



# **REACH ENERGY BERHAD**

Company no: 201301004557 (1034400-D)  
(Incorporated in Malaysia)

Report  
on  
Unaudited  
Quarterly Financial Results  
for the Period  
1 July 2024  
to  
30 September 2024

(The figures have not been audited)

**REACH ENERGY BERHAD**  
**Company no. 201301004557 (1034400-D)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<b>INDIVIDUAL QUARTER</b>	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	<b>CUMULATIVE QUARTER</b>
		<b>Unaudited for the quarter ended 30 Sep 24 RM'000</b>	<b>Unaudited for the quarter ended 30 Sep 23 RM'000</b>	<b>Unaudited for the period ended 30 Sep 24 RM'000</b>	<b>Unaudited for the period ended 30 Sep 23 RM'000</b>
	<b>Note</b>				
Revenue		54,026	66,791	159,183	164,782
Operating expenses					
Taxes other than income taxes		(14,045)	(17,773)	(47,741)	(47,515)
Purchase, services and other direct costs		(9,936)	(14,591)	(26,799)	(33,840)
Depreciation and amortisation		(24,251)	(25,934)	(55,827)	(67,539)
Distribution expenses		(6,888)	(5,682)	(20,618)	(23,022)
Employee compensation costs		(4,111)	(4,169)	(12,295)	(12,117)
General and administration expenses		(3,256)	(1,037)	(6,872)	(3,272)
Other operating (expenses)/income – net		(646)	4,824	(1,347)	1,633
Total operating expenses		<u>(63,133)</u>	<u>(64,362)</u>	<u>(171,499)</u>	<u>(185,672)</u>
<b>(Loss)/profit from operations</b>		<b>(9,107)</b>	<b>2,429</b>	<b>(12,316)</b>	<b>(20,890)</b>
Share of result of a joint venture		1,071	-	1,268	-
Finance income		508	24,048	7,314	68,767
Finance cost		(47,834)	(22,868)	(78,122)	(53,887)
Finance (cost)/income – net		<u>(47,326)</u>	<u>1,180</u>	<u>(70,808)</u>	<u>14,880</u>
<b>(Loss)/profit before taxation</b>	B11	<b>(55,362)</b>	<b>3,609</b>	<b>(81,856)</b>	<b>(6,010)</b>
Taxation	B12	(9,102)	(294)	(1,133)	(2,644)
<b>(Loss)/profit for the financial period</b>		<b><u>(64,464)</u></b>	<b><u>3,315</u></b>	<b><u>(82,989)</u></b>	<b><u>(8,654)</u></b>
<b>(Loss)/profit attributable to:</b>					
Owners of the Company		(52,337)	6,634	(65,262)	12,576
Non-controlling interests		<u>(12,127)</u>	<u>(3,319)</u>	<u>(17,727)</u>	<u>(21,230)</u>
<b>(Loss)/profit for the financial period</b>		<b><u>(64,464)</u></b>	<b><u>3,315</u></b>	<b><u>(82,989)</u></b>	<b><u>(8,654)</u></b>
<b>(Loss)/earnings per share attributable to owners of the Company</b>	B10				
Basic (loss)/earnings per ordinary share (RM):		(0.025)	0.003	(0.031)	0.006
Diluted (loss)/earnings per ordinary share (RM):		(0.025)	0.003	(0.031)	0.006
<b>(Loss)/profit for the financial period</b>		<b>(64,464)</b>	<b>3,315</b>	<b>(82,989)</b>	<b>(8,654)</b>
<b>Other comprehensive (expense)/income net of tax</b>					
<b>Items that will be reclassified subsequently to (loss) or profit:</b>					
- Foreign currency translation Differences		(10,208)	45,909	2,897	16,157
<b>Total comprehensive (expense)/income for the financial period</b>		<b><u>(74,672)</u></b>	<b><u>49,224</u></b>	<b><u>(80,092)</u></b>	<b><u>7,503</u></b>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes.

