the pressure from the wellhead and the data header is a connection to the choke manifold to provide access to the flow stream for pressure gauge, sampling, injection and other ports;
- (j) flow lines pipes, which is the pipe that connects the wellhead to the well testing equipment;
- (k) portable cabin to house personnel, data acquisition systems and equipment; and
- (l) other equipment, including baskets, well test crossovers, O&G diverters, electric and hand driven centrifuges, and sandbox.

As at the LPD, we estimate that one (1) set of well testing equipment will cost approximately RM17.26 million as disclosed in Section 3.7 (i) of this Prospectus. The status of the planned purchase of the well testing equipment as at the LPD is as follows:

- (i) we have ordered and paid a total of RM5.71 million for the portable cabin, dataport, flow line pipes, surge tank, choke manifold with data header, safety systems, instrumentation, data acquisition and process control systems, pumps and other equipment which have been delivered to our Group;
- (ii) we have paid deposit of RM0.24 million for an order placed for air compressors, safety systems and other equipment for a total of RM1.54 million. We expect to take delivery of these equipment by June 2020; and
- (i) we have not yet placed orders for the remaining equipment.

As at the LPD, the total cost of the well testing equipment that we have yet to order is estimated at RM10.01 million. We plan to utilise a combination of internal generated fund of RM0.01 million and the proceeds from our Public Issue of RM10.0 million to finance this remaining amount of the well testing equipment that we have yet to order, the details of which are set out in Section 12.6.6 of this Prospectus.

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6. BUSINESS OVERVIEW (Cont'd)

Details of the estimated cost of the well testing equipment and the source of funding are summarised in the following table:

	Total Estimated Cost (RM'000)	Total Spent as at LPD (RM'000)	Source of Funds		
			Internally Generated Funds (RM'000)	Bank Borrowings (RM'000)	Public Issue (RM'000)
<u>Purchased and Delivered as of LPD</u>					
Portable cabin	534	534	80	454	-
Dataport	544	544	173	371	-
Flow line pipes	1,325	1,325	198	1,127	-
Surge tank	1,088	1,088	159	929	-
Choke manifold with data header	420	420	64	356	-
Safety systems	313	313	82	231	-
Instrumentation, data acquisition and process control systems	204	204	30	174	-
Pumps	655	655	90	565	-
Other equipment	623	623	94	529	-
Sub-total	5,706	5,706	970	4,736	-
<u>Order Placed as of LPD</u>					
Air compressors	1,488	224	224	1,264	-
Safety systems	24	7	24	-	-
Other equipment	28	8	28	-	-
Sub-total	1,540	239	276	1,264	-
<u>Order Not Placed as of LPD</u>					
Burner system	2,251	-	-	-	2,251
Pumps	2,905	-	-	-	2,905
Three-phase horizontal test separator	1,608	-	-	-	1,608
Safety systems	86	-	-	-	86
Sand filter system	1,082	-	-	-	1,082
Instrumentation, data acquisition and process control systems	1,984	-	-	-	1,984
Other equipment #	97	-	13	-	84
Sub-total	10,013	-	13	-	10,000
TOTAL	17,259	5,945	1,259	6,000	10,000

6. BUSINESS OVERVIEW *(Cont'd)*

Note:

Other equipment includes baskets, electric centrifuges and sandbox.

As at the LPD, COVID-19 has not had an adverse effect on our ability to execute our business strategy as our respective suppliers have not notified us of any delays in the delivery of the well testing equipment that we have ordered and paid for, and that we have ordered and not paid for, as disclosed above. In addition, COVID-19 has not materially delayed our planned timing for ordering the well testing equipment that we have yet to place order.

6.23 MATERIAL EVENTS AFTER THE DATE OF OUR MOST RECENT AUDITED COMBINED FINANCIAL STATEMENTS

Our most recent audited combined financial statements are for the FYE 2019. Material events subsequent to 31 December 2019 are as follows:

- (i) The World Health Organisation declared COVID-19 a pandemic on 11 March 2020; and
- (ii) In 2019, the average price of Brent crude oil declined to USD64.03 per barrel, compared to USD71.07 per barrel in 2018. In early 2020, Brent crude oil price became volatile and recorded average price of USD63.60, USD55.00 and USD32.98 per barrel in January, February and March respectively. Furthermore, the average Brent crude oil price dipped to USD23.34 per barrel for April 2020, the lowest average price in the past ten (10) years. The fall in crude oil price was mainly due to the COVID-19 pandemic which is expected to lead to slower global economic growth and by Russia's initial refusal to support OPEC's proposal to curtail production resulting in Saudi Arabia and some other Middle Eastern countries ramping up production output. However, during the weekend of 12 April 2020, OPEC and allies including Russia have agreed to reduce crude oil production. The average Brent crude oil price for May 2020 was USD31.02 per barrel.

(Source: IMR)

Set out below is further information on the effects of COVID-19 and the decline in the price of crude oil on our operations in Malaysia and Mauritania, which are the two (2) countries where we have business operations as at the LPD.

