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United Asiapac Energy Berhad

The Well Doctor of Malaysia's Upstream Sector

IPO Note – Non-Rated
Research Team Coverage / research@mersec.com.my
Wednesday, August 5, 2026

ACE Market

Energy Sector
SUBSCRIBE

IPO Price:	**RM0.350**
Fair Value:	**RM0.395**

Valuation / Recommendation

We have a **SUBSCRIBE** recommendation on **United Asiapac Energy Berhad (UAEB)** with a fair value of **RM0.395**, based on a **13.3x target PER** ascribed to our FY27E EPS of **2.96 sen**. The target multiple is benchmarked against its local Oil and Gas Service Providers peers, while incorporate a **20% premium to the 5-years historical peers' average P/E of 11x** to reflect: (i) The Group's status as the first pure play well intervention provider to be listed on Bursa Malaysia, and (ii) The superior margin profile of the Group compared to its peers. We are positive on UAEB for its leading position in Malaysia's expanding well intervention market, superior profitability supported by its specialised service offerings, and dual revenue model, which helps maximise revenue generation.

Investment Highlights

Leading player in Malaysia's expanding well intervention market. UAEB commands an estimated 21% share of Malaysia's fishing and P&A market based on FY25 revenue of RM37.0m, with 100% of revenue generated domestically. Industry expenditure on fishing and P&A services is projected to grow at a 26.1% CAGR from RM176m in 2025 to RM445m by 2029, driven by rising upstream capex, increasing well intervention activities, and sustained oil and gas demand. PETRONAS's pipeline of 663 contracted wells between 2025 and 2028, including 293 P&A wells, provides further visibility. Backed by an established track record, long-standing operator relationships, and eight PETRONAS SWEC licenses, UAEB is well-positioned to capture a larger share of this growth.

Superior Profitability Supported by Specialised Service Offerings. United Asiapac Energy consistently outperforms global and local oilfield service peers on profitability, underpinned by its specialised capabilities and capital-efficient operating model. As at February 2026, the Group posted a gross profit margin of 56.2%, EBITDA margin of 52.2%, PBT margin of 39.2%, and PAT margin of 29.2%, well above peer averages, alongside an industry-leading 29.2% ROE and 21.5% ROA. This superior profitability stems mainly from its focus on specialised, higher value-added services, fishing, P&A and sidetracking, which command higher margins than conventional oilfield services. As Malaysia's well intervention activity grows, UAEB is well-positioned to sustain its strong earnings quality over the medium term.

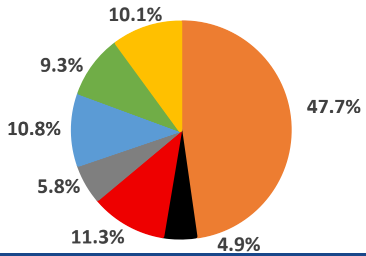
Dual Revenue Model Maximising Revenue Generation. United Asiapac Energy generates revenue from both specialised equipment provision and deployment of well intervention specialists, creating multiple revenue streams per project. During FPE26, equipment contributed 79.7% (RM31.1m) of revenue, with manpower services making up the remaining 20.3% (RM7.9m). Unlike conventional providers that earn revenue only during active operations, UAEB continues to charge daily rental rates for idle equipment and daily standby charges for deployed specialists, allowing it to monetise both assets beyond active work periods and improve utilisation despite weather, well condition, or scheduling delays common to the industry.

Risk Factors for United Asiapac include: (i) Dependence on Petronas and Major Customers, (ii) Operational and Project Execution Risk, iii) Exposure to Cyclical Upstream Oil and Gas activities, and (iv) Energy Transition and Biodiesel Policy Risk.

Business Overview
United Asiapac Energy Berhad ("United Asiapac Energy") is a Malaysia-based upstream oil and gas services provider specialising in well intervention solutions, including fishing services, plug and abandonment (P&A), equipment rental and sales, and customised downhole tools. The Group serves petroleum arrangement contractors (PACs), oil and gas operators, drilling contractors and oilfield service companies, supporting the exploration, production and maintenance of hydrocarbon wells. United Asiapac Energy is seeking a listing on the ACE Market.

Listing Details	
Listing date	19 August 2026
New Shares (m)	139.2
Offer for sale (m)	-
Fund to be raised (RM m)	48.7
Post Listing	
Ordinary shares (m)	550.0
Market cap (RM m)	192.5
Estimated free float (%)	25.3
P/E(x) (*Based on prospectus*)	12.75x
Top Shareholder	**%**
Asiapac Holdings	74.69

Utilization of Proceeds	**RM m**
Acquisition of well Intervention tools and equipment	23.3
Recruitment of engineers	2.4
Acquisition of New corporate office	5.5
Repayment of bank borrowings	2.8
Expansion of workforce	5.2
Working capital	4.5
Listing expenses	4.9



FYE Dec (RM m)	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Revenue	37.0	52.4	56.1	60.0
EBITDA	12.7	25.3	27.8	30.3
EBIT	9.9	20.9	21.3	22.0
PBT	9.5	20.6	21.0	21.9
Core Net Profit	7.0	15.9	16.3	16.9
Core EPS (sen)*	**1.27**	**2.90**	**2.96**	**3.38**
Core EPS Growth (%)	*35.8%*	*128.2%*	*2.2%*	*14.3%*
Net DPS (sen)*	-	-	-	-
Net Div. Yield (%)*	-	-	-	-
BVPS (sen)*	4.8	16.2	19.2	24.5
PER (*Using IPO price*)	27.6	12.1	11.8	10.3
PBV (x) (*Using IPO price*)	7.3	2.2	1.8	1.4
Net Gearing	(0.0)	(0.4)	(0.5)	(0.4)

**Based on enlarged issued share capital of 550m*

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Company Overview

United Asiapac Energy Berhad ("UAEB", "United Asiapac", "the Group" or "the Company") was founded in 2013 and is headquartered in Kuala Lumpur, Malaysia. The company operates across Peninsular Malaysia, Sabah and Sarawak, while its Singapore operations are focused solely on the rental and sale of equipment and tools without the provision of manpower services. United Asiapac is **a specialised service provider in Malaysia's oil and gas industry, focusing on well intervention solutions**. Its core services include i) Fishing services, ii) Plug-and-Abandonment (P&A) services, iii) sidetracking, as well as other specialized activities such as section milling, washover operations and wireline recovery. Fishing refers to the recovery of undesirable objects or materials left in wells. While drilling, equipment such as drill bits, tools, and casing may get stuck or lost due to various factors such as mechanical breakdown or unfavorable well conditions. P&A refers to the process whereby the complete well, or a lower section of the well, is permanently sealed off to prevent any chance of formation fluids (such as oil or gas) from escaping to surface, or to other shallower formations. The Company provides integrated well intervention solutions through the supply of specialised equipment supported by skilled manpower to meet clients' operational requirements.

Industry Overview

Malaysia's petroleum market in Q1 2026 from DOSM showed a combination of declining domestic crude oil production, continued petroleum-product sales activity, and significant crude and refined petroleum-product trade. Crude oil and condensate production totalled from 45.5 million barrels to 43.0 million barrels, down 5.5% year-on-year. Crude oil production declined 9.4% from 31.5 million barrels to 28.1 million barrels, while condensate production increased 3.0% to 14.9 million barrels. With the composition of Crude oil with 65.4% of 4.3 million barrels. (*Refer Figure 1*)

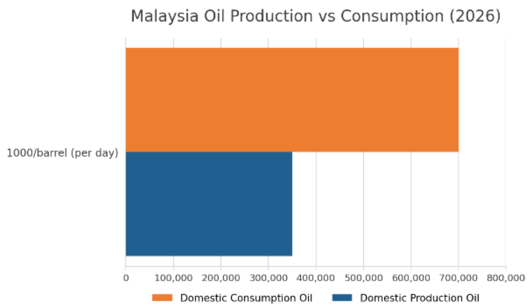
Malaysia's domestic oil consumption is estimated at around **700 thousand barrels per day** in 2026, significantly exceeding domestic oil production of approximately **350 thousand barrels per day**. This indicates a supply deficit of about **350 thousand barrels per day**, highlighting the country's continued reliance on imported crude oil and petroleum products to meet domestic demand. The imbalance reflects sustained consumption from the transportation, industrial, and power generation sectors, underscoring the need to strengthen domestic production, improve energy efficiency, and diversify energy sources to enhance Malaysia's long-term energy security. (*Refer to Figure 2*)

Figure 1: Production of the Crude Oil and Condensate

Note: Calculation by DOSM using the statistics from PETRONAS and MTJA

Source: *DOSM, Quater 1 Report 2026*

Figure 2: MOF Statement Daily Oil Production and Daily Oil Consumption (2026)

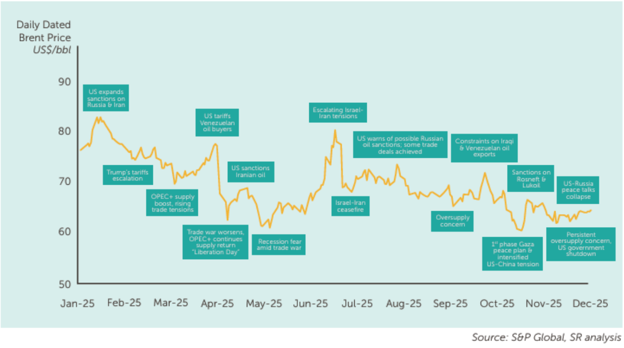


Source: MOF Press Citations, Mercury Securities

The global oil and gas industry experienced a significant shift in market dynamics from 2025 to 2026, transitioning from a relatively oversupplied market to one characterised by heightened geopolitical uncertainty and increased price volatility. During 2025 (*Refer Figure 3*), market sentiment was largely shaped by rising non-OPEC production and moderating global economic growth, which supported expectations of ample oil supply. However, recurring geopolitical developments, including the expansion of US sanctions on Iran and security concerns in the Middle East, periodically disrupted market stability and triggered short-term spikes in crude oil prices. Market volatility intensified further in early to mid-2026 as escalating military tensions between the United States and Iran heightened concerns over potential supply disruptions, particularly through the Strait of Hormuz, a key global oil shipping route. Although diplomatic negotiations and de-escalation efforts periodically eased market concerns, national oil companies and international energy producers continued to adopt disciplined capital expenditure strategies, strengthen supply chain resilience, and prioritise cost-efficient domestic production to navigate the increasingly uncertain operating environment.

