



**RESERVOIR LINK ENERGY BHD**

Company No. : 201401044508 (1120690-K)

(Incorporated in Malaysia)

**Interim Financial Report  
For The Financial Period Ended  
31 March 2024  
(3rd Quarter)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 MARCH 2024 <sup>(a)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
REVENUE	30,225	44,952	142,571	118,805
COST OF SALES	(26,656)	(38,681)	(122,646)	(99,915)
<b>GROSS PROFIT</b>	<b>3,569</b>	<b>6,271</b>	<b>19,925</b>	<b>18,890</b>
OTHER INCOME	197	188	1,520	635
ADMINISTRATIVE EXPENSES	3,766	6,459	21,445	19,525
(LOSS)/PROFIT FROM OPERATION	(5,320)	(4,502)	(15,305)	(11,864)
<b>(LOSS)/PROFIT FROM OPERATION</b>	<b>(1,554)</b>	<b>1,957</b>	<b>6,140</b>	<b>7,661</b>
FINANCE COSTS	(916)	(331)	(2,348)	(1,001)
REVERSAL OF IMPAIRMENT LOSSES ON TRADE RECEIVABLES	212	-	212	(27)
FAIR VALUE LOSSES/(GAIN) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH LOSS OR PROFIT	(21)	(125)	(141)	2,250
SHARE OF RESULTS OF A JOINT VENTURE (NET OF TAX)	28	(42)	55	(66)
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>	<b>(2,251)</b>	<b>1,459</b>	<b>3,918</b>	<b>8,817</b>
INCOME TAX EXPENSES	99	(738)	(2,129)	(2,467)
<b>NET (LOSS)/PROFIT AFTER TAXATION</b>	<b>(2,152)</b>	<b>721</b>	<b>1,789</b>	<b>6,350</b>
OTHER COMPREHENSIVE INCOME				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences	(115)	-	(115)	(4)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>	<b>(2,267)</b>	<b>721</b>	<b>1,674</b>	<b>6,346</b>
<b>(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Group	(1,881)	350	(333)	4,137
Non-controlling interests	(271)	371	2,122	2,213
	<b>(2,152)</b>	<b>721</b>	<b>1,789</b>	<b>6,350</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:-</b>				
Owners of the Group	(1,979)	349	(431)	4,131
Non-controlling interests	(288)	372	2,105	2,215
	<b>(2,267)</b>	<b>721</b>	<b>1,674</b>	<b>6,346</b>
<b>(LOSS)/ EARNING PER SHARE (SEN) <sup>(c)</sup></b>				
Basic <sup>(d)</sup>	(0.61)	0.12	(0.11)	1.43
Diluted <sup>(d)</sup>	(0.49)	0.10	(0.09)	1.15

## Notes:

- (a) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial period from 1 January 2022 to 30 June 2023 and the accompanying explanatory notes are an integral part of this interim financial report.
- (b) Based on the weighted average number of ordinary shares outstanding during the financial period/ year under review.
- (c) Based on the weighted average number of ordinary shares adjusted on the assumption that the outstanding warrants are fully exercised and converted into ordinary shares.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 <sup>(a)</sup>**