6.23.1 Malaysia**(i) COVID-19**

To contain the spread of COVID-19 within the country, the Government of Malaysia implemented movement restrictions via a MCO under the Prevention and Control of Infection Diseases Act 1998 and the Police Act 1967, effective from 18 March 2020 to 3 May 2020. A CMCO was then implemented from 4 May 2020 till 9 June 2020 with the relaxation of some MCO measures including allowing most economic sectors to reopen, provided specified guidelines and standard operating procedures are followed and large gatherings avoided. On 7 June 2020, the Government announced the termination of CMCO on 9 June 2020 and commencement of a RMCO from 10 June 2020 till 31 August 2020. The RMCO provides further relaxation of economic, social and travel restrictions but not international travels. The Government may implement some form of movement control in the future if the spread of COVID-19 continues, increases or recurs after restrictive measures are relaxed.

6. BUSINESS OVERVIEW (Cont'd)

As we are service providers in the O&G industry, our operations in Malaysia are classified as one (1) of the essential services under the MCO and CMCO, and we are allowed to carry out our business operations as per normal subject to implementation of standard operating procedures and observing prudent guidelines to prevent and minimise the spread of COVID-19.

The adverse effects of the MCO and CMCO on our operations in Malaysia include the following:

- During the MCO and CMCO periods, personnel at our operational facilities in Malaysia, including our head office in Kuala Lumpur, Kemaman Service Centre in Terengganu, Labuan Service Centre and Miri Office in Sarawak worked from home, whenever possible.
- Our personnel who perform work on offshore platforms are required to self-quarantine for a period of fourteen (14) days upon returning onshore. Similarly, our personnel are required to self-quarantine for a period of fourteen (14) days before they are allowed to depart to an offshore platform to perform work there. These requirements to self-quarantine have caused delays in personnel deployment to offshore platform worksites and have disrupted our business operations.
- During the MCO and CMCO periods, airlines have reduced the number of flights between destinations in Peninsular Malaysia and Sarawak, Sabah and Labuan (collectively "**East Malaysia**"), which has caused some delays in our personnel travelling between Peninsular Malaysia and East Malaysia. These delays have resulted in disruptions in our business operations. However, with the announcement of the RMCO, travels within Malaysia has been relaxed but not international travels.
- As at the LPD, two (2) of our contracts have experienced or are expected to experience some delays. If these delays push back the implementation and completion of work orders under these contracts beyond the end of FYE 2020, it would have an effect on the revenue and profit recognised during the FYE 2020. The affected contracts are as follows:

Contract	Estimated Delay	Main Reasons for Delay	Financial Implications
Petronas Carigali well perforation call out contract	2 months	<ul style="list-style-type: none"> • This delay is only for our operations in East Malaysia. • Personnel required to self-quarantine for fourteen (14) days before deploying to offshore platform and upon return from offshore platforms. • Reduction in flights between Peninsular Malaysia and East Malaysia. 	<ul style="list-style-type: none"> • Revenue recognition will be delayed. • Logistics costs are higher.
Petronas Carigali well leak repair call out contract	1 month	<ul style="list-style-type: none"> • The delay is only for our operations in East Malaysia. • Personnel required to self-quarantine for fourteen (14) days before deploying to offshore platform and upon return from offshore platform. • Reduction in flights between Peninsular Malaysia and East Malaysia. 	<ul style="list-style-type: none"> • Revenue recognition will be delayed. • Logistics costs are higher.

6. BUSINESS OVERVIEW (Cont'd)

These expected delays in implementing and completing the work orders under these contracts will result in a corresponding deferment in recognising revenue and profit that we expect from these work orders. As a result, the revenue from these two (2) contracts may be affected by at least one (1) month in the FYE 2020 and consequently, affects our financial performance for the FYE 2020.

- We have experienced some delays in receiving perforating materials from some of our suppliers due to the reduction in international flights, and the temporary suspension of work at a facility in China where some of these products are manufactured.

We have taken the following measures in Malaysia to comply with the standard operating procedures (“SOP”) during the MCO and CMCO periods:

- We have submitted a declaration to the MITI affirming our commitment to comply with the SOP;
- All employees and visitors must submit a health screening declaration form with information on, among others, their contact information, body temperature and recent travel history before they are allowed to enter our operational facilities;
- Contactless thermometers and hand sanitiser are provided at the entrance of each operational facility;
- Persons with body temperature exceeding 37.5 Celsius are not allowed to enter our operational facilities;
- All employees and visitors must wear face masks and practice social distancing while at our operational facilities;
- We have provided our employees with face masks, hand sanitiser and sanitising wipes;
- We have made changes to our working practices including encouraging working from home, allowing flexible working hours for employees who have to work at operational facilities, encouraging virtual meetings and rearranging working spaces to avoid close contact;
- Non-essential meetings and training sessions have been cancelled;
- All employees have been informed of the special working arrangements to counter COVID-19 via internal memo; and
- Our operational facilities are cleaned and sanitised regularly.

