

## REACH ENERGY BERHAD (1034400-D)

### DEVIATION OF 10% OR MORE BETWEEN THE ANNOUNCED UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

#### INTRODUCTION

The Board of Directors of Reach Energy Berhad (“REB” or “the Company”) wishes to refer to the announcement on the unaudited 4th quarter results ended 31 December 2022 (“4Q FYE2022”) released to Bursa Malaysia Securities Berhad (“Bursa Securities”) on 28 February 2023.

Reach Energy Berhad also wishes to make reference to the Audited Financial Statements of the Company for the financial year ended 31 December 2022 (“AFS 2022”).

#### DEVIATION BETWEEN UNAUDITED RESULTS AND THE AUDITED RESULTS

In compliance with Paragraph 9.19(35) of the Main Market Listing Requirements of Bursa Securities, the Board of Directors of Reach Energy Berhad wishes to announce that there is a variance of more than 10% between Reach Energy Berhad’s audited results for the financial period ended 31 December 2022 (“AFS 2022”) and unaudited results for the 4Q FYE2022 which was announced on 28 February 2023, in respect of the net loss after tax of Reach Energy Berhad of RM234.9 million in the AFS 2022 as compared to RM358.1 million as announced in the unaudited results. The details of which are as follows:

	Unaudited Results	Audited Financial Statements	Variance	
	RM'000	RM'000	RM'000	%
Loss before income tax	(287,721)	(224,113)	63,608	22%
Income tax expense	(70,425)	(10,816)	59,609	85%
Loss for the year	(358,146)	(234,929)	123,217	34%
Loss attributable to: Owners of the Company	(227,649)	(157,194)	70,455	31%

The deviation was mainly attributed by the adjustments to impairment loss of non-financial assets, write off of exploration & evaluation and the income tax expenses.

The Board also wishes to inform that the impairment and write off of exploration & evaluation was not fully assessed and the documentations related to taxes were not available and the Audit Committee and the Board had adopted prudent concept to include the provision in the unaudited results for the 4Q FYE2022 was announced on 28 February 2023. The Company has managed to provide all the relevant details to support its assessment and adjustments subsequently. As such, the Audit Committee and the Board was of the opinion that the adjustments be made accordingly to give a true and fair view of the financial position of the Company.

This announcement is dated 28 April 2023.