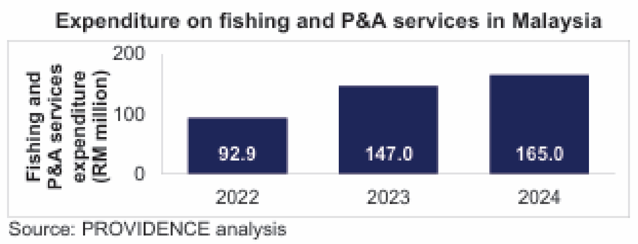
Malaysia's fishing and Plug & Abandonment ("P&A") services industry continues to benefit from improving upstream oil and gas activities, supported by recovering crude oil prices and increasing demand for well intervention services. According to the Independent Market Research ("IMR") Report by Providence, the industry's growth is driven by sustained global and domestic demand for oil and gas, alongside increasing upstream capital expenditure by national and international oil companies, which continues to support exploration and production activities across the country. Expenditure on fishing and P&A services **grew from RM92.9m in 2022 to RM165.0m** in 2024, representing a **compound annual growth rate ("CAGR") of 33.3%** (refer to Figure 2), and is projected to reach RM444.0m by 2028 at a **CAGR of 28.1%.** While the industry is expected to remain supported by continued upstream investments and growing well intervention requirements, the slower projected growth rate reflects the potential impact of persistent geopolitical uncertainties, which may influence investment activity and operational spending over the forecast period. (R*efer to figure 4*).

Figure 3: Global Market Sentiment Events (2025)



Source: S&P Global SR analysis

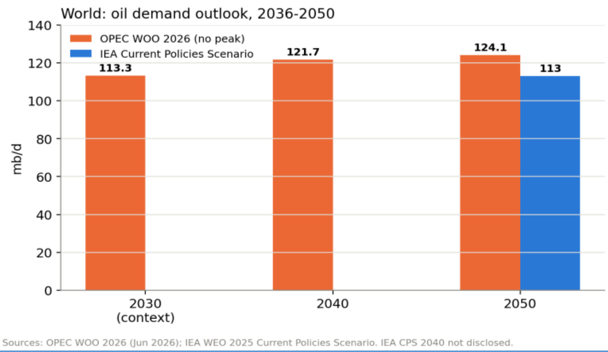
Figure 4: Growth in the Expenditure on Fishing and P&A services in Malaysia



Source: IMR Report – Providence

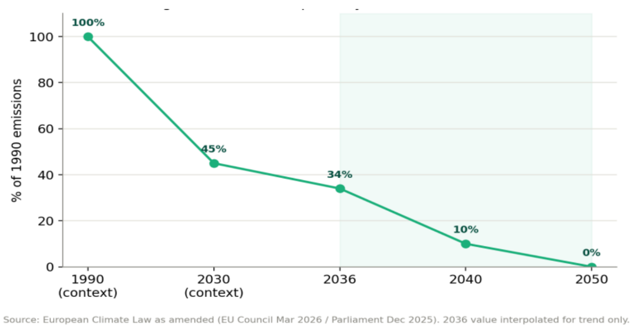
Energy Transition Reshaping Crude Oil Production and Consumption. The global transition towards net-zero emissions, supported by stricter climate policies, accelerating electric vehicle ("EV") adoption, declining EV battery costs, and expanding renewable energy deployment, is expected to gradually reshape crude oil production and consumption over the long term. According to the **IEA World Energy Outlook 2025**, global oil demand is projected to plateau at around **102 million barrels per day ("mb/d")** before gradually declining, with EV adoption alone expected to displace approximately **10 mb/d** of oil demand by 2035 as renewable energy becomes the world's largest energy source in the early 2040s. In contrast, the **OPEC World Oil Outlook 2026** projects global oil demand to continue rising to **121.7 mb/d by 2040** and **124.1 mb/d by 2050**, driven primarily by stronger consumption from emerging economies. These contrasting outlooks suggest that while the energy transition is expected to moderate long-term crude oil consumption growth, demand for oil is unlikely to disappear during the transition period. For Malaysia, the **National Energy Transition Roadmap ("NETR")** targets renewable energy installed capacity to increase from **31% in 2025** to **40% by 2035** and **70% by 2050**, while PETRONAS expects the share of oil and gas in the national energy mix to decline from approximately **54% in 2018** to **47% by 2040**. As crude oil consumption growth gradually slows, PETRONAS is expected to prioritise production optimisation and greater reliance on natural gas rather than significantly expanding crude oil production. This is further supported by Malaysia's crude oil production declining to **555,268 barrels per day** in 2024 after seven consecutive years of decline, while PETRONAS aims to maintain overall hydrocarbon production at approximately **2.0 million barrels of oil equivalent per day ("boe/d")** through increased natural gas production. Consequently, the gradual shift towards cleaner energy is expected to moderate crude oil production growth and consumption between **2036 and 2040**, while sustaining demand for efficient production, asset optimisation, and lower-carbon energy development across Malaysia's upstream sector. (*Refer Figure 5 & Figure 6*).

Figure 5: World Oil demand outlook (2030-2050)



Source: OPEC Woo (2026), Company Mercury Securities

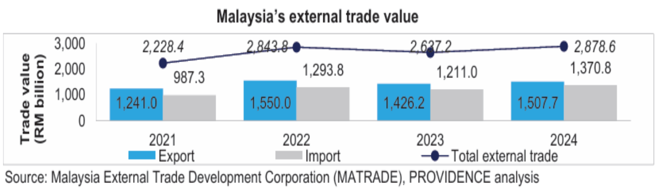
Figure 6: Legislated emissions pathway (World, EU) (1990-2050)



Source: EU Climate Law (2026), Company Mercury Securities

Recovery in Malaysia's External Trade and Commercial Aviation Supports Upstream Oil & Gas Activities. The continued recovery in Malaysia's external trade and commercial aviation is expected to support upstream oil and gas activities by facilitating greater industrial production, international trade and offshore logistics. As economic activity expands, demand for petroleum products and industrial energy consumption is expected to increase, encouraging oil and gas operators to sustain exploration, drilling and production activities to meet rising energy requirements. Higher upstream activity is expected to **increase the utilisation of well intervention services**, as producing wells require routine maintenance, remediation and production optimization, while drilling campaigns may encounter downhole obstructions requiring specialised fishing solutions. Consequently, demand for specialised well intervention services, including fishing, plug and abandonment ("P&A") and sidetracking, is expected to remain supported. Malaysia's external trade value demonstrated resilient growth between 2021 and 2024, **increasing from RM2.23tn to RM2.88tn for the period**, representing a **CAGR of approximately 8.9%** (Refer to Figure 7). The expansion was driven by steady growth in both exports and imports, reflecting strengthening industrial production, manufacturing activity and cross-border trade. Meanwhile, Malaysia's aviation sector recorded a strong post-pandemic recovery, with the number of commercial aircraft movements handled by airports nationwide increasing from **244,339** in 2021 to **785,635** in 2024, representing a **CAGR of approximately 47.7%** (Refer to Figure 8). Reflecting the favourable industry backdrop, United Asiapac's revenue increased at a **historical CAGR of 6.6% between FY23 and FY25**, demonstrating the Group's ability to capture growing demand for specialised well intervention services amid sustained upstream activities.

Figure 7: Malaysia External Trade Value (2021-2024)



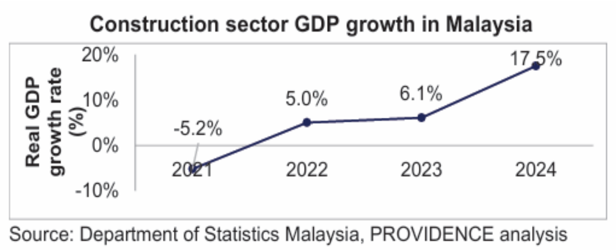
Source: IMR Report – Providence

Figure 8: Malaysia Number of Commercial Aircraft Movements handled by Airports in Malaysia (2021-2024)

Source: IMR Report – Providence

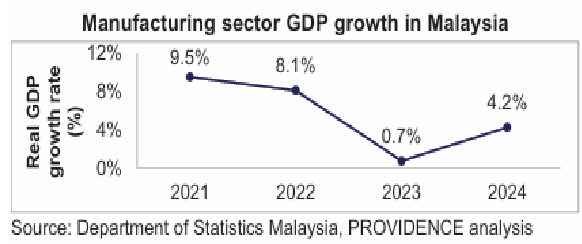
Expansion in Construction and Manufacturing Activities Supports Domestic Oil & Gas Demand. Malaysia's construction and manufacturing sectors are expected to provide additional support to domestic oil and gas demand, as **petroleum products remain essential inputs for industrial operations, transportation activities and infrastructure development**. The continued expansion of these sectors is expected to sustain energy consumption, which in turn supports production activities among oil and gas operators and demand for well intervention solutions. Malaysia's construction sector recorded a strong recovery between 2021 and 2024, with **real GDP growth improving from a contraction of 5.2% in 2021 to an expansion of 17.5% in 2024** (Refer to Figure 9). The sector's growth was supported by the recovery in construction activities, including large commercial real estate, industrial projects and infrastructure developments. Meanwhile, Malaysia's manufacturing sector remained resilient over the same period, registering **real GDP growth of 9.5% in 2021, 8.1% in 2022, 0.7% in 2023 and recovering to 4.2% in 2024** (Refer to Figure 10). Although growth was moderated in 2023 amid softer global demand, the sector regained momentum in 2024 supported by stronger demand across export-oriented clusters, particularly electrical and electronics ("E&E") activities. The expansion of construction and manufacturing activities is expected to sustain domestic energy consumption and support upstream oil and gas operators in maintaining production levels, thereby providing a favourable operating environment for specialised well intervention service providers such as United Asiapac.