	Unaudited As At 31.03.2024 RM'000	Audited As At 30.06.2023 RM'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	63,148	34,711
Investment properties	4,786	4,874
Investment in an associate	290	-
Right-of-use assets	318	404
Deferred tax assets	1,271	1,271
Joint Venture	1,215	1,160
Goodwill	13,973	13,973
	<u>85,001</u>	<u>56,393</u>
<b>CURRENT ASSETS</b>		
Inventories	7,771	9,327
Trade receivables	30,741	36,095
Other receivables, deposits and prepayments	19,369	13,497
Amount owing by related parties	1,140	-
Amount owing by joint venture	983	911
Tax recoverable	2,833	2,068
Contract Assets	42,352	28,173
Contract Cost Assets	959	959
Short-term investments	1,532	693
Fixed deposits with licensed banks	7,747	7,139
Cash and bank balances	9,809	6,071
	<u>125,236</u>	<u>104,933</u>
<b>TOTAL ASSETS</b>	<b><u>210,237</u></b>	<b><u>161,326</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	55,763	47,968
Treasury Shares	(505)	(505)
Share option reserve	452	-
Foreign exchange translation reserve	953	1,051
Retained profits	40,658	40,991
Contingent consideration	3,910	3,910
Merger deficit	(15,779)	(15,779)
	<u>85,452</u>	<u>77,636</u>
Non-controlling interests	7,937	5,832
<b>TOTAL EQUITY</b>	<b><u>93,389</u></b>	<b><u>83,468</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	27,944	9,755
Lease liabilities	1,416	169
Deferred tax liabilities	171	171
	<u>29,531</u>	<u>10,095</u>
<b>CURRENT LIABILITIES</b>		
Bank borrowings	47,854	18,793
Lease liabilities	571	241
Trade payables	33,247	41,792
Other payables and accrual	3,866	5,364
Provision for taxation	1,779	630
Contract Liabilities	-	943
	<u>87,317</u>	<u>67,763</u>
<b>TOTAL LIABILITIES</b>	<b><u>116,848</u></b>	<b><u>77,858</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>210,237</u></b>	<b><u>161,326</u></b>
<b>Net asset per share <sup>(b)</sup> (RM)</b>	<b>0.30</b>	<b>0.29</b>

*Notes:*

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial period from 1 January 2022 to 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (b) Based on the Company's issued share capital of 290,445,000 ordinary shares as at the end of the financial period .*

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**RESERVOIR LINK ENERGY BHD**

Company No. 201401044508 (1120690-K)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2024 <sup>(a)</sup>**

	Share Capital	Treasury Shares	Merger Deficit	Non-distributable Share option reserve	Non-distributable Foreign Exchange Translation Reserve	Non-distributable Contingent Consideration	Distributable Retained Profits	Attributable to owners of the Company	Non-controlling Interest	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Balance at 01.07.2023</b>	47,968	(505)	(15,779)	-	1,051	3,910	40,991	77,636	5,832	83,468
Contributions by and distribution to owners of the Company:-										
- Share options granted under ESOS	-	-	-	452	-	-	-	452	-	452
- Issuance of ordinary shares pursuant to private placement	7,795	-	-	-	-	-	-	7,795	-	7,795
Total transaction with owners	7,795	-	-	452	-	-	-	8,247	-	8,247
Profit after taxation for the financial year	-	-	-	-	-	-	(333)	(333)	2,122	1,789
Other comprehensive income for the financial period:										
Foreign exchange translation difference	-	-	-	-	(98)	-	-	(98)	(17)	(115)
<b>Balance at 31.12.2023</b>	<b>55,763</b>	<b>(505)</b>	<b>(15,779)</b>	<b>452</b>	<b>953</b>	<b>3,910</b>	<b>40,658</b>	<b>85,452</b>	<b>7,937</b>	<b>93,389</b>

*Note:*

- (a) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial period from 1 January 2022 to 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2024 <sup>(a)</sup>**

