



**REACH ENERGY BERHAD**

Registration No. 201301004557 (1034400-D)



**ENERGY WITHIN REACH**  
ANNUAL REPORT **2024**

# ENERGY WITHIN REACH

Globally, substantial oil and gas reserves still remain unreachable or untapped in mature hydrocarbon basins. Our tagline “Energy Within Reach” reflects Reach Energy’s goal of rejuvenating brownfields and mature assets in these basins to economically access the remaining hydrocarbon reserves with new techniques and technologies.



## VISION

**REACH ENERGY** aspires to be a leading independent Malaysian Oil & Gas Company



## MISSION

**REACH ENERGY** aims to be a Global Player in the Oil & Gas Industry to:

- Grow upstream petroleum reserves
- Deliver robust shareholder value
- Increase oil and gas production
- Develop strong technical base

## CORPORATE STRATEGIES

- To build a strong base in the global upstream oil and gas value chain
- To establish an organisation of multidisciplinary teams with the right talent and capabilities to realise our Vision and Mission
- To access world class expertise and resources
- To establish strategic alliances
- To develop a productive relationship with stakeholders
- To create a balanced Exploration and Production ("E&P") portfolio
- To manage risks effectively

# WHAT'S INSIDE

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID**

**YUSOFF BIN HASSAN**

**CHOW HIU TUNG**

**YAU SHU SHAN**

**TSE MAN YIN**

## COMPANY SECRETARY

WONG YOUN KIM (MAICSA 7018778)  
SSM PC NO.: 201908000410

## REGISTERED OFFICE

Unit 11.07, Amcorp Tower,  
Amcorp Trade Centre,  
18, Persiaran Barat,  
46050 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No : (+60) 17 -6229303

## HEAD OFFICE

D3-5-8, Block D3, Solaris Dutamas,  
No. 1, Jalan Dutamas 1,  
50480 Kuala Lumpur, Malaysia  
Tel No : (603) 6412 3000  
Fax No : (603) 6412 8005  
Email: [info@reachenergy.com.my](mailto:info@reachenergy.com.my)  
Website: [www.reachenergy.com.my](http://www.reachenergy.com.my)

## AUDITORS

Crowe Malaysia PLT  
(LLP0018817-LCA & AF1018)  
Chartered Accountants  
Level 16, Tower C, Megan Avenue II,  
12 Jalan Yap Kwan Seng,  
50450 Kuala Lumpur.

## PRINCIPAL BANKER

Hong Leong Islamic Bank Berhad

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The Group is principally engaged in the explorations, development, production and sale of crude oil and other petroleum products.

The principal activities of subsidiaries are set out in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss for the financial year attributable to:		
- Owners of the Company	(18,113)	(13,256)
- Non-controlling interests	(1,644)	–
Loss for the financial year	(19,757)	(13,256)

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are as disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial year.

## DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dr. Azmil Khalili Bin Dato' Khalid  
Yusoff Bin Hassan  
Chow Hiu Tung  
Tse Man Yin  
Yau Shu Shan  
Cheung Hung

(Resigned on 10 February 2025)

In accordance with Clause 89 of the Constitution of the Company, Yusoff Bin Hassan and Tse Man Yin retire at the forthcoming Twelfth Annual General Meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Act, the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of the report are:

Li Chang

#### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company, its subsidiaries or any related corporations during the financial year except as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
<u>Interest in the Company</u>				
Tan Sri Dr. Azmil Khalili Bin Dato' Khalid	56,642,910	—	—	56,642,910
Yusoff Bin Hassan	50,000	—	—	50,000
<u>Deemed interest/Indirect interest in the Company</u>				
Tan Sri Dr. Azmil Khalili Bin Dato' Khalid				
- ordinary shares	40,650,000*	—	—	40,650,000*

\* Indirect interest by virtue of the interest of his spouse, Puan Sri Nik Fuziah Binti Tan Sri Dr. Nik Hussein, pursuant to Section 59(1)(c) of the Companies Act 2016.

Other than as disclosed above, according to the Register of Directors' Shareholdings, the Directors in office at the end of the financial year did not hold any interest in the shares in the Company or in its related corporations during the financial year.

#### DIVIDENDS

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2024.

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by Directors during the financial year was as follows:

	Group RM'000	Company RM'000
Executive Director:		
- Salaries and bonuses	60	60
Non-executive Directors:		
- Fees	306	306
- Allowances	129	129
	495	495

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and Officers of the Group and of the Company are covered by Directors and Officers Liability Insurance for any liability of Directors and Officers in discharging their duties for the period of 19 May 2023 until 18 May 2024, at premium of RM45,590.

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the additional amount of the provision for doubtful debts inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report:
- (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
  - (ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.
- (d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors, other than as disclosed in the financial statements:
- (i) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the year in which this report is made.

#### SUBSIDIARIES

Details of subsidiaries are as follows:

Name of subsidiary	Group's effective equity interest		Country of Incorporation and place of business	Principal activities
	2024	2023		
	%	%		
Reach Energy Ventures Sdn. Bhd.	100	100	Malaysia	Investment holding company
<u>Subsidiary held through Reach Energy Ventures Sdn. Bhd.</u>				
Palaeontol B.V.	60	60	Netherlands	Investment holding company
<u>Subsidiary held through Palaeontol B.V.</u>				
Emir-Oil LLP	60	60	Republic of Kazakhstan	Exploration, development, production and sale of crude oil and other petroleum products

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

**AUDITORS' REMUNERATION**

Auditors' remuneration for the financial year ended 31 December 2024 for the Group and the Company is as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Audit fees		
- Crowe Malaysia PLT	330	278
- Member firm of Crowe Global	265	–
	595	278
Non-audit fees		
- Crowe Malaysia PLT	177	177
- Member firm of Crowe Global	266	–
	443	177
	1,038	455

**AUDITORS**

The auditors, Crowe Malaysia PLT (LLP0018817-LCA & AF1018), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 20 May 2025.

Signed on behalf of the Board of Directors:

TSE MAN YIN  
DIRECTOR

TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID  
DIRECTOR

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	6	207,829	208,673	–	–
Operating expenses					
Taxes other than income taxes	7	(61,013)	(66,064)	–	–
Purchases, services and other costs of operation		(34,274)	(35,751)	–	–
Depreciation and amortisation		(54,227)	(108,355)	(174)	(175)
Net reversal/(additional) on impairment of non-financial assets		32,141	(400,359)	–	–
Write-off of property, plant and equipment		(1,099)	(13,159)	–	–
Impairment of investment in subsidiaries	15	–	–	–	(15,237)
Impairment of amount due from subsidiaries	23	–	–	–	(91,490)
Distribution expenses		(27,303)	(28,952)	–	–
Employee compensation costs	8	(16,296)	(16,844)	(1,427)	(2,076)
General and administrative expenses (Additional)/reversal of provision for claims	31	(11,213)	(5,524)	(1,629)	(2,352)
Net reversal on impairment of financial assets	11	848	1,587	–	–
Other operating income/(expense)	9	3,779	(2,848)	(29)	(51)
Total operating expenses		(179,489)	(655,787)	(3,259)	(111,381)
Profit/(Loss) from operations		28,340	(447,114)	(3,259)	(111,381)
Share of result of a joint venture	16	3,903	4,029	–	–
Finance income	10	25,111	75,416	327	13,100
Finance cost	10	(62,827)	(67,804)	(10,324)	(9,137)
Loss before tax	11	(5,473)	(435,473)	(13,256)	(107,418)
Taxation	13	(14,284)	79,173	–	–
Loss for the financial year		(19,757)	(356,300)	(13,256)	(107,418)
Loss attributable to:					
Owners of the Company		(18,113)	(208,295)	(13,256)	(107,418)
Non-controlling interests		(1,644)	(148,005)	–	–
Loss for the financial year		(19,757)	(356,300)	(13,256)	(107,418)
Basic loss per ordinary share (RM)	14	(0.009)	(0.10)		
Diluted loss per ordinary share (RM)	14	(0.009)	(0.10)		

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss for the financial year		(19,757)	(356,300)	(13,256)	(107,418)
Other comprehensive income, net of tax					
Items that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences		1,497	(13,215)	–	–
Total comprehensive expense for the financial year		(18,260)	(369,515)	(13,256)	(107,418)
Total comprehensive expense attributable to:					
Owners of the Company		(17,215)	(216,224)	(13,256)	(107,418)
Non-controlling interests		(1,045)	(153,291)	–	–
Total comprehensive expense for the financial year		(18,260)	(369,515)	(13,256)	(107,418)

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	17	808,407	819,017	10	–
Right of use of assets	18	3,206	4,055	116	289
Intangible assets	19	5,725	4,042	–	–
Investment in subsidiaries	15	–	–	238,000	238,000
Amount due from subsidiaries	23	–	–	212,599	216,845
Investment in joint venture	16	4,761	4,055	–	–
Other receivables and prepayments	20	3,820	8,226	–	–
Deposits, cash and bank balances	22	8,688	9,384	–	–
		834,607	848,779	450,725	455,134
CURRENT ASSETS					
Inventories		5,489	5,940	–	–
Trade receivables	21	1,790	311	–	–
Other receivables and prepayments	20	15,903	25,280	131	4,670
Amount due from subsidiaries	23	–	–	633	1,020
Deposits, cash and bank balances	22	3,514	3,352	567	134
		26,696	34,883	1,331	5,824
CURRENT LIABILITIES					
Trade payables	28	38,525	78,164	–	–
Accruals and other payables	29	37,549	57,901	1,048	1,240
Amounts due to related parties	23	5,870	5,968	–	–
Borrowings	30	22,333	8,737	8,923	8,737
Lease liabilities	18	561	666	120	66
Provisions	31	12,706	12,555	–	–
Tax payable		3,321	3,309	–	–
		120,865	167,300	10,091	10,043
NET CURRENT LIABILITY		(94,169)	(132,417)	(8,760)	(4,219)

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(cont'd)

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
NON-CURRENT LIABILITIES					
Trade payables	28	15,199	3,265	–	–
Amounts due to related parties	23	637,710	587,081	93,613	56,801
Borrowings	30	–	32,210	–	32,210
Lease liabilities	18	1,588	2,714	–	296
Provisions	31	9,614	9,926	–	–
Deferred tax liabilities	27	18,346	4,925	–	–
		682,457	640,121	93,613	89,307
NET ASSETS		57,981	76,241	348,352	361,608
EQUITY					
Share capital	25	707,088	707,088	707,088	707,088
Other reserves	26	9,467	8,569	–	–
Accumulated losses		(550,073)	(531,960)	(358,736)	(345,480)
Equity attributable to owners of the Company		166,482	183,697	348,352	361,608
Non-controlling interests		(108,501)	(107,456)	–	–
TOTAL EQUITY		57,981	76,241	348,352	361,608

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to owners of the Company					Total equity RM'000
		Share capital RM'000	Foreign exchange reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	
As at 1 January 2024		707,088	8,569	(531,960)	183,697	(107,456)	76,241
Loss for the financial year		-	-	(18,113)	(18,113)	(1,644)	(19,757)
Other comprehensive income-net of tax - Foreign currency translation		-	898	-	898	599	1,497
Total comprehensive expense For the financial year		-	898	(18,113)	(17,215)	(1,045)	(18,260)
As at 31 December 2024		707,088	9,467	(550,073)	166,482	(108,501)	57,981
As at 1 January 2023		488,975	16,498	(323,665)	181,808	45,835	227,643
Issuance of new ordinary shares	25	218,113	-	-	218,113	-	218,113
Loss for the financial year		-	-	(208,295)	(208,295)	(148,005)	(356,300)
Other comprehensive income-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)
As at 31 December 2023		707,088	8,569	(531,960)	183,697	(107,456)	76,241

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM'000	Accumulated losses RM'000	Total RM'000
<b>Company</b>				
As at 1 January 2024		707,088	(345,480)	361,608
Total comprehensive expense for the financial year		–	(13,256)	(13,256)
As at 31 December 2024		707,088	(358,736)	348,352
As at 1 January 2023		488,975	(238,062)	250,913
Issuance of new ordinary shares	25	218,113	–	218,113
Total comprehensive expense for the financial year		–	(107,418)	(107,418)
As at 31 December 2023		707,088	(345,480)	361,608

