United Asiapac Energy Berhad (UNIPAC)

Homegrown Well Intervention Specialist

- **United Asiapac Energy Berhad is a homegrown upstream oilfield services provider specialising in well intervention solutions for the oil and gas industry, principally involved in the provision of specialised equipment and skilled technical manpower for (i) fishing services to retrieve stuck or lost downhole equipment, (ii) Plug & Abandonment (P&A) services to permanently or temporarily seal hydrocarbon wells, and (iii) sidetracking and section milling services to initiate new well paths, complemented by its owned fleet of API-certified downhole tools, strategic supply bases in Kemaman and Labuan, and dual PETRONAS SWEC and PETROS PLWC regulatory licenses.**
- **We project core PATMI to expand at a three-year CAGR of 40.5% to reach RM14.6m, RM16.5m, and RM19.7m respectively. This growth is underpinned by (i) sustained PETRONAS upstream CapEx and mandatory P&A well decommissioning, (ii) structural margin expansion driven by tool ownership, and (iii) East Malaysia expansion alongside new high value e-line, slickline, and wireline recovery solutions.**
- **We assign a fair value of RM0.40 per share for UNIPAC, indicating a 13.1% upside from the IPO price of RM0.35. Our valuation is derived by ascribing a target P/E multiple of 12.0x to mid-FY28f EPS of 3.30 sen.**

Investment highlights

Direct beneficiary of PETRONAS' sustained upstream CapEx expansion. UNIPAC is strategically anchored to capture PETRONAS's aggressive domestic capital allocation. In FY25, PETRONAS deployed RM25.1bn in domestic CapEx, of which RM9.6bn was injected directly into upstream exploration, development, and well maintenance. With PETRONAS Carigali generating 73.6% of Group revenue in FPE26, UNIPAC stands as a primary beneficiary of PETRONAS's commitment to execute approximately 367 annual facility-improvement initiatives through 2025–2027 to sustain domestic energy security.

Fortified regulatory moat and dual licensing across all basins. Entering the domestic well intervention market requires stringent technical qualifications, proven safety track records, and capital-intensive tool fleets rather than simple administrative registration. UNIPAC commands an important regulatory moat as one of the few service providers holding dual-regulator credentials covering all three Malaysian hydrocarbon regions. This group is backed by 8 active Standardised Work and Equipment Categories (SWEC) codes issued by Petroliam Nasional Berhad (PETRONAS) across Peninsular Malaysia, Sabah, and Sarawak, alongside 7 active PETROS License and Work Category (PLWC) codes issued by Petroleum Sarawak Berhad (PETROS) for Sarawak's exclusive jurisdiction. Furthermore, the Group's 30%-owned joint venture, Asiapac Sabah, strategically positions UNIPAC to capture upcoming workover and well abandonment campaigns across East Malaysia.

Defensive, non-discretionary demand driven by structural decommissioning. Unlike conventional drilling services that fluctuate with short-term crude oil price swings, UNIPAC's core service lines are governed by non-discretionary operational and regulatory imperatives. Demand for downhole retrieval arises the moment a well is spudded and recurs continuously throughout its active lifecycle to resolve mechanical failures and clear obstructions. Concurrently, under PETRONAS technical standards and the Environmental Quality Act 1974, operators are legally obligated to permanently seal spent wells to prevent methane emissions and fluid migration. The PETRONAS Activity Outlook 2026–2028 explicitly mandates the P&A of 293 wells and the

IPO Note – Not rated

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Non-Rated

Share price	**RM0.35**
Target price	**RM0.40**
Previous TP	**-**
Capital upside	13.1%
Dividend return	-
Total return	13.1%

Company profile

United Asiapac Energy Berhad provides upstream well intervention solutions in Malaysia, specialising in fishing, Plug and Abandonment (P&A), and sidetracking services. The Group traces its operating history to Asiapac Oil & Gas Sdn Bhd, incorporated in 2013, and operates from supply bases in Kemaman and Labuan under PETRONAS and PETROS licences.