	(Unaudited)	(Audited)
	Year To Date	Year To Date
	31.03.2024	30.06.2023
	RM'000	RM'000
<b><u>Cash Flows from/(for) operating activities</u></b>		
Profit before tax	3,918	3,357
<b><u>Adjustments for:</u></b>		
Bad debts written off	-	134
Depreciation of property, plant and equipment	3,501	6,170
Depreciation of investment properties	88	175
Depreciation of right-of-use assets	198	691
Fair value loss/(gain) on short-term investments	(400)	120
Finance costs	2,348	1,996
Gain on lease modification	-	(5)
Gain on disposal of short-term investment	-	(20)
Loss/(gain) on disposal of property, plant and equipment	-	(167)
Impairment loss:		
- trade receivables	-	623
- contract assets	-	297
Share based payment	180	-
Interest income	(217)	(256)
Property, plant and equipment written off	0	226
Reversal of allowance for impairment losses on receivable	(212)	-
Share of (profit)/ loss of joint ventures	(55)	166
Unrealised loss/(gain) on foreign exchange	565	(58)
	<b>9,914</b>	<b>13,449</b>
<b>Operating (loss)/profit before working capital changes</b>		
(Increase)/Decrease in inventories	1,556	(1,693)
(Increase)/Decrease in contract cost assets	-	(959)
(Increase)/Decrease in receivables	(12,233)	(34,539)
(Increase)/Decrease in contract assets	-	(24,737)
Increase/(Decrease) in payables	(12,960)	35,581
Increase/(Decrease) in related parties	(1,143)	3,262
(Increase)/Decrease in amount owing by joint ventures	(69)	(911)
	<b>(14,934)</b>	<b>(10,547)</b>
<b>Cash (for)/from operations</b>		
Interest paid	(2,348)	(1,996)
Income tax paid	(1,744)	(4,875)
Income tax refunded	-	775
	<b>(19,026)</b>	<b>(16,642)</b>
<b>Net cash (for)/from operating activities</b>		

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 MARCH 2024 <sup>(a)</sup>**

	(Unaudited)	(Audited)
	Year To Date	Year To Date
	31.03.2024	30.06.2023
	RM'000	RM'000
<b>Cash flows from/(for) investing activities</b>		
Acquisition of joint ventures	(290)	(1,326)
Interest income received	217	256
Purchase of property, plant and equipment	(32,265)	(15,147)
Proceeds from disposal of property, plant and equipment	-	3,661
(Increase)/Decrease in short-term investments	607	4,237
(Increase)/Decrease in pledged fixed deposits with licensed banks	(608)	(3,509)
<b>Net cash (for)/from investing activities</b>	<b>(32,339)</b>	<b>(11,828)</b>
<b>Cash flows from/(for) financing activities</b>		
Acquisition of non-controlling interests	-	496
Net drawdown/(repayment) of borrowings	46,398	17,106
Net proceeds from issuance of ordinary shares	7,795	-
Purchase of treasury shares	-	(505)
Repayment of lease liabilities	(382)	(706)
<b>Net cash from/(for) financing activities</b>	<b>53,811</b>	<b>16,391</b>
Net decrease in cash and cash equivalents	2,446	(12,079)
Cash and cash equivalents at beginning of the financial period	1,611	13,491
Effect of foreign exchange translation	(111)	199
Cash and cash equivalents at end of the financial period	3,946	1,611
<b>Cash and cash equivalents comprise the followings:</b>		
Fixed deposits with licensed banks	7,747	3,630
Cash and bank balances	9,809	6,071
Cash and cash equivalents as reported in the Statement of Financial Position	17,557	9,701
Less: Fixed deposits with licensed banks more than 3 months	(7,747)	(3,630)
Less: Bank overdrafts	(5,864)	(4,460)
	3,946	1,611

Note:

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial period from 1 January 2022 to 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.



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

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

The Interim Financial Report should be read in conjunction with the audited financial statements of the Company for the financial period from 1 January 2022 to 30 June 2023 and the accompanying notes attached to this Interim Financial Report.

**A2. Significant Accounting Policies**

The significant accounting policies adopted in the preparation of this Interim Financial Report are consistent with those adopted in the audited financial statements of the Group for the financial period from 1 January 2022 to 30 June 2023, except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact on the Group’s financial statements for the current financial year.

- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 108 Definition of Accounting Estimates
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

- i. Financial year beginning on or after 1 January 2024:**
  - Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current
  - Amendments to MFRS 101 Disclosure of Accounting Policies
  - Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
  - Amendments to MFRS 107 Statement of Cash Flows
  - Amendments to MFRS 7 Financial Instruments : Disclosures
- ii. Financial year beginning on or after 1 January 2025:**
  - Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates
- iii. Effective date yet to be determined:**
  - Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**A3. Auditors’ Report**

The audited financial statements of the Group for the financial period ended 30 June 2023 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