Figure 9: Growth in Construction Sector GDP (2021-2024)



Source: IMR Report – Providence

Figure 10: Growth in Manufacturing Sector GDP (2021-2024)



Source: IMR Report – Providence

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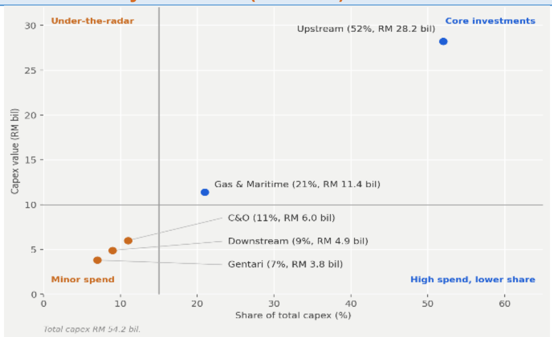
Petronas' Capital Investment Strategy Reinforces Growth Across Malaysia's Oil & Gas Industry. Petronas has committed approximately **RM52 billion** in capital expenditure (CAPEX), with more than half of the investment channelled into its **Upstream segment (52%, RM28.2 billion)**, followed by **Gas & Maritime (21%, RM11.4 billion)**, **Corporate & Others (11%, RM6.0 billion)**, **Downstream (9%, RM4.9 billion)** and **Gentari (7%, RM3.8 billion)** (***Refer to Figure 11***). The significant allocation towards upstream activities underscores Petronas' strategic emphasis on exploration, production enhancement and field development to ensure long-term energy security and production sustainability. At the same time, investments across the downstream, gas and maritime segments reflect the company's commitment to strengthening its integrated energy value chain. Collectively, these capital investments are expected to stimulate demand for specialised equipment, engineering expertise, maintenance services and industrial support solutions throughout the oil and gas sector.

Figure 11: CAPEX by Business (RM52bn)



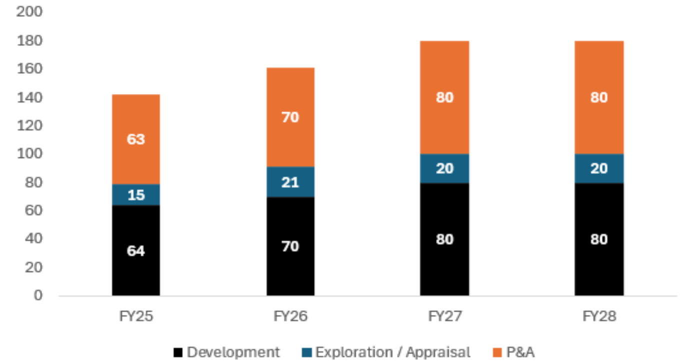
Source: Company, Mercury Securities

Industry Headwinds. Despite a supportive medium-term outlook for Malaysia's upstream oil and gas industry, United Asiapac Energy operates in a cyclical and highly competitive well intervention market that remains closely tied to exploration, development and production activities undertaken by oil and gas operators. Demand for well intervention services is highly dependent on upstream capital expenditure and crude oil prices, where weaker market conditions may result in deferred drilling programmes, lower well intervention activities and reduced demand for the Group's services. The industry also faces pricing pressure from both local and international oilfield service providers, while specialised operations require continuous investment in downhole tools, equipment and skilled technical personnel, resulting in relatively high capital expenditure and operating costs. Looking ahead, **the PETRONAS Activity Outlook 2026–2028** highlights that the Malaysian OGSE industry will increasingly face challenges from **technological disruption, decarbonisation imperatives and the transition towards lower-carbon energy**, requiring service providers to continuously upgrade their technical capabilities and diversify into emerging energy-related opportunities to remain competitive. Similarly, the **International Energy Agency's (IEA) National Energy Transition Roadmap 2026** notes that Malaysia is accelerating investments in renewable energy, hydrogen, bioenergy and carbon capture, utilisation and storage (CCUS) under its long-term energy transition strategy. While these initiatives create new growth opportunities for the broader energy sector, they may gradually redirect capital allocation towards lower-carbon projects over time, potentially moderating long-term investment in conventional upstream oil and gas activities and affecting demand for traditional well intervention services.

Investment Merits

Leading Player in Malaysia's Expanding Well Intervention Market. United Asiapac Energy is a leading domestic provider of well intervention services and a direct beneficiary of Malaysia's expanding well intervention market. Based on its **FY25 revenue of RM37.0m**, UAEB commands an estimated **21% market share** in Malaysia's fishing and P&A market, positioning the Group as one of the country's leading service providers. According to the *IMR Report*, expenditure on fishing and Plug-and-Abandonment (P&A) services is projected to increase from **RM175.9m in 2025 to RM445.2m by 2029**, representing a robust **26.1% CAGR**, driven by i) rising upstream capital expenditure by oil and gas companies, ii) increasing well intervention activities, and iii) sustained demand for oil and gas. UAEB's revenue was 100% generated from Malaysia in FY25 and FPE26, making UAEB a direct beneficiary of the favourable domestic industry outlook. Furthermore, PETRONAS forecasts **663 contracted wells** between 2025 and 2028, including **293 P&A wells** (*refer to Figure 12)*, providing a healthy pipeline of well intervention opportunities. Backed by its established operating track record, long-standing relationships with major oil and gas operators, and eight PETRONAS SWEC licenses covering its core service offerings (*refer to Figure 13)*, UAEB is well-positioned to secure a larger share of future well intervention projects, supporting sustainable revenue and earnings growth over the medium term.

Figure 12: Petronas Contracted Wells (FY25-FY28)



Source: IMR Report, Mercury Securities

Figure 13: Petronas SWEC Codes License Held by UAEB

Source: Company

Superior Profitability Supported by Specialised Service Offerings. United Asiapac Energy has consistently demonstrated superior profitability compared to both global and local oilfield service peers, underpinned by its specialised well intervention capabilities and capital-efficient operating model. As at February 2026, the Group recorded a **gross profit margin of 56.2%**, **EBITDA margin of 52.2%**, **PBT margin of 39.2%**, and **PAT margin of 29.2%**, significantly exceeding the average margins of both international and local peers. The Group also delivered an industry-leading **29.2% ROE** and **21.5% ROA**, reflecting its ability to generate strong earnings while efficiently utilising shareholders' capital and assets. The superior profitability is primarily attributable to its focus on specialised, higher value-added well intervention services, including fishing, plug & abandonment (P&A) and sidetracking, which command higher margins than conventional oilfield services. As the Group continues to benefit from increasing well intervention activities in Malaysia, UAEB is well-positioned to sustain its strong earnings quality and profitability over the medium term.

Profitability Margin and Return Ratios Comparison against both International and Local Peers (x)

Company	Bloomberg Ticker	Margin (%)				%	
		GP	EBITDA	PBT	PAT	ROE	ROA
Baker Hughes	BKR US	23.6	16.4	10.4	9.3	16.5	6.8
Halliburton	HAL US	15.7	16.9	8.0	5.8	14.9	6.3
SLB	SLB US	18.2	23.8	12.0	9.4	13.4	5.9
Weatherford International	WFRD US	31.2	21.9	11.3	8.8	22.2	7.1
Int. Peers Simple Avg.		**22.2**	**19.8**	**10.4**	**8.3**	**16.7**	**6.5**
Deleum Bhd	DLUM MK	26.5	16.1	13.4	7.1	14.4	8.9
Uzma Bhd	UZMA MK	30.7	22.5	11.0	7.5	8.7	3.0
Reservoir Link Energy Bhd	RLEB MK	18.9	10.8	25.3	21.9	(47.3)	(29.1)
Local Peers Simple Avg.		**25.4**	**16.4**	**16.6**	**12.2**	**(8.1)**	**(5.7)**
United Asiapac Energy Bhd	**UNIPAC MK**	**56.2**	**52.2**	**39.2**	**29.2**	**29.2**	**21.5**

Source: Bloomberg, Mercury Securities

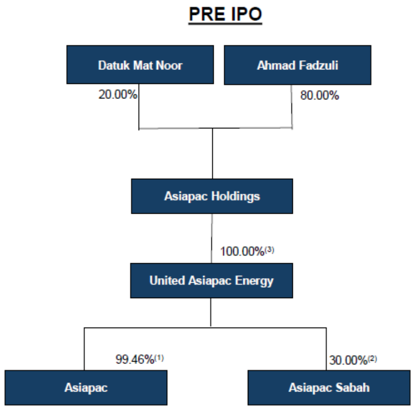
Dual Revenue Model Maximising Revenue Generation. United Asiapac Energy generates revenue from both the provision of specialised equipment and the deployment of well intervention specialists, creating multiple revenue streams from each project. During FPE26, the provision of equipment contributed 79.7% (RM31.1m) of revenue, while manpower services accounted for the remaining 20.3% (RM7.9m). In the oil and gas industry, well intervention activities are often subject to operational delays arising from weather conditions, well conditions or customers' operational schedules. Unlike conventional service providers that primarily generate revenue only during active operations, UAEB c**ontinues to charge daily rental rates for specialised equipment placed at customers' hydrocarbon fields even when the equipment is not in use**. Similarly, daily manpower charges continue to apply when its well intervention specialists are deployed and on standby at project sites. This commercial arrangement enables the Group to generate revenue throughout different stages of project execution, allowing it to **monetise both its equipment and manpower beyond periods of active well intervention work while improving overall asset utilisation**.

IPO Details

	Offer for Sale (m)	Public Issue (m)	Total (m)	(%)
Retail Offering				
Malaysian Public	-	13.75	13.75	2.50
Bumiputera Public Investors	-	13.75	13.75	2.50
Eligible Person		10.00	10.00	1.82
Private Placement				
Selected Investors	-	101.72	101.72	18.49
Total	**-**	**139.22**	**139.22**	**25.31**

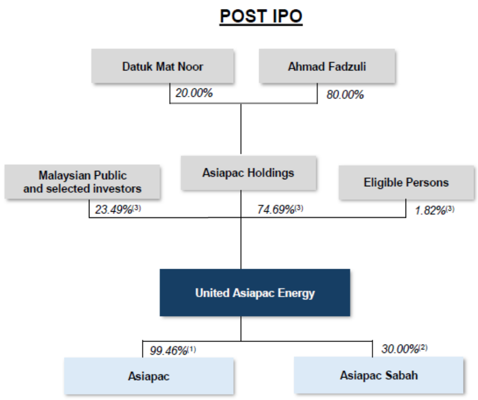
Source: UAEB''s IPO Prospectus, Mercury Securities