Stock information

Bursa Code	0468
Bloomberg ticker	UNIPAC MK
Listing market	ACE
Share issued (m)	550.0
Market Cap (m)	192.5
Shariah compliant	Yes
MITI allocation	No

Major shareholders	**%**
Asiapac Holdings Sdn Bhd	74.7
Malaysian Public	5.0
Selected Investors	20.3

Earnings snapshot

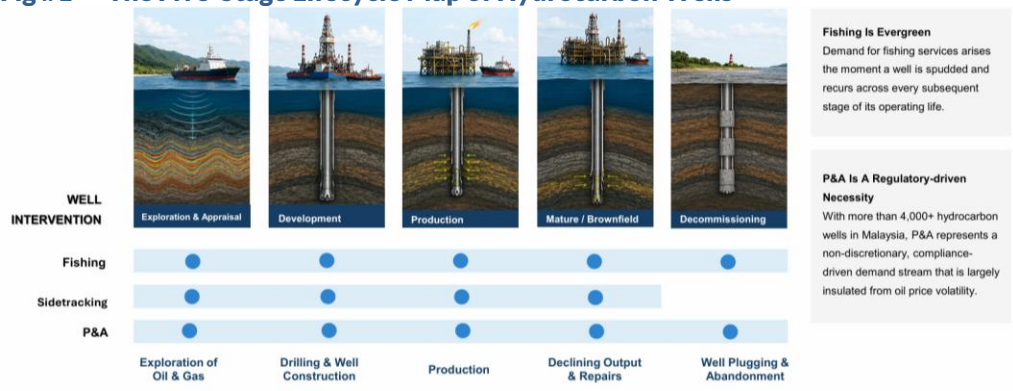
FYE (May)	FY25	FY26f	FY27f
PATMI (m)	7.1	14.6	16.5
EPS (sen)	1.3	2.7	3.0
P/E (x)	27.1	13.2	11.6

Timetable of IPO

Opening of application	28 July
Closing of application	5 August
Balloting of application	10 August
Allotment of the IPO shares	17 August
Listing on the ACE market	19 August

decommissioning of 44 offshore facilities, creating a multi-year, non-deferrable revenue pool.

Fig #1 The Five-Stage Lifecycle Map of Hydrocarbon Wells



Source: United Asiapac Energy Berhad

Strategic asset ownership model unleashes industry-leading margins. UNIPAC's financial trajectory exemplifies the power of capital-efficient asset ownership. By systematically deploying capital to purchase specialized fishing and P&A tool packages rather than renting from foreign third parties, the Group eliminated third-party rental markups inside its cost of sales, driving equipment rental expenses down from 49.4% of cost of sales in FY24 to 22.8% in FPE26. Consequently, gross profit margin expanded dramatically from 24.3% in FY23 to 39.3% in FY25, reaching a record 56.2% in FPE26. The Group is allocating 47.7% of its IPO proceeds (RM23.3m) to acquire 33 new intervention tools, including an in-house break-out unit in Kemaman, 8 fishing-jar sets, 6 fishing-tool sets, and 6 P&A-tool sets, which will expand simultaneous job execution capacity and further reinforce its margin moat.

Company background

United Asiapac Energy Berhad (UNIPAC) is an investment holding company principally involved in the provision of well intervention solutions for Malaysia's upstream oil and gas sector, specializing in fishing, Plug and Abandonment (P&A), sidetracking, and related downhole services. Seeking a listing on the ACE Market of Bursa Malaysia Securities Berhad, the Group traces its corporate history to the incorporation of its operating subsidiary, Asiapac Oil & Gas Sdn Bhd, in October 2013. A key operational milestone occurred in 2020 upon securing the Pan Malaysia Contract for fishing equipment and services from PETRONAS Carigali, establishing an umbrella framework to provide call-out services to PETRONAS Carigali and major Petroleum Arrangement Contractors (PACs) across Peninsular Malaysia, Sabah, and Sarawak.

To support field execution across Malaysia's offshore basins, the Group operates twin logistical supply bases in Labuan (established February 2021) and Kemaman, Terengganu (established March 2021). Positioned at primary offshore supply hubs, these facilities serve as central points for tool maintenance, assembly, testing, and mobilization of technical personnel. The Group's operational footprint is further supported by its corporate head office in Kuala Lumpur alongside regional management offices in Kuching, Sarawak, and Kota Kinabalu, Sabah.

The Group operates primarily on a call-out framework structure, pairing specialized downhole tool rentals with field execution provided by its technical well intervention specialists. The Group's business model is backed by regulatory licenses, including key PETRONAS Standardized Work and Equipment Categories (SWEC) codes and PETROS License and Work Categories (PLWC) registered with Petroleum Sarawak Berhad.

