

Company Name : REACH ENERGY BERHAD
Stock Name : REACH
Date Announced : 28 April 2023
Type : General Announcement
Subject : Audit Report - Modified Opinion/Material Uncertainty
Related to Going Concern
Description : Reach Energy Berhad (“REB” or “the Company”) –
Issuance of Unqualified Audit Opinion with Emphasis of
Matter on material uncertainty relation to going concern in
respect of REB’s audited financial statements for the
financial year ended 31 December 2022

Pursuant to paragraph 9.19(37) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, kindly note that the Company's 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, future ability of Super Racer Limited and its sole shareholder to provide timely and sufficient financial support in the form of liquid funds as required, 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 2022.

Emphasis of Matter by Independent Auditors

“We draw attention to Note 3.1 to the financial statements, which indicates that the Group and the Company incurred losses of RM234.9 million and RM6.5 million respectively during the financial year ended 31 December 2022 and, as of that date, the Group’s and the Company’s current liabilities exceeded its current assets by RM536.4 million and RM2.4 million respectively. As stated in Note 3.1 to the financial statements, these events or conditions, along with other matters as set forth in that note, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

None of the Key Audit Matters Disclosed in the Independent Auditors’ Report relates to the above Emphasis of Matter.

This announcement is dated 28 April 2023.