Figure 14: Pre-IPO Corporate Structure



Source: Company

Figure 15: Post-IPO Corporate Structure



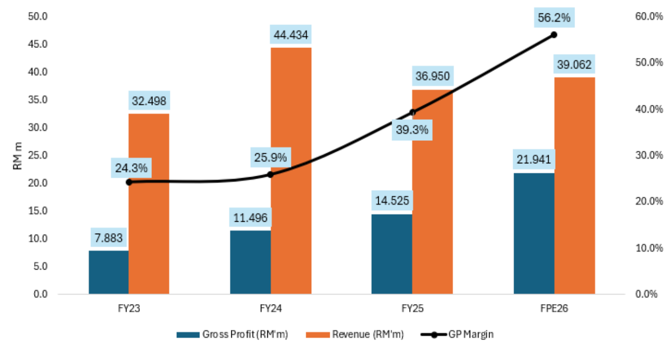
Source: Company

Financial Highlights

UAEB's **financial performance has been underpinned by improving profitability and an expanding margin profile, though topline growth has been volatile, driven largely by the number of hydrocarbon fields serviced and the efficiency of clients' project planning**. Topline grew from **RM32.5m in FY23 to RM37.0m in FY25 (2-year CAGR: 6.6%)** (refer to *Figure 17)*, with the growth of +36.7% YoY from FY23 to FY24 is due to the addition of 10 hydrocarbon fields serviced, while revenue per field held steady at RM1.2m in both years; growth was spread across Sarawak (+39.4% YoY) and Peninsular Malaysia (+26.5% YoY). Revenue then declined -16.8% YoY to RM37.0m in FY25, despite the Group servicing more fields than FY24 (43 vs. 38), as clients adopted more effective project planning and optimized equipment utilisation, lowering overall rental charges. Under UAEB's Provision of Equipment revenue segment, which derives revenue from i) equipment rental and ii) usage of the equipment, greater client efficiency shortens equipment turnaround time and utilisation, directly reducing billings. The equipment revenue per field fell from RM1.0m in FY24 to RM730k in FY25. For FPE26 (9-month period), revenue grew +28.4% YoY from RM30.4m in FPE25, as fields serviced rose from 31 to 34 (FPE25 vs. FPE26), led by Peninsular Malaysia which more than doubled on a higher concentration of large-value projects. PETRONAS Carigali, via POs under the Pan Malaysia Contract, contributed 62.7% of total revenue in FPE26.

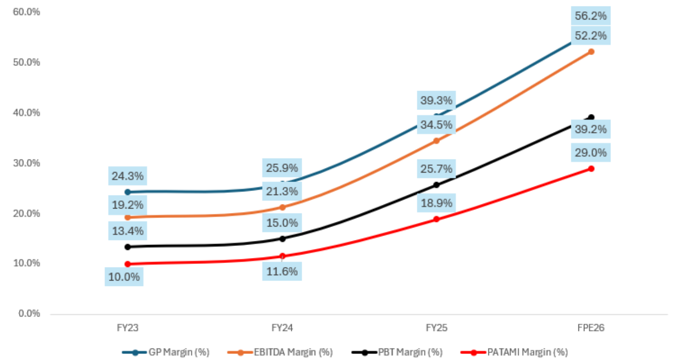
Profitability **improved significantly over the period under review, driven by the Equipment Ownership Strategy**. Gross profit grew from RM7.9m in FY23 to RM14.5m in FY25 (+84.3%), and further to RM21.9m in FPE26 (*refer to Figure 18)*, as **GP margin expanded from 24.3% to 39.3%, and further to 56.2% in FPE26**. This was driven by the Group's strategic shift from renting to purchasing its own well intervention equipment, cutting *equipment rental cost as a % of equipment revenue* from **44.8% in FY23 to 25.3% in FY25 and just 12.5% in FPE26**, even as this pushed up depreciation charges. EBITDA grew in tandem, from RM6.2m in FY23 to RM12.7m in FY25 (+103.7%) and further to RM20.4m in FPE26, with margin expanding from 19.2% in FY23 to 52.1% in FPE26, mirroring the GP margin uplift, supported by the decrease of staff-related costs and directors' remunerations. Consequently, PBT grew from RM4.3m (FY23) to RM9.5m (FY25) and further to RM15.3m (FPE26), with margin expanding from 13.4% (FY23) to 39.2% (FPE26), supported by the decline in finance costs following settlement of the shareholder loan via capitalisation. Lastly, PATAMI grew from RM3.3m in FY23 to RM7.0m in FY25 and further to RM11.3m in FPE26, with margin improving from 10.0% (FY23) to 18.9% (FY25) and 29.0% (FPE26), in line with the higher PBT and lower minority interest of RM62k in FPE26 (FY23: RM136k), partially offset by a higher effective tax rate, rising from 21.7% in FY23 to 25.5% in FPE26.

Figure 16: Revenue Trend (RM m) and YoY Growth (%)



Source: Company, Mercury Securities

Figure 17: Profitability Margins (%)

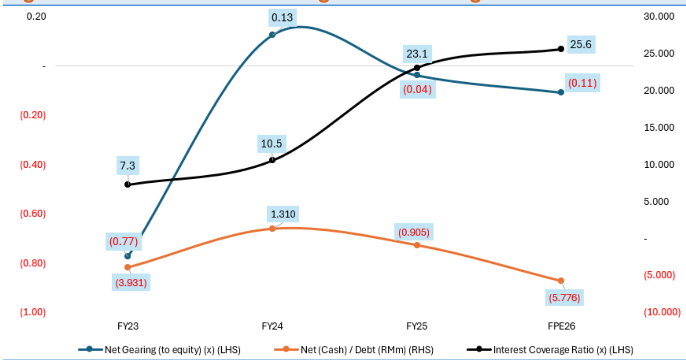


Source: Company, Mercury Securities

Healthy Balance Sheet with Manageable Gearing. UAEB maintains a healthy balance sheet, underpinned by strong total asset growth and declining finance costs. As at 28 Feb 2026, the Group recorded total assets of RM65.0m, growing from RM23.6m in FY23. Total borrowings stood at RM3.3m, with a **gearing ratio of 0.1x, a significant improvement from 0.8x in FY23** (*refer to Figure 16*), driven mainly by: (i) the full extinguishment of the Group's RM7.7m interest-bearing shareholder loan between FY24 and FY25, settled via capitalisation of RM6.4m into new shares in September 2024 and a final cash payment in May 2025; (ii) equity growth from retained earnings on the back of stronger profitability; and, in FPE26, (iii) the capitalisation of a separate RM18.0m shareholder advance ahead of the Listing. Post-IPO, the pro forma gearing ratio is **expected to fall further to 0.02x, supported by both the enlarged equity base from IPO proceeds and the planned repayment of RM2.8m of bank borrowings (5.8% of gross IPO proceeds) within 3 months of listing**. The Group's interest coverage ratio also improved consistently, from 7.3x in FY23 to 25.6x in FPE26, mainly due to the decline in finance costs following settlement of the shareholder loan as explained above. On a net debt basis, the Group recorded a net cash position of RM5.8m as at FPE26, against a net debt position of RM1.3m in FY24, primarily due to the acquisition of well intervention equipment to reduce reliance on rental. The Group's current ratio improved to 5.8x in FPE26 from 1.8x in FY23, mainly due to the sharp rise in trade receivables to RM19.9m in FPE26 (FY23: RM9.2m).

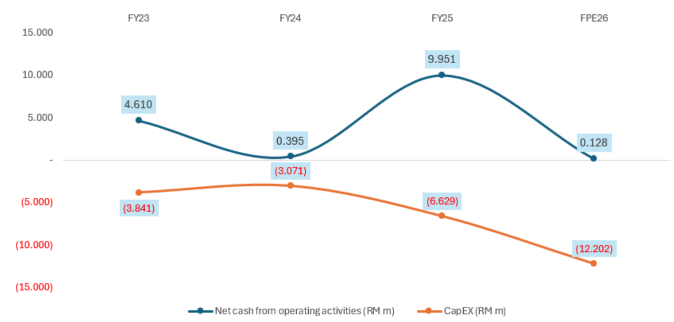
Cash Generation Has Been Volatile Rather Than on a Steady Uptrend. UAEB's **net cash from operating activities stood at RM4.6m in FY23, declining to RM0.4m in FY24, before rebounding to RM10.0m in FY25 and falling back to RM0.1m in FPE26**. The FY24 decline was largely driven by a RM6.9m build-up in unbilled contract assets following the ramp-up in project activity, while the FPE26 decline was driven by a RM11.3m increase in trade receivables as the Group's business mix shifted towards larger, longer-cycle projects in Peninsular Malaysia. Capital expenditure increased steadily from RM3.8m in FY23 to RM12.2m in FPE26, primarily attributable to the Group's ongoing acquisition of well intervention tools and equipment under its Equipment Ownership Strategy, which reduces reliance on costlier equipment rental and directly underpins the margin expansion discussed earlier. Unlike a one-off capex event, this trend is expected to continue post-Listing, with RM23.3m (47.7% of gross IPO proceeds) earmarked for further acquisition of well intervention tools and equipment within 36 months of Listing. Overall, while near-term cash conversion has been uneven due to the capex cycle and working capital build-up, the Group's improving debt-servicing capacity and strengthening balance sheet provide a reasonable financial foundation to support its growth plans post-listing.

Figure 18: Balance Sheet Strength and Leverage Profile



Source: Company, Mercury Securities

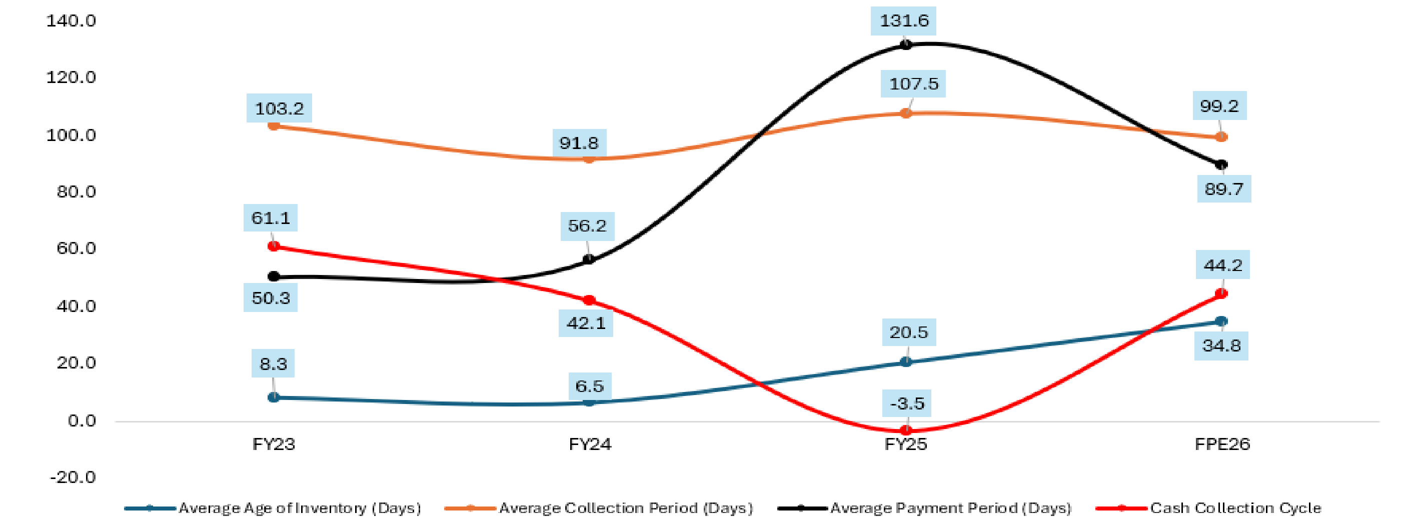
Figure 19: Capex vs. Net Operating Cash Flow