Through these capabilities, the Group assists national and international oil companies in restoring well integrity, clearing downhole blockages, and executing environmentally compliant well retirements

Fig #2 Corporate milestones

Year	Key Milestones & Achievements
2021	Commenced fishing and P&A service operations; secured first projects from PETRONAS Carigali under Pan Malaysia Contract arrangement
2022	Expanded service capabilities into sidetracking services and thru-tubing operations; grew market presence in Sarawak
2023	Achieved full-year revenue of RM32.5m (FY23); delivered 24.3% GP margin; commenced tool acquisition programme to reduce rental dependency
2024	Revenue grew 36.6% YoY to RM44.4m; expanded to Labuan base to support Sabah offshore operations; PETRONAS licence renewal completed
2025	Revenue at RM36.95m (FY25); GP margin expanded to 39.31% driven by shift to tool ownership; secured PETROS licence (7 PLWC codes) for Sarawak operations
2026	FPE26 (9 months to Feb 2026): Revenue RM39.1m, GP margin 56.2%; Pan Malaysia Contract extended to October 2026; participated in 4 RFPs; filed for IPO on ACE Market

Source: United Asiapac Energy Berhad, M+ Research

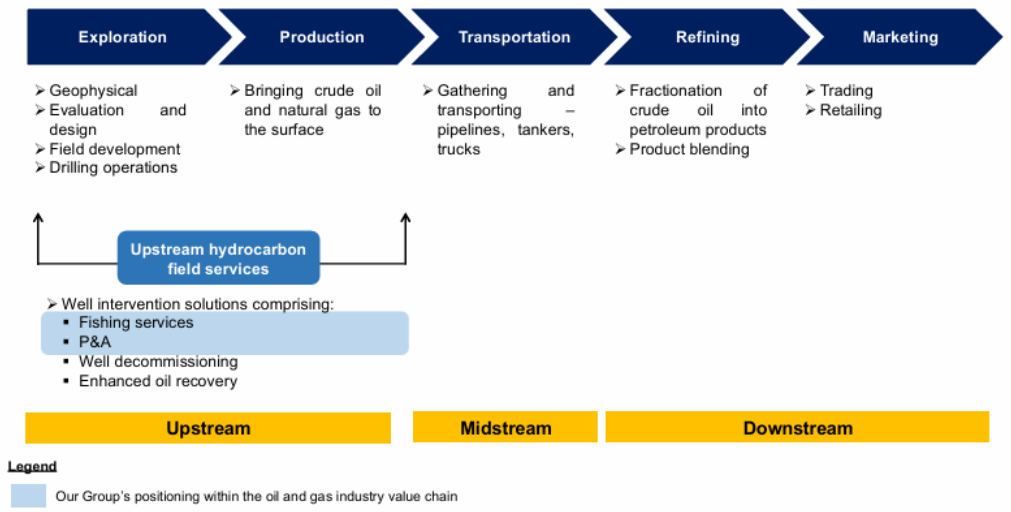
Industry overview

Malaysia's upstream well intervention market covering downhole fishing and Plug and Abandonment services is expanding rapidly from RM175.9m in 2025 to RM445.2m by 2029 at a 26.1% CAGR. As a homegrown specialist holding a 21.0% domestic market share in FY25, UNIPAC is directly positioned to capture this expansion. Upstream activity is anchored by PETRONAS's sustained domestic upstream capital expenditure allocation reaching RM9.6bn in 2025, alongside a robust pipeline of 663 contracted wells scheduled through 2028 across Peninsular Malaysia, Sarawak, and Sabah.

Market demand is further fortified by its defensive and non-discretionary nature. Downhole fishing remains an evergreen operational requirement to resolve unexpected drilling and production obstructions. Concurrently, maturing offshore basins drive legally mandated field retirements under the Environmental Quality Act 1974, requiring operators to permanently seal end of life wells. This statutory obligation creates a stable decommissioning revenue stream that is largely insulated from short term crude oil price fluctuations.

Despite strong macro tailwinds, industry service providers operate within structural market constraints. High single client concentration is an industry norm under the Petroleum Development Act 1974, with PETRONAS Carigali accounting for 73.6% of UNIPAC's FPE26 revenue. Furthermore, because services are executed via call out purchase orders (POs) without guaranteed minimum work volumes, client driven drilling delays can induce quarterly revenue lumpiness. Margins also face exposure to unhedged currency fluctuations from USD sales billings against Ringgit operating costs, alongside emerging trends toward Integrated Drilling Services contract bundling by major operators.