(ii) Low Crude Oil Price Environment

As at the LPD, we have not experienced any cancellation or suspension of subsisting work orders in Malaysia. However, we will be affected by low crude oil prices if we do not get any work orders from our call out contracts or we do not receive any invitation to bid under our umbrella contracts. In the event that we receive invitations to submit bids under our umbrella contracts, we may be subjected to competitive pricing that either results in us not winning jobs or if we do win jobs they may be at reduced margins.

6. BUSINESS OVERVIEW (Cont'd)

A prolonged low crude oil price environment will have a negative impact on our business and financial performances, especially if PSC operators reduce their operating and capital expenditure in response. However, in such an environment, our business is likely to be supported by the following factors:

- We expect PSC operators to carry out maintenance on their production wells to ensure flow assurance rather than drilling and completing new wells. This is expected to sustain demand for our well leak repair, perforation, testing, wireline and O&G production enhancement services.
- PSC operators are required to plug and abandon wells that are no longer in use. This will support our end-of-life well perforation and wash and cement services.
- For the FYE 2017, FYE 2018, FYE 2019 and up to the LPD, all our well service contracts are for production wells or for the plug and abandonment of wells. As low crude oil and gas prices affects the exploration and development sectors of the upstream oil and gas industry more, we are less affected.

As at the LPD, none of the subsisting umbrella contracts, call out contracts or work orders in Malaysia have been delayed, suspended, cancelled or terminated due to COVID-19 or the decrease in crude oil prices.

Nevertheless, there is no assurance that a prolonged COVID-19 pandemic and its effects, and prolonged low crude oil price environment will not adversely affect our operations and financial performance in Malaysia.

6.23.2 Mauritania

(i) COVID-19

In response to COVID-19, the Government of Mauritania closed its borders to travel into and out of the country effective from 17 March 2020. With this border closure, we are not able to rotate our personnel into and out of the country to carry out perforate, wash and cement services for PC Mauritania 1 Pty Ltd. On 29 March 2020, PC Mauritania 1 Pty Ltd made a declaration of force majeure on our call out contract to provide well perforate, wash and cement services for them in Mauritania, citing the border closure as the reason.

On 25 April 2020, PC Mauritania 1 Pty Ltd served our Group with notice to suspend the contract from 28 April 2020 until further notice. This suspension of our call out contract will adversely affect our business activities and financial performance in Mauritania. As at the LPD, we have two (2) subsisting work orders to provide services issued under the call out contract from PC Mauritania 1 Pty Ltd with total value of USD8.69 million (equivalent to approximately RM37.76 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD). As at the LPD, the suspension involved the balance of approximately 80% of the work to be done for both the two (2) subsisting work orders as approximately 20% of the work have been completed.

As part of this suspension, PC Mauritania 1 Pty Ltd agreed to pay us the following:

- Non-refundable one-time upfront payment of USD2.27 million (equivalent to approximately RM9.86 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD, being equivalent to 40.0% of the remaining value of one (1) of the subsisting work order issued under this contract). As at the LPD, we have received net upfront payment of USD2.09 million (equivalent to approximately RM9.08 million based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) from PC Mauritania 1 Pty Ltd comprising the upfront payment of USD2.27 million after deducting withholding tax of USD0.18 million ("**Mauritania Upfront Payment**"); and

6. BUSINESS OVERVIEW (Cont'd)

- A non-refundable sum of USD10,000 per month (equivalent to approximately RM43,455 per month based on the exchange rate of RM4.3455 to USD1.0000 as at the LPD) as rental payment for a warehouse and explosive bunker that we are renting in Mauritania to implement the contracts for the duration of the suspension period ("**Mauritania Monthly Rental Payments**").

We do not have to refund the Mauritania Upfront Payment or Mauritania Monthly Rental Payments to PC Mauritania 1 Pty Ltd even if the contract is terminated or cancelled.

Revenue and profit recognition will be deferred until PC Mauritania 1 Pty Ltd lifts its suspension of the contract and we can resume our work, which will not occur until the Government of Mauritania allows our personnel to travel into and out of the country. As at the LPD, we do not have any indication as to when travel restrictions will be lifted.

However, we expect the adverse effects of the suspension to be mitigated by the following factors:

- As at 31 December 2019, we had received the mobilisation fees of RM19.85 million which is to be recognised as revenue progressively against work done. As at the LPD, we have recognised RM3.51 million as revenue and the balance of RM16.35 million will be recognised progressively against the remaining work, which we expect to resume after PC Mauritania 1 Pty Ltd lifts its suspension of the contract;
- As at the LPD, we had received Mauritania Upfront Payment;
- We anticipate to receive the Mauritania Monthly Rental Payments during the suspension period;
- The Mauritania Upfront Payment that we have received and the Mauritania Monthly Rental Payments that we anticipate to receive are non-refundable even if the call out contract is cancelled or terminated;
- We do not expect PC Mauritania 1 Pty Ltd to cancel or terminate the call out contract as they are required to plug and abandon the wells by the Government of Mauritania; and
- Save for the rental of the warehouse and explosives bunker in Mauritania, we are not incurring any other material operational costs in Mauritania. Furthermore, the Mauritania Monthly Rental Payments we received from PC Mauritania 1 Pty Ltd are sufficient to cover all the rental expenses for these premises.