The notes set out on pages 19 to 71 form an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Loss before tax	(5,473)	(435,473)	(13,256)	(107,418)
Adjustments for:				
Accretion of asset retirement obligations	1,376	763	—	—
Additional/(reversal of) provision for claims	10,832	(20,482)	—	—
Change in estimate of asset retirement obligations	(1,204)	1,681	—	—
Depreciation and amortisation	54,227	108,355	174	175
Gain on modification of amount due to related party	(20,663)	(37,378)	—	—
Impairment (reversal)/charge of:				
- trade receivable	(63)	30	—	—
- cash and bank balances	(59)	(118)	—	—
- other receivables	(726)	(1,499)	—	—
- investment in subsidiaries	—	—	—	15,237
- amount due from subsidiaries	—	—	—	91,490
Interest income from deposits	(819)	(839)	(5)	(4)
Interest expenses	51,060	55,354	4,700	5,263
Net (reversal)/additional on impairment of non-financial assets	(32,141)	400,359	—	—
Net reversal for inventory obsolescence	(4,858)	(1,615)	—	—
Other finance cost	747	2,514	—	67
Other finance income	(2,308)	—	(157)	—
Share of profits from joint ventures	(3,903)	(4,029)	—	—
Unrealised foreign exchange loss/(gain)	8,243	(27,568)	5,615	(4,098)
Write-off of inventory	303	794	—	—
Write-off of property, plant and equipment	1,099	13,159	—	—
	55,670	54,008	(2,929)	712
Changes in working capital:				
Inventories	4,837	691	—	—
Trade receivables	1,550	(53)	—	—
Other receivables and prepayments	(12,391)	18,545	257	(121)
Trade payables	(28,313)	(17,376)	—	—
Other payables and accruals	9,026	171	(511)	(4,204)
Amount due from subsidiaries	—	—	—	(3,926)
Cash generated from/(used in) operating activities	30,379	55,986	(3,183)	(7,539)
Settlement of claims	(10,104)	(6,063)	—	—
Net cash generated from/(used in) operating activities	20,275	49,923	(3,183)	(7,539)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>					
Purchases of property, plant and equipment		(38,467)	(37,183)	(11)	–
Purchase of intangible assets		(2,051)	(2,582)	–	–
Investment in joint ventures		–	(2)	–	–
Movement in restricted cash		457	–	–	–
Interest income received		819	839	5	–
Advances to subsidiaries		–	–	(763)	–
Net cash used in investing activities		(39,242)	(38,928)	(769)	–
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>					
Drawdown of borrowings		31,206	3,839	–	3,839
Drawdown of amount due to a controlling shareholder		–	–	2,889	–
Loan from related parties		6,870	3,968	–	3,968
Payment of borrowings		(18,153)	(25,383)	–	–
Payment of lease interest		(64)	(52)	(12)	(8)
Payment of lease principal		(647)	(765)	(153)	(173)
Repayment from subsidiaries		–	–	1,661	–
Net cash generated from/(used in) financing activities		19,212	(18,393)	4,385	7,626
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		245	(7,398)	433	87
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		3,352	10,649	134	98
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		(83)	101	–	(51)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	22	3,514	3,352	567	134

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

Reconciliation of liabilities arising from financing activities:

	At 1 January RM'000	Cash flows RM'000	Interest expense RM'000	Non-cash changes		At 31 December RM'000
				Foreign exchange RM'000	Others RM'000	
<b>2024</b>						
<u>Group</u>						
Amounts due to related parties	593,049	6,870	49,649	(38,550)	32,562 <sup>(1)</sup>	643,580
Borrowings	40,947	13,053	1,347	(452)	(32,562) <sup>(1)</sup>	22,333
Lease liabilities	3,380	(711)	64	60	(644) <sup>(2)</sup>	2,149
Total liability arising from financing activities	637,376	19,212	51,060	(38,942)	(644)	668,062
<u>Company</u>						
Amounts due to related parties	56,801	2,889	3,975	(2,614)	32,562 <sup>(1)</sup>	93,613
Borrowings	40,947	–	713	(175)	(32,562) <sup>(1)</sup>	8,923
Lease liabilities	362	(165)	12	–	(89) <sup>(2)</sup>	120
Total liability arising from financing activities	98,110	2,724	4,700	(2,789)	(89)	102,656

<sup>(1)</sup> Includes a reclassification from borrowings to amounts due to related parties following Hong Kong Resources Management Limited ("HKRM") assigned and transferred to Skyon Corporation Limited ("SCL") its rights, title, interest and benefit in and with respect to an amount due to HKRM of USD6.8 million, as disclosed in Note 23 and Note 30 to the financial statements.

<sup>(2)</sup> Comprises lease termination during the year.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

Reconciliation of liabilities arising from financing activities: (cont'd)

	At 1 January RM'000	Cash flows RM'000	Interest expense RM'000	Non-cash changes		At 31 December RM'000
				Foreign exchange RM'000	Others RM'000	
<b>2023</b>						
<u>Group</u>						
Amounts due to related parties	515,092	3,968	51,931	(30,609)	52,667 <sup>(1)(3)</sup>	593,049
Accrual and other payables	291,616	–	1,700	907	(294,223) <sup>(1)(2)</sup>	–
Borrowings	29,289	(21,544)	1,671	1,606	29,925 <sup>(3)</sup>	40,947
Lease liabilities	3,562	(817)	52	70	513 <sup>(4)</sup>	3,380
Total liability arising from financing activities	839,559	(18,393)	55,354	(28,026)	(211,118)	637,376
<u>Company</u>						
Amounts due to related parties	–	3,968	3,880	2,201	46,752 <sup>(1)</sup>	56,801
Borrowings	4,201	3,839	1,375	1,606	29,926 <sup>(3)</sup>	40,947
Lease liabilities	189	(181)	8	–	346 <sup>(4)</sup>	362
Total liability arising from financing activities	4,390	7,626	5,263	3,807	77,024	98,110

<sup>(1)</sup> Includes reclassification from other payables to amounts due to related parties of USD17.8 million following the completion of a debt settlement arrangement as disclosed in Note 23, Note 25 and Note 36 to the financial statements.

<sup>(2)</sup> Includes a settlement of amount owing to Super Racer Limited ("SRL") of USD49.6 million. The settlement was via issuance of new ordinary shares as disclosed in Note 25 and Note 29 to the financial statements.

<sup>(3)</sup> Includes a reclassification from amounts due to related parties to borrowings following the shareholder of SRL assigned and transferred to Hong Kong Resources Management Limited its rights, title, interest and benefit in and with respect to an amount due to the shareholder of SRL of USD6.8 million, as disclosed in Note 23 and Note 30 to the financial statements.

<sup>(4)</sup> Comprises new lease entered during the year.

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 1 GENERAL INFORMATION

The Company is incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

### Principal place of business

D3-5-8, Block D3  
Solaris Dutamas  
No.1, Jalan Dutamas 1  
50480 Kuala Lumpur

### Registered office

Unit 11.07, Amcorp Tower,  
Amcorp Trade Centre,  
18, Persiaran Barat,  
46050 Petaling Jaya  
Selangor

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand unless otherwise stated.

The principal activity of the Company is that of investment holding. The Group is principally engaged in the explorations, development, production and sale of crude oil and other petroleum products.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 2 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 May 2025.

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following material accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

### 3.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.1 Basis of preparation (cont'd)

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of material accounting policies.

#### Going concern basis of preparation for the Group and the Company

For the financial year ended 31 December 2024, the Group and the Company incurred losses after tax of RM19.8 million and RM13.3 million, respectively. As at the same date, the Group's and the Company's current liabilities exceeded current assets by RM94.2 million and RM8.8 million, respectively.

#### Key developments and measures to address going concern risks:

##### a) Regulatory oversight and regularisation plan:

On 3 April 2023, the Company triggered the criteria under Paragraph 2.1(e) of Practice Note 17 ("PN17") of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") due to an unqualified audit opinion indicating 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 2021 and the Company's shareholders' equity on a consolidated basis is 50% or less of its share capital as at 31 December 2022 as announced on 28 February 2023.

The Company is required to submit a regularisation plan to the Securities Commission Malaysia within 12 months from the date of its announcement. On 2 February 2024, TA Securities Holdings Berhad 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. Bursa Securities had vide its letter dated 18 October 2024 resolved to grant the Company a further extension of time of 6 months up to 2 April 2025 to submit its regularisation plan to the relevant regulatory authorities for approval. The Principal Adviser requested another extension up to 2 October 2025, which was rejected by Bursa Securities vide its letter dated 14 April 2025. The trading in the securities of the Company was suspended with effect from 22 April 2025 and de-listed on 24 April 2025. Upon the de-listing of the Company, the Company will continue to exist but as an unlisted limited liability entity. The Company is still able to continue its operations and business and proceed with its corporate restructuring and its shareholders can still be rewarded by the Company's performance. However, the shareholders will be holding shares which are no longer quoted and traded on Bursa Securities. The interests and rights of the shareholders will remain safeguarded under the Companies Act 2016. The Board continues to assess strategic options available to address the Group's financial position and preserve stakeholder value.

##### b) Continued financial support from controlling shareholder:

The Group and the Company rely on financial support from their controlling shareholder, Super Racer Limited, and its sole shareholder and they will confirm their intention to continue providing timely and sufficient financial support as required. This includes not requesting repayment of amounts owing before 31 May 2026, ensuring the Group has access to the necessary liquidity to meet its operational and financial obligations.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.1 Basis of preparation (cont'd)

##### Key developments and measures to address going concern risks: (cont'd)

##### c) Operational efficiency and cost control:

The Group continues to implement initiatives aimed at improving operational productivity. These include installing and replacing electrical submersible pumps, conducting maintenance to restore reservoir pressure, initiating infill drilling projects, and injecting gas to maintain pressure. These measures have already contributed to improved oil production for the financial year 2024, with further improvements expected in the coming periods.

##### d) Exploring alternative revenue streams:

The Group is actively exploring alternative routes for oil exports, such as via the Caspian Pipeline Consortium and the Druzhba pipeline system. These alternatives, if successfully negotiated, could potentially reduce the price differential between the Group's crude oil and international Brent oil prices, thus improving revenue streams. While this route is not yet in use, the Group remains committed to its existing buyer, Euro-Asian Oil, but is open to alternative transport solutions if more favorable terms are negotiated and Ministry of Energy of Kazakhstan's ("MOE") approval is obtained.

##### e) Debt management and vendor negotiations:

The Group has successfully negotiated settlement arrangements with vendors to extend payment terms on capital and operating expenditures for up to 3 years, helping to ease immediate cash flow pressures. These negotiations demonstrate the Group's proactive approach to managing liabilities and ensuring continued operations without significant disruptions.

##### f) Loan facilities and capital expenditure funding:

The Group has secured loan facilities, such as the USD6.4 million loan from RG-HCPI Fund Singapore to fund planned capital expenditures, particularly for Emir-Oil LLP. This loan will help finance future production capacity improvements. Additionally, the Group has been granted a USD3.0 million credit line by Freedom Bank Kazakhstan JSC, which has been fully drawn to support operations.

##### g) Forecasted positive cash flow:

A comprehensive cash flow forecast, prepared by management, has been reviewed by the Directors. This forecast, which extends through to 30 April 2026, includes reasonably possible changes in crude oil prices and expected production volumes. Based on the forecast and the steps the Group has taken, the Directors are confident that the Group and the Company will generate sufficient cash flow to meet operational and financial obligations in the next 12 months.

##### h) Ongoing cost reduction initiatives:

In addition to increasing revenue through higher production, the Group is continuously focused on controlling costs and reducing overheads. This includes optimising operational processes, reducing wastage, and improving efficiency across its asset base, all of which contribute to mitigating liquidity pressures.

##### i) Market conditions and crude oil prices:

While the Group faces ongoing volatility in crude oil prices, it continues to monitor market conditions and adjust its strategy accordingly. The Directors believe that despite the uncertainty surrounding crude oil prices, the Group's proactive measures and flexibility will allow it to adjust to market conditions and maintain sufficient liquidity.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.1 Basis of preparation (cont'd)

The Directors are of the opinion that, taking into account the above-mentioned measures, the Group and the Company will continue to have sufficient working capital to finance its operations, and meet its obligations as and when they fall due and to continue its business without significant curtailment of operations in the next twelve months from the approval date of the financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis.

##### 3.1.1 Standard and amendments to published standards that are effective and applicable to the Group and the Company

The Group and the Company have applied the following standard and amendments to published standards for the financial year beginning on 1 January 2024:

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the amendments to published standards listed above did not have any material impact to the Group and the Company on the current period or any prior period. The Group and the Company disclose its material accounting policies in Note 3 of the financial statements.

##### 3.1.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiary is attributed to the owners of the Company.

All intra-group assets and liabilities, equity income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 3.3 Investments in subsidiaries

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

#### 3.4 Investment in joint venture

Investment in joint venture are stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint venture using the equity method.