Fig #3 Value chain that UNIPAC involved in



Source: Providence Strategic Partners Sdn Bhd, United Asiapac Energy Berhad

Substantial Shareholders and Key Management

1. Ahmad Fadzuli Bin Ali – Promoter, Substantial Shareholder and Managing Director
Responsible for overall strategic direction, business growth, and daily operations of the Group. Brings over two decades of oilfield supply chain experience, having held senior procurement roles at Shell Malaysia, Brunei Shell Petroleum, and Sarawak Shell Berhad. Holds an 80% stake in Asiapac Holdings (74.69% deemed interest post-IPO).

2. Datuk Mat Noor Bin Nawi – Promoter, Substantial Shareholder and Executive Director
Responsible for corporate governance, compliance, and legal policy oversight. Previously served in senior civil service leadership roles, including Deputy Secretary General at the Ministry of Finance and Deputy Director General at the Economic Planning Unit (EPU). Holds a 20% stake in Asiapac Holdings (74.69% deemed interest post-IPO).

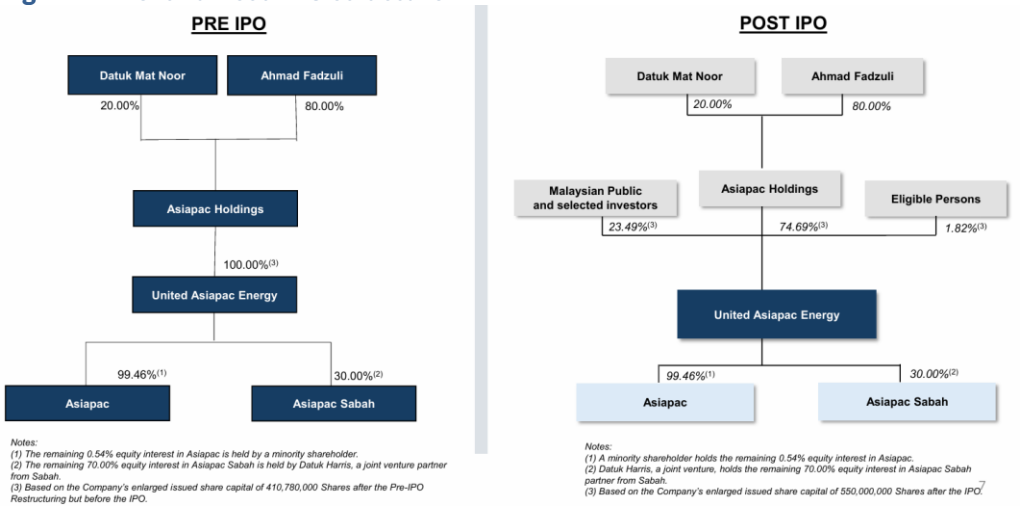
3. Ng Her Yinn – Executive Director and Chief Corporate Officer
Responsible for corporate strategy development, group administration, and organizational growth. Possesses extensive corporate strategy and business banking background from senior roles at RHB Bank, Maybank, and Standard Chartered Bank.

4. Zaleha Binti Che Mustapha – Executive Director and Chief People Officer
Responsible for human resource strategy, talent management, and external stakeholder engagement. Brings over 30 years of HR and banking experience, having held senior leadership positions at Sapura Resources Berhad, EXIM Bank, and RHB Bank.

5. Mohamad Rosdi Bin Damis – Chief Financial Officer
Oversees the Group's financial reporting, treasury, legal, risk management, and compliance functions. He is a Chartered Accountant (MIA) with financial controller experience at public listed entities, including PT Resources Holdings Berhad.

6. Edwin Siripala – Chief Operations Officer
Responsible for well intervention field execution, base facility operations (Kemaman and Labuan), and tool logistics. Brings over 40 years of international oilfield fishing experience across Weatherford, Smith International, and Baker Hughes.