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

**A5. Material Unusual Items**

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

**A6. Material Changes in Estimates**

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

**A7. Debt and Equity Securities**

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

**A8. Dividend**

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

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**A9. Segmental Reporting**

The Group's segment information for the current quarter financial period ended 31 March 2024 is as follows:

Operating Segment	Investment holding	Oil and gas related activities	Renewable energy related and other activities	Consolidation adjustments	The Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	880	16,005	16,365	(3,025)	30,225
Consolidated revenue					<b>30,225</b>
Segment Results	(454)	691	(1,003)	(788)	(1,554)
Finance costs	(27)	(502)	(729)	342	(916)
Fair Value Losses On Financial Assets At Fair Value Through Profit Or Loss	(21)				(21)
Reversal Of Impairment Losses On Trade Receivables		212			212
Share of profit of equity-accounted joint ventures				28	28
Consolidated profit before taxation					<b>(2,251)</b>

The Group's segment information for the current quarter financial period ended 31 March 2023 is as follows:

Operating Segment	Investment holding	Oil and gas related activities	Renewable energy related and other activities	Consolidation adjustments	The Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	752	16,019	30,875	(2,694)	44,952
Consolidated revenue					<b>44,952</b>
Segment Results	(519)	1,768	951	(243)	1,957
Finance costs	(20)	(208)	(344)	241	(331)
Fair Value Losses On Financial Assets At Fair Value Through Profit Or Loss	(125)				(125)
Share of profit of equity-accounted joint ventures				(42)	(42)
Consolidated profit before taxation					<b>1,459</b>

**RESERVOIR LINK ENERGY BHD**

Company No. 201401044508 (1120690-K)  
(Incorporated in Malaysia)

The Group's segment information for the current financial year-to-date period ended 31 March 2024 is as follows:

Operating Segment	Investment holding	Oil and gas related activities	Renewable energy related and other activities	Consolidation adjustments	The Group
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	2,617	54,758	94,653	(9,457)	142,571
Consolidated revenue					<b>142,571</b>
Segment Results	(1,718)	5,066	4,901	(2,109)	6,140
Finance costs	(47)	(1,349)	(1,937)	985	(2,348)
Fair Value Losses On Financial Assets At Fair Value Through Profit Or Loss	(141)				(141)
Reversal Of Impairment Losses On Trade Receivables		212			212
Share of profit of equity-accounted joint ventures				55	55
Consolidated profit before taxation					<b>3,918</b>

The Group's segment information for the current financial year-to-date period ended 31 March 2023 is as follows:

Operating Segment	Investment holding	Oil and gas related activities	Renewable energy related and other activities	Consolidation adjustments	The Group
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	2,312	39,307	82,907	(5,721)	118,805
Consolidated revenue					<b>118,805</b>
Segment Results	(1,431)	5,123	5,775	(1,806)	7,661
Finance costs	(47)	(878)	(750)	674	(1,001)
Reversal Of Impairment Losses On Trade Receivables			(27)		(27)
Fair Value Losses On Financial Assets At Fair Value Through Profit Or Loss	2,250				2,250
Share of profit of equity-accounted joint ventures				(66)	(66)
Consolidated profit before taxation					<b>8,817</b>

**(I) Assets as at 31 March 2024 and 2023**

Segment Assets	As at 31/03/2024 RM'000	As at 31/03/2023 RM'000
Investment holding	55,210	52,007
Oil and gas related and others activities	92,504	84,458
Renewable energy related and others activities	145,040	58,992
Consolidation adjustments	(85,005)	(45,180)
Segment assets	207,749	150,277
Joint venture	2,198	2,053
Associate	290	-
<b>Total assets</b>	<b>210,237</b>	<b>152,330</b>

**(II) Liabilities as at 31 December 2024 and 2023**

Segment Liabilities	As at 31/03/2024 RM'000	As at 31/03/2023 RM'000
Investment holding	1,925	3,298
Oil and gas related and others activities	37,685	34,303
Renewable energy related and others activities	131,952	51,508
Consolidation adjustments	(54,714)	(17,618)
Segment liabilities	116,848	71,491
<b>Total liabilities</b>	<b>116,848</b>	<b>71,491</b>