#### 3.5 Property, plant and equipment

Property, plant and equipment, including oil and gas properties, are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

The cost of oil and gas properties is amortised at the field level based on the unit of production method. Unit of production rates are based on oil and gas proved and probable developed (producing and non-producing) reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements. The Group's reserves estimates represent crude oil and gas which management believes can be reasonably produced within the current terms of their production agreements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.5 Property, plant and equipment (cont'd)

Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Office furniture and equipment	3 to 15 years
Leasehold improvement	2 years
Information technology network equipment	2 years
Motor vehicles	5 to 7 years
Production equipment	up to 10 years
Buildings	up to 12 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 3.6 Exploration and evaluation expenditure

The successful efforts method of accounting is used for oil and gas exploration and production activities. Under this method, geological and geophysical costs are expensed when incurred. Costs of exploratory wells (including certain geophysical costs which are directly attributable to the drilling of these wells) are capitalised as exploration and evaluation assets pending determination of whether the wells find proved oil and gas reserves. Should the efforts be determined to be successful, all costs for development wells, supporting equipment and facilities, and proved mineral interests in oil and gas properties are capitalised. Proved oil and gas reserves are the estimated quantities of crude oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

Exploratory wells in areas not requiring major capital expenditures are evaluated for economic viability within one year of completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained. Otherwise, the related well costs are reclassified to oil and gas properties and subject to impairment review. For exploratory wells that are found to have economically viable reserves in areas where major capital expenditure will be required before production can commence, the related well costs remain capitalised in exploration and evaluation assets only if additional drilling is under way or firmly planned. Otherwise, the related well costs are expensed as dry holes. The Group does not have any costs of unproved properties capitalised in oil and gas properties.

Identifiable exploration assets acquired are recognised as assets at their fair value, as determined by the requirements of business combinations. Exploration and evaluation expenditure incurred subsequent to the acquisition of an exploration asset in a business combination is accounted for in accordance with the policy outlined above.

#### 3.7 Intangible assets

Intangible assets represent computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.8 Financial instruments

##### (a) Financial assets

###### Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### Financial assets through other comprehensive income

The Group has elected to designate certain equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

##### (b) Financial liabilities

###### Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

#### 3.9 Inventories

Inventories are crude oil and materials and supplies which are stated at the lower of cost and net realisable value. Materials and supplies costs are determined using the first-in first-out method. Crude oil costs are determined using the weighted average cost method. The cost of crude oil comprises direct labour, depreciation, other direct costs and related production overhead.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.10 Share capital

##### (i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

##### (ii) Share issue costs

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### (iii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

#### 3.11 Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.11 Current and deferred income tax (cont'd)

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 3.12 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

##### Provision for asset retirement obligations

Asset retirement obligations (including future decommissioning and restoration) which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas properties of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of the oil and gas properties.

Changes in the obligation due to revised estimates of the amount or timing of cash flows required to settle the future liability is recognised by increasing or decreasing the carrying amount of the asset retirement obligation ("ARO") liability and the ARO asset. The adjustments to the asset are restricted, that is to say the asset cannot decrease below zero and cannot increase above its recoverable amount. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.12 Provisions (cont'd)

##### Provision for asset retirement obligations (cont'd)

Changes due solely to the passage of time (i.e.: accretion of the discounted liability) is recognised as an increase in the carrying amount of the liability and is recognised as accretion expense in the profit or loss under finance cost. This accretion expense is recognised based on the effective interest method during the useful life of the related oil and gas properties.

The effects of foreign exchange differences resulted from the re-measurement of ARO in foreign currencies is recognised by increasing or decreasing the carrying amount of the ARO liability and ARO asset.

If the conditions for the recognition of the provisions are not met, the expenditure for the decommissioning, removal and site cleaning will be expensed in profit or loss when incurred.

#### 3.13 Revenue recognition

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expect to be entitled in exchange for transferring promised goods or services to a customer, net of estimated returns, discounts, commissions, rebates and taxes. Discounts and rebates are measured using the most likely amount method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good promised in the contract.

Revenue from the sale of crude oil, gas and other petroleum products are recognised at a point in time when the control of the product is transferred to the customer.

The Group and the Company do not expect any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group and the Company do not adjust any of the transaction prices for the time value of money.

#### 3.14 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### 3.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 3.16 Right-of-use of assets and lease liabilities

##### (a) Short-term leases and leases of low value assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use of assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

##### (c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

#### 3.17 Contract liabilities

Contract liabilities of the Group represent advance receipts from customers on sales that have yet to be rendered or completed. Contract liabilities are named as advance payments and classified under other payables and accruals.

All other contract liabilities are expected to be recognised as revenue over the next 12 months.

### 4 FINANCIAL RISK MANAGEMENT

The Group and the Company's activities expose it to a variety of financial risks: market risk (including interest risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Group and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group and the Company's financial performance.

The Group and the Company have established risk management policies, guidelines and procedures in order to manage its exposure to these financial risks. The following sections provide details regarding the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial position or cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign exchange risk

The Group and the Company are exposed to foreign currency risks on trade receivables, other receivables, amount due from subsidiaries, amount due from a corporate shareholder of a subsidiary, deposits, cash and bank balances, trade payables, accruals and other payables, lease liabilities, amounts due to related parties and borrowings that are denominated in a currency that is different from the functional currency. The currencies giving rise to this risk are primarily the United States Dollar ("USD") and the Kazakhstani Tenge ("KZT").

The Group and the Company do not hedge their foreign currency denominated obligations.

The KZT is not a freely convertible currency. Limitation in foreign exchange transactions could cause future exchange rates to vary significantly from current or historical exchange rates. Management is not in a position to anticipate changes in the foreign exchange regulations and as such is unable to reasonably anticipate its impact on the Group's operational results or financial position arising from future changes in exchange rates.

The Group's and the Company's currency exposure profiles are as follows:

Group	Denominated in KZT		Denominated in USD	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Financial assets</u>				
Deposits, cash and bank balances	9,485	12,558	2,123	—
Trade receivables	1,790	311	—	—
Other receivables	1,982	659	137	4,653
	13,257	13,528	2,260	4,653
<u>Financial liabilities</u>				
Trade payables	43,227	71,185	10,497	10,244
Accruals and other payables	34,515	38,774	256	12,214
Lease liabilities	2,029	3,018	—	—
Amount due to related parties	—	—	643,580	593,049
Borrowings	—	—	22,333	40,947
	79,771	112,977	676,666	656,454
<b>Company</b>				
<u>Financial asset</u>				
Amount due from subsidiaries	—	—	212,599	216,845
Other receivables	—	—	130	4,653
	—	—	212,729	221,498
<u>Financial liabilities</u>				
Borrowings	—	—	8,923	40,947
Amounts due to related parties	—	—	93,613	56,801
	—	—	102,536	97,748



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Foreign exchange risk (cont'd)

The table below summarises the change in foreign currency rate to the Group and the Company's loss after taxation and equity. This analysis assumes that all other variables, in particular interest rates, remains constant and ignores any impact of forecasted sales and purchases.

Group	Effect on loss	
	after taxation and equity 2024 RM'000	2023 RM'000
<u>Increase/Decrease in foreign exchange rate</u>		
KZT strengthened/weakened by:		
+ 2% (2023: +2%)	(1,330)	(1,970)
- 2% (2023: -2%)	1,330	1,970

<u>Increase/Decrease in foreign exchange rate</u>		
USD strengthened/weakened by:		
+ 4% (2023: +4%)	(26,976)	(26,072)
- 4% (2023: -4%)	26,976	26,072

Company	Effect on loss	
	after taxation and equity 2024 RM'000	2023 RM'000
<u>Increase/Decrease in foreign exchange rate</u>		
USD strengthened/weakened by:		
+ 4% (2023: +4%)	4,408	4,950
- 4% (2023: -4%)	(4,408)	(4,950)

(ii) Interest rate risk

The Group and the Company have no significant interest bearing cash assets. The Group and the Company's income and operating cash flows are substantially independent of changes in market rates. A detailed analysis of the Group's amount due to related parties and borrowings, together with their respective effective interest rates and maturity dates, are included in Note 23 and Note 30.

(iii) Price risk

The Group is significantly expose to crude oil commodity price risk. Commodity price risk related to crude oil is the Group's market risk exposure. Crude oil prices and quality differentials are influenced by worldwide factors such as Organisation of the Petroleum Exploiting Countries + ("OPEC+") actions, political events and supply and demand fundamentals. The Group is also exposed to natural gas price movements. Natural gas prices are generally influenced by oil prices and local market conditions. The Group's expenditures are subject to the effects of inflation, and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation. The Group may use different types of financial instruments to manage its exposure to price risk.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

**4 FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Credit risk**

Financial assets that are primarily exposed to credit risks are trade receivables, deposits and other receivables, amount due from a subsidiary, amount due from a corporate shareholder in a subsidiary and deposits and bank balances. Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group and the Company. At the reporting date, the Group and the Company's maximum exposure to credit risk is represented by carrying amounts of each class of financial assets recognised in the statement of financial position.

Trade receivables

The Group applies the MFRS 9 simplified approach to measure expected credit losses ("ECL") of its trade receivables.

The expected loss rates are based on payment profiles of sales over a certain period before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group has one customer which in aggregate accounts for more than 65% (2023: 70%) of the Group's revenue and as such, the Group has concentration of credit risk for its trade receivables. The Group has assessed the probability of default to be low due to the good payment history of the customer with consideration of current market conditions. Therefore, the impact of expected credit loss ("ECL") is immaterial.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from other receivables are represented by its carrying amounts in the statement of financial position.

The Group uses the three stages approach for other receivables which reflect their credit risk and how loss allowances are determined for each of those stages. The Group determines the probability of default for other receivables considering historical data and macroeconomic information.

The analysis of the credit exposure of other receivables for which an ECL allowance is recognised is disclosed in Note 20.

Amount due from subsidiaries

The Company enters into trade and non-trade transactions with its subsidiaries. As at 31 December 2024, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The Group and the Company use the three stage approach for amount due from subsidiaries which reflect their credit risk and how loss allowances are determined for each of those stages. The Company determines the probability of default for the amounts due from subsidiaries individually using internal available information.

The amount due from subsidiaries are assessed using the 12-month ECL methodology under Stage 1 as the subsidiaries have capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. At the end of the reporting period, there was no indication that the balances are not recoverable other than those which had already impaired in the previous financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

##### (b) Credit risk (cont'd)

###### Deposits and bank balances

The Group and the Company place the deposits and bank balances with various creditworthy financial institutions. As at the end of the reporting period, the maximum exposure to credit risk of deposits and bank balances are represented by the carrying amounts in the statement of financial position.

The Group and the Company use the three stages approach for deposits and bank balances which reflect their credit risk and how the loss allowances are determined for each of those stages. The Group determines the probability of default for these balances considering historical data and macroeconomic information (such as market interest rates).

The analysis of the credit exposure of deposits and bank balances for which an ECL allowance is recognised is disclosed in Note 22.

##### (c) Liquidity risk

Liquidity risk refers to the potential difficulty the Group may face in meeting its financial obligations due to a shortage of funds. The Group's exposure arises from mismatches between financial asset and liability maturities. To manage this risk, the Group maintains sufficient cash and available credit facilities to meet its working capital needs and has various financing options, including shareholder loan facilities.

As of 31 December 2024, the Group had a shareholder's loan facility of USD5.0 million, of which USD3.5 million remains undrawn. Additionally, on 18 April 2024, the Group secured a loan facility of USD6.4 million with RG-HCPI Fund Singapore to fund capital expenditures for Emir-Oil LLP. The Group also applied for a credit line facility with Freedom Bank Kazakhstan JSC, which was granted in November 2024 for USD3.0 million and has been fully drawn.

Despite the Group's and the Company's current liabilities exceeding current assets by RM94.2 million and RM8.8 million, respectively, they have met all financial obligations during the year. The Group continues to face challenges in generating positive cash flows, particularly due to production targets.

To mitigate liquidity pressures, the Group is implementing measures as disclosed in Note 3.1 of the financial statements and will continue to utilise available loan facilities to ensure sufficient funds for operational and financial obligations. If necessary, financial support in the form of liquid funds may be requested from the Group's controlling shareholder, Super Racer Limited, and its sole shareholder.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

The table below analyses the Group and the Company's financial liabilities into relevant maturity groupings based on the remaining year at the end of the reporting period to their contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows of principal amount and interests.