Fig #4 Pre- and Post-IPO structure



Source: United Asiapac Energy Berhad

Fig #5 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Acquisition of well intervention tools and equipment	23.3	47.7	Within 36 months
Recruitment of engineers for the introduction of new well intervention solutions	2.4	4.9	Within 24 months
Acquisition of new corporate office	5.5	11.3	Within 36 months
Repayment of bank borrowings	2.8	5.8	Within 3 months
Expansion of workforce	5.3	10.8	Within 24 months
Working capital	4.5	9.3	Within 24 months
Estimated listing expenses	4.9	10.1	Within 1 month
Total	48.7	100.0	

Source: United Asiapac Energy Berhad

Business overview

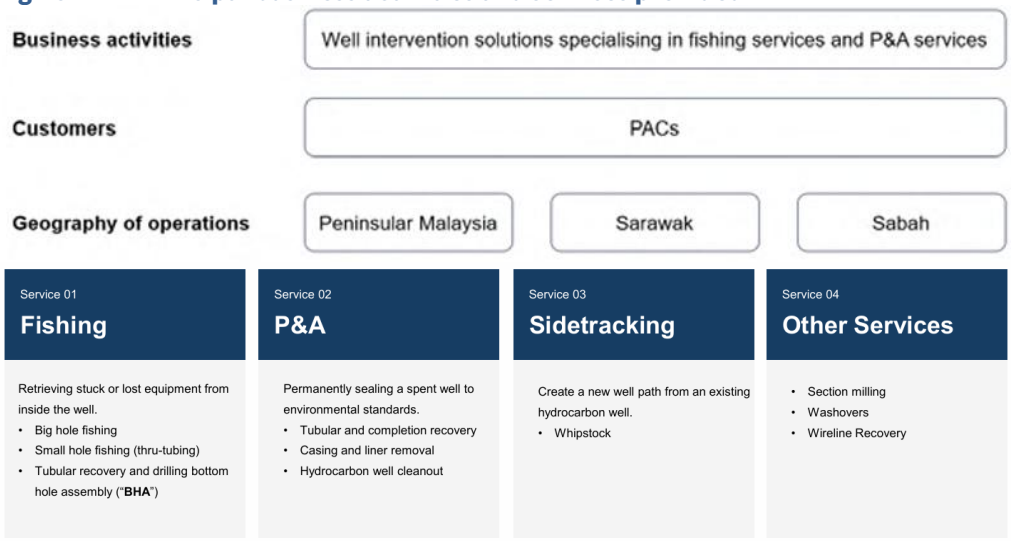
Fishing Services. This segment focuses on retrieving or removing stuck or lost downhole equipment (*"Fish"*) and non-drillable metal debris (*"Junk"*) that obstruct hydrocarbon wells across exploration, drilling, workover, and production lifecycles. The segment encompasses big hole fishing, small hole fishing (thru-tubing), tubular recovery, and drilling bottom hole assembly (BHA) retrieval, utilizing a comprehensive inventory of standard and customized downhole tools, including overshots, spears, grapples, die collars, magnets, and impact jars to restore well integrity and minimize client non-productive time (NPT).

Plug and Abandonment (P&A) Services. This segment specializes in safely and permanently plugging non-productive, depleted, or end-of-life hydrocarbon wells to prevent subsurface fluid migration and eliminate surface leak risks in compliance with environmental regulations. Operations involve executing tubular and completion recovery, casing and liner removal, dual-casing section milling, and well cleanouts, leveraging the Group's specialized downhole tool fleet and experienced well intervention specialists to deliver environmentally compliant well retirements.

Sidetracking Services. This segment centers on initiating a new directional well path from an existing wellbore to bypass irreparable downhole blockages or re-enter existing infrastructure to access unperforated reservoir zones. Utilizing whipstock setting assemblies and casing window milling tools, this service enables oil majors to tap bypassed hydrocarbon reserves, offering a highly cost-effective alternative to drilling new greenfield wells.

Other Related Services. This segment provides specialized downhole technical execution to complement core intervention operations, encompassing section milling (removing casing sections to expose open-hole formations for cement barriers), washovers (circulating fluids to clear surrounding formation buildup prior to tool retrieval), and wireline recovery (retrieving parted or stuck wireline assemblies downhole).