**REACH ENERGY BERHAD**  
**Company no. 201301004557 (1034400-D)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**

	<b>INDIVIDUAL QUARTER</b>	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	Unaudited for the quarter ended 30 Sep 24	Unaudited for the quarter ended 30 Sep 23	Unaudited for the period ended 30 Sep 24	Unaudited for the period ended 30 Sep 23
Note	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive (expense)/income for the financial period attributable to:</b>				
Owners of the Company	(58,462)	34,180	(63,523)	22,270
Non-controlling interests	(16,210)	15,044	(16,569)	(14,767)
<b>Total comprehensive (expense)/income for the financial period</b>	<b><u>(74,672)</u></b>	<b><u>49,224</u></b>	<b><u>(80,092)</u></b>	<b><u>7,503</u></b>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes.

**REACH ENERGY BERHAD**  
**Company no. 201301004557 (1034400-D)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As at 30 Sep 24 RM'000	Audited As at 31 Dec 23 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		679,964	819,017
Intangible assets		3,661	4,042
Right use of assets		3,346	4,055
Prepayment and other receivables		3,387	8,226
Restricted cash		7,988	9,384
Investment in joint venture		1,992	4,055
<b>Total non-current assets</b>		<b>700,338</b>	<b>848,779</b>
<b>Current assets</b>			
Inventories		2,090	5,940
Trade receivables		7,067	311
Prepayment and other receivables		19,715	25,280
Deposits, cash and bank balances		3,960	3,352
<b>Total current assets</b>		<b>32,832</b>	<b>34,883</b>
<b>Total assets</b>		<b>733,170</b>	<b>883,662</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		46,121	78,164
Accruals and other payables		38,949	57,901
Lease liabilities		508	666
Amount due to related parties	A7	375,397	5,968
Tax payable		2,993	3,309
Borrowings	A7	21,384	8,737
Provisions		770	12,555
<b>Total current liabilities</b>		<b>486,122</b>	<b>167,300</b>
<b>Net current liabilities</b>		<b>(453,290)</b>	<b>(132,417)</b>
<b>Total assets less current liabilities</b>		<b>247,048</b>	<b>716,362</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		-	4,925
Amount due to related parties	A7	220,140	587,081
Trade and other payables		18,955	3,265
Borrowings	A7	-	32,210
Lease liabilities		2,215	2,714
Provisions		9,589	9,926
<b>Total non-current liabilities</b>		<b>250,899</b>	<b>640,121</b>
<b>Net (liabilities)/assets</b>		<b>(3,851)</b>	<b>76,241</b>
<b>Equity</b>			
Capital		707,088	707,088
Other reserves		10,308	8,569
Accumulated losses		(597,222)	(531,960)
Equity attributable to owners of the Company		120,174	183,697
Non-controlling interest		(124,025)	(107,456)
<b>Total Equity</b>		<b>(3,851)</b>	<b>76,241</b>
<b>Net assets attributable to owners of the Company (RM)</b>		<b>0.06</b>	<b>0.09</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes.

**REACH ENERGY BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<----- Attributable to owners of the Company ----->  
 <----- Non-distributable ----->

	<b>Share Capital RM'000</b>	<b>Foreign exchange reserve RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total Equity RM'000</b>
<b>As at 1 January 2024</b>	707,088	8,569	(531,960)	183,697	(107,456)	76,241
Loss for the financial period	-	-	(65,262)	(65,262)	(17,727)	(82,989)
Other comprehensive expense, net of tax - Foreign currency translation	-	1,739	-	1,739	1,158	2,897
Total comprehensive expense for the financial period	-	1,739	(65,262)	(63,523)	(16,569)	(80,092)
<b>As at 30 September 2024</b>	<b>707,088</b>	<b>10,308</b>	<b>(597,222)</b>	<b>120,174</b>	<b>(124,025)</b>	<b>(3,851)</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes.