Source: Company, Mercury Securities

Working Capital Trend. UAEB's working capital is driven by the project-based nature of its well intervention business, where inventory build-up and client billing timelines fluctuate with project cycles. Inventory days **rose from 8.3 in FY23 to 34.8 in FPE26, reflecting stockpiling of tools ahead of upcoming projects**. Receivables days **ranged 92–108 days, peaking in FY25 on slower client billing approvals before easing to 99 days in FPE26 as the Group sped up its invoicing process**. Payables days **spiked to 132 days in FY25 due to a one-off deferred payment to an equipment supplier tied to a related equipment purchase**, before normalising to 90 days in FPE26. Consequently, CCC swung from 61 days (FY23) to a negative -3.5 days (FY25), meaning supplier credit alone funded the Group's inventory and receivables that year, with no need to draw on bank lines for working capital, before reverting to 44 days in FPE26 as payables normalised. Overall, UAEB's CCC has been volatile rather than stable, but with cash on hand plus low gearing, we don't see UAEB needing significant bank borrowing to fund day-to-day working capital, though the rising inventory build is worth monitoring as project volumes scale.

Figure 20: Working Capital Cycle (Days)



Source: Company, Mercury Securities

UAEB is projected to **sustain a positive growth trajectory over FY26E–FY28E**, with revenue growing from **RM52.4m (FY26E) to RM56.1m (FY27E) and RM60.0m (FY28E), implying a 2-year CAGR of 7%**. Our forecast is anchored on two drivers. First, PETRONAS' historical trend on the number of wells under development, exploration, or appraisal, and Plug-and-Abandonment (P&A) activity, which based on our estimate grew at a 5-year CAGR of 7%. Second, the outstanding contracts under the Group, totalling RM61.1m from June 2025 until February 2027, as disclosed in the prospectus.

On profitability, GP margin is **assume to improve further from 56% in FY26E to 58% in FY28E**, as the Group continues its Equipment Ownership Strategy, funded in part by RM23.3m (47.7% of gross IPO proceeds) earmarked for the acquisition of well intervention tools and equipment within 36 months of Listing, which avoids the embedded profit margin charged by third-party equipment rental providers and directly lowers cost of sales as a percentage of revenue. EBITDA margin then is expected to increase by 2ppts to 50.5%, in line with the increase of the GP margin as explained above. PBT margin is **expected to decrease, from 39.3% (FY26E) to 36.4% (FY28E)**, due to higher depreciation expenses coming from the newly-purchase equipment and new corporate office, partially cushioned by lower finance costs following the Group's post-IPO deleveraging, while PATAMI margin compresses from 30.4% to 28.2% over the same period, translating into PATAMI of RM15.9m (FY26E), RM16.3m (FY27E) and RM16.9m (FY28E) assuming a normalised statutory tax rate of 24% throughout.

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	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	32.5	44.4	37.0	52.4	56.1	60.0
Gross Profit	**7.9**	**11.5**	**14.5**	**29.4**	**32.0**	**34.8**
EBITDA	6.2	9.5	12.7	25.3	27.8	30.3
EBIT	5.0	7.4	9.9	20.9	21.3	22.0
PBT	4.3	6.7	9.5	20.6	21.0	21.9
Core Net Profit	**3.3**	**5.1**	**7.0**	**15.9**	**16.3**	**16.9**
Core EPS (sen)*	**0.59**	**0.93**	**1.27**	**2.90**	**2.96**	**3.38**
Core EPS Growth (%)	-	57.5%	35.8%	128.2%	2.2%	14.3%
Net DPS (sen)*	-	-	-	-	-	-
Net Div. Yield (%) *	-	-	-	-	-	-
BVPS (sen)*	0.9	1.9	4.8	16.2	19.2	24.5
PER (*Using IPO price*)	59.0	37.5	27.6	12.1	11.8	10.3
PBV (x) (*Using IPO price*)	37.8	18.4	7.3	2.2	1.8	1.4
Net Gearing	(0.8)	0.1	(0.0)	(0.4)	(0.5)	(0.4)

**Based on enlarged issued share capital of 550m*

Valuation

We value United Asiapac Energy Berhad at RM0.395 using a 13.3x P/E Multiple to our projected FY27E EPS of 2.96 sen, benchmarked against its local Oil and Gas Service Providers peers. We apply a **20% premium to the historical average 5-years of the peers at 11x**, mainly due to: (i) The Group's status as the **first pure play well intervention service provider** to be listed on Bursa Malaysia, particularly operating in a niche segment in Oil and Gas (Fishing, Plug-and-Abandonment, Sidetracking and Others) and, (ii) The superior margin profile of the Group compared to its local peers, with the latest GP margin and PAT margin at **56.2% and 29.2%,** respectively, against its peers average GP margin and PAT margin of **25.4% and 12.2%.**

5-Year Historical P/E Average of Local Peers (x)

Company	Bloomberg Ticker	FYE	Share Price (RM)	Mkt Cap (RM m)	2021	2022	2023	2024	2025	Average P/E
Deleum Bhd	DLUM MK	Dec	1.11	445.72	10.6	8.6	8.4	7.5	6.8	8.4
Uzma Bhd	UZMA MK	Jan	0.40	239.90	46.4	6.5	10.2	4.1	#N/A N/A	16.8
Reservoir Link Energy Bhd	RLEB MK	Dec	0.29	106.09	14.4	16.5	#N/A N/A	2.7	#N/A N/A	11.2
Simple Avg.				**263.9**	**23.8**	**10.5**	**9.3**	**4.7**	**6.8**	**11.0**

Source: Bloomberg, Mercury Securities

Industry Comparison

As per the latest Financial Recorded		Margin %			1-Year
Index	Bloomberg Ticker	GP	PBT	PAT	Forward P/E Multiple
Bursa Malaysia Energy Index	KLENG Index	27.2	11.2	6.6	9.7x
United Asiapac Energy Bhd	**UNIPAC MK**	**56.2**	**39.2**	**29.2**	**13.0x**

Source: Bloomberg, Mercury Securities

Profitability Margin and Return Ratios Comparison to Local Peers (x)

Company	Bloomberg Ticker	Margin (%)				%	
		GP	EBITDA	PBT	PAT	ROE	ROA
Deleum Bhd	DLUM MK	26.5	16.1	13.4	7.1	14.4	8.9
Uzma Bhd	UZMA MK	30.7	22.5	11.0	7.5	8.7	3.0
Reservoir Link Energy Bhd	RLEB MK	18.9	10.8	25.3	21.9	(47.3)	(29.1)
Local Peers Simple Avg.		**25.4**	**16.4**	**16.6**	**12.2**	**(8.1)**	**(5.7)**
United Asiapac Energy Bhd	**UNIPAC MK**	**56.2**	**52.2**	**39.2**	**29.2**	**29.2**	**21.5**

Source: Bloomberg, Mercury Securities

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SWOT Analysis

S STRENGTHS	W WEAKNESS
Leading specialist in well intervention solutions. United Asiapac Energy provides specialized well intervention services including fishing, plug & abandonment (P&A), section milling, sidetracking, washover and wireline recovery, supported by an extensive inventory of proprietary and customised downhole tools. **Strong industry qualifications and licenses.** The Group holds PETRONAS SWEC licenses and PETROS License and Work Category (PLWC), allowing participation in upstream projects across Peninsular Malaysia and Sarawak, creating relatively high barriers to entry. **Established relationships with major upstream operators.** The Group has secured projects from PETRONAS and other petroleum arrangement contractors (PACs), demonstrating technical capability and operational credibility in Malaysia's upstream oil & gas industry. **Comprehensive well intervention solutions provider.** The Group offers integrated services covering fishing, recovery, P&A, equipment rental and customised downhole tools, allowing cross-selling opportunities and positioning itself as a one-stop service provider.	**High customer concentration.** Approximately 73% of FPE2026 revenue was derived from PETRONAS-related projects, exposing the Group to contract renewal and customer concentration risk. **Project-based revenue model.** Revenue is primarily generated from project awards and work orders rather than long-term recurring contracts, resulting in earnings volatility depending on customers' drilling and well intervention activities. **Business concentrated in Malaysia.** Operations remain largely focused on Malaysia, limiting geographical diversification and exposing earnings to domestic upstream spending cycles. **Capital-intensive expansion.** Business growth requires continual investment in specialized well intervention tools and equipment, resulting in relatively high capital expenditure requirements.
T THREATS	**O OPPORTUNITIES**
Dependence on upstream oil & gas spending. Reduced exploration, drilling or production activities due to weaker crude oil prices may lower demand for the Group's services. **Competitive oilfield service industry.** The well intervention market comprises both local and international service providers competing on pricing, technical capability and equipment availability. **Operational and HSE risks.** Offshore well intervention activities involve operational hazards, equipment failures and strict health, safety and environmental requirements, which may result in project delays, financial losses or reputational damage. **Energy transition risk.** Malaysia's long-term decarbonization policies and increasing adoption of renewable energy and biodiesel initiatives may gradually reduce investment in conventional upstream oil and gas activities over time. **Renewable Energy Risk.** The growing adoption of electric and hybrid vehicles, supported by declining battery costs, this could gradually reduce reliance on petrol and diesel vehicles and, consequently, crude oil consumption in the transportation sector. The increasing use of renewable energy to power EVs could further accelerate this transition. The IMF highlighted that technological advances in EVs and renewable energy could significantly reduce global oil demand over the long term. This transition could become more significant from 2030 onwards and potentially reduce investment in conventional upstream oil and gas projects, limiting future demand for United Asiapac Energy's oil and gas-related services.	**Growing demand for late-life well intervention services.** Increasing numbers of mature oil fields in Malaysia are expected to drive demand for P&A, fishing and other well intervention activities over the medium to long term. **Expansion into Sarawak.** The Group's PLWC licenses enables participation in Sarawak's expanding upstream sector, supported by increasing exploration activities and PETROS' growing role in the state. **Expansion of service offerings.** Planned expansion into e-line, slickline, wireline recovery and hydrocarbon well cleanout services allow the Group to broaden its customer base and increase wallet share from existing clients. **Capacity expansion through new equipment.** IPO proceeds will be used to acquire additional well intervention tools and equipment, increasing operating capacity and enabling the Group to undertake larger and more simultaneous projects.