(ii) Low Crude Oil Price Environment

The decrease in crude oil prices did not have a material adverse effect on our operations in Mauritania as the suspension of our call out contract was in response to COVID-19.

7. INDUSTRY OVERVIEW



3 June 2020

The Board of Directors
Reservoir Link Energy Berhad
Unit 29-5, Menara 1MK
No.1, Jalan Kiara
Mont Kiara 50480
Kuala Lumpur, Malaysia

Dear Sirs and Madam

Independent Assessment of the Provision of Hydrocarbon Well Services Industry in Malaysia

We are an independent business consulting and market research company in Malaysia. We commenced our business in 1993 and, among others, our services include development of business plans incorporating financial assessments, information memorandums, commercial due diligence, feasibility and financial viability studies, and market and industry studies. We have been involved in corporate exercises since 1996, including initial public offerings and reverse takeovers for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities), acting as the independent business and market research consultants.

We have been engaged to provide an independent industry assessment on the above subject for inclusion into the prospectus of Reservoir Link Energy Berhad in relation to its proposed listing on the ACE Market of Bursa Securities. We have prepared this report in an independent and objective manner and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Our report includes assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. Note that such statements are made based on, among others, secondary information, primary market research, and after careful analysis of data and information, the industry is subjected to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results.

Yours sincerely

Wooi Tan
Managing Director

Wooi Tan has a degree in Bachelor of Science from The University of New South Wales, Australia and a degree in Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia. He is a Fellow of the Australian Marketing Institute and Institute of Managers and Leaders (formerly known as Australian Institute of Management). He has more than 20 years of experience in business consulting and market research, as well as corporate finance for initial public offering exercises for companies seeking listing on Bursa Securities.

7. INDUSTRY OVERVIEW (Cont'd)



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INDEPENDENT ASSESSMENT OF THE PROVISION OF HYDROCARBON WELL SERVICES INDUSTRY IN MALAYSIA

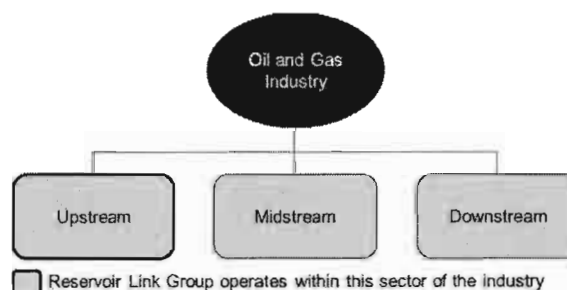
1. INTRODUCTION

- Reservoir Link Energy Berhad and its subsidiaries (Reservoir Link Group) is a supporting service provider for the upstream sector of the oil and gas (O&G) industry. It specialises in hydrocarbon well services, including well leak repair, well perforation, well testing, well perforate, wash and cement services (as part of well abandonment), wireline, and O&G production enhancement. For the financial years ended 31 December (FYE) 2016, FYE 2017 FYE 2018 and FYE 2019, at least 88% of its revenue were derived from Malaysia.
- As such, this report is on the upstream sector of the O&G industry focusing on well services in Malaysia. In this report the term hydrocarbon refers to oil and/or gas, and wells refer to oil and/or gas wells.

2. INDUSTRY OVERVIEW

2.1 Industry Structure

- The O&G industry is concerned with discovering and producing crude oil and natural gas from underground reservoirs, and processing them into products such as petrol, diesel, kerosene, liquefied natural gas (LNG) and liquefied petroleum gas (LPG) for various applications including petrochemicals like plastics and fertilisers. The O&G industry can be categorised into upstream, midstream and downstream sectors.



- The **upstream** sector is also referred to as the exploration and production of crude oil and natural gas, and encompasses activities related to identifying and producing crude oil and natural gas.
- The **midstream** sector encompasses facilities and processes that are related to transporting extracted O&G from production sites to refinery, processing and storage facilities through pipelines, and land and sea transportation.
- The **downstream** sector involves the refining of crude oil, processing of raw natural gas, manufacturing of petroleum and petrochemical products, and marketing and retailing of petroleum products to end users.
- Although Malaysia's active hydrocarbon fields are predominantly located offshore, Petronas Carigali Sdn Bhd and its partners announced in January 2013 that they had discovered crude oil and natural gas at an onshore well drilled approximately 20 kilometres from Miri, Sarawak. This was the first onshore hydrocarbon discovery in Malaysia since 1989. (Source: Petronas Carigali Sdn Bhd)

2.2 Upstream Sector

- The upstream sector of the O&G industry can be further segmented into four sub-sectors namely the exploration, appraisal, development and production sub-sectors.