**A10. Significant Related Party Transactions**

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

**A11. Capital Commitments**

	(Unaudited) As at 31.03.2024 RM'000	(Unaudited) As at 31.03.2023 RM'000
<b>Approved and contracted for:</b>		
Purchase of equipment	28	485
Purchase of solar PV assets	2,475	1,037
Construction of water treatment plant	7,743	-
<b>Approved but not contracted for:</b>		
Purchase of equipment	-	-

**A12. Contingent Assets and Liabilities**

The Group's contingent liabilities were as follow:

	(Unaudited) As at 31.03.2024 RM'000	(Unaudited) As at 31.03.2023 RM'000
Bank guarantee for performance	11,132	11,380
Bank guarantee for tenancy agreement	86	86
	<b>11,218</b>	<b>11,466</b>

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

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

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

- (i) As announced on 31 January 2023, the Company wholly-owned subsidiary, Skyline Energy Sdn Bhd (“**SESB**”) entered into a Term Sheet (“**TS**”) for the acquisition of 90% equity interest in PT Eco Power Engineering (“**EPE**”), a company incorporated in Indonesia. The completion of the proposed acquisition is subject to various conditions precedent. For further details please refer to the announcement.
- (ii) As announced on 3 October 2023, the Company 51% owned subsidiary, Founder Group Limited (“**FGL**”) is considering to list on the NASDAQ Stock Exchange (“**Proposed Listing of Subsidiary**”).
- (iii) As announced on 14 November 2023, the Company wholly owned subsidiary, Reservoir Link Renewable Sdn Bhd (“**RLR**”) entered into a share sale agreement (“**SSA**”) with SAG Green Tech Sdn Bhd (“**SGT**”) for the proposed acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn Bhd (“**SAGR**”), for a total purchase consideration of RM10,500,000, comprising RM4,500,000 for the Sale Shares and RM6,000,000 for the corporate guarantee to be provided upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA. For further details please refer to the announcement.

As announced on 30 January 2024, RLR agreed to extend the date of expiry of the Extended Cut-Off Date from 30 January 2024 to 29 February 2024.

As announced on 11 March 2024, the proposed acquisition has been completed on 8 March 2024.

- (iv) As announced on 22 December 2023, and reference is made to note (v) above, the Company announced the details of the proposed initial public offering of new ordinary shares in FGL on the Nasdaq Capital Market of the Nasdaq Stock Exchange. For further details please refer to the announcement.
- (v) As announced on 25 March 2024, the Company wholly owned subsidiary, Reservoir Link Renewable Sdn Bhd (“**RLR**”) entered into a Shareholders’ Agreement (“**SA**”) with Sumitomo Corporation (“**SC**”), MAQO Engineering Sdn Bhd (“**MESB**”) and SRM Utama Selambau Sdn Bhd (“**SUS**” or “**Company**”) to undertake to develop, implement, own and operate a 29.99MWac groundmounted solar photovoltaic project in Kedah, Malaysia (“**Project**”).

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

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

**A15. Fair Value of Financial Liabilities**

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

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

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

	(Unaudited) Current Quarter 31.03.2024 RM'000	(Unaudited) Correspondence Quarter 31.03.2023 RM'000	Variance RM'000	Variance %
Revenue	30,225	44,952	(14,727)	(33%)
(Loss)/ Profit before taxation (“LBT”/ “PBT”)	(2,251)	1,459	(3,710)	>(100%)

For the current financial quarter ended 31 March 2024, the Group registered revenue of RM30.2 million. The Group revenue decreased by RM14.7 million or 33% as compared to previous year corresponding quarter ended 31 March 2023.

The decreased in group revenue was mainly due to the decline in revenue from both renewable energy segment and oil and gas segment by RM14.5 million and RM0.2 million respectively. In line with decreased in revenue and higher administrative expenses and finance charges, LBT increased by RM3.7 million in CQ.

(b) CQ vs Previous Quarter (“PQ”).