Fig #6 Principal business activities and services provided



Source: United Asiapac Energy Berhad

Fig #7 SWOT analysis of UNIPAC

Strength	Weakness
• High GP margin expanding from 24.3% in FY23 to 39.3% in FY25 • Strategic supply bases in Kemaman and Labuan close to primary offshore hubs • Holds 8 PETRONAS SWEC codes and 7 PETROS PLWC codes in Sarawak • Low gearing ratio of 0.20x as at FY25 • Serves tier-1 clients including PETRONAS Carigali, Shell, and PTTEP	• Field execution relies heavily on a small pool of 11 specialized well intervention professionals. • Call-out contract volatility with no guaranteed baseline order volumes • Zero revenue was derived from Sabah in FPE26, leaving East Malaysia growth heavily reliant on operationalizing the newly established JV.
Opportunity	**Threat**
• RM27.3m outstanding PO value yet to be recognised through February 2027 • Geographical expansion in Sabah via JV and deeper penetration in Sarawak • Fleet expansion and new service rollouts (e-line, slickline, wireline recovery)	• High customer concentration risk under the Pan Malaysia Contract • Foreign exchange risk from currency mismatch (USD sales vs RM costs) • Industry shift toward Integrated Drilling Services contract bundling

Source: M+ Research

Financials

Revenue and income highlights. The Group posted revenue of RM37.0m for FY25, a decline of 16.8% YoY from RM44.4m in FY24, primarily attributable to lower project billings in Sarawak where revenue fell 53.7% YoY to RM12.5m as certain well intervention works were completed in FY24 and not immediately replaced with new scopes. Peninsular Malaysia partially compensated, growing 37.0% YoY to RM21.8m. Despite the lower topline, PAT grew 32.9% YoY to RM7.1m as GP margin expanded 13.4ppts to 39.3%, driven by the Group's successful transition from tool rental to tool ownership, which materially reduced its cost of sales. For FPE26 (9 months to 28 February 2026), the Group delivered revenue of RM39.1m and PAT of RM11.4m, with GP margin surging to a record 56.2%, reflecting the full impact of the Group's owned equipment base.

Balance sheet. Total assets stood at RM65.0m as at 28 February 2026, up from RM40.3m as at FY25, largely reflecting a RM12.2m equipment acquisition funded by a combination of shareholder advances and cash. Trade receivables expanded to RM19.9m (FY25: RM8.6m), in line with business growth, while contract assets decreased as invoices were issued for previously unbilled amounts. The Group maintained a healthy net cash position throughout the Financial Periods Under Review, supported by strong operating cash conversion and prudent working capital management. Post-IPO, the receipt of RM48.7m in gross proceeds is expected to strengthen the balance sheet materially.

Cash flow. Net cash from operating activities was RM0.1m for FPE26, significantly lower than prior periods due to substantial working capital build as trade receivables expanded with business growth, compounded by a large deposit paid for tool purchases. The Group invested RM12.5m in equipment acquisitions during FPE26, funded primarily by the RM18.0m advance from Asiapac Holdings (subsequently capitalised). Financing activities resulted in a net inflow of RM15.8m, reflecting the capitalisation proceeds and net repayment activity.

Earnings forecasts. Moving forward, we anticipate core PATMI to expand at a 3-year earnings CAGR of 40.5%, to reach RM14.6m, RM16.5m and RM19.7m for FY26f-FY28f. This growth is underpinned by (i) non-discretionary, regulatory-mandated well decommissioning (P&A) and sustained domestic upstream CapEx spending by PETRONAS, (ii) structural margin expansion driven by a strategic transition toward tool ownership, and (iii) geographic footprint expansion in East Malaysia alongside the rollout of new high-value service lines, including e-line, slickline, and wireline recovery solutions.

Fig #8 Financial Highlights

FYE May (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	44.4	37.0	48.6	58.5	70.1
EBITDA	9.5	12.7	24.9	29.3	35.1
EBIT	7.4	9.9	20.2	22.5	26.5
PBT	6.7	9.5	19.5	22.1	26.3
PAT	5.4	7.1	14.6	16.5	19.7
PATMI – Core	5.4	7.1	14.6	16.5	19.7
PATMI – Reported	5.4	7.1	14.6	16.5	19.7
% change YoY – Core PATMI	58%	33%	106%	13%	19%
Core EPS (sen)	1.0	1.3	2.7	3.0	3.6
P/E (x)	36.0	27.1	13.2	11.6	9.8
EV/EBITDA (x)	19.8	14.7	7.5	6.4	5.3
DPS (sen)	-	-	-	-	-
Yield (%)	0%	0%	0%	0%	0%
BVPS (RM/share)	0.0	0.0	0.1	0.2	0.2
P/B (x)	19.2	8.1	3.4	1.6	1.4
ROE (%)	72%	42%	36%	19%	16%
Net Gearing (x)	0.1	CASH	CASH	CASH	CASH