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Company Background

United Asiapac Energy Berhad is a Malaysia-based provider of **well intervention solutions and oilfield services to the upstream oil and gas industry, with operations across Peninsular Malaysia, Sabah and Sarawak**. Established in 2013 through Asiapac Oil & Gas Sdn Bhd, the Group has grown into a specialized well intervention solutions provider offering fishing services, plug and abandonment (P&A), sidetracking, section milling, washover, wireline recovery, customised downhole tools, equipment rental and sales, as well as related engineering solutions. The Group serves a diversified customer base comprising petroleum arrangement contractors (PACs), oil and gas operators, drilling contractors and oilfield service companies, supporting the exploration, production and abandonment stages of hydrocarbon wells. United Asiapac Energy derives approximately 73% of its FPE 2026 revenue from PETRONAS-related projects, underscoring its strong industry presence and long-standing relationships within Malaysia's upstream oil and gas sector. The Group also holds key industry licenses and registrations, including the PETRONAS SWEC licenses and the PETROS License and Work Category (PLWC), enabling it to participate in a broad range of upstream oil and gas activities in both Peninsular Malaysia and Sarawak. Supported by its specialized technical expertise, experienced workforce, strategic operational bases and participation in major upstream contracts, United Asiapac Energy is well positioned to capitalize on the growing demand for well intervention and late-life asset management services in Malaysia's oil and gas industry.

Figure 21: Key Milestones

Year	Key milestones
2013	• Incorporation of Asiapac
2019	• Obtained the SWEC code licenses for integrated well abandonment services, well bore cleanup equipment and services, multiple activation bypass, oilfield fishing equipment and services and specialised drilling and completion consultancy
2020	• Asiapac secured the Pan Malaysia Contract • Asiapac secured the Package A contract from Sarawak Shell Berhad / Sabah Shell Petroleum Company Limited for the period commencing 9 November 2020 to 8 November 2025 • Asiapac secured a contract from PTTEP Group for the period commencing 12 November 2020 to 12 November 2025 • Asiapac secured the contract from Petrofac (Malaysia-PM304) Limited for the period commencing 16 November 2020 to 15 November 2025 • Obtained the SWEC code licenses for drilling equipment rental and services and drilling jars and other down hole drilling
2021	• Commenced operating our base in Labuan since February 2021 • Commenced operating our base in Kemaman, Terengganu since March 2021

Source: Company

Figure 22: Key Milestones

Year	Key milestones
	• Secured our first PO from Petrofac (Malaysia-PM304) Limited for fishing services in April 2021
2022	• Asiapac secured the Pan Malaysia Offshore the well works contract for the provision of fishing equipment and services (Package A and B) from Pantai Rhu Energy Sdn Bhd for the period commencing 8 September 2022 to 15 October 2025
2023	• Received The BrandLaureate Small and Medium-sized Enterprises (SMEs) best brand award in Oil and Gas Solutions in 2023 from The World Brands Foundation
2024	• Received the Oil & Gas Services and Equipment (OGSE) Innovation Awards 2024 from Malaysian Oil, Gas & Energy Services Council (MOGSY) • Asiapac was awarded a contract by PETRONAS Carigali for the provision of dual-casing section milling and P&A services for the period commencing 14 November 2024 to 13 February 2026 • Asiapac was awarded by Ping Petroleum Sdn Bhd a contract under Ping Petroleum Sdn Bhd's offshore well works programme on a call-out basis, which covers the provision of fishing equipment and services (Package A and B) for offshore operations that was previously awarded to Asiapac by Pantai Rhu Energy Sdn Bhd, for the period commencing 6 February 2024 to 15 October 2025

Source: Company

Figure 23: Key Milestones

Year	Key milestones
2025	• Asiapac received Extension Letter from Ping Petroleum Sdn Bhd dated 4 March 2025 whereby the initial contract awarded by Ping Petroleum Sdn Bhd to Asiapac which was effective up to 15 October 2025, was subsequently extended to 14 October 2026 • Obtained the SWEC code license and registration for specialist manpower • Asiapac entered into Joint Venture Agreement with Asiapac Sabah to provide comprehensive well intervention services to the oil and gas industry in Sabah • Obtained PLWC codes for drilling fishing services oilfield fishing equipments and services, drilling equipment rental and services, integrated well abandonment services, specialized drilling services well bore cleanup equipment and services, specialized well services multiple activation bypass, specialized drilling and completion consultancy and specialized well services drilling jars and other down hole drilling • Received the Letter of Contract Amendment and Contract Extension from PETRONAS Carigali for amongst others, the amendment and extension of the duration of the Pan Malaysia Contract for a further period of 9 months commencing on 16 October 2025 until 15 July 2026 and if PETRONAS Carigali elects to do so in writing, with an additional extended period of 3 months commencing on 16 July 2026 and expiring on 15 October 2026
2026	• Received The BrandLaureate Bumiputera BestBrands Awards 2026 from The World Brands Foundation • Received the Shanghai International Prestige Business Awards - Excellent Bumiputra Award 2026 • Received the Letter of Contract Extension from PETRONAS Carigali dated 9 June 2026 to further extend the Pan Malaysia Contract for an additional period of 3 months commencing on 16 July 2026 and expiring on 15 October 2026

Source: Company

Figure 24: Key Milestones

Year	Key milestones
	• Asiapac was appointed by a national PAC as the Pan Malaysia Panel Contractor for the Provision of Integrated Well Continuity Services for Intervention, Workover and Abandonment for PACs (Sub-Package B2 for Fishing, Milling and Abandonment Equipment and Services under Package B for Integrated Workover for Production Enhancement and Abandonment) for the period commencing 10 July 2026 to 9 October 2029 • Asiapac received a letter of award from an upstream energy company for the Pan Malaysia Provision of Fishing Equipment and Services for PAC Operators' Drilling Program for the upstream energy company - (Package A and Package B) for the period from 1 July 2026 to 15 October 2026

Source: Company

Figure 25: Licence (PLWC Code)

PETROS · PLWC

Sarawak (exclusive jurisdiction)

7 **PLWC codes held**

Fishing & oilfield services · equipment rental · integrated well abandonment · wellbore cleanup · workover & abandonment · drilling consultancy · drilling jars

First PLWC June 2025 · valid to June 2028

Source: Company

Figure 26: License (SWEC Code)

PETRONAS · SWEC

Entire Malaysia

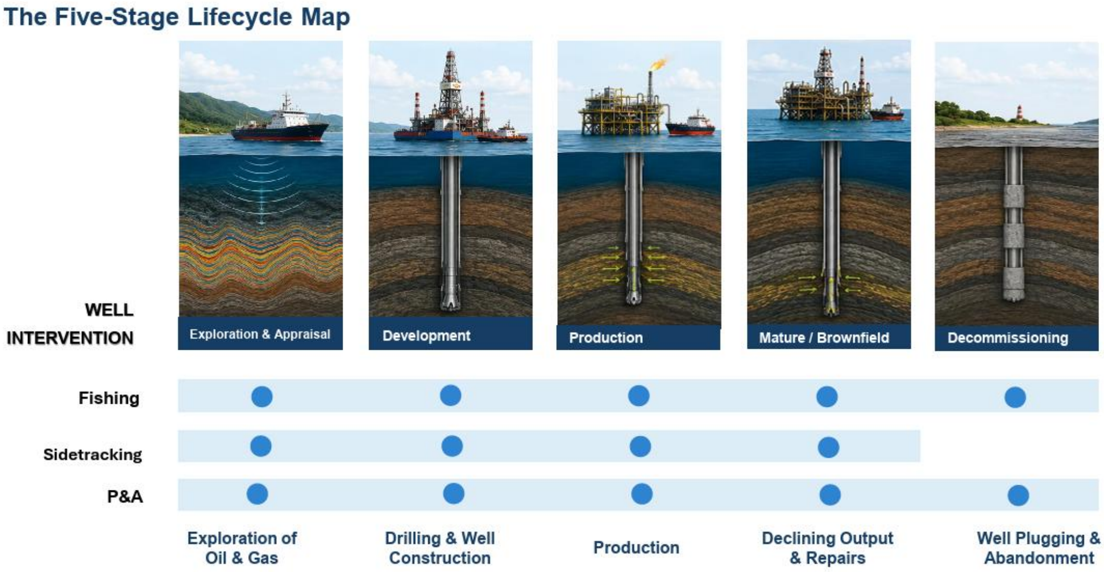
8 **SWEC codes held**

Integrated well abandonment · oilfield fishing · wellbore cleanup · section milling · sidetracking · specialist manpower · drilling jars · equipment rental

First licence April 2019 · valid to April 2028

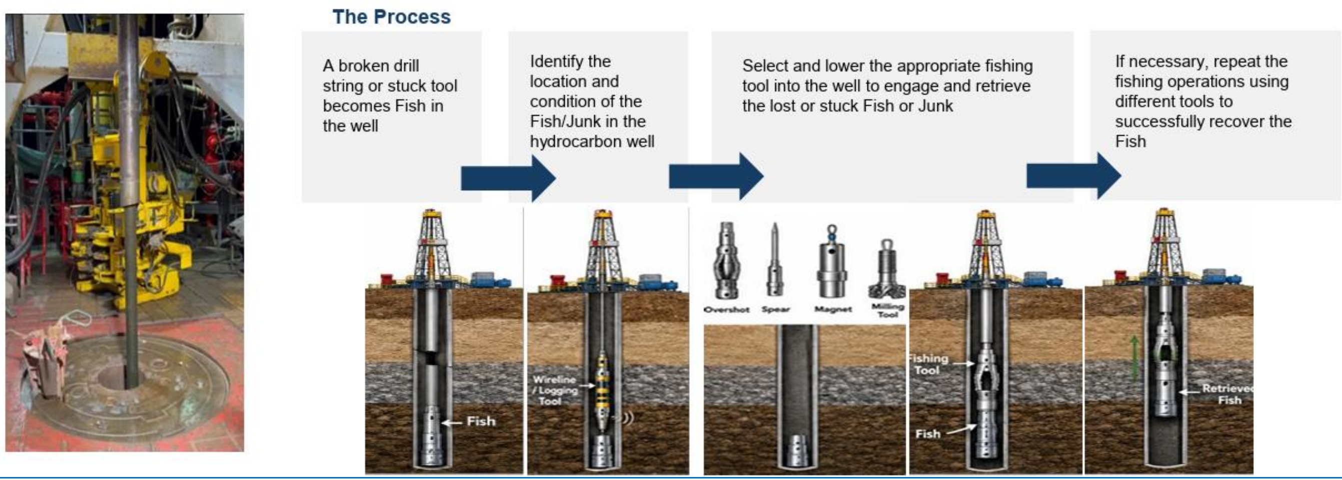
Source: Company

Figure 27: Business Operation



Source: Company

Figure 28: Fishing Services



Source: Company

Figure 29: Fishing Services

P&A is the Group's regulatory-driven growth. The engineering process of permanently or temporarily sealing a hydrocarbon well using cement plugs and mechanical barriers across all hydrocarbon-bearing zones.