	(Unaudited) Current Quarter 31.03.2024 RM'000	(Unaudited) Previous Quarter 31.12.2023 RM'000	Variance RM'000	Variance %
Revenue	30,225	44,659	(14,434)	(32%)
LBT/PBT	(2,251)	2,361	(4,612)	>(100%)

The Group revenue for the CQ decreased by RM14.4 million or 32% as compared to the PQ. The decline in revenue from renewable energy segment by RM13.0 million and from Oil & Gas segment by RM1.4 million respectively in CQ.

In line with decreased in revenue, the Group’s PBT deteriorated by RM4.6 million in CQ. It should be noted that, the other income derived from Liquefied Natural Gas for the amount of RM1 million was recorded in PQ.



**(c) Current Year-To-Date (CYTD) vs Corresponding Previous Year-To-Date (PYTD)**

	<b>(Unaudited) Cumulative Quarter 31.03.2024 RM'000</b>	<b>(Unaudited) Correspondence Quarter 31.03.2023 RM'000</b>	<b>Variance RM'000</b>	<b>Variance %</b>
Revenue	142,571	118,805	23,766	20%
Profit before taxation (“PBT”)	3,918	8,817	(4,899)	(56%)

The Group revenue for the CYTD increased by RM23.8 million or 20% as compared to the PYTD. The increased in group revenue was mainly due to the improve in revenue from both renewable energy segment and oil and gas segment by RM11.5 million and RM12.3 million respectively. However, PBT decreased by RM4.9 million or 56% mainly due to higher administrative expenses and finance charges in CYTD. It should be noted that, the fair value gain on other investment of RM2.3 million was recorded in PYTD.

**B2. Commentary on Prospects**

The uncertainty in the energy market will continue and this necessitates industry players to be agile in responding to the changing in the energy landscape and embrace innovation as well as new solutions toward a lower-carbon future.

Petroleum Nasional Bhd (Petronas) has released its 2024-2026 Activity Outlook, outlining forecasted activities which call for greater collaboration with the oil and gas service and equipment (OGSE) providers to ensure energy demand is met while ramping up its clean energy initiatives. Within the next three years, the national oil firm is committed to its long-term target of sustaining and growing Malaysia’s oil and gas production in anticipation of opening opportunities for the OGSE providers across exploration, development, production, and decommissioning activities. The decommissioning activities involving plugging and abandonment of about 130 wells and the abandonment of about 50 facilities over the next 3 years to restore the area to a safe and environmentally stable condition, while disused assets will be assessed for potential reuse or repurposing given a positive outlook on Oil & Gas activity for the Group in 2024 and onwards.

The Malaysia Renewable Energy Roadmap (MyRER), the government has set an ambitious target of renewable energy providing 31 percent (13 gigawatts) of the nation’s energy needs by 2025 and 40 percent (18 gigawatts) by 2035. The Government has further committed to increase RE capacity to 70% in 2050, to be in line with the national climate aspiration of achieving net zero GHG earliest by 2050.

The Malaysia National Energy Transition Roadmap (“NETR”) was introduced in July 2023, which further outlines the strategic direction for the country’s shift towards sustainable energy. The NETR builds upon the foundations laid by the MyRER and NEP 2040, focusing on renewable energy sources, energy efficiency, and carbon emissions reduction. It also spells out plans for the integration of smart grids and the adoption of electric vehicles, aiming to reduce Malaysia’s carbon footprint significantly by 2030.

On 7<sup>th</sup> August 2023, Consortium of Reservoir Link Renewable Sdn Bhd, Sumitomo Corporation and Maqo Engineering Sdn Bhd has been selected as a solar power producer by the Energy Commission under the Corporate Green Power Programme (“CGPP”). We foresee that there will be more activities coming from the renewable energy space over the coming years to reinforce the nation’s strategic focus on sustainable energy.

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Malaysia’s Energy Commission has kicked off the second quarter of 2024 with an announcement that Malaysia’s fifth Large Scale Solar competitive bidding process is open. Known as ‘LSS-Peralihan Tenaga SuRia’ or ‘LSS PETRA’, this round of competitive bidding process sees a total capacity of 2,000MW being offered – more than double of the capacity that was offered under the previous round of the Large Scale Solar competitive bidding process.