Exploration

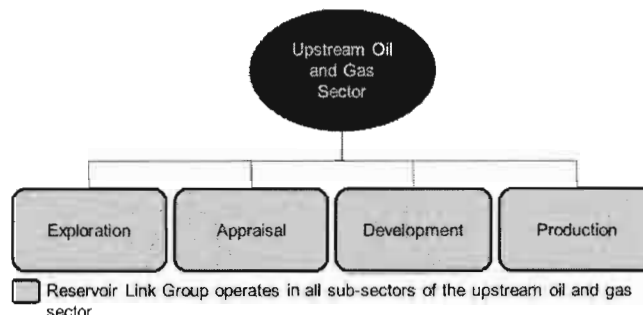
- Exploration refers to the searching of potential underground crude oil and natural gas fields either on land or under water by geological and geophysical surveys.

7. INDUSTRY OVERVIEW (Cont'd)



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- Geoscientists are trained to identify signs that may indicate the presence of hydrocarbon reservoirs and are responsible for determining the optimum place to drill. Examination of the shape of different underground layers of rock will be conducted using technologies such as aerial photography, satellite pictures and equipment that measure variations in the earth's gravity and magnetic fields.
- The underwater reservoir of O&G can be detected using seismic technology. Geoscientists record and analyse sound waves produced by an explosion or sound generator to form a picture of the subterranean rocks.
- During the exploration stage, a well would be drilled and perforated in areas thought to contain hydrocarbons. However, the survey carried out by geoscientists is subject to uncertainties and not all wells result in the discovery of hydrocarbons. Well drilling and perforation are typically done by rig contractors and other service providers.
- Reservoir Link Group provides well perforation and testing services for the exploration sub-sector of the upstream O&G Industry.



Appraisal

- The appraisal phase follows the initial discovery of a hydrocarbon reservoir. It is concerned with determining, among others, the technical viability of hydrocarbon extraction, and the economic viability of the size of the reservoir and cost of extraction.
- Commonly appraisal will require multiple wells to be drilled and subsequently perforated.
- Reservoir Link Group provides well perforation and testing services for the appraisal sub-sector of the upstream O&G Industry.

Development

- Once it is decided to extract hydrocarbon from an appraised reservoir, development activities are carried out to facilitate extraction. Development includes drilling and completing production wells, and design and construction of oil extraction systems, pipelines, storage and offloading facilities.
- With offshore O&G field developments, it is common to have a cluster of wells where the extracted hydrocarbons are then channelled to a central permanent or mobile production platform.
- Reservoir Link Group provides well perforation and testing services as part of well completion for the development sub-sector of the upstream O&G Industry.

Production

- This stage involves extracting and initial processing of the extracted hydrocarbons at the O&G fields by separating crude oil and natural gas from non-saleable components such as water, other gasses and solid residuals. The O&G are then transported to be stored, refined or for further processing.
- Wells are the key means of channelling O&G in the ground to the surface. As such, in the production phase, well services are crucial to ensure the continuous flow of O&G. Such well services include well leak repair, well testing, wireline and O&G production enhancement services. New perforations are sometimes also made to producing wells, for example when output rates decline or to access new O&G bearing formations along

7. INDUSTRY OVERVIEW (Cont'd)



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the well. The production sector also includes well abandonment, whereby the well is sealed at the end of its productive life.

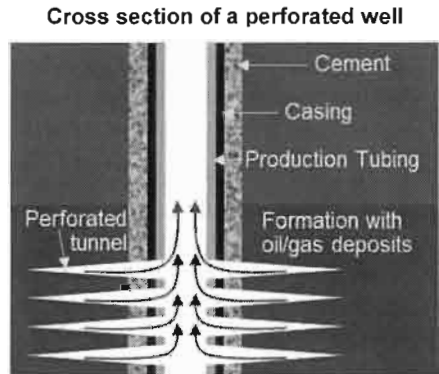
- Reservoir Link Group provides well leak repair, well perforation, well testing, perforate wash and cement (as part of well abandonment), and wireline services for the production sector of the upstream O&G Industry.

3. WELL SERVICES

- All O&G resources are trapped underground and require wells to be constructed to extract them to the surface. Reservoir Link Group provides well services in all the upstream sub-sectors of the O&G industry.

Well Construction

- The part of the ground that contains hydrocarbons is referred to as a reservoir or deposit. Crude oil and natural gas are trapped among porous or fractured rocks referred to as formation. Wells are drilled to reach these formations and connect them to the surface to produce crude oil and natural gas.
- A well is a shaft drilled to provide access to the identified crude oil and/or natural gas reserve. To prevent the walls of the wells from collapsing, they are "cased" by installing metal casings and cement at specific locations along the well. Finally, a production tubing is placed inside the casing to provide a pathway for the crude oil and natural gas to travel to the surface.
- Reservoir Link Group is not involved in well construction.