The Group provides:

Temporary P&A

- Well suspended but not yet permanently retired.
- Seal the well to prevent leaks or formation fluid migration before abandonment

Permanent P&A

- Well no longer productive or economically viable Seal
- the well to prevent leaks or formation fluid migration
- before abandonment
- Permanently plug and seal

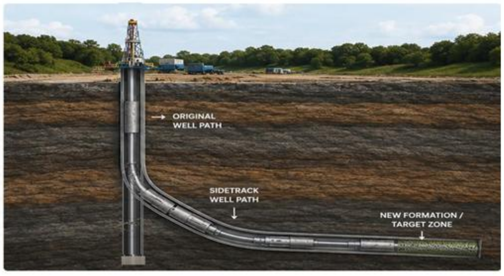
The Group's strategic positioning:

- Holds 8 PETRONAS SWEC codes, including well abandonment services and licences that are prerequisites to bid for P&A work
- Awarded a standalone PETRONAS Carigali contract for dual-casing section milling and P&A.
- Shifted from renting to owning P&A tools, lifting gross margin from 24.3% to 56.2% (FYE 2023-FPE 2026) and sharpening mobilisation speed.

Source: Company

Figure 30: Sidetracking

- Create a new well path from an existing hydrocarbon well, enabling operators to overcome downhole challenges, access bypassed or untapped reservoir zones and extend the economic life of the well.
- Provide cost-effective alternative to drilling a new well.
- Deviating from the original hydrocarbon well to initiate drilling into a new formation or target zone.
- Depending on the well's design and the intervention objectives, sidetracking can be performed using whipstocks.



The Process

Source: Company

Figure 31: Other Well Intervention Solutions

SECTION MILLING

- Cuts out a full length of casing to expose the formation for the enabler for P&A, sidetracks and casing recovery.
- Remove section of the casing to expose the open hole formation.
- Milling window is set from well data by casing type, size, depth and integrity, confirmed by the client's logging run.

WASHOVERS

- Frees pipe or a Fish locked in by debris or formation build-up, typically the step that precedes a fishing run.
- Washover pipe and shoe are run over the obstruction while circulating fluid lifts cuttings and cools the cutting face.
- Rotation cuts away the encasing material to clear the annulus, restoring access for retrieval tools.

WIRELINE RECOVERY

- Recovers wireline tools lost or stuck downhole, with the sweet spot in small-hole fishing where conventional tools will not pass.
- Grab tools, overshots and magnets are matched to tool type, depth and well condition; multiple runs are common.
- A planned service line alongside e-line and slickline, funded under the IPO growth plan.

Source: Company

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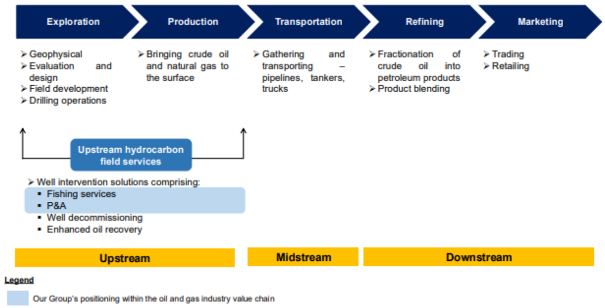
Figure 32: Business Model

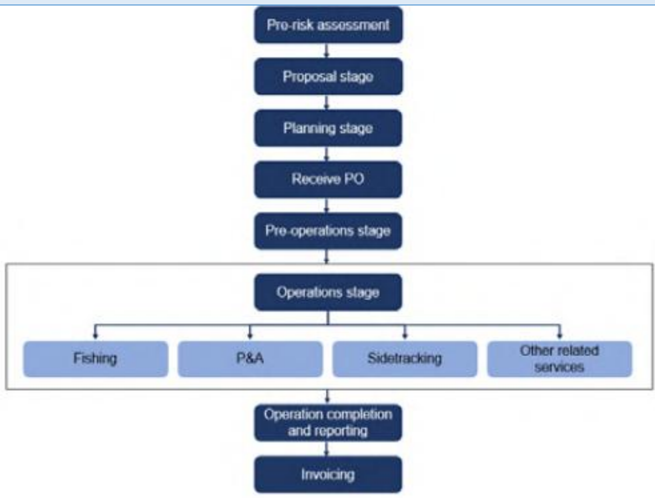
Source: Company

Figure 33: United Asiapac Energy's Positioning in Industry



Source: Company

Figure 34: Business Operation



Source: Company

Figure 35: Key Management Team

Name and Designation	Age	Profile
Major General (B) Dato' Mamat Ariffin Bin Abdullah Independent Non-Executive Chairman	76	• Appointed Independent Non-Executive Chairman on 24 November 2025. • Draws on 37 years of distinguished service in the Malaysian Army with expertise in logistics, procurement, strategic planning, operations and human resource management. • Following his military career, he served on the boards of Affin Fund Asset Management Berhad, Boustead Petroleum Marketing Sdn Bhd and Waja Konsortium Berhad before joining the Company.
Ahmad Fadzuli Managing Director	54	• Appointed Managing Director on 10 October 2024. • Brings over 25 years of experience in procurement, contract management, supply chain and strategic business leadership across the oil and gas, engineering, logistics and construction industries. • Held senior roles at Cahya Mata Sarawak Berhad, Sarawak Shell Berhad, Brunei Shell Petroleum Company Sdn Bhd and Shell Malaysia Asia Pacific Project before joining Asiapac Holdings Berhad as a Director in 2022. He was subsequently appointed Executive Chairman in 2023, redesignated as Executive Chairman and Chief Executive Officer in January 2024, and later redesignated as Managing Director in June 2024.
Datuk Mat Noor Executive Director	70	• Appointed Executive Director on 10 October 2024. • Possesses over 40 years of experience in public administration, economic policy, governance, investment management and corporate leadership. • Previously served in senior leadership positions at the Economic Planning Unit (Prime Minister's Department), Ministry of Finance and Bank Rakyat before joining Asiapac as a Director in 2021. Subsequently redesignated as Non-Executive Chairman in June 2024 and Executive Director in Oct 2025.

Ng Her Yinn Executive Director and Chief Corporate Officer	42	• Appointed Executive Director and Chief Corporate Officer on 24 November 2025. • Possesses close to 20 years of experience in corporate strategy, business transformation, product management, fintech and fund management across the banking and financial services industry. • Built her career at Freescale Semiconductor Inc, RHB Bank Berhad, Malayan Banking Berhad, Standard Chartered Bank Berhad and co-founded Triogen Sdn Bhd and Cremorne Capital Fund Management Limited before joining Asiapac Holdings as Head of Corporate Development in 2024 and Asiapac as Chief Corporate Officer in 2025.
Zaleha Binti Che Mustapha Executive Director and Chief People Officer	56	• Appointed Executive Director and Chief People Officer on 24 November 2025. • Brings over 35 years of experience in human resources, organisational transformation, stakeholder engagement, banking operations and strategic management across the financial services and corporate sectors. • Held senior leadership positions at Malayan Banking Berhad, RHB Bank Berhad, Export-Import Bank of Malaysia Berhad (EXIM Bank), Sapura Resources Berhad and Triogen Asia Sdn Bhd before joining Asiapac as Head of Human Resources & Administration in 2024. She was subsequently promoted to Chief People Officer in October 2025.
Datuk Dr. Yacob Bin Mustafa Independent Non-Executive Director	63	• Appointed Independent Non-Executive Director on 24 November 2025. • Brings over 35 years of experience in public sector accounting, financial management, audit, governance and regulatory oversight. • Previously served as Accountant General of Malaysia and held key governance roles with Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA), Kumpulan Wang Persaraan (KWAP), Inland Revenue Board of Malaysia (IRBM), Perbadanan Insurans Deposit Malaysia (PIDM) and Majlis Agama Islam Wilayah Persekutuan (MAIWP) before joining the Company.
Dato' Stephen Cheah Kim Seng Independent Non-Executive Director	66	• Appointed Independent Non-Executive Director on 24 November 2025. • Has nearly 40 years of experience in business development, strategic advisory, entrepreneurship and international business leadership across multiple industries. • Held leadership positions at Twinway Engineering E&M Consulting Ltd, Hume Cement Industries Berhad, Hong Leong Industries Berhad and Myetutor.com Sdn Bhd before founding GEN Thailand Co. Ltd. He currently also serves as an advisor to Berli Jucker Public Company.
Datuk Aureen Jean Nonis Independent Non-Executive Director	63	• Appointed Independent Non-Executive Director on 24 November 2025. • Brings over 35 years of experience in public policy, international trade development, strategic planning and corporate governance. • Previously served in senior positions at the Ministry of Finance Malaysia and Malaysia External Trade Development Corporation (MATRADE), including as Senior Director of Strategic Planning Division, before joining the board of NexG Bina Berhad as an Independent Non-Executive Director in 2023.
Mohamad Rosdi Bin Damis Chief Finance Officer	42	• Appointed Independent Non-Executive Director on 24 November 2025. • Brings over 35 years of experience in public policy, international trade development, strategic planning and corporate governance. • Previously served in senior positions at the Ministry of Finance Malaysia and Malaysia External Trade Development Corporation (MATRADE), including as Senior Director of Strategic Planning Division, before joining the board of NexG Bina Berhad as an Independent Non-Executive Director in 2023.
Edwin Siripala Chief Operations Officer	36	• Appointed Independent Non-Executive Director on 24 November 2025. • Brings over 35 years of experience in public policy, international trade development, strategic planning and corporate governance. • Previously served in senior positions at the Ministry of Finance Malaysia and Malaysia External Trade Development Corporation (MATRADE), including as Senior Director of Strategic Planning Division, before joining the board of NexG Bina Berhad as an Independent Non-Executive Director in 2023. .