The Group 51% owned subsidiary, Founder Group Limited (“FGL”) is considering to list on the NASDAQ stock exchange which represents a strategic step for FGL, will offer enhanced financial flexibility through a new fundraising platform to accelerate the expansion and growth trajectory of its solar renewable business. By leveraging on the NASDAQ stock exchange, FGL will also be able to improve its corporate image and visibility to penetrate into a wider market thereby broadening both the existing client and investor base.

The Group continue to actively participate in tenders for oil and gas and renewal energy projects. In addition, the Group will implement its business strategies cautiously to sustain its growth in order to deliver a satisfactory performance in the financial year 2024.

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**B3. Profit Forecast**

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

**B4. Income Tax Expenses**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current Quarter Ended	Corresponding Quarter Ended	Current Year To Date	Corresponding Year To Date
	3 months	3 months	9 months	9 months
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Income tax	(157)	428	1,631	2,055
Deferred tax	58	310	498	412
	(99)	738	2,129	2,467
Effective tax rate (“ETR”) <sup>(a)</sup>	-	50.6%	54.3%	28.0%

Notes:

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

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**B5. Status of Corporate Proposals****(1) Proposed Acquisition**

- (i) As announced on 31 January 2023, the Company wholly-owned subsidiary, Skyline Energy Sdn Bhd (“**SESB**”) entered into a Term Sheet (“**TS**”) for the acquisition of 90% equity interest in PT Eco Power Engineering (“**EPE**”), a company incorporated in Indonesia. The completion of the proposed acquisition is subject to various conditions precedent. For further details please refer to the announcement.
- (ii) As announced on 14 November 2023, the Company wholly owned subsidiary, Reservoir Link Renewable Sdn Bhd (“**RLR**”) entered into a share sale agreement (“**SSA**”) with SAG Green Tech Sdn Bhd (“**SGT**”) for the proposed acquisition of 1,000,000 ordinary shares representing 100% equity interest in SAG Renewables Sdn Bhd (“**SAGR**”), for a total purchase consideration of RM10,500,000, comprising RM4,500,000 for the Sale Shares and RM6,000,000 for the corporate guarantee to be provided upon the successful transfer of the Sale Shares from SGT to RLR in accordance with the terms of the SSA. For further details please refer to the announcement.

As announced on 30 January 2024, RLR agreed to extend the date of expiry of the Extended Cut-Off Date from 30 January 2024 to 29 February 2024.

As announced on 11 March 2024, the proposed acquisition has been completed on 8 March 2024.

**(2) Proposed Diversification**

As announced on 25 May 2023, the Company 85% owned subsidiary, PT Envirotech Akva Indonesia (“**PTEAI**”) entered into a conditional agreement with PT Unilever Oleochemical Indonesia (“**PTUOI**”) in relation to the construction, commissioning and operations of a dedicated Plant at PTUOI’s facility in Sei Mangkei, North Sumatra, under a “build, own, operate and maintain” (“**BOOM**”) model and its integration with existing assets of PTUOI. This exercise has been completed on 3 May 2023.

**(3) Proposed Private Placement**

As announced on 25 May 2023, the Company proposed private placement of up to 86,713,500 new ordinary shares in RLEB, representing not more than 30% of the total number of issued shares of the Company.

As announced on 2 August 2023, RLEB has completed the first tranche of the Private Placement following the listing of and quotation for 11,511,000 placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

As announced on 29 September 2023, RLEB has completed the second tranche of the Private Placement following the listing and quotation for 14,867,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

As announced on 9 November 2023, RLEB has obtained the approval from Bursa Securities for the extension of time up to 7 May 2024 to complete the Private Placement.

As announced on 18 April 2024, RLEB has obtained the approval from Bursa Securities for the extension of time up to 7 November 2024 to complete the Private Placement.