Well Perforation

- Well perforation is the process of creating a path through the well casing, production tubing and rock (known as the "perforation tunnel") to enable crude oil and natural gas to flow from the formation into the well. The underground formation's internal pressure will then normally push the crude oil and natural gas to the surface. Well perforation is a critical factor that affects the productivity and efficiency of a well.



- Perforation is achieved by detonating shaped explosive charges at specific points along the well. Shaped charges are designed so that the energy from their detonation is focused into forming a dense slug, and propelling that slug at high speed to puncture the production tubing, well casing, cement and rock. This creates the perforation tunnel for O&G to flow from the formation into the well tubing, and subsequently to the surface.
- The shaped charges are installed in a tool known as a perforating gun. A number of conveyance systems are used to lower the perforating gun into the well, including slickline, tubing conveyed perforation, electric wireline and casing conveyed perforation:
 - **Slickline perforation:** The perforating gun is connected to the surface solely through a steel cable, and cannot be monitored or controlled from the surface. The shaped charges are usually detonated automatically by a memory tool without operator intervention. The memory tool is programmed with conditions, such as pressure and wire length, that must be fulfilled before shaped charge detonation can be initiated.

7. INDUSTRY OVERVIEW (Cont'd)



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- **Tubing conveyed perforation:** The perforating guns are conveyed into the well by tubing, drill pipe or coiled tubing. This system is used in highly deviated wells such as horizontal wells, when large perforating guns are used, and to perforate long intervals at the same time.
 - **Electric wireline perforation:** The perforating gun is also connected to an electrical and sometimes fibre optic cable, which provides it with power and a means of communicating with the surface. The operator can monitor the progress and position of the perforating gun as it is lowered into the well, and detonate the shaped charges when it is at the desired location.
 - **Casing conveyed perforation:** The perforating gun is attached to the outside of the casing string and deployed when the casing string is lowered into position. The casing and perforating gun assembly are cemented into place, and the perforating gun is then fired.
- The shaped charges are detonated when the perforating gun reaches the desired location in the well. The command to detonate may be initiated by a memory tool or manually by a command initiated by an operator on the surface.
 - Well perforation is undertaken in all phases of the upstream O&G industry including exploration, appraisal, development and production. It is also required in well abandonment.
 - Reservoir Link Group provides slickline, electric wireline, coiled tubing conveyed and tubing conveyed perforation services.

Lowering/raising slickline and wireline perforation tools



Well Leak Repair

- Production wells are subject to leakages, particularly as a result of day-to-day operations. Wellbore leakage can be categorised into two distinct parts of the wellbore namely the shallow leakage and deep leakage. Poor cementing practices are the general cause of shallow leakage, while deeper leakages are normally due to stimulation and well perforation.
- Well leakage can result in lost revenue and environmental harm, and as a result, operators will seek to repair well leaks as and when they occur. Well leak repair methods include using repair chemicals, cementing, well workover and replacing well packer. Well leak repair is commonly undertaken during the production phase of the upstream O&G industry.
- Reservoir Link Group provides well leak repair services.

Well Testing

- Well testing primarily involves acquiring data from the well to broaden the understanding and knowledge of its hydrocarbon reservoir's characteristics and properties. The goal of well testing includes identifying the capacity of reservoir to produce hydrocarbons. Well testing may be performed during the exploration and appraisal, development, and production sub-sectors.
- Well testing involves a range of tests and measurements to gather data at multiple points of the well to build a comprehensive model of the well and its surrounding hydrocarbon reservoir. Some of the common tests and measurements include:
 - Measuring changes in physical parameters such as pressure and temperature that result from inducing a change in the well's fluid flow rate;
 - Collecting fluid samples from within the well and at the surface; and
 - Comparing the composition of fluid samples collected at the surface and within the well.

7. INDUSTRY OVERVIEW (Cont'd)



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- Analysing well testing data allows operators to predict well and hydrocarbon reservoir characteristics, such as the type and quantity of crude oil, natural gas and other materials that the well will produce; production rate and how long it can be sustained; the physical delineation of a reservoir, including its potential boundaries; and the well's behaviour in the future.
- Reservoir Link Group provides well testing services.

Well Abandonment

- Once a production site is no longer commercially viable, it goes through a decommissioning process to restore the site to a safe and stable environmental condition. Decommissioning comprises two main activities as follows:
 - Well abandonment, which is the permanent closure of once producing wells;
 - Upstream facilities decommissioning, which is to permanently make safe all facilities such as well head platform, central production platform, subsea tree and others.
- Well abandonment involves sealing the well when it has reached the end of its productive life. This may occur when production from the well is no longer commercially viable, the well's reservoir is depleted, or when the production sharing contract has expired.
- Well abandonment involves removing equipment that is above ground, such as wellheads, manifolds and surface risers; and providing underground services. Underground services comprise wellbore clean-up and plugging:
 - **Wellbore clean-up** involves preparing the section of wellbore for the installation of the cement plug. This involves removing any existing downhole equipment such as pipes, pumps, valves, sensors and other tools that may be present; perforating the casing and thoroughly washing the areas behind the perforated casing; and removing any debris that may be obstructing the wellbore.
 - **Well plugging** involves installing cement plugs and heavy mud at specific locations along the well. This generally includes sections where the wellbore has been perforated; at one or more points around the middle of the well; and one final plug closer to the surface.
- Reservoir Link Group provides well abandonment services comprising perforation, wash and cement. These services are part of well bore clean-up and well plugging.