Major Customers

Customer	Location of Customer	Main Services Provided	Length of Relationship as at FY25 (Years)	Revenue (RM '000)	% of Group's Total Revenue
Petronas Carigali	Malaysia	Well intervention solutions	5	29,473	79.76
Odfjell	British Virgin Islands	Well intervention solutions	6	3,880	10.50
PTTEP Group	Malaysia	Well intervention solutions	5	1,939	5.25
Sarawak Shell Berhad	Malaysia	Well intervention solutions	5	1,526	4.13
Coretrax Sdn Bhd	Malaysia	Rental of fishing tools	3	55	0.15
			Subtotal	36,873	99.79
			Group's Total Revenue	36,950	100.0

Source: United Asiapac's IPO Prospectus

Major Suppliers

Supplier	Location of Supplier	Products/Services Procured	Length of Relationship as at FY25 (Years)	Purchases (RM '000)	% of Group's Total Purchases
Odfjell	British Virgin Islands	Equipment rental	6	4,409	19.66
National Oilwell Varco Pte Ltd	Singapore	Drilling jar rental	5	2,609	11.62
Red Baron Integrity Solutions Malaysia Sdn Bhd	Malaysia	Equipment rental	5	1,431	6.38
Oilfields Supply Center Sdn Bhd	Malaysia	Whipstock purchase and break-out unit rental	4	1,101	4.91
Coretrax Sdn Bhd	Malaysia	Equipment rental	4	975	4.35
			Subtotal	10,523	46.92
			Total Purchases	22,425	100.0

Source: United Asiapac's IPO Prospectus

Future Plans and Business Strategies

Strengthening Technical Capabilities through Acquisition of Well Intervention Tools and Equipment. United Asiapac Energy's growth strategy focuses on strengthening its technical capabilities by expanding its fleet of well intervention tools and equipment to support future business growth and improve operational efficiency. To implement this initiative, the Group intends to allocate approximately RM23.26 million, representing 47.74% of its IPO proceeds, to acquire new well intervention tools, equipment and DNV-certified cargo baskets within 36 months from listing. The investment includes the acquisition of a break-out unit to be installed at its Kemaman operational base, enabling the in-house assembly and testing of well intervention tools instead of relying on third-party facilities, thereby reducing logistical costs and improving project execution efficiency. In addition, the procurement of DNV-certified cargo baskets will enhance the Group's mobilisation capabilities by allowing multiple sets of equipment to be deployed simultaneously across different project sites, strengthening its ability to execute larger volumes of contracts while meeting clients' operational timelines.

Expansion of Well Intervention Service Offerings. United Asiapac Energy intends to broaden its portfolio of well intervention solutions by introducing additional specialised services to better address the evolving requirements of upstream oil and gas operators. The Group plans to expand into e-line, slickline and wireline recovery services, particularly for small hole fishing operations, while also introducing hydrocarbon well cleanout services through the procurement of specialised well intervention tools. The expansion is driven by increasing enquiries from existing and prospective customers seeking integrated well intervention solutions from a single service provider. Through a broader service portfolio, the Group aims to strengthen customer relationships, enhance cross-selling opportunities and reinforce its position as a comprehensive well intervention solutions provider.

Expansion into Sarawak's Upstream Oil and Gas Industry. United Asiapac Energy intends to strengthen its market presence in Sarawak by capitalising on the increasing demand for well intervention solutions arising from new greenfield exploration activities and the growing number of mature hydrocarbon fields approaching the end of their production life. The Group expects these industry developments to drive higher demand for well intervention services, particularly plug and abandonment (P&A) activities. Supported by its experienced technical workforce and the PETROS License and Work Category (PLWC) licence, the Group is well positioned to secure additional contracts and expand its presence within Sarawak's upstream oil and gas industry.

Expansion of Operations in Sabah. United Asiapac Energy plans to further strengthen its presence in Sabah through its Joint Venture Agreement with Asiapac Sabah, which was established to leverage the combined expertise and resources of both parties. The collaboration aims to enhance operational efficiency, safety standards and innovation in delivering well intervention solutions, equipment rental services, as well as training and capacity-building programmes for the local workforce. This strategic partnership is expected to improve the Group's competitiveness and support its long-term expansion within Sabah's upstream oil and gas sector.

Acquisition of a New Corporate Office. United Asiapac Energy intends to acquire a new corporate office in the Kuala Lumpur area with an estimated built-up area of approximately 4,000 sq ft to support its future operational requirements. The Group is currently identifying a suitable commercial office for acquisition. The new premises are expected to provide a permanent corporate headquarters, eliminate recurring rental expenses and offer greater flexibility in configuring office space to accommodate the Group's expanding operations and workforce.

Key Risks

Dependence on PETRONAS and Major Customers. Our Group's financial performance is highly dependent on securing and maintaining contracts from PETRONAS and petroleum arrangement contractors (PACs), with approximately 73% of FPE 2026 revenue derived from PETRONAS-related projects. As most contracts are awarded through competitive tenders and are project-based in nature, there is no assurance that existing contracts will be renewed or that the Group will continue to secure new projects upon expiry. Any reduction in capital expenditure by PETRONAS or upstream operators, contract delays, intensified competition, or loss of major customers could materially reduce the Group's order flow, revenue and profitability.

Operational and Project Execution Risk. United Asiapac Energy operates in the upstream oil and gas industry where project execution involves specialised well intervention equipment, skilled technical personnel and strict health, safety and environmental (HSE) requirements. Delays arising from equipment failures, mobilisation issues, adverse offshore weather conditions, shortages of qualified personnel or operational accidents may disrupt project execution, resulting in cost overruns, contractual penalties, reputational damage and reduced profitability. In addition, failure to maintain key industry certifications and licences, including PETRONAS SWEC and PETROS License and Work Category (PLWC) approvals, may restrict the Group's ability to participate in future tenders and adversely affect its business operations**.**

Energy Transition and Biodiesel Policy Risk. Malaysia's long-term energy transition policies, including the phased implementation of higher biodiesel blending mandates and broader decarbonisation initiatives, may gradually reduce dependence on conventional fossil fuels while encouraging greater investment in renewable and lower-carbon energy sources. Although upstream oil and gas will remain an important component of Malaysia's energy mix over the medium term, an accelerated shift towards renewable energy, stricter environmental regulations or reduced investments in conventional hydrocarbon developments may lower future drilling and well intervention activities, thereby adversely affecting demand for the Group's products and services. Recent government initiatives to progressively implement the B15 biodiesel mandate and evaluate higher biodiesel blends reflect Malaysia's commitment towards reducing fossil fuel dependency and advancing its energy transition agenda.

Renewable Energy Transition Pressures shift away from oil. The accelerating shift towards EVs and hybrid vehicles, alongside advances in battery technology, could gradually reduce reliance on petrol and diesel and weaken long-term crude oil demand. In Malaysia, newly registered EVs surged 104.1% in 2025, while rising adoption of EVs and hybrid vehicles is expected to continue as battery technology improves. Such as CATL's development of sodium-ion batteries, which offer potential cost and supply-chain advantages, could further support the wider adoption of electric and hybrid vehicles over time. As the energy transition gains momentum, investment in conventional upstream oil and gas activities could gradually moderate, potentially limiting future project opportunities for United Asiapac Energy.

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Sustainability Review

Environmental (E)

1. Responsible Environmental Practices

- The Group is committed to minimizing environmental impact through responsible handling and disposal of regulated waste.
- Scheduled waste generated under the Environmental Quality (Scheduled Wastes) Regulations 2005 is managed by licensed collectors approved by the Department of Environment.
- The Group emphasizes compliance with environmental laws and promotes efficient use of energy and water across its premises.

2. Resources Efficiency

- Initiatives focus on reducing energy consumption and promoting responsible water usage.
- During the financial years under review, no material environmental issues were encountered that affected business operations.

Social (S)

1. Employee Welfare, Safety and Inclusive Workplace

- Training, safety gear, and proactive hazard mitigation highlight strong workplace safety culture.

2. Employee Development and Equal Opportunity

- Career progression is based on performance, experience, and qualifications, regardless of race or gender.
- Training programs support upskilling and professional development to enhance workforce competency.

3. Stakeholder Responsibility and Community Awareness

- The Group recognizes its responsibility to employees, clients, communities, and government agencies, striving to balance business development with stakeholder needs.

Governance (G)

1. Corporate Governance and Ethical Business Conduct

- The Group upholds high standards of governance in line with the Malaysian Code on Corporate Governance (MCCG).
- Policies adopted include the Board Charter, Code of Conduct and Ethics, Whistleblowing Policy, Corporate Disclosure Policy, Diversity Policy, Remuneration Policy, Anti-Bribery and Corruption Policy, Related Party Transaction Policy, Fit and Proper Policy, and Conflict of Interest Policy.

2. Anti-Bribery, Whistleblowing and Compliance Framework

- Awareness on anti-bribery and anti-corruption practices is communicated to all directors and employees.
- The Audit and Risk Management Committee (ARMC), Nomination Committee (NC), and Remuneration Committee (RC), all comprising Independent Non-Executive Directors — assist the Board in discharging responsibilities.

3. Board Structure and Independence

- Half of the Board members are Independent Non-Executive Directors, in line with MCCG Practice 5.2.
- The Chairman is an Independent Non-Executive Director and not a member of Board committees.
- The roles of Chairman and Managing Director are separated to ensure checks and balances.
- The Board comprises three women directors, representing more than 30% of total composition, in line with MCCG Practice 5.9.

Overall ESG Outlook. The Group's ESG framework reflects a compliance-oriented and responsible approach. Environmental practices emphasize safe waste management and efficient resource use. Social initiatives prioritize employee safety, ethical conduct, and equal opportunities. Governance is strengthened through MCCG-aligned structures, independent oversight, and robust anti-corruption measures. Collectively, these initiatives provide a strong foundation for sustainable growth and stakeholder trust.

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