**(4) Proposed Employees' Share Option Scheme**

As announced on 26 May 2023, the Company offer and grant option under Employees' Share Option Scheme ("ESOS") to the eligible persons. The ESOS was granted on 3 August 2023 and the number of shares accepted are 4,934,700 options at the Exercise Price of RM0.2756 per unit.

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

The gross proceeds raised from the Private Placement of RM25.1 million are intended to be utilised in the following manner:

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation up to 31 March 2024 RM'000	Balance Unutilised RM'000	Estimated Timeframe for Utilisation
1	Development cost for the wastewater treatment plant	10,000	6,766*	3,234	Within 12 months
2	Renewable Energy projects	14,000	-	14,000	Within 24 months
3	Working capital	807	807	-	Within 12 months
4	Estimated expenses for the Proposals	340	340	-	Immediate
		<b>25,147</b>	<b>7,913</b>	<b>17,234</b>	

As at the reporting date, we have place out shares in the following tranches:

- (i) On 2 August 2023, we have place out first tranche of 11,511,000 units of shares for RM3.4 million.
- (ii) On 25 September 2023, we have place out second tranche of 14,867,000 units of shares for RM4.5 million.

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the circular dated 25 May 2023.
- (2) \*The balance of proceeds from tranche 1 and 2 total RM6.8 million has been fully utilised for the development cost for the wastewater treatment plant.

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**B7. Bank Borrowings**

	Unaudited	
	As at 31.03.2024 RM'000	As at 30.06.2023 RM'000
<b><u>Secured</u></b>		
Current liabilities:		
Bankers' acceptances	12,190	983
Bank overdrafts	5,864	4,460
Credit card	51	
Factoring payables	4,077	3,239
Invoice financing	15,168	5,435
Revolving Credit	2,326	2,928
Share margin financing	1,050	5
Term loans	7,130	1,744
	47,854	18,793
Non-current liability:		
Term loans	27,944	9,755
Total	<b>75,798</b>	<b>28,548</b>

**B8. Material Litigation**

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

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

	<b>INDIVIDUAL QUARTER</b>		<b>INDIVIDUAL QUARTER</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
(Loss)/ Profit after taxation attributable to owners of the Company (RM'000)	(1,881)	350	(333)	4,137
Weighted average number of ordinary shares in issue ('000)	309,240	289,641	309,240	289,641
Basic (LPS)/ EPS attributable to equity holders of the Company (sen) <sup>(a)</sup>	(0.61)	0.12	(0.11)	1.43

**(b) Diluted**

	<b>INDIVIDUAL QUARTER</b>		<b>INDIVIDUAL QUARTER</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
(Loss)/ Profit after taxation attributable to owners of the Company (RM'000)	(1,881)	350	(333)	4,137
Weighted average number of ordinary shares in issue ('000)	309,240	289,641	309,240	289,641
Number of potential shares to be issued ('000) arising from the exercise of ESOS and warrants.	71,250	71,250	71,250	71,250
Diluted (LPS)/ EPS (sen) (b)	(0.49)	0.10	(0.09)	1.15

*Notes:*

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

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**B10. Profit Before Tax**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
	3 months ended		9 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit before tax is arrived at after charging/(crediting):</b>				
Auditors' remuneration				
- under provision in prior year	35	-	35	-
- current year	7	-	39	22
Bad debts written off	-	134	-	134
Depreciation of property, plant and equipment	1,285	1,000	3,501	3,102
Depreciation of investment properties	29	29	88	88
Depreciation of right-of-use assets	61	57	198	350
Interest expenses	916	331	2,348	1,000
Interest income	18	(66)	(217)	(123)
Impairment losses on trade receivables	-	-	-	27
Reversal of impairment losses on trade receivables	(212)	-	(212)	-
Property, plant & equipment written off	-	39	-	96
Realised loss on foreign exchange	232	211	387	16
Short term lease expenses	688	6	2,255	(118)
Rental income	(40)	(67)	(120)	(201)
Unrealised loss/(gain) on foreign exchange	13	(33)	565	166

**B11. Derivative Financial Instruments**

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

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