Wireline

- Wireline services involve using a cable to lower and raise equipment in a well. This is to undertake measurements or obtain information about the well and the formation surrounding the well, as well as to recover pipes and equipment. While the wireline cable is used to hold the equipment, it also allows transmission of data from the equipment back to computers in monitoring station located at the surface. An example of a measuring device is a sonic log which sends our sound waves into the formation and records the time it takes sound to travel through a formation and reflected back, which would provide important information about the formation. Such information is then relayed via the wireline to a computer on the surface.
- There are two types of cables used in wireline services, namely electric wireline and slickline. Electric wireline uses an electric and communications cable to power the equipment and to facilitate data communications between the equipment inside the well and an operator. A slickline is similar to an electric wireline cable except it does not provide power or facilitate data communications.
- Reservoir Link Group provides wireline services using electric wireline and slickline cables.

7. INDUSTRY OVERVIEW (Cont'd)



O&G Production Enhancement

- O&G production enhancement services serve to increase the rate and/or quantity of O&G produced from a reservoir. Reservoir Link Group supplies improved oil recovery (IOR) chemicals and sand management solutions under this service.

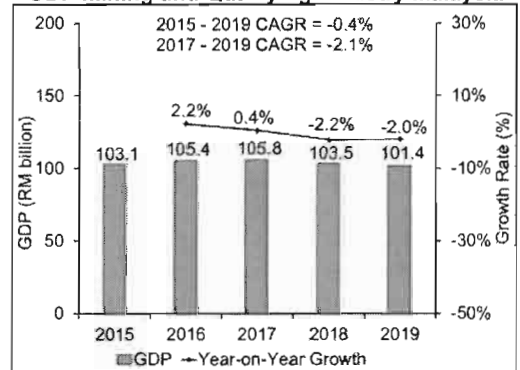
4. OIL AND GAS INDUSTRY PERFORMANCE

- Service providers to the O&G industry are dependent on the industry's performance. In particular, growth in production and increase in capital investments in exploration and development will benefit service providers focusing on the upstream sector of the O&G industry.

4.1 GDP of Mining and Quarrying Industry

- The O&G industry, which is a component within the larger mining and quarrying industry of Malaysia. Crude oil and condensates, and natural gas are the main contributors of the mining and quarrying industry.
- Between 2015 and 2019 GDP of mining and quarrying industry declined at an annual average rate of 0.4%, from RM103.1 billion in 2015 to RM101.4 billion in 2019. Between 2017 and 2019, GDP of the mining and quarrying industry contracted at an average annual rate of 2.1%. The industry represented 7.1% of Malaysia's total GDP in 2019. The line graph provides an indication of the year-on-year growth of the GDP of the mining and quarrying industry.

GDP Mining and Quarrying Industry Malaysia

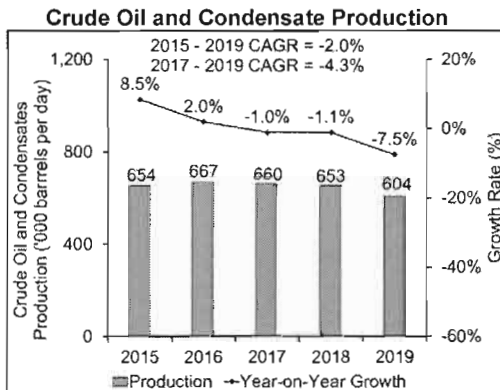


Source: Department of Statistics

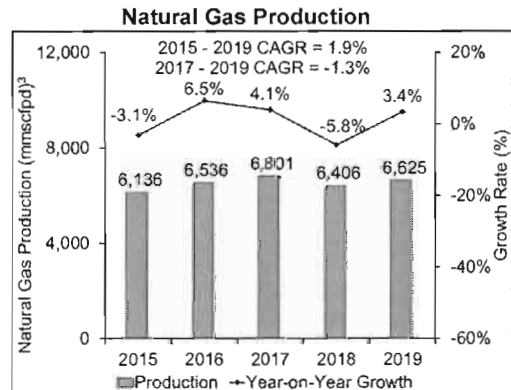
- In 2019, GDP of the industry declined at a rate of 2.0%, likely due to a decline in crude oil production as operations in several fields such as Dulang (Peninsular Malaysia), Gumusut-Kakap (Sabah) and Baronia (Sarawak) were affected by planned and unplanned maintenance shutdown. (Source: Bank Negara Malaysia)
- In first quarter (Q1) 2020, GDP of the mining and quarrying sector was recorded at RM25.3 billion, a decline of 1.9% as compared the RM25.8 billion in Q1 2019.