**REACH ENERGY BERHAD**  
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**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

←----- Attributable to owners of the Company -----→  
 ←----- Non-distributable -----→

	<b>Share Capital RM'000</b>	<b>Foreign exchange reserve RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total Equity RM'000</b>
<b>As at 1 January 2023</b>	488,975	16,498	(323,665)	181,808	45,835	227,643
Issuance of new ordinary shares	218,113	-	-	218,113	-	218,113
Loss for the financial year	-	-	(208,295)	(208,295)	(148,005)	(356,300)
Other comprehensive expense, net of tax - Foreign currency translation	-	(7,929)	-	(7,929)	(5,286)	(13,215)
Total comprehensive expense for the financial year	-	(7,929)	(208,295)	(216,224)	(153,291)	(369,515)
<b>As at 31 December 2023</b>	<b>707,088</b>	<b>8,569</b>	<b>(531,960)</b>	<b>183,697</b>	<b>(107,456)</b>	<b>76,241</b>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes.

**REACH ENERGY BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited 9 months 30 Sep 24 RM'000</b>	<b>Unaudited 9 months 30 Sep 23 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(81,856)	(6,010)
Adjustments for: -		
Depreciation of property, plant and equipment	55,827	67,539
Write off exploration and evaluation assets	-	169
Share of result of a joint venture	(1,268)	-
Finance cost	78,122	53,887
Finance income	(7,314)	(68,767)
Write off of inventory	244	306
Write off of PPE	999	-
Impairment (reversal)/charge of:		
- trade receivables	(77)	(1)
- cash and bank balances	(23)	50
- other receivables	154	(1,504)
Net reversal for inventory obsolescence	(1,981)	(303)
Additional provision for claims	1,174	-
	<u>44,001</u>	<u>45,366</u>
Changes in working capital:		
Inventories	5,276	3,783
Trade receivables	6,865	7,368
Prepayment and other receivables	(10,924)	6,585
Trade payables	(12,107)	11,934
Other payables and accruals	(5,979)	(41,794)
Amount due from corporate shareholder in a subsidiary	-	(3,893)
Settlement of claims	(10,680)	-
<b>Net cash flows generated from operating activities</b>	<u>16,452</u>	<u>29,349</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(33,309)	(24,180)
Finance income received	536	448
Movement in restricted cash	456	420
<b>Net cash used in investing activities</b>	<u>(32,317)</u>	<u>(23,312)</u>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	20,571	11,486
Repayment of borrowing	(3,223)	(26,662)
Payment of lease interest	(92)	(28)
Payment of lease principal	(449)	(591)
<b>Net cash generated from/(used in) financing activities</b>	<u>16,807</u>	<u>(15,795)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	942	(9,758)
<b>Cash and cash equivalents at the beginning of the year</b>	3,352	10,649
<b>Exchange difference on cash and cash equivalents</b>	(334)	659
<b>Cash and cash equivalents at end of the period</b>	<u>3,960</u>	<u>1,550</u>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes.

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**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS**  
**("MFRS") 134 - INTERIM FINANCIAL REPORTING**

**A1. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to the audited condensed consolidated financial statements.

The explanatory notes attached to unaudited condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

The accounting policies and methods of computation adopted by the Group in these unaudited condensed consolidated financial statements are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 December 2023, except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2024.

In the previous financial year, our statutory auditor have issued an unqualified audit opinion with emphasis of matter on material uncertainty relating to going concern. The material uncertainty arising from the continued volatility in crude oil prices, the Group's ability to meet production target, future ability of Super Racer Limited and its sole shareholder to provide timely and sufficient financial support together with the liquidity position of the Group's audited consolidated financial statements for the financial year ended 31 December 2023.

**A2. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted by the Group in this Report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 December 2023 except for the adoption of the following new accounting standards and amendments to standards and interpretations:

**MFRSs and Amendments effective for annual periods beginning on or after 1 January 2024**

Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements
Amendments to MFRS 121	Lack of Exchangeability (effective 1 January 2025)

The adoption of the above accounting standards and amendments to standards and interpretations are not expected to have material financial impact to the financial statements of the Group.

**A3. AUDITORS' OPINION ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

Pursuant to paragraph 9.19(37) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's former external auditors, PricewaterhouseCoopers PLT, have issued an unqualified audit opinion with emphasis of matter on material uncertainty relating to going concern, in view of the impact from the continued volatility in crude oil prices, the Group's ability to meet production target, future ability of Super Racer Limited and its sole shareholder to provide timely and sufficient financial support together with the liquidity position of the Group and the Company which is sensitive to changes, in respect of REB's audited financial statements for the financial year ended 31 December 2023 in their report dated 30 April 2024.