M+Global Research

Valuations

We derive a fair value of RM0.40 per share for UNIPAC by ascribing a 12.0x P/E to our mid FY28F EPS of 3.30 sen, implying a 13.1% upside to its IPO price of RM0.35. Our target multiple sits comfortably within the Bursa Malaysia Oil and Gas Equipment and Services (OGSE) sub-segment's (Fig #9) weighted average historical and forward 12-month P/E multiples of 13.6x and 11.8x, respectively. We believe this valuation is justified given UNIPAC's positioning as the first pure play well intervention service provider to be listed on Bursa Malaysia, operating in a niche segment characterised by high barriers to entry, strong pricing power and favourable structural demand underpinned by production optimisation, mature field maintenance and well abandonment activities. We also forecast the Group to deliver a 3-year earnings CAGR of 40.5% over FY26f-FY28f, driven by increasing well intervention activity, higher equipment utilisation and the continued expansion of its proprietary tool fleet.

Fig #9 Bursa Malaysia OGSE Group Valuation

Ticker		Name	Weight (%)	Shares	Price	BEst P/E BF12M	P/E
▾ Oil & Gas Equipment & Services (18 members)			68.393644	28,701.815276		11.80	13.59
DLG	MK	Dialog Group Bhd	27.140674	5,646.019682	1.9800	17.62	19.49
YNS	MK	Yinson Holdings BHD	15.546858	3,217.929437	1.9900	8.79	13.21
BAB	MK	Bumi Armada Bhd	4.965225	5,927.980644	0.3450	5.88	7.10
DEHB	MK	Dayang Enterprise Holdings Bhd	4.441126	1,157.771718	1.5800	9.48	8.60
LFG	MK	Lianson Fleet Group Bhd	4.436038	1,163.811211	1.5700	9.74	13.31
KEYFIELD	MK	Keyfield International Bhd	2.852965	810.429800	1.4500	8.98	6.56
VANTNRG	MK	Vantris Energy Bhd	1.856247	2,316.908087	0.3300	2.54	0.19
WSC	MK	Wasco Bhd	1.326298	774.888294	0.7050	5.01	4.01
MMHE	MK	Malaysia Marine and Heavy Engi	1.320724	1,600.000000	0.3400	5.12	5.15
DLUM	MK	Deleum Bhd	1.091879	401.553500	1.1200	5.38	6.59
PETR	MK	Perdana Petroleum Bhd	0.865427	2,227.909141	0.1600	8.63	5.55
T7G	MK	T7 Global Bhd	0.641523	1,016.308437	0.2600	4.68	4.98
UZMA	MK	Uzma Bhd	0.567690	607.348170	0.3850	3.74	4.79
PENB	MK	Petra Energy Bhd	0.562424	321.750000	0.7200	--	--
AMRB	MK	Alam Maritim Resources Bhd	0.286669	445.576589	0.2650	--	1.21
RLEB	MK	Reservoir Link Energy Bhd	0.259073	381.111347	0.2800	--	--
CARIP	MK	Carimin Petroleum Bhd	0.232802	233.878000	0.4100	--	8.90
HDL	MK	Handal Energy Bhd	--	450.641219	--	--	--

Source: Bloomberg

Our assigned multiple is further supported by UNIPAC's superior profitability and capital efficiency. Based on its FPE26 financial performance, the Group delivered an ROE of 21.3% and net profit margin of 29.2%, comfortably exceeding the domestic OGSE peer

averages of 11.8% and 22.4%, as well as the international peer averages of 10.4% and 5.6%, respectively. These superior returns are underpinned by its tool ownership strategy, specialised service offerings and dual PETRONAS and PETROS licences, which create meaningful barriers to entry.