4.2 Crude Oil and Condensates, and Natural Gas

- As Reservoir Link Group provides well services for the production of crude oil and natural gas, the following section discusses the performance of the upstream O&G industry. Growth in production will provide business opportunities to service providers in the upstream sector including well services.



Source: Bank Negara Malaysia



Source: Bank Negara Malaysia

7. INDUSTRY OVERVIEW (Cont'd)

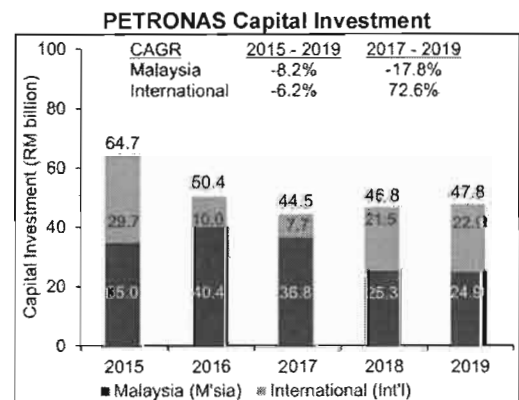


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- The production of crude oil and condensates in Malaysia declined at an average annual rate of 2.0% from 654,000 barrels in 2015 to 604,000 barrels in 2019. Between 2017 and 2019, production declined at an average annual rate of 4.3%, after experiencing a compound average growth rate (CAGR) of 0.5% between 2015 and 2017. The line graph provides an indication of the year-on-year change of the production of crude oil and condensates. In 2019 production continued to decline by 7.5%, from 653,000 barrels in 2018, due to production constraints and Petroliaam Nasional Berhad (PETRONAS) extension of voluntary crude oil supply adjustments (*Source: Bank Negara Malaysia*).
- Natural gas production in Malaysia grew at a CAGR of 1.9% from 6,136 mmscfpd³ in 2015 to 6,625 mmscfpd³ in 2019. However, between 2017 and 2019, natural gas production fell by an average annual rate of 1.3%, after increasing by a CAGR of 5.3% between 2015 and 2017. The line graph provides an indication of the year-on-year change of the production of natural gas. Natural gas production in 2019 increased by 3.4% due to recovery in production from the previous unplanned maintenance shutdowns and pipeline repairs. (*Source: Bank Negara Malaysia*).

4.3 PETRONAS Capital Investment in Malaysia

- PETRONAS is the main player in the O&G industry in Malaysia. As such, its allocation of funds will have a direct impact on the O&G industry.
- Capital investment, especially for the upstream sector of the O&G industry will benefit service providers of well services.
- PETRONAS' capital investment in Malaysia declined at an average annual rate of 8.2% between 2015 and 2019, to RM24.9 billion in 2019. In 2016, PETRONAS' total capital investments fell by 22.1% mainly attributed to the fall in global crude oil and natural gas prices starting from mid-2014 to early 2016, before recovering slightly but still far from its high in June 2014. Nevertheless, in 2016, PETRONAS' capital investment in Malaysia grew by 15.4%. Between 2017 and 2019, PETRONAS' capital investment in Malaysia fell by an average annual rate of 17.8%. In 2019, total capital invested in Malaysia continued to decline by 1.6% from RM25.3 billion in 2018 to RM24.9 billion in 2019, reflecting the lower level of activity in the industry. (*Source: PETRONAS*)



Source: PETRONAS

- In 2018 PETRONAS made capital investments in the downstream sector in Malaysia totalling RM14.2 billion, mainly to support the Pengerang Integrated Complex (PIC) project in Johor. PETRONAS made capital investments to the upstream sector in Malaysia totalling RM8.3 billion in 2018, mainly to support the Baronia Enhanced Oil Recovery Project, Balingian and Samarang Asam Paya fields. (*Source: PETRONAS*)

The drop in PETRONAS' capital investment in 2019 in Malaysia may be largely attributed to the drop in capital investment for PIC as the project was completed by end of 2019. In May 2020 Petronas announced that it planned to reduce its capital expenditure by 21% and operating expenditure by 12% compared to what it had previously budgeted for 2020. While these reductions would affect its operations in Malaysia and other countries, Petronas will strive as far as practically possible, to minimise the impact on its capital expenditure programme in Malaysia (*Source: PETRONAS*).

5. GLOBAL CRUDE OIL AND NATURAL GAS PRICES

- The performance of the hydrocarbon well services industry in Malaysia is dependent on crude oil and LNG prices. Therefore, this section will focus on the monthly fluctuations of crude oil and LNG prices from January 2013 to May 2020. The upstream sector of the O&G industry is susceptible to crude oil and natural gas prices. A sustained low crude oil and natural gas prices would discourage exploration for new fields or make production of marginal and low yielding fields commercially uneconomical. Any drop in upstream activities will affect its service providers.