**A4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The Group's operations are not affected by any seasonal or cyclical factors.

**A5. INDIVIDUALLY SIGNIFICANT ITEMS**

There are no other significant or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group on the current financial year under review.



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**A6. MATERIAL CHANGES IN ESTIMATES**

There were no significant changes in estimates that have material effect on the current financial year under review.

**A7. AMOUNT DUE TO RELATED PARTIES/BORROWING**

**(I) BORROWING**

	As at 30 Sep 2024					
	Long term		Short term		Total borrowings	
Amount due to related parties	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000
Unsecured	53,595	220,140	91,393	375,397	144,988	595,537
External Borrowings	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000
Unsecured	-	-	5,206	21,384	5,206	21,384
<b>Total</b>	<b>53,595</b>	<b>220,140</b>	<b>96,599</b>	<b>396,781</b>	<b>150,194</b>	<b>616,921</b>

	As at 31 Dec 2023					
	Long term		Short term		Total borrowings	
Amount due to related parties	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000
Unsecured	127,863	587,081	1,300	5,968	129,163	593,049
External Borrowings	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000	*Foreign denomination '000	RM denomination '000
Unsecured	7,015	32,210	1,903	8,737	8,918	40,947
<b>Total</b>	<b>134,878</b>	<b>619,291</b>	<b>3,203</b>	<b>14,705</b>	<b>138,081</b>	<b>633,996</b>

\*The unsecured borrowings are denominated in United States Dollars ("USD") and translated at the rate of 4.108 (2023: 4.592).

**(II) EQUITY**

There were no issuance, cancellation, repurchase, resale, transfer of shares and equity securities during the current quarter under review.

**A8. DIVIDEND PAID**

There was no dividend declared or paid during the current financial period ended 30 September 2024.

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**A9. SIGNIFICANT AND SUBSEQUENT EVENTS**

**(I) STATUS OF PRACTICE NOTE 17**

On 3 April 2023, the Board of Directors of the Company announced that the Company had triggered the criteria under Paragraph 2.1(e) of PN17 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as its had an unqualified audit opinion which highlighted a paragraph on material uncertainty related to going concern on the Group in respect of the Group's Audited Financial Statements for the financial year ended 31 December 2022 and the Company's shareholders' equity on a consolidated basis is 50% or less of its share capital as announced on 28 February 2023.

As a result, the Company is required to submit its regularisation plan to the Securities Commission Malaysia within 12 months from the date of its announcement. On 2 February 2024, TA Securities Holdings Berhad ("TA Securities") was appointed as principal adviser ("Principal Adviser") for the proposed regularisation plan pursuant to paragraph 8.04(3) of the Listing Requirements of Bursa Securities.

The Principal Adviser had on 18 September 2024 submitted an application to Bursa Securities for a further extension of time up to 2 April 2025 for the Company to submit a regularisation plan to the relevant authorities. The extension was approved by Bursa Securities on 18 October 2024.

The extension of time is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of the Company and to de-list the Company in the event:

- (i) the Company fails to submit its regularisation plan to the relevant regulatory authorities on or before 2 April 2025;
- (ii) the Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; or
- (iii) the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in (i) to (iii) above, Bursa Securities shall suspend the trading of the listed securities of the Company on the 6<sup>th</sup> market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company's right to appeal against the delisting.

Further announcement will be made to Bursa Malaysia Securities Berhad with regards to the development of the regularisation plan in due course.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial period ended 30 September 2024.

**A11. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets as at 30 September 2024.

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**A12. COMMITMENT**

**(I) CAPITAL COMMITMENTS FOR THE PURCHASE OF PROPERTY, PLANT AND EQUIPMENT:**

	<b>Unaudited As at 30 Sep 24 RM'000</b>	<b>Audited As at 31 Dec 23 RM'000</b>
Authorised but not contracted for	39,553	35,516
Contracted but not provided for	8,712	-
	<u>48,265</u>	<u>35,516</u>

**(II) According to the production contracts for oilfields in Kazakhstan, the Group is obligated to perform minimum work program during the life of the production contracts. Set out below is the commitment for the minimum work program:**

	<b>Unaudited As at 30 Sep 24 RM'000</b>	<b>Audited As at 31 Dec 23 RM'000</b>
< 1 year	149,886	242,861
1 – 2 years	518,882	378,692
2 – 5 years	621,221	469,292
> 5 years	3,685,992	988,130
	<u>4,975,981</u>	<u>2,078,975</u>

The minimum work program includes capital expenditure of RM 423 million (2023: RM 472 million) to be incurred over the life of the production contracts expiring in 2044. Other commitments represent mainly direct operation and maintenance costs of wells and related facilities.

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**PART B: ADDITIONAL NOTES TO REQUIREMENTS UNDER CHAPTER 9 OF THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1. OPERATING SEGMENTS**

Operating segments are represented in respect of the Group's business segments. The Group has activities in the following principal areas:

**OIL AND GAS**

The oil and gas operating segment consist of the exploration, development, production and sales of oil and other petroleum products in the Republic of Kazakhstan.

**INVESTMENT HOLDING**

The investment holding segment's main activity is to hold the investment in Emir-Oil Concession Block with awarded Exploration and Production Contracts up to year 2044.

**(I) SUMMARISED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER		CUMULATIVE QUARTER		CUMULATIVE QUARTER	
	Unaudited for the quarter ended 30 Sep 24		Unaudited for the quarter ended 30 Sep 23		Unaudited for the period ended 30 Sep 24		Unaudited for the period ended 30 Sep 23	
	Oil & Gas RM'000	Investment Holdings RM'000	Oil & Gas RM'000	Investment Holdings RM'000	Oil & Gas RM'000	Investment Holdings RM'000	Oil & Gas RM'000	Investment Holdings RM'000
Revenue	54,026	-	66,791	-	159,183	-	164,782	-
<b>Results</b>								
Operating expenses	(62,909)	(224)	(63,568)	(794)	(169,940)	(1,559)	(181,167)	(4,505)
Share of result of a joint venture	1,071	-	-	-	1,268	-	-	-
Finance (cost)/ income, net	(13,403)	(33,923)	(11,227)	12,407	(33,696)	(37,112)	(34,046)	48,926
(Loss)/profit before taxation	(21,215)	(34,147)	(8,004)	11,613	(43,185)	(38,671)	(50,431)	44,421
Income tax expense	(9,102)	-	(294)	-	(1,133)	-	(2,644)	-
(Loss)/profit for the financial period	(30,317)	(34,147)	(8,298)	11,613	(44,318)	(38,671)	(53,075)	44,421

The amounts for oil and gas segment are denominated in United States Dollars ("USD") and translated at an average rate of 4.605 (2023: 4.528).

**(II) SUMMARISED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 30 Sep 24		Audited as at 31 Dec 23	
	Oil & Gas RM'000	Investment Holdings RM'000	Oil & Gas RM'000	Investment Holdings RM'000
Non-current assets	700,179	159	848,490	289
Current assets	26,650	6,182	30,034	4,849
Current liabilities	(473,707)	(12,415)	(153,257)	(14,043)
Non-current liabilities	(165,685)	(85,214)	(550,814)	(89,307)
Net assets/(liabilities)	87,437	(91,288)	174,453	(98,212)
Accumulated non-controlling interest		(124,025)		(107,456)

The amounts for oil and gas segment are denominated in United States Dollars ("USD") and translated at the closing rate of 4.108 (2023: 4.592).

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**B2. OVERALL REVIEW OF GROUP'S QUARTERLY FINANCIAL PERFORMANCE**

**(I) COMPARING WITH PRECEDING YEAR QUARTER RESULTS**

	<b>INDIVIDUAL QUARTER</b>	<b>INDIVIDUAL QUARTER</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>for the</b>	<b>for the</b>
	<b>quarter</b>	<b>quarter</b>
	<b>ended</b>	<b>ended</b>
	<b>30 Sep 24</b>	<b>30 Sep 23</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	54,026	66,791
Operating expenses	(63,133)	(64,362)
EBITDA	15,144	28,363
(Loss)/profit before taxation	(55,362)	3,609
(Loss)/profit after taxation	(64,464)	3,315

**Individual Quarter**

The Group recorded a revenue of RM 54.0 million for the current quarter under review as compared to RM 66.8 million in the corresponding quarter of the preceding year.

The average production for the third quarter of 2024 was 2,681 bopd as compared to 2,599 bopd for the third quarter of 2023.

The Group recorded a lower revenue for the current quarter under review as compared to the corresponding quarter of the preceding year. The lower revenue was attributed by a lower average selling price and a lower sales volume in the third quarter of 2024.

The Group has recorded a Loss before Taxation of RM 55.4 million in the third quarter of 2024, as compared to Profit before Taxation of RM 3.6 million in the third quarter of 2023. The reasons of the higher loss in third quarter of 2024 were mainly due to higher financial cost arising from unrealised foreign exchange loss and lower sales volume as explained above.

Operating expenses for the current quarter under review showed decrease of RM 1.2 million as compared to the corresponding quarter of the preceding year. The decrease in the operating expenses was mainly due to the decrease in Taxes Other Than Income Taxes and Purchases, services and other direct costs which were in tandem with the decrease in the revenue.

The Group recorded a lower Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of RM 15.1 million in the third quarter of 2024 as compared to the EBITDA of RM 28.4 million in the third quarter of 2023. The lower EBITDA in the third quarter of 2024 was attributed by a lower revenue and unrealised foreign exchange loss as explained above.

**(II) COMPARING WITH IMMEDIATE PRECEDING QUARTER RESULTS**

	<b>CURRENT QUARTER</b>	<b>IMMEDIATE PRECEDING QUARTER</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>for the</b>	<b>for the</b>
	<b>period</b>	<b>period</b>
	<b>ended</b>	<b>ended</b>
	<b>30 Sep 24</b>	<b>30 Jun 24</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	54,026	54,906
Operating expenses	(63,133)	(55,271)
EBITDA	15,144	16,304
Loss before taxation	(55,362)	(16,993)
Loss after taxation	(64,464)	(4,808)

The Group recorded a revenue of RM 54.0 million for the current quarter under review as compared to RM 54.9 million in the preceding quarter. The lower revenue was attributed by a lower average selling price in the current quarter.

The average production was 2,681 bopd for the third quarter of 2024 which was higher as compared to 2,297 bopd for the second quarter of 2024.

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**B2. OVERALL REVIEW OF GROUP'S QUARTERLY FINANCIAL PERFORMANCE (CONT'D)**

**(II) COMPARING WITH IMMEDIATE PRECEDING QUARTER RESULTS (CONT'D)**

For the current quarter under review, the Group has recorded Loss before Taxation of RM 55.4 million as compared to the second quarter of 2024 of Loss before Taxation of RM 17.0 million. The higher Loss before Taxation in the current quarter was mainly due to the unrealised foreign exchange loss arising from fluctuation of foreign exchange rate.

The Group recorded an operating expense of RM 63.1 million in the third quarter of 2024 as compared to RM 55.3 million in the preceding quarter. The higher operating expenses in the third quarter of 2024 was mainly due to the increase in the Purchases, Services and Other Direct Costs and Depreciation and Amortisation which were in tandem with the increase in the production.

The Group recorded a lower Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of RM 15.1 million for the current quarter under review as compared to the EBITDA of RM 16.3 million in the second quarter of 2024. The lower EBITDA in the third quarter of 2024 was due to the unrealised foreign exchange loss arising from fluctuation of foreign exchange rate and the higher operating expenses as explained above.

**B3. OVERALL REVIEW OF GROUP'S YEARLY FINANCIAL PERFORMANCE**

	<b>CUMULATIVE QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	<b>Unaudited for the period ended 30 Sep 24 RM'000</b>	<b>Unaudited for the period ended 30 Sep 23 RM'000</b>
Revenue	159,183	164,782
Operating expenses	(171,499)	(185,672)
EBITDA	43,511	46,649
Loss before taxation	(81,856)	(6,010)
Loss after taxation	<u>(82,989)</u>	<u>(8,654)</u>

The Group recorded a revenue of RM 159.2 million in the current financial period as compared to RM 164.8 million in the corresponding financial period. The decrease in revenue was mainly attributed by the decrease in sales volume of the revenue in the current financial period.

The average production for the current financial period was 2,420 bopd as compared to 2,441 bopd for the corresponding financial period.

The Group recorded a Loss before Taxation of RM 81.9 million in the current financial period while in the corresponding financial period, the Group recorded a Loss before Taxation of RM 6.0 million.

The higher Loss before Taxation in current financial period was mainly due to the lower finance income as compared to the corresponding financial period despite a lower operating expense in the current financial period. The main reasons of the higher loss in current financial period were mainly due to higher financial cost arising from unrealised foreign exchange loss and lower sales volume as explained above.

The lower operating expenses in the current financial period was mainly due to the lower Purchase, Services and Other Direct Costs and Depreciation and Amortisation which were in tandem with the decrease in the production.

The Group recorded a lower Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of RM 43.5 million in the current financial period as compared to the EBITDA of RM 46.6 million in the corresponding financial period mainly due to the lower operating expenses, lower revenue and unrealised foreign exchange loss as explained above.

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**B4. PROSPECT**

Moving forward, we continue to expect the path towards sustained demand recovery to remain fragile and uncertain as the oil market adjusts to both short-term and long-term landscapes. The industry is continuously facing headwinds from the geopolitical conflict between Russia and Ukraine which resulted in a price inflation and goods distribution disruption.

Our plan in 2024 was to drill and complete one development well in our North Kariman field and the work is still ongoing. With the addition of the new development wells, we estimate that the North Kariman field will contribute higher production output over the field life.

It's common for a well's production to decrease after its initial peak, as a means of increasing production output from oil wells we have previously implemented secondary production methods, specifically a gas injection pilot in the second half of 2023. In addition, we are assessing the feasibility of implementing other methods and plan to start a water-injection pilot in Kariman in the fourth quarter of 2024 as a cost-effective method for extracting liquids from older wells.

For delivering of our production target, we will continue to place emphasis on efforts to sustain and further enhance current production level through well workover programs which will involve the replacement of electrical submersible pumps ("ESPs") for the artificial lifting of oil to the surface, re-perforation and stimulation of certain naturally flowing wells and continue with the planned reactivation of idle wells. At the same time, we will also continue to perform maintenance works to improve facilities uptime and facilities debottlenecking; a successful planned maintenance shut-down of the facilities was undertaken in the end of the third quarter/early fourth quarter of 2024 which achieved its objectives and within Health, Safety, and Environment ("HSE") guidelines. The drilling program will be completed in stages in accordance with the Group's financial capability.

We anticipate that the wells in the Proved Developed Producing category will remain operational through 2025 and beyond, with occasional ESP replacements as needed. However, we do expect the production rates of these wells to decline gradually since the Kariman field has low reservoir pressure, which is typical of a mature field and at some future point the ESPs might need to be retrieved due to economic viability.

Aside from implementing initiatives to improve our production output and increase production efficiency, we also intend to address and resolve the price differential issue that has been plaguing Emir-Oil recently and had adversely affected our export sales margins. We are in the midst of identifying alternative routes and negotiating the terms with several potential buyers to enable us to sell our crude oil closer to the international Brent oil prices.

In summary, Emir-Oil needs to drill more development wells, perform well workovers and production enhancement initiatives such as secondary recovery to increase the production and implement cost optimisation efforts.

**B5. PROFIT FORECAST AND GUARANTEE**

The Group has not announced or disclosed any profit forecast and guarantee in any public documents.

**B6. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

There were no purchases or disposal of quoted securities during the financial period ended 30 September 2024.

**B7. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no sale of unquoted investment and /or properties during the financial period ended 30 September 2024.

**B8. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK**

There were no financial instruments with material off-balance sheet risk as at 30 September 2024.

**B9. MATERIAL LITIGATION**

There was no material litigation as at the reporting date.

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**B10. (LOSS)/EARNINGS PER SHARE**

**(I) BASIC (LOSS)/EARNINGS PER ORDINARY SHARE**

The calculation of basic (loss)/earnings per ordinary share as at 30 September 2024 was based on the (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, as follows: -

	<b>INDIVIDUAL QUARTER</b>	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	<b>Unaudited for the quarter ended 30 Sep 24 RM'000</b>	<b>Unaudited for the quarter ended 30 Sep 23 RM'000</b>	<b>Unaudited for the period ended 30 Sep 24 RM'000</b>	<b>Unaudited for the period ended 30 Sep 23 RM'000</b>
(Loss)/profit after taxation attributable to owner of the Company	(52,337)	6,634	(65,262)	12,576
Weighted average number of ordinary shares	2,128,957	2,128,957	2,128,957	2,128,957
Basic (loss)/earnings per ordinary share (RM)	(0.025)	0.003	(0.031)	0.006
Diluted (loss)/earnings per ordinary share (RM)	N/A	N/A	N/A	N/A

**(II) DILUTED (LOSS)/EARNINGS PER ORDINARY SHARE**

Diluted (loss)/earnings per ordinary share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares, which comprise of free convertible warrants granted to the shareholders.

As at 30 September 2024, there is no dilutive potential ordinary shares.

**B11. (LOSS)/PROFIT BEFORE TAXATION**

	<b>INDIVIDUAL QUARTER</b>	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	<b>Unaudited for the quarter ended 30 Sep 24 RM'000</b>	<b>Unaudited for the quarter ended 30 Sep 23 RM'000</b>	<b>Unaudited for the period ended 30 Sep 24 RM'000</b>	<b>Unaudited for the period ended 30 Sep 23 RM'000</b>
Loss before taxation is arrived after (charging)/crediting:				
Finance income:				
-Interest income from deposits with licensed banks	-	1	1	4
-Other finance income				
- Foreign exchange gain (realised and unrealised)	1,378	23,914	3,340	68,319
- Other finance income	(870)	133	3,973	444
Finance cost:				
-Interest expenses on loan from corporate shareholder in a subsidiary	(11,070)	(10,715)	(34,490)	(32,965)
-Interest expenses on deferred consideration	(1,001)	(1,014)	(3,102)	(7,783)
-Other finance cost				
- Foreign exchange loss (realised and unrealised)	(34,652)	(10,537)	(37,898)	(11,334)
- Other finance cost	(1,111)	(602)	(2,632)	(1,805)



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**B12. TAXATION**

	<b>INDIVIDUAL QUARTER</b>	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	<b>CUMULATIVE QUARTER</b>
	<b>Unaudited for the quarter ended 30 Sep 24 RM'000</b>	<b>Unaudited for the quarter ended 30 Sep 23 RM'000</b>	<b>Unaudited for the period ended 30 Sep 24 RM'000</b>	<b>Unaudited for the period ended 30 Sep 23 RM'000</b>
Foreign income tax:				
- Current year	(1,814)	238	(1,778)	621
Deferred tax (expense)/income:				
- Origination and reversal of temporary difference	(7,288)	(532)	645	(3,265)
	<u>(9,102)</u>	<u>(294)</u>	<u>(1,133)</u>	<u>(2,644)</u>

In the current year, the income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

**B13. REVIEW BY EXTERNAL AUDITORS**

The Board of Directors have engaged the External Auditors to review and report on the Condensed Report of the Group for the quarter and period-to-date ended 30 September 2024 in accordance with the International Standard on Review Engagements (ISRE) 2410 – *Review of Interim Financial Information Performed by The Independent Auditor of The Entity*.

The External Auditors reported to the Board of Directors that nothing had come to their attention to cause them to believe that these historical financial information are not prepared, in all material respects, in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, The report was made to the Board of Directors in accordance with the terms of the engagement letter with the External Auditors and for no other purpose.

**BY ORDER OF THE BOARD**  
**CHEN BEE LING (MAICSA 7046517)**  
**TAI YIT CHAN (MAICSA 7009143)**

**COMPANY SECRETARIES**  
**29 NOV 2024**