Fig #10 International peers comparison

Company	Country	FYE	Price (USD)	Market Cap (USD'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
Oceaneering International Inc	US	Dec	47.7	4,747.1	23.8	22.3	34.8	12.7
Expro Ltd	US	Dec	14.8	1,663.9	35.7	13.6	1.4	3.2
Helix Energy Solutions Group I	US	Dec	9.1	1,340.4	47.0	24.8	0.9	2.4
Hunting PLC	GB	Dec	6.0	908.9	22.8	16.2	4.6	4.0
International Peer Avg				**2,165.1**	**32.3**	**19.2**	**10.4**	**5.6**

Source: Bloomberg, M+ Research

For reference, international well intervention specialists, including Expro, Helix Energy Solutions, Hunting, and Oceaneering International, trade at average historical and forward P/E multiples of 32.3x and 19.2x, respectively. While not direct benchmarks, these global peers provide a useful valuation frame for specialised service providers. UNIPAC currently trades at a discount to these international players, reflecting its smaller scale and geographic concentration. Looking ahead, we believe a potential expansion into international markets could serve as a re-rating catalyst, bridging the valuation gap with its global counterparts.

Investment risks

Customer Concentration & Framework Dependency Risk. The Group derives a major portion of revenue from PETRONAS Carigali and PACs under the Pan Malaysia Contract framework. Any CapEx retrenchment, contract disputes, or procurement shifts by oil majors directly threaten operational stability and cash flow generation.

Regulatory & Licensing Dependency Risk. Well intervention operations mandate maintaining valid PETRONAS SWEC codes and PETROS PLWC licenses in Sarawak. Any delay, revocation, or non-renewal of these credentials immediately bars the Group from bidding for or executing field work.

Call-Out Volatility & Operating Leverage Risk. Revenue relies on call-out purchase orders without guaranteed minimum volumes, exposing the Group to severe negative operating leverage during client deferral cycles. As demonstrated by FY25 revenue contracting 16.8% YoY due to project timing, ongoing fixed base overheads and specialist retention costs accrue continuously during field delays, disproportionately squeezing net margins regardless of pipeline visibility.

Foreign Exchange Risk. With >99% of revenue denominated in USD and 55%–71% of purchases incurred in RM, the Group faces a structural currency mismatch without active derivative hedges. Furthermore, local clients settle USD-denominated invoices in RM at prevailing spot rates. A strengthening Ringgit imposes an immediate margin drag, compressing reported RM top-line revenue and gross profit faster than it reduces local operating costs.

Environmental, Social and Governance (ESG) Practices

Environmental:

- **Sustainable Hydrocarbon Well Retirement:** The Group's core P&A services directly mitigate long-term environmental hazards by permanently sealing end-of-life wells, preventing subsurface fluid migration, and stopping methane/hydrocarbon leaks.

- **Regulatory Environmental Compliance:** Operations across the Kemaman and Labuan logistical bases strictly comply with local environmental regulations, including the Environmental Quality Act 1974.
- **Base Waste & Resource Management:** Active monitoring frameworks are enforced across operational bases to oversee energy utilization, chemical handling, and hazardous waste disposal to limit the Group's physical footprint.

Social:

- **Non-Negotiable Offshore HSE Protocols:** Given the high-risk nature of offshore intervention, the Group enforces stringent Health, Safety, and Environment (HSE) management systems aimed at achieving zero Lost Time Injuries (LTI).
- **Specialized Human Capital Development:** Continuous technical training, emergency response simulations, and competency certification programs are funded to maintain the field capabilities of technical specialists and engineers.
- **Local Talent Empowerment:** Contributes to East and West Malaysian socio-economic development through localized recruitment and technical career pathway programs across its facilities in Kemaman, Labuan, Kuching, and Kota Kinabalu.

Governance:

- **Independent Board Oversight:** Corporate governance is anchored by an independent non-executive chairman and structured Board Committees—including the Audit and Risk Management Committee (ARMC), Nomination Committee (NC), and Remuneration Committee (RC)—to ensure unbiased strategic supervision and risk control.
- **Comprehensive Internal Policy Framework:** Operations and executive conduct are strictly regulated by formal corporate policies, including the Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, Whistleblowing Policy, Conflict of Interest Policy, and Fit and Proper Policy.
- **Regulatory Licensing Alignment:** Maintains full licensing coverage across both national and state petroleum regulators, holding 8 key PETRONAS SWEC code licenses (valid through April 2028) and 7 PETROS PLWC categories in Sarawak (valid through June 2028). These credentials cover the full spectrum of integrated well abandonment, oilfield fishing, downhole drilling tool rentals, wellbore cleanup, and specialized technical manpower.

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Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned