



**REACH ENERGY BERHAD**  
**Registration No. 201301004557 (1034400-D)**  
**(Incorporated in Malaysia)**

To: All Shareholders of Reach Energy Berhad ("REB")

**ERRATA TO ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020  
("ANNUAL REPORT 2020")**

Reference is made to the Annual Report 2020 of REB which was submitted and announced to Bursa Malaysia Securities Berhad ("Bursa Securities") on 24 May 2021.

Please be informed that the following amendment is to be made to the Annual Report 2020 to rectify the typo error:

No.	Section	Page No.	Amendment
1.	In the Statements of Financial Position as at 31 December 2020 in the Annual Report 2020 – under Equity segment, the Accumulated Losses on the Group for year 2020	43	To be read as <b>(312,796)</b> instead of (301,796).
2.	In the Notes to the Financial Statements in the Annual Report 2020 – Under other Operating Income/(Expenses) – NET, Foreign exchange gain/(expense) on operation – net on the Company for year 2020	77	To be read as <b>(12)</b> instead of 12.

Save for the abovementioned amendments, all other details and information contained in the Annual Report 2020 remains valid and unchanged. A copy of each page 43 and 77 duly revised are attached to this Errata to Annual Report 2020 for ease of reading.

We sincerely apologise for the typo error and any inconvenience caused.

For and on behalf of  
**REACH ENERGY BERHAD**

**TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID**  
Non-Independent Non-Executive Director (Chairman)  
8 June 2021

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

(cont'd)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	25	60,758	108,756	-	-
Amounts due to corporate shareholder in a subsidiary	21	317,278	617,131	-	-
Trade payables	26	8,771	22,356	-	-
Accruals and other payables	27	334	864	-	-
Lease liabilities	17	2,079	4,859	-	113
Provisions	28	5,506	5,738	-	-
		394,726	759,704	-	113
<b>NET ASSETS</b>		<b>487,513</b>	<b>674,849</b>	<b>261,206</b>	<b>624,894</b>
EQUITY					
Capital	23	488,975	488,975	488,975	488,975
Other reserves	24	181,842	176,108	199,735	199,735
Accumulated losses		(312,796)	(184,106)	(427,504)	(63,816)
Equity attributable to owners of the company		358,021	480,977	261,206	624,894
Non-controlling interests		129,492	193,872	-	-
<b>TOTAL EQUITY</b>		<b>487,513</b>	<b>674,849</b>	<b>261,206</b>	<b>624,894</b>

The notes set out on pages 50 to 101 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

(cont'd)

## 9 OTHER OPERATING INCOME/(EXPENSES) – NET

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Write off of inventory	(243)	(357)	-	-
Write off of property, plant and equipment	(11)	(429)	-	-
Foreign exchange gain/(expense) on operation - net	805	(749)	(12)	14
Change in estimate of asset retirement obligations	263	4,608	-	-
Others	2,116	651	-	-
	2,930	3,724	(12)	14

Foreign exchange arising from purchases and services procured are classified as part of operating expenditure.

## 10 FINANCE (COSTS)/INCOME – NET

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<u>Finance income</u>				
Profit income from deposits with licensed islamic banks	139	485	138	485
Interest income from deposits with other licensed banks	611	1,140	-	-
Foreign exchange gain	1,364	772	1	10
Others	-	10	-	-
Finance income	2,114	2,407	139	495
<u>Finance costs</u>				
Interest expenses on loan from corporate shareholder (Note 21)	(26,454)	(35,328)	-	-
Interest expense on deferred consideration (Note 21)	(22,816)	(25,367)	-	-
Accretion of asset retirement obligations (Note 28)	(471)	(1,026)	-	-
Foreign exchange loss	(9,613)	(5,463)	-	-
Net loss on modification of loan	-	(1,796)	-	-
Others	(1,953)	(454)	(29)	(56)
Finance costs	(61,307)	(69,434)	(29)	(56)
	(59,193)	(67,027)	110	439

Foreign exchange impact arising from amounts due from/to corporate shareholder in a subsidiary is classified as part of finance (cost)/income – net.