	Carrying amount RM'000	Less than 1 year RM'000	Contractual undiscounted cash flows			Total RM'000
			Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	
<b>Group</b>						
<b>2024</b>						
Trade payables	53,724	38,525	15,883	–	–	54,408
Accruals and other payables (excluding statutory liabilities and contract liabilities)	4,284	4,284	–	–	–	4,284
Amounts due to related parties	643,580	5,870	447,933	–	529,855	983,658
Lease liabilities	2,149	701	442	1,288	3,422	5,853
Borrowings	22,333	22,333	–	–	–	22,333
	726,070	71,713	464,258	1,288	533,277	1,070,536
<b>2023</b>						
Trade payables	81,429	78,164	3,412	–	–	81,576
Accruals and other payables (excluding statutory liabilities and contract liabilities)	14,309	14,309	–	–	–	14,309
Amounts due to related parties	593,049	5,968	437,292	–	507,944	951,204
Lease liabilities	3,380	773	773	1,766	5,152	8,464
Borrowings	40,947	8,737	–	–	32,210	40,947
	733,114	107,951	441,477	1,766	545,306	1,096,500

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

Company	Carrying amount RM'000	Contractual undiscounted cash flows				Total RM'000
		Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	
<b>2024</b>						
Accruals and other payables (excluding statutory liabilities)	1,048	1,048	–	–	–	1,048
Amounts due to related parties	93,613	–	6,908	–	86,705	93,613
Lease liabilities	120	123	–	–	–	123
Borrowings	8,923	8,923	–	–	–	8,923
	103,704	10,094	6,908	–	86,705	103,707
<b>2023</b>						
Accruals and other payables (excluding statutory liabilities)	1,002	1,002	–	–	–	1,002
Amounts due to related parties	56,801	–	4,053	–	52,748	56,801
Lease liabilities	362	184	184	–	–	368
Borrowings	40,947	8,737	–	–	32,210	40,947
	99,112	9,923	4,237	–	84,958	99,118

(d) Fair value estimation

Except as disclosed below, the carrying amounts of the Group and the Company's financial assets and liabilities approximate their fair values due to the relatively short-term nature of financial instruments.

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<u>At 31 December 2024</u>				
Trade payables	15,199	14,125	–	–
Amount due to related parties	637,710	664,458	93,613	86,808
<u>At 31 December 2023</u>				
Trade payables	3,265	3,029	–	–
Amount due to related parties	587,081	702,781	56,801	52,621
Borrowings	32,210	29,879	32,210	29,879

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 4 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value estimation (cont'd)

Valuation principles

Fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market as of the measurement date. The Group and the Company determine the fair value based on discounted estimated future cash flows using the prevailing market rates for similar credit risks and remaining year of maturity. Management judgement is exercised in the selection and application of appropriate parameters, assumptions and modelling techniques where some or all of the parameter inputs are not observable in deriving at fair value.

The disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Valuation technique

The fair value of the amount due to related parties, trade payables, and borrowings as disclosed is measured based on Level 2 fair value measurement hierarchy using the discounted cash flows model.

(e) Capital risk management

The Group and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and the Company monitor capital on the basis of Debt over Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA"). Debt is calculated as total amounts due to related parties and external borrowings. EBITDA is determined as profit before finance income, finance cost, income tax and depreciation and amortisation.

The Debt over EBITDA ratio of the Group is as follows:

	2024 RM'000	2023 RM'000
Amount due to related parties	643,580	593,049
Borrowings	22,333	40,947
<b>Total Debt</b>	<b>665,913</b>	<b>633,996</b>
Loss before tax	(5,473)	(435,473)
Finance income	(25,111)	(75,416)
Finance cost	62,827	67,804
Depreciation and amortisation	54,227	108,355
<b>EBITDA</b>	<b>86,470</b>	<b>(334,730)</b>
<b>Debt over EBITDA ratio</b>	<b>7.70</b>	<b>(1.89)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimation of proved and probable oil reserves

Proved reserves are those quantities of petroleum that by analysis of geoscience and engineering data can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. Economic conditions include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions. Proved developed reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Proved undeveloped reserves are quantities expected to be recovered through future investments: from new wells on undrilled acreage in known accumulations, from extending existing wells to a different (but known) reservoir, or from infill wells that will increase recovery. Probable reserves are additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are likely to be recovered.

The Group's reserve estimates were prepared for each oilfield and includes crude oil and liquefied petroleum gas that the Group believes can be reasonably produced within current economic and operating conditions.

Proved and probable reserves cannot be measured exactly. Reserves estimates are based on many factors related to reservoir performance that require evaluation by engineers interpreting the available data, as well as price and other economic factors. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data, and the production performance of the reservoirs as well as engineering judgement. Consequently, reserves estimates are subject to revision as additional data becomes available during the producing life of a reservoir. When a commercial reservoir is discovered, proved reserves are initially determined based on limited data from the first well or wells. Subsequent data may better define the extent of the reservoir and additional production performance. Well tests and engineering studies will likely improve the reliability of reserves estimates. The evolution of technology may also result in the application of improved recovery techniques such as supplemental or enhanced recovery projects, or both, which have the potential to increase reserves beyond those envisioned during the early years of a reservoir's producing life.

In general, changes in the technical maturity of reserves resulting from new information becoming available from development and production activities and change in oil and gas price have tended to be the most significant cause of annual revisions.

Changes to the Group's estimates of proved-plus-probable developed reserves affect the amount of depreciation recorded in the financial statements for property, plant and equipment. These changes can, for example, be the result of production and revisions. A reduction in proved and probable reserves will increase the rate of depreciation charges (assuming constant production) and reduce income. If the proved and probable developed reserves estimates increase by 10% the depreciation charges will decrease by RM4,230,517 (2023: RM8,708,636). Decreasing the proved and probable developed reserves estimates by 10% will increase the depreciation charges by RM5,069,637 (2023: RM10,410,149).

Changes to the Group's estimates of proved and probable developed reserves affect prospectively the amounts of depreciation charged and, consequently, the carrying amounts of property, plant and equipment. Information about the carrying amounts of these assets and the amounts charged to profit or loss, including depreciation charge is presented in Note 11.

Changes to the Group's estimates of proved and probable reserves would also impact assumptions used in determining deferred tax asset recognition and impairment.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Depreciation of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

Management will adjust estimated useful lives where actual useful lives vary from previously estimated useful lives.

(c) Impairment of property, plant and equipment

Property, plant and equipment, including oil and gas properties and exploration and evaluation assets, are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Determination as to whether and how much an asset is impaired involve management estimates and judgements such as future prices of crude oil, estimation of proved and probable oil reserves and production profile. However, the impairment reviews and calculations are based on assumptions that are consistent with the market conditions and data. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets, whereas unfavourable changes may cause the assets to become impaired.

The independent reserve engineer's report as of December 31, 2024, highlights an increase in the estimated proved and probable reserves of the Group. The key reasons for this increase include the following:

- (i) A detailed review of the 2024 well performance revealed that wells D-112 and D-110 performed better than initially predicted after undergoing workovers. This has led to the allocation of more volumes for future development at the Dolinnoe Field. Additionally, for the first time in 2024, Emir-Oil commissioned a dynamic reservoir model for the Kariman and North Kariman Fields, which has contributed valuable insights into the reserve estimates;
- (ii) This evaluation has led to higher projected volumes for both current wells (Proved Developed Producing - PDP) and future drilling (Proved Undeveloped - PUD). There has also been an increase in the volume of planned workovers (Proved Developed Non-Producing - PDNP). However, these increases have been partially offset by lower secondary recovery volumes in the estimated reserves. The independent reserve engineer has taken a cautious approach regarding secondary recovery, choosing to re-evaluate the effects of water and gas injection as more data becomes available in the coming years.

Details of the estimates and judgements are set out in Note 17 to the financial statements.

(d) Exploration and evaluation expenditure

Exploratory wells in areas not requiring major capital expenditures are evaluated for economic viability within one year of completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained. In making decisions about whether to continue capitalising the exploration costs, it is necessary to make judgements about the economic viability of the exploratory wells. If there is a change in one of these judgements in a subsequent period, then the related capitalised exploration costs would be expensed in that period, resulting in a charge to the profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Current and deferred income tax

The Group and the Company are subject to income taxes in Malaysia, Netherlands and Kazakhstan. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is still subject to finalisation. The Group and the Company recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax in Kazakhstan has been re-measured to reflect the changes in excess profit tax rate that will be applicable in the periods in which the deductible/taxable temporary differences are expected to reverse.

Income in Kazakhstan is taxed at the excess profit tax rate which is based on rate of return on subsurface use operations and requires estimation of future taxable income, capital expenditures and other assumptions which affect the estimation of amounts and periods when deductible/taxable temporary differences existing at the reporting date are reversed/settled.

(f) Impairment of investment in subsidiaries

Investment in subsidiaries are reviewed for possible impairments when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Determination as to whether and how much an investment is impaired involve management estimates and judgements such as future prices of crude oil, estimation of proved and probable oil reserves and production profile. However, the impairment reviews and calculations are based on assumptions that are consistent with the market conditions and data.

Details of the estimates and judgements are set out in Note 15 to the financial statements.

#### 6 REVENUE

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Sale of crude oil	205,823	189,798
Sale of gas	2,006	2,424
Sales of petroleum products	–	16,451
	<b>207,829</b>	<b>208,673</b>

The above revenue is recognised at a point in time.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 7 TAXES OTHER THAN INCOME TAXES

	Group	
	2024 RM'000	2023 RM'000
Rent export tax	24,358	28,184
Rent export duty expenditure	21,889	22,059
Mineral extraction tax	8,738	9,887
Property tax	6,028	5,934
	61,013	66,064

### 8 EMPLOYEE COMPENSATION COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and allowances	15,256	15,803	1,252	1,851
Welfare and other expenses	1,040	1,041	175	225
	16,296	16,844	1,427	2,076

Employee compensation costs include Directors' remuneration (whether executive or otherwise) as disclosed in Note 12 to the financial statements.

### 9 OTHER OPERATING (INCOME)/EXPENSES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Write-off of inventory	303	794	–	–
Realised foreign exchange loss on operations - net	131	314	29	51
Change in asset retirement obligation estimate	(1,204)	1,681	–	–
Others	(3,009)	59	–	–
	(3,779)	2,848	29	51

Foreign exchange rates gain/(loss) arising from purchases and services procured are classified as part of operating expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 10 FINANCE INCOME/(COST)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Finance income</u>				
Interest income from deposits				
with licensed islamic banks	5	4	5	4
Interest income from deposits				
with other licensed banks	814	835	–	–
Foreign exchange gain on borrowings				
and related parties' loan:				
- Realised	1,298	5,754	156	5,191
- Unrealised	23	31,445	9	7,905
Gain on modification of amount				
due to related party	20,663	37,378	–	–
Other finance income	2,308	–	157	–
<b>Finance income</b>	<b>25,111</b>	<b>75,416</b>	<b>327</b>	<b>13,100</b>
<u>Finance cost</u>				
Interest expense on amount due				
to Super Racer Limited ("SRL")	(185)	(5,773)	(185)	(1,758)
Interest expense on amount due				
to shareholder of SRL	(48,203)	(46,158)	(2,529)	(2,122)
Interest expense on amount due				
to Skyon Corporation Limited	(1,261)	–	(1,261)	–
Interest expense on non-current				
other payables	–	(1,700)	–	–
Accretion of asset retirement				
obligations (Note 31)	(1,376)	(763)	–	–
Foreign exchange loss on borrowings,				
other payables and related parties' loan:				
- Realised	(1,378)	(5,296)	–	–
- Unrealised	(8,266)	(3,877)	(5,624)	(3,807)
Interest on borrowings	(1,347)	(1,671)	(713)	(1,375)
Interest on lease liabilities	(64)	(52)	(12)	(8)
Other finance cost	(747)	(2,514)	–	(67)
<b>Finance cost</b>	<b>(62,827)</b>	<b>(67,804)</b>	<b>(10,324)</b>	<b>(9,137)</b>

Foreign exchange difference arising from loans due from/to related parties and borrowings are classified as part of finance income/(cost).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 11 LOSS BEFORE TAX

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
- Audit fees				
- Crowe Malaysia PLT	330	—	278	—
- Member firm of Crowe Global*	265	—	—	—
- PricewaterhouseCoopers PLT, Malaysia	—	340	—	263
- Member firm of PricewaterhouseCoopers International Limited	—	673	—	—
- Non audit fees:				
- Crowe Malaysia PLT	177	—	177	—
- Member firm of Crowe Global*	266	—	—	—
Depreciation:				
- Property, plant and equipment (Note 17)	53,560	107,468	1	1
- Right of use of assets (Note 18)	443	595	173	174
Amortisation of intangible assets (Note 19)	224	292	—	—
(Reversal of)/Additional impairment of non-financial asset (Note 17)	(32,141)	400,359	—	—
Professional fees	1,498	2,795	938	1,736
Additional/(Reversal of) provision for claims (Note 31)	10,832	(20,482)	—	—
Unrealised foreign exchange loss/(gain)	8,243	(27,568)	5,615	(4,098)
Realised foreign exchange loss/(gain)	211	(144)	(127)	(5,140)
Change in estimate of asset retirement obligations	(1,204)	1,681	—	—
Write-off of inventory	303	794	—	—
Write-off of property, plant and Equipment (Note 17)	1,099	13,159	—	—
Impairment (reversal)/charge of:				
- trade receivables	(63)	30	—	—
- cash and bank balances	(59)	(118)	—	—
- other receivables	(726)	(1,499)	—	—
- investment in subsidiaries	—	—	—	15,237
- amount due from subsidiaries	—	—	—	91,490
Net reversal for inventory obsolescence	(4,858)	(1,615)	—	—
Expenses arising from leases:				
- short-term leases				
- Premises	167	167	—	—
- low-value assets leases				
- Office equipment	12	8	12	8

\* Crowe Malaysia PLT and other member firm of Crowe Global are separate and independent legal entities.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 12 DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by Directors during the financial year was as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Director:				
- Salaries and bonuses	60	195	60	195
- Defined contribution plans	–	17	–	17
Non-executive Directors:				
- Fees	306	325	306	325
- Allowances	129	172	129	172
	495	709	495	709

#### 13 TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Foreign income tax:				
- Current financial year	(1,751)	838	–	–
Deferred tax expense/(income) (Note 27)				
- Origination and reversal of temporary difference	16,035	(80,011)	–	–
	14,284	(79,173)	–	–

The explanation of the relationship between tax expense and loss before tax is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss before tax	(5,473)	(435,473)	(13,256)	(107,418)
Tax calculated at the statutory tax rate of 24% (2023: 24%)	(1,314)	(104,514)	(3,181)	(25,780)
Tax effects of:				
- Income not subject to tax	(5,392)	(15,292)	(57)	(3,146)
- Expenses not deductible for tax purposes	18,200	8,828	3,238	28,926
- Difference in overseas tax rates and tax base	(1,098)	20,317	–	–
- Re-measurement of deferred tax due to changes in the excess profit tax	(24,414)	(57,736)	–	–
- Deferred tax assets not recognised during the financial year	28,302	69,224	–	–
	14,284	(79,173)	–	–

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 14 LOSS PER ORDINARY SHARE

The calculation of basic loss per ordinary share at 31 December 2024 was based on the profit or loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Loss attributable to owners of the Company (RM'000)	(18,113)	(208,295)
Weighted average number of ordinary shares ('000)	2,128,957	2,128,957
Basic loss per ordinary share (RM)	(0.009)	(0.10)
Diluted loss per ordinary share (RM)	(0.009)	(0.10)

Diluted loss per ordinary share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. As at 31 December 2024, there is no dilutive potential ordinary shares.

### 15 INVESTMENT IN SUBSIDIARIES

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost of investment	25,646	25,646
Capital contributions to a subsidiary	584,391	584,391
Less: Accumulated impairment losses	(372,037)	(372,037)
	238,000	238,000

Impairment assessment of investment in Reach Energy Ventures Sdn. Bhd.

As a result of the continued challenging operating environment of the Group and of the Company coupled with continuing losses during the financial year, management performed an assessment to identify whether an impairment is required with regards to the Company's investment in Reach Energy Ventures Sdn. Bhd. ("REVSb").

The recoverable amount of the Company's investment in subsidiary was determined using the FVLCD model which involves significant judgement and estimates in respect of REVSb's ability to distribute dividends to the Company. The fair value measurement is calculated using the discounted cash flow method categorised under Level 3 hierarchy.

Key assumptions used in determining the recoverable amount are as follows:

	<b>2024</b>	<b>2023</b>
Period of projection	2025 - 2036	2024 - 2036
Selling price for export sales	USD70 - USD86	USD70 - USD93
Selling price for domestic sales	USD33 - USD40	USD37 - USD47
Reserve volume	31.3 MMBbl	23.5 MMBbl
Inflation rate	3.6% - 7.0%	3.6% - 15.2%
Weighted average cost of capital	13.46%	14.01%
Capital expenditure	USD110.1 million	USD103.9 million
	over the projection period	over the projection period
Repayment of borrowings	In accordance with terms of borrowings	In accordance with terms of borrowings

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 15 INVESTMENT IN SUBSIDIARIES (CONT'D)

The Company uses the period of subsoil use rights owned by REVS's subsidiary as the projection period.

As the recoverable amount was in excess of the carrying amount, no impairment was required.

If the average oil price had been USD16.612/bbl lower than management's estimates, it would result in the recoverable amount to be equal to the carrying amount of the investment in subsidiaries.

If the reserves volume had been 26.32% lower than management's estimates, it would result in the recoverable amount to be equal to the carrying amount of the investment in subsidiaries.

If the estimated weighted cost of capital ("WACC") applied to the discounted cash flow been 50.66% higher than management's estimates, it would result in the recoverable amount to be equal to the carrying amount of the investment in subsidiaries.

In the previous financial year, an impairment of RM15.2 million was made as the carrying amount of the investment was higher than its recoverable amount. If the average oil price had been USD3.35/bbl lower than the management's estimates, reserve volume had been 5% lower than the management's estimates, estimated WACC applied to the discounted cash flows been 5% higher than the management's estimates, would result an additional impairment of RM33.9 million, RM38.7 million and RM26.3 million respectively to investment in subsidiaries.

Details of the subsidiaries are as follows:

Name of subsidiary	Group's effective equity interest		Country of incorporation	Principal activities
	2024 %	2023 %		
Reach Energy Ventures Sdn. Bhd.	100	100	Malaysia	Investment holding company
<u>Subsidiary held through</u> <u>Reach Energy Ventures</u> <u>Sdn. Bhd.</u>				
Palaeontol B.V. <sup>(1)</sup>	60	60	Netherlands	Investment holding company
<u>Subsidiary held through</u> <u>Palaeontol B.V.</u>				
Emir-Oil LLP <sup>(2)</sup>	60	60	Republic of Kazakhstan	Exploration, development, production and sale of crude oil and other petroleum products

The financial year end of the subsidiaries fall on 31 December.

<sup>(1)</sup> No audit is required as allowed by the laws of the country of incorporation

<sup>(2)</sup> Audited by a member firm of Crowe Global of which Crowe Malaysia PLT is a member.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

## 15 INVESTMENTS IN SUBSIDIARIES (CONT'D)

### Summarised financial information for subsidiary

Set out below are the summarised financial information for Palaeontol B.V. Group ("PBV Group"):

### Summarised statement of financial position

	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Non-current assets	1,888,619	1,884,310
Current assets	26,827	30,674
Current liabilities	(113,527)	(1,039,528)
Non-current liabilities	(2,071,754)	(1,148,159)
Net liabilities	(269,835)	(272,703)
Accumulated non-controlling interests	(108,501)	(107,456)

### Summarised statement of comprehensive income

Revenue	207,829	208,673
Loss for the financial year	(4,111)	(370,013)
Loss allocated to non-controlling interests	(1,644)	(148,005)

Other than restricted cash set aside for environmental remediation relation to its operations as disclosed in Note 22, there is no restriction on the Group's ability to access or use the assets or settle the liabilities of the PBV Group.

### Summarised statement of cash flows

	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Net cash generated from operating activities	23,477	57,469
Net cash used in investing activities	(38,474)	(38,928)
Net cash used in financing activities	14,827	(26,019)
Exchange differences	(84)	154
Net decrease in cash and cash equivalents	(254)	(7,325)



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 16 INVESTMENT IN JOINT VENTURE

During the prior financial year, the Group entered into a joint venture as set out below:

	<b>2024</b>	<b>Group</b>
	<b>RM'000</b>	<b>2023</b>
		<b>RM'000</b>
As at 1 January	4,055	–
Investment at cost	–	2
Share of result in joint venture	3,903	4,029
Dividend received	(3,072)	–
Foreign exchange translation	(125)	24
As at 31 December	4,761	4,055

The Group's ownership in the joint venture, its principal activities and country of incorporation is listed as follows:

			<b>2024</b>
<b>Name of Company</b>	<b>Country of Incorporation and place of business</b>	<b>Principal activities</b>	<b>Proportion of ownership interest %</b>
Emir-Oil Trading LLP	Kazakhstan	Sale of petroleum products	60

Summarised financial information has not been presented as the joint venture is not individually material to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 17 PROPERTY, PLANT AND EQUIPMENT

Group	Exploration and evaluation assets RM'000	Oil and gas properties RM'000	Buildings and leasehold improvements RM'000	Motor vehicles, office and other production equipment RM'000	Information technology network equipment RM'000	Construction in progress RM'000	Total RM'000
<b>2024</b>							
<u>Cost</u>							
At 1 January	137,178	1,622,602	8,361	10,410	63	290,040	2,068,654
Additions	355	4,696	-	278	-	33,138	38,467
Transfers	(26,987)	28,271	2	758	-	(2,044)	-
Write-off	(984)	-	-	(1,061)	-	-	(2,045)
Foreign exchange translation	(3,585)	(43,691)	(221)	(268)	-	(8,325)	(56,090)
At 31 December	105,977	1,611,878	8,142	10,117	63	312,809	2,048,986
<u>Accumulated depreciation</u>							
At 1 January	-	581,893	5,824	1,585	63	-	589,365
Charge for the financial year	-	52,507	441	612	-	-	53,560
Write-off	-	-	-	(946)	-	-	(946)
Foreign exchange translation	-	(11,989)	(118)	(28)	-	-	(12,135)
At 31 December	-	622,411	6,147	1,223	63	-	629,844
<u>Accumulated impairment</u>							
At 1 January	93,088	543,048	-	-	-	24,136	660,272
Reversal for the financial year	-	(32,141)	-	-	-	-	(32,141)
Foreign exchange translation	(3,036)	(13,720)	-	-	-	(640)	(17,396)
At 31 December	90,052	497,187	-	-	-	23,496	610,735
<u>Net book value</u>							
At 31 December	15,925	492,280	1,995	8,894	-	289,313	808,407

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

**17 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Group	Exploration and evaluation assets RM'000	Oil and gas properties RM'000	Buildings and leasehold improvements RM'000	Motor vehicles, office and other production equipment RM'000	Information technology network equipment RM'000	Construction in progress RM'000	Total RM'000
<b>2023</b>							
<u>Cost</u>							
At 1 January	130,434	1,555,131	7,604	9,572	63	262,249	1,965,053
Additions	357	3,887	–	172	–	32,767	37,183
Transfers	–	946	456	1,153	–	(2,555)	–
Write-off	–	(10)	(9)	(866)	–	(13,133)	(14,018)
Foreign exchange translation	6,387	62,648	310	379	–	10,712	80,436
At 31 December	137,178	1,622,602	8,361	10,410	63	290,040	2,068,654
<u>Accumulated depreciation</u>							
At 1 January	–	454,259	4,817	1,713	63	–	460,852
Charge for the financial year	–	106,221	683	564	–	–	107,468
Write-off	–	(11)	(9)	(839)	–	–	(859)
Foreign exchange translation	–	21,424	333	147	–	–	21,904
At 31 December	–	581,893	5,824	1,585	63	–	589,365
<u>Accumulated impairment</u>							
At 1 January	88,628	134,857	–	–	–	23,198	246,683
Charge for the financial year	–	400,359	–	–	–	–	400,359
Foreign exchange translation	4,460	7,832	–	–	–	938	13,230
At 31 December	93,088	543,048	–	–	–	24,136	660,272
<u>Net book value</u>							
At 31 December	44,090	497,661	2,537	8,825	–	265,904	819,017

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 17 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<b>Company</b>	<b>Buildings And leasehold improvements RM'000</b>	<b>Motor vehicles, office and other production equipment RM'000</b>	<b>Information technology network equipment RM'000</b>	<b>Total RM'000</b>
<u>Cost</u>				
At 1 January 2024	411	271	63	745
Additions	–	11	–	11
At 31 December 2024	411	282	63	756
<u>Accumulated depreciation</u>				
At 1 January 2024	411	271	63	745
Charge for the financial year	–	1	–	1
At 31 December 2024	411	272	63	746
<u>Net book value</u>				
At 31 December 2024	–	10	–	10
<u>Cost</u>				
At 1 January/31 December 2023	411	271	63	745
<u>Accumulated depreciation</u>				
At 1 January 2023	410	271	63	744
Charge for the financial year	1	–	–	1
At 31 December 2023	411	271	63	745
<u>Net book value</u>				
At 31 December 2023	–	–	–	–

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 17 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group's property, plant and equipment have been pledged as security for borrowings as disclosed in Note 30 to the financial statements.

In accordance with MFRS 136 'Impairment of assets', the recoverable amount of assets is the greater of its value in use and its fair value less costs to sell. During the financial year ended 31 December 2024, due to continued losses and revision of reserve volumes reported from an independent reserves engineer, the Group performed an assessment of the recoverability of its exploration and evaluation assets; its oil and gas properties; and its construction in progress. The recoverable amount was determined based on fair value less cost of disposal ("FVLCD"). The fair value measurement was calculated using the discounted cash flow method categorised under the Level 3 hierarchy.

Key assumptions used in determining the recoverable amount are as follows:

	<b>2024</b>	<b>2023</b>
Period of projection	2025 - 2036	2024 - 2036
Selling price for export sales	USD70 - USD86	USD70 - USD93
Selling price for domestic sales	USD33 - USD40	USD37 - USD47
Reserve volume	31.3 MMBbl	23.5 MMBbl
Inflation rate	3.6% - 7.0%	3.6% - 15.2%
Weighted average cost of capital	13.46%	14.01%
Capital expenditure	USD110.1 million over the projection period	USD103.9 million over the projection period

The Group determined that individual oil fields to be the CGUs in assessing impairment of its oil and gas properties and exploration and evaluation assets. Each oil field is capable of generating cash flows independent of other assets. The Group uses the period of subsoil use rights as the projection period.

The Group recorded a write-back of impairment amounting to RM32.1 million in 2024, in contrast to an impairment of RM400.4 million in 2023. The impairment in 2023 was a result of a shortfall between the carrying values of the assets and their FVLCD.

If the average oil price had been USD3.35/bbl lower than management's estimates, it would result in an additional impairment of RM48.8 million (2023: RM42.8 million) to the property, plant and equipment.

If the reserves volume had been 5% lower than management's estimates, it would result in an additional impairment of RM43.1 million (2023: RM54.0 million) to the property, plant and equipment.

If the estimated weighted average cost of capital used in determining the after-tax discount rate applied to the discounted cash flows been 5% higher than management's estimates, it would result in an additional impairment of RM27.7 million (2023: RM23.9 million) to the property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 18 RIGHT OF USE OF ASSETS/LEASE LIABILITIES

(a) Right of use of assets

	Group RM'000	Company RM'000
<u>Buildings</u>		
<u>Cost</u>		
At 1 January 2024	6,456	1,234
Disposal	(424)	–
Foreign translation effects	9	–
At 31 December 2024	6,041	1,234
<u>Accumulated depreciation</u>		
At 1 January 2024	2,401	945
Charge for the financial year	443	173
Foreign translation effects	(9)	–
At 31 December 2024	2,835	1,118
<u>Net book value</u>		
At 31 December 2024	3,206	116
<u>Cost</u>		
At 1 January 2023	5,801	888
Additions	653	346
Foreign translation effects	2	–
At 31 December 2023	6,456	1,234
<u>Accumulated depreciation</u>		
At 1 January 2023	1,804	771
Charge for the financial year	595	174
Foreign translation effects	2	–
At 31 December 2023	2,401	945
<u>Net book value</u>		
At 31 December 2023	4,055	289

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 18 RIGHT OF USE OF ASSETS/LEASE LIABILITIES (CONT'D)

(b) Lease liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	(561)	(666)	(120)	(66)
Non-current	(1,588)	(2,714)	–	(296)
	(2,149)	(3,380)	(120)	(362)

As at 31 December 2024, the Group's and the Company's lease liabilities have remaining terms ranging from 1 to 12 years (2023: 2 to 13 years) and 1 year (2023: 1 year) respectively. The Group's and the Company's lease liabilities bore an effective interest rate of 15.43% per annum (2023: 15.43% per annum) and 5.64% per annum (2023: 5.64% per annum) respectively. There are no future cash flows attributable to extension and termination options which the Group is potentially exposed to that are not reflected in the lease liabilities.

#### 19 INTANGIBLE ASSET

	Group	
	2024 RM'000	2023 RM'000
<u>Software</u>		
<u>Cost</u>		
At 1 January	6,176	3,440
Additions	2,051	2,582
Foreign translation effects	(205)	154
At 31 December	8,022	6,176
<u>Accumulated depreciation</u>		
At 1 January	2,134	1,769
Charge for the financial year	224	292
Foreign translation effects	(61)	73
At 31 December	2,297	2,134
<u>Net book value</u>		
At 1 January	4,042	1,671
At 31 December	5,725	4,042

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 20 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables	2,119	6,038	130	4,653
Less: Loss allowance	–	(726)	–	–
	2,119	5,312	130	4,653
Prepayments	2,876	6,449	1	17
Value-added tax and other statutory receivables	14,728	21,745	–	–
	19,723	33,506	131	4,670
Represent:				
Non-current	3,820	8,226	–	–
Current	15,903	25,280	131	4,670
	19,723	33,506	131	4,670

Other receivables are denominated in the following currencies:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Other receivables</u>				
United States Dollar ("USD")	137	4,653	130	4,653
Kazakhstani Tenge ("KZT")	1,982	659	–	–
	2,119	5,312	130	4,653

Fair values of other receivables (excluding VAT receivables) approximate their carrying amounts.

Movement in the Group's loss allowance for other receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 January	726	2,225
Decrease in loss allowance	(726)	(1,499)
As at the end of the financial year	–	726



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 20 OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

The following table contains an analysis of the credit risk exposure of other receivables for which an ECL allowance is recognised:

Group					
Internal credit rating	ECL rate	Basis for recognition of ECL provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of ECL provision) RM'000
<u>2024</u>					
Stage 2	–	Lifetime ECL	2,119	–	2,119
<u>2023</u>					
Stage 2	12%	Lifetime ECL	6,038	(726)	5,312

#### 21 TRADE RECEIVABLES

	Group	
	2024 RM'000	2023 RM'000
Trade receivables	2,007	591
Less: Loss allowance	(217)	(280)
	1,790	311

All trade receivables are denominated in KZT.

The Group's trade receivables have credit terms of between 30 days to 60 days.

Aging analysis of trade receivables is as follows:

Group				
	Gross RM'000	ECL rate %	Collective impairment RM'000	Net RM'000
<u>2024</u>				
Not past due	1,789	–	–	1,789
Past due 60 to 180 days	1	–	–	1
Past due more than 180 days	217	100	(217)	–
	2,007		(217)	1,790
<u>2023</u>				
Not past due	205	–	–	205
Past due 60 to 180 days	130	18	(24)	106
Past due more than 180 days	256	100	(256)	–
	591		(280)	311

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 21 TRADE RECEIVABLES (CONT'D)

Movement in the Group's loss allowance of trade receivables is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	280	250
(Decrease)/Increase in loss allowance	(63)	30
At 31 December	217	280

### 22 DEPOSITS, CASH AND BANK BALANCES

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Current</u>				
Deposits with licensed bank	150	–	150	–
Cash and bank balances	3,372	3,407	417	134
Less: Loss allowance	(8)	(55)	–	–
	3,514	3,352	567	134
<u>Non-current</u>				
Cash and bank balances	8,840	9,548	–	–
Less: Loss allowance	(152)	(164)	–	–
	8,688*	9,384*	–	–

\* Under the laws of Kazakhstan, the Group is required to set aside funds for environmental remediation relating to its operations. Management estimated that these amounts will be utilised in more than 12 months from the reporting date, and therefore, these amounts are classified as non-current.

The maturity of deposits with licensed banks in the previous financial year ranges from 7 to 30 days.

Movement in the Group's loss allowance for deposits, cash and bank balances is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	219	337
Decrease in loss allowance	(59)	(118)
As at the end of the financial year	160	219

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

## 22 DEPOSITS, CASH AND BANK BALANCES (CONT'D)

The following table contains an analysis of the credit risk exposure of cash and bank balances for which an ECL allowance is recognised:

Group					
Internal credit rating	ECL rate	Basis for recognition of ECL provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of ECL provision) RM'000
<u>2024</u>					
Stage 1	1%	12-month ECL	12,362	(160)	12,202
<u>2023</u>					
Stage 1	2%	12-month ECL	12,955	(219)	12,736

Deposits, cash and bank balances are denominated in the following currencies:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
United States Dollar ("USD")	2,123	—	—	—
Kazakhstani Tenge ("KZT")	9,485	12,558	—	—
Malaysian Ringgit ("MYR")	594	178	567	134
	12,202	12,736	567	134

## 23 RELATED PARTY BALANCES

Related parties and their relationships with the Company are as follows:

Companies/Individual	Relationship
Reach Energy Ventures Sdn Bhd ("REVSB")	Subsidiary
Palaeontol B.V. ("PBV")	Subsidiary
Super Racer Limited ("SRL")	Controlling shareholder (from 29 March 2023 onwards)
Mr. Cheung Siu Fai	Shareholder of SRL
Skyon Corporation Limited ("SCL")	Common shareholder as SRL
MIE Holdings Corporation ("MIEH")	Corporate shareholder of a subsidiary (up to 11 October 2023)
MIE Maple Investments Limited ("MIEM")	Subsidiary of MIEH
Emir-Oil Trading LLP ("EOT")	Joint venture

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 23 RELATED PARTY BALANCES (CONT'D)

(a) Amounts due from subsidiaries

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-current</u>		
Amounts due from subsidiaries	304,089	308,335
Less: Loss allowance	(91,490)	(91,490)
	212,599	216,845
<u>Current</u>		
Amounts due from subsidiaries	633	1,020
	213,232	217,865

The Company's non-current amounts due from subsidiaries are denominated in USD and current amounts due from subsidiaries are denominated in Ringgit Malaysia. The amounts are unsecured and non-interest bearing.

The following table contains an analysis of the credit risk exposure of amounts due from subsidiaries for which an ECL allowance is recognised:

<b>Company</b>					
<b>Internal credit rating</b>	<b>ECL rate</b>	<b>Basis for recognition of ECL provision</b>	<b>Estimated gross carrying amount at default RM'000</b>	<b>Loss allowance RM'000</b>	<b>Carrying amount (net of ECL provision) RM'000</b>
<u>2024</u>					
Stage 2	30%	Lifetime ECL	304,722	(91,490)	213,232
<u>2023</u>					
Stage 2	30%	Lifetime ECL	309,355	(91,490)	217,865

(b) Amounts due to related parties

The Group's amounts due to related parties are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Current</u>				
Amounts due to shareholder of SRL	5,870 <sup>(ii)</sup>	5,968 <sup>(i)</sup>	—	—
	5,870	5,968	—	—
<u>Non-current</u>				
Amounts due to shareholder of SRL	597,920 <sup>(ii)</sup>	583,028 <sup>(i)</sup>	53,823 <sup>(iii)</sup>	52,748 <sup>(i)</sup>
Amount due to SRL	6,908 <sup>(iii)</sup>	4,053 <sup>(iii)</sup>	6,908 <sup>(iii)</sup>	4,053 <sup>(iii)</sup>
Amount due to SCL	32,882 <sup>(iv)</sup>	—	32,882 <sup>(iv)</sup>	—
	637,710	587,081	93,613	56,801

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

## 23 RELATED PARTY BALANCES (CONT'D)

(b) Amounts due to related parties (cont'd)

(i) As at 31 December 2023, the amounts due to shareholder of SRL were unsecured, denominated in United States Dollar and with the following repayment and interests terms:

<b>Group</b>		<b>Interest terms</b>	<b>Repayment terms</b>
<b>Non-current RM'000</b>	<b>Current RM'000</b>		
389,499	—	5% per annum	Due 2025
140,781	—	4.86% per annum	Due 2036
52,748 <sup>(2)</sup>	—	5% per annum	Repayable when the cash position of the Company is more than USD10 million at any point in time.
—	2,534 <sup>(1)</sup>	Interest free	Repayable on demand
—	1,784 <sup>(1)</sup>	5% per annum	Due 2023
—	1,650 <sup>(1)</sup>	Interest free	Due 2023
583,028	5,968		

<b>Company</b>		<b>Interest term</b>	<b>Repayment term</b>
<b>Non-current RM'000</b>	<b>Current RM'000</b>		
52,748 <sup>(2)</sup>	—	5% per annum	Repayable when the cash position of the Company is more than USD10 million at any point in time.

<sup>(1)</sup> On 29 April 2024, shareholder of SRL confirmed that he will not request for repayment of these amounts before 31 May 2025.

<sup>(2)</sup> On 29 March 2023, following the completion of a debt settlement arrangement as disclosed in Note 36, the remaining amount owing to SRL of USD17,826,886 post settlement is now subject to interest of 5% per annum.

On 2 May 2023, SRL assigned and transferred to the shareholder of SRL its rights, title, interest and benefits in and with respect to the amount due to SRL by the Group of USD17.8 million. The amount continued to be subject to interest of 5% per annum.

On 15 May 2023, the shareholder of SRL assigned and transferred to Hong Kong Resources Management Limited ("HKRM") its rights, title, interest and benefits in and with respect to USD6.8 million out of the total amount due to the shareholder of SRL of USD17.8 million. As a result, the amount payable of USD6.8 million was reclassified from amount due to related parties to borrowings as disclosed in Note 30. This amount continues to be subject to interest of 5% per annum.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 23 RELATED PARTY BALANCES (CONT'D)

(b) Amounts due to related parties (cont'd)

(ii) As at 31 December 2024, the amounts due to shareholder of SRL were unsecured, denominated in United States Dollar and with the following repayment and interests terms:

<b>Group</b>		<b>Interest terms</b>	<b>Repayment terms</b>
<b>Non-current RM'000</b>	<b>Current RM'000</b>		
393,766	–	5% per annum	Due 2026
150,331	–	4.86% per annum	Due 2036
53,823	–	5% per annum	Repayable when the cash position of the Company is more than USD10 million at any point in time.
–	5,870	Interest free	Repayable on demand
597,920	5,870		
<b>Company</b>		<b>Interest term</b>	<b>Repayment term</b>
<b>Non-current RM'000</b>	<b>Current RM'000</b>		
53,823	–	5% per annum	Repayable when the cash position of the Company is more than USD10 million at any point in time.

(iii) The amount due to SRL is unsecured, denominated in United States Dollar and with the following repayment and interests terms:

<b>Group and Company</b>		<b>Interest term</b>	<b>Repayment term</b>
<b>Non-current RM'000</b>	<b>Current RM'000</b>		
6,908	–	Malaysia Overnight Rate	Due 2026
<b>Group and Company</b>		<b>Interest term</b>	<b>Repayment term</b>
<b>Non-current RM'000</b>	<b>Current RM'000</b>		
4,053	–	Malaysia Overnight Rate	Due 2025

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 23 RELATED PARTY BALANCES (CONT'D)

(b) Amounts due to related parties (cont'd)

(iv) The amount due to SCL as at 31 December 2024 is unsecured, denominated in United States Dollar and with the following repayment and interests terms:

<b>Group and Company</b>		<b>Interest term</b>	<b>Repayment term</b>
<b>Non-current RM'000</b>	<b>2024 Current RM'000</b>		
32,882	—	5% per annum	Repayable when the cash position of the Company is more than USD10 million at any point in time.

On 15 May 2023, the sole shareholder of SRL assigned and transferred to HKRM its rights, title, interest and benefits in and with respect to an amount due to the shareholder of Super Racer Limited by the Group of USD6.8 million. As a result, this amount as reclassified from amount due to related parties to borrowings. This amount is subject to an interest rate of 5% per annum and is repayable when the cash position of the Company is more than USD10 million at any point in time.

On 8 March 2024, HKRM further assigned and transferred to SCL its rights, title, interest and benefits in and with respect to this amount. The amount continues to be subject interest of 5% per annum. As SCL shares a common shareholder with SRL, SCL is considered a related party. As a result, this amount was reclassified from borrowings to amount due to related parties.

#### 24 SIGNIFICANT RELATED PARTY DISCLOSURES

Related party transactions of the Group and of the Company comprise mainly transactions between the Company and its subsidiaries, corporate shareholder and a corporate shareholder of a subsidiary.

Related parties and their relationship with the Group and the Company are disclosed in Note 23.

All related party transactions were carried out on agreed terms. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions:

(a) Details of significant transactions arising during the financial year with the related companies are as follows:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
(i) Transactions with related parties		
Interest expenses on amount due to shareholder of SRL	48,203	46,158
Interest expenses on amount due to SRL	185	5,773
Interest expenses on amount due to SCL	1,261	—

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 24 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

All related party transactions were carried out on agreed terms. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions: (cont'd)

- (a) Details of significant transactions arising during the financial year with the related companies are as follows:  
(cont'd)

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
(ii) Transactions with joint venture		
Sales of crude oil to Emir-Oil Trading LLP	67,669	44,816
Advances from Emir-Oil LLP	–	18,848

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
(iii) Transactions with subsidiaries		
Assignment of debt from amount due to a corporate shareholder of a subsidiary	4,397	312
Transfer of liabilities from a subsidiary <sup>(1)</sup>	–	300,071

<sup>(1)</sup> The Company undertook a subsidiary's obligation of amount due to SRL effective from 3 March 2023.

- (b) Key management personnel

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Executive Directors:				
- Salaries and bonuses	60	195	60	195
- Defined contribution plans	–	17	–	17
Non-executive Directors:				
- Fees	306	325	306	325
- Allowances	129	172	129	172
	495	709	495	709
Other key management personnel:				
- Remuneration and other emoluments	2,745	1,833	263	663
- Defined contribution plans	281	334	33	80
	3,026	2,167	296	743
	3,521	2,875	791	1,452

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel include all Directors of the Group and senior management of the Group.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 25 SHARE CAPITAL

	2024		2023	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid:				
At 1 January	2,128,957	707,088	1,096,413	488,975
Issuance of new ordinary shares	–	–	1,032,544	218,113
At 31 December	2,128,957	707,088	2,128,957	707,088

As disclosed in Note 36, on 29 March 2023, the Group completed a debt settlement arrangement. In conjunction with the arrangement, the Company issued 1,032,544,282 new ordinary shares to Super Racer Limited to settle an amount owing to Super Racer Limited of USD49,562,125 (RM218,113,000).

#### 26 OTHER RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Foreign exchange reserve	9,467	8,569	–	–

The foreign exchange reserve arises from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Company's presentation currency.

#### 27 DEFERRED TAX LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax liabilities	(18,346)	(4,925)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 27 DEFERRED TAX LIABILITIES (CONT'D)

Movements during the financial year relating to deferred tax are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	(4,925)	(82,067)
Foreign exchange translation	2,614	(2,869)
Credited/(charged) to loss (Note 13)		
- tax losses	(19,511)	(71,790)
- provisions	(1,060)	(1,082)
- lease liabilities	(185)	(99)
- property, plant and equipment	5,405	153,997
- intangible assets	(802)	(1,069)
- right of use of assets	118	54
	(16,035)	80,011
At 31 December	(18,346)	(4,925)
Deferred tax assets (before offsetting):		
- tax losses	78,810	100,301
- provisions	3,509	4,671
- lease liabilities	408	604
	82,727	105,576
Offsetting	(82,727)	(105,576)
Deferred tax assets (after offsetting)	—	—
Deferred tax liabilities (before offsetting):		
- property, plant and equipment	(96,779)	(107,215)
- intangible assets	(3,676)	(2,533)
- right of use of assets	(618)	(753)
	(101,073)	(110,501)
Offsetting	82,727	105,576
Deferred tax liabilities (after offsetting)	(18,346)	(4,925)

In accordance with the laws of Kazakhstan, unutilised tax losses arising from a year of assessment ("YA") are allowed to only be carried forward utilisation up to 10 consecutive YAs from that YA.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 27 DEFERRED TAX LIABILITIES (CONT'D)

As at 31 December 2024, the unused tax losses for which no deferred tax asset was recognised in the statements of financial position are as follows:

	Group 2024 RM'000	2023 RM'000
Unutilised tax losses	487,632	346,118

The unused tax losses for which no deferred tax asset was recognised in the statements of financial position will expire in the following financial years:

	Group 2024 RM'000	2023 RM'000
Expiring within 5 years	236,197	75,760
Expiring within 6 to 10 years	251,435	270,358
	487,632	346,118
Deferred tax assets not recognised	97,526	69,224

#### 28 TRADE PAYABLES

	Group 2024 RM'000	2023 RM'000
Current	38,525	78,164
Non-current	15,199	3,265
	53,724	81,429

Non-current trade payable balances relate to purchases of plant and equipment which have repayment terms of between 1 to 3 years (2023: 1 to 3 years).

The carrying amount of trade payables are denominated in the following currencies:

	Group 2024 RM'000	2023 RM'000
Kazakhstani Tenge ("KZT")	43,227	71,185
United States Dollar ("USD")	10,497	10,244
	53,724	81,429

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 29 ACCRUALS AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Current</u>				
Contract liabilities (Note (a))	22,722	25,877	–	–
Withholding and other tax payable	8,902	15,714	–	–
Salary and welfare payable	1,641	2,001	–	238
Accruals and other payables	4,284	14,309	1,048	1,002
Total accruals and other payables	37,549	57,901	1,048	1,240

The Group's unsatisfied performance obligations as at 31 December 2024 are represented by contract liabilities.

(a) Movement of contract liabilities during the financial year are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At 1 January	25,877	10,189
Contract liabilities netted with revenue recognised during the financial year	22,722	25,877
Revenue recognised that was included in contract liabilities balance at the beginning of the financial year	(25,877)	(10,189)
At 31 December	22,722	25,877

Accruals and other payables are denominated in the following currencies:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
United States Dollar ("USD")	256	12,214	–	–
Kazakhstani Tenge ("KZT")	34,515	38,774	–	–
Malaysian Ringgit ("MYR")	2,778	6,913	1,048	1,240
	37,549	57,901	1,048	1,240

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 30 BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Secured</u>				
Current:				
Term loan from Ruima Group Limited (a)	8,923	8,737	8,923	8,737
Term loan from a bank (b)	13,410	–	–	–
	22,333	8,737	8,923	8,737
Non-current:				
Term loan (c)	–	32,210	–	32,210
	22,333	40,947	8,923	40,947

- (a) The term loan principal of USD1.8 million (2023: USD1.2 million) carries an interest rate of 5% per annum with Ruima Group Limited. The term loan is repayable on 30 September 2024 (2023: 30 September 2023).
- (b) The Group applied for a credit line facility with Freedom Bank Kazakhstan JSC on 29 July 2024 for the Group's operations. In November 2024, the aforesaid bank has granted the said credit line amounting to USD3.0 million and the facility has since been fully drawn.
- (c) On 15 May 2023, the sole shareholder of SRL assigned and transferred to HKRM its rights, title, interest and benefits in and with respect to an amount due to the sole shareholder of Super Racer Limited by the Group of USD6.8 million. As a result, this amount was reclassified from amount due to related parties to borrowings. This amount is subject to an interest rate of 5% per annum and is repayable when the cash position of the Company is more than USD10.0 million at any point in time.

On 8 March 2024, HKRM further assigned and transferred to SCL its rights, title, interest and benefits in and with respect to this amount. The amount continues to be subject interest of 5% per annum. As SCL shares a common shareholder with SRL, SCL is considered a related party. As a result, this amount was reclassified from borrowings to amount due to related parties.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024  
(cont'd)

### 31 PROVISIONS

#### Group

	Provision for Asset Retirement Obligation		Provision for claims		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	839	781	11,867	11,774	12,706	12,555
Non-current	9,614	9,926	–	–	9,614	9,926
	10,453	10,707	11,867	11,774	22,320	22,481

Movements of provisions are as follows:

	Provision for Asset Retirement Obligation		Provision for claims	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	10,707	7,640	11,774	36,707
(Reversal)/Additional during the financial year	(482)	171	10,832	(20,482) <sup>(a)</sup>
Foreign exchange translation	56	452	(635)	1,612
Changes in estimates	(1,204)	1,681	–	–
Payment	–	–	(10,104)	(6,063)
Accretion of asset retirement obligations	1,376	763	–	–
At 31 December	10,453	10,707	11,867	11,774

(a) Reversal of USD4.5 million (RM20.5 million) in the prior financial year related to reduced fines based on decisions made by the court in Kazakhstan.

### 32 COMMITMENTS

(i) Capital commitments for the purchase of property, plant and equipment:

	Group	
	2024 RM'000	2023 RM'000
Authorised but not contracted for	39,456	35,516
Contracted but not provided for	1,617	–
	41,073	35,516

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 32 COMMITMENTS (CONT'D)

- (ii) According to the production contracts for four blocks in Kazakhstan, the Group is committed to perform minimum work programs during the life of the production contracts. Set out below is the commitment for the minimum work programs:

	Group	
	2024	2023
	RM'000	RM'000
<1 year	146,339	242,861
1-2 years	503,920	378,692
2-5 years	616,344	469,292
>5 years	3,671,069	988,130
	4,937,672	2,078,975

The minimum work program includes capital expenditure of RM578 million (2023: RM472 million) to be incurred over the life of the production contracts expiring in 2036. Other commitments represent mainly other direct operation and maintenance costs of wells and related facilities.

### 33 FINANCIAL INSTRUMENTS BY CATEGORY

- (a) The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at amortised costs</u>				
Trade receivables	1,790	311	–	–
Other receivables	2,119	6,038	130	4,653
Deposits, cash and bank balances	12,202	12,736	567	134
Amount due from subsidiaries	–	–	213,232	217,865
	16,111	19,085	213,929	222,652
<u>Financial liabilities at amortised costs</u>				
Trade payables	53,724	81,429	–	–
Accruals and other payables (excluding statutory liabilities and contract liabilities)	4,284	14,309	1,048	1,002
Amount due to related parties	643,580	593,049	93,613	56,801
Borrowings	22,333	40,947	8,923	40,947
	723,921	729,734	103,584	98,750

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

### 34 SEGMENTAL INFORMATION

Management has determined operating segments based on reports reviewed by the Executive Management (Chief Operating decision maker).

The Group has one single operating segment, which operates the exploration, development, production and sale of oil and other petroleum products in the Republic of Kazakhstan. The segment information is consistent with the financial position and financial performance as shown in the statement of financial position and statement of comprehensive income including related notes to the financial statements.

The reportable operating segment derive all revenue from the sale of crude oil in the Republic of Kazakhstan. All revenue of the operating segment is contributed by external customers. The major customer, Euro Asian Oil SA ("Euro Asian") is one of the largest trading companies in the Mangistau region of Western Kazakhstan. Euro Asian contributes 66% (2023: 75%) to the Group's revenue.

The geographical information of segment assets based on the country where these assets are located is disclosed as follows:

	Malaysia RM'000	Kazakhstan RM'000	Total RM'000
<b>2024</b>			
<u>Non-current assets</u>			
Right of use assets	116	3,090	3,206
Property, plant and equipment	10	808,397	808,407
Intangible assets	–	5,725	5,725
<b>Total</b>	<b>126</b>	<b>817,212</b>	<b>817,338</b>
<b>Segment liabilities</b>	<b>102,977</b>	<b>700,345</b>	<b>803,322</b>
<b>2023</b>			
<u>Non-current assets</u>			
Right of use assets	289	3,766	4,055
Property, plant and equipment	–	819,017	819,017
Intangible assets	–	4,042	4,042
<b>Total</b>	<b>289</b>	<b>826,825</b>	<b>827,114</b>
<b>Segment liabilities</b>	<b>99,350</b>	<b>708,071</b>	<b>807,421</b>



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

#### 35 LITIGATION

Litigation involving Emir-Oil LLP and Ministry of Energy of Kazakhstan ("MOE") in connection with the application on the deferral of Contractual Obligations of Dolinnoe's Oil Field

In relation to the material litigation between Emir-Oil and MOE regarding the deferral of contractual obligations for Dolinnoe oil field from 2020 and 2021 to a later period ("Material Litigation"), The Specialised Inter-District Economic Court of Astana partially satisfied the MOE's claim, imposing a fine of KZT910.3 million (i.e. RM9.6 million) and state duty of KZT27.3 million (i.e. RM0.3 million) on Emir-Oil on 29 January 2024. MOE's subsequent appeal was rejected.

An installment plan for the fine payment was approved, and Emir-Oil has since fully settled the fine and state duty. The Group has received confirmation from the state bailiff to terminate enforcement proceedings and lift all asset seizures. The Material Litigation was resolved on 25 October 2024.

#### 36 SIGNIFICANT EVENT

Status of Practice Note 17

On 3 April 2023, the Company triggered the criteria under Paragraph 2.1(e) of Practice Note 17 ("PN17") of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") due to an unqualified audit opinion indicating 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 2021 and the Company's shareholders' equity on a consolidated basis is 50% or less of its share capital as at 31 December 2022 as announced on 28 February 2023.

The Company is required to submit a regularisation plan to the Securities Commission Malaysia within 12 months from the date of its announcement.

On 2 February 2024, TA Securities Holdings Berhad 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. Bursa Securities had vide its letter dated 18 October 2024 resolved to grant the Company a further extension of time of 6 months up to 2 April 2025 to submit its regularisation plan to the relevant regulatory authorities for approval.

The Principal Adviser requested another extension up to 2 October 2025, which was rejected by Bursa Securities vide its letter dated 14 April 2025. The trading in the securities of the Company was suspended with effect from 22 April 2025 and de-listed on 24 April 2025. Upon the de-listing of the Company, the Company will continue to exist but as an unlisted entity. The Company is still able to continue its operations and business and proceed with its corporate restructuring and its shareholders can still be rewarded by the Company's performance. However, the shareholders will be holding shares which are no longer quoted and traded on Bursa Securities. The interests and rights of the shareholders will remain safeguarded under the Companies Act 2016. The Board continues to assess strategic options available to address the Group's financial position and preserve stakeholder value.

## **STATEMENT BY DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tse Man Yin and Tan Sri Dr. Azmil Khalili bin Dato' Khalid, two of the Directors of Reach Energy Berhad, hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 9 to 71 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and financial performance of the Group and of the Company for the financial year ended 31 December 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 May 2025.

TSE MAN YIN  
DIRECTOR

TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID  
DIRECTOR

## **STATUTORY DECLARATION**

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Tse Man Yin, being the Director primarily responsible for the financial management of Reach Energy Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 71 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

TSE MAN YIN

Declared and subscribed before me by the abovenamed Tse Man Yin, holder of Passport No: H22182059, at Kuala Lumpur, in Malaysia, on 20 May 2025.

SITI NURBAYA BINTI MOHD BISHARUDDIN (W738)  
COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF REACH ENERGY BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Disclaimer of Opinion

We were engaged to audit the financial statements of Reach Energy Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 9 to 71.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

#### *Going Concern*

1. The Group is facing significant financial difficulties and liquidity constraints. As disclosed in Note 3.1 to the financial statements, the directors have prepared the financial statements on a going concern basis. The going concern assumption is highly dependent on the ability of the Group and the Company to generate sufficient cash flows from operations and obtain continued financial support to meet their obligations as and when they fall due.
  - 1.1 For the financial year ended 31 December 2024, the Group and the Company incurred losses after tax of RM19.8 million and RM13.3 million, respectively. As at the same date, the Group's and the Company's current liabilities exceeded their current assets by RM94.2 million and RM8.8 million, respectively. Total liabilities of the Group comprised mainly amounts due to related parties, trade payables and bank borrowings of RM643.58 million, RM53.72 million and RM22.33 million respectively.
  - 1.2 On 3 April 2023, the Company triggered the criteria under Paragraph 2.1(e) of Practice Note 17 ("PN17") of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") due to an unqualified audit opinion indicating 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 2021 and the Company's shareholders' equity on a consolidated basis is 50% or less of its share capital as at 31 December 2022 as announced on 28 February 2023.
 

The Company was required to submit a regularisation plan to the Securities Commission Malaysia within 12 months from the date of its announcement. On 2 February 2024, a principal adviser ("Principal Adviser") was appointed for the proposed regularisation plan pursuant to paragraph 8.04(3) of the Listing Requirements of Bursa Securities. Bursa Securities had vide its letter dated 18 October 2024 resolved to grant the Company a further extension of time of 6 months up to 2 April 2025 to submit its regularisation plan to the relevant regulatory authorities for approval. The Principal Adviser requested another extension up to 2 October 2025, which was rejected by Bursa Securities vide its letter dated 14 April 2025. The trading in the securities of the Company was suspended effective 22 April 2025 and the Company was removed from the Official List of Bursa Securities on 29 April 2025.
  - 1.3 As disclosed in Note 3.1(b) to the financial statements, the Group and the Company rely on sufficient and timely financial support from their controlling shareholder and its sole shareholder for the next twelve months. However, as of the date of this report, no written confirmation of such financial support has been provided.

## **INDEPENDENT AUDITORS' REPORT**

(cont'd)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Basis for Disclaimer of Opinion (cont'd)**

##### *Going Concern (cont'd)*

1. (cont'd)

In view of the matters set out above, there are material uncertainties relating to the recoverability of the Group's property, plant and equipment, the Company's investments in subsidiaries, and amounts owing by subsidiaries, as well as uncertainties relating to the settlement of liabilities, including amounts owing to related parties, trade payables and bank borrowings. These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

We were unable to obtain sufficient appropriate audit evidence to support the assumptions used by the directors in preparing the financial statements on a going concern basis. Accordingly, we were unable to determine whether any adjustments might be necessary in respect of the recoverability and classification of assets, or the completeness and measurement of liabilities in the financial statements of the Group and of the Company.

#### **Other Matters**

The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors whose report dated 30 April 2024, expressed an unmodified opinion with material uncertainty relating to going concern on those statements.

##### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### **Responsibilities of the Directors for the financial statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Group's and the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis of Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## INDEPENDENT AUDITORS' REPORT

(cont'd)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**

201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur  
20 May 2025

**Chan Kuan Chee**

02271/10/2025 J  
Chartered Accountant

# NOTICE OF TWELFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twelfth Annual General Meeting (“**12<sup>th</sup> AGM**”) of the Company will be conducted on a virtual basis for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice or at any adjournment thereof:-

<b>Online Meeting Platform</b>	: <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
<b>Day and Date</b>	: Tuesday, 17 June 2025
<b>Time</b>	: 2.00 p.m.
<b>Broadcast Venue</b>	: 12 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
<b>Mode of Communication</b>	: 1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Online Meeting Platform, one (1) hour before the 12 <sup>th</sup> AGM, that is from 1.00 p.m. on Tuesday, 17 June 2025. 2) Alternatively, you may also submit your questions in advance to <a href="mailto:info@reachenergy.com.my">info@reachenergy.com.my</a> by 2.00 p.m. on 15 June 2025 (48 hours before the commencement of the 12 <sup>th</sup> AGM).

## AGENDA

### AS ORDINARY BUSINESS

- |     |  |  |
|-----|--|--|
| 1.  | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon.  | <b><i>Please refer to<br/>Explanatory Note 1</i></b> |
| 2.  | To re-elect the following Directors who retire by rotation pursuant to Clause 89 of the Constitution of the Company and being eligible, offered themselves for re-election:-   | <b><i>Please refer to<br/>Explanatory Note 2</i></b> |
| i.  | Yusoff Bin Hassan  | <b><i>Ordinary Resolution 1</i></b>                  |
| ii. | Tse Man Yin  | <b><i>Ordinary Resolution 2</i></b>                  |
| 3.  | To approve the proposed payment of Directors' fees up to an amount of RM250,000 in respect of the financial year ending 31 December 2025, to be made payable quarterly.  | <b><i>Please refer to<br/>Explanatory Note 3</i></b> |
|     |  | <b><i>Ordinary Resolution 3</i></b>                  |
| 4.  | To approve the payment of Directors' benefits (other than Directors' fees) up to an amount of RM130,000 for the period from 1 January 2025 until the conclusion of the next Annual General Meeting of the Company, to be made payable quarterly. | <b><i>Please refer to<br/>Explanatory Note 3</i></b> |
|     |  | <b><i>Ordinary Resolution 4</i></b>                  |
| 5.  | To re-appoint Crowe Malaysia PLT (LLP0018817-LCA & AF1018) as the Company's External Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration.  | <b><i>Ordinary Resolution 5</i></b>                  |

## NOTICE OF TWELFTH ANNUAL GENERAL MEETING

(cont'd)

### AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following Resolutions:-

**AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY  
PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016**

***Ordinary Resolution 6***

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier, pursuant to Section 76 of the Companies Act 2016.”

7. **PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY**

“**THAT** approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Appendix I be and is hereby adopted as the Constitution of the Company.

***Special Resolution***

***Please refer to  
Explanatory Note 4***

8. To transact any other business for which due notice shall have been given.

### BY ORDER OF THE BOARD

**WONG YOUN KIM**  
**SSM PC NO.: 201908000410**  
**(MAICSA 7018778)**  
Company Secretary

Selangor Darul Ehsan  
Date: 26 May 2025

## **NOTICE OF TWELFTH ANNUAL GENERAL MEETING**

(cont'd)

### **EXPLANATORY NOTES TO THE AGENDA:-**

#### **1. ITEM 1 OF THE AGENDA – AUDITED FINANCIAL STATEMENTS**

This item of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

#### **2. ITEM 2 OF THE AGENDA – RE-ELECTION OF DIRECTORS**

Clause 89 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of five (5) Directors, two (2) Directors are retiring in accordance with Clause 89 of the Constitution. The computation excludes any Director retiring pursuant to Clause 94 of the Constitution, and currently, there is no Director retiring pursuant to the said Clause.

#### **3. ITEMS 3 AND 4 OF THE AGENDA – PAYMENT OF DIRECTORS' FEES AND BENEFITS**

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a Public Company shall be approved at a general meeting.

In this respect, the Company is seeking shareholders' approval for the payment of Directors' fees totaling up to RM250,000 for the financial year ending 31 December 2025.

Besides, the Company is also seeking shareholders' approval for the payment of Directors' benefits up to an amount of RM130,000 for the period from 1 January 2025 until the conclusion of the next AGM of the Company.

The estimated amount payable (Directors' fees and benefits) is based on the assumption that the Company maintain its existing Board composition. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional benefits to meet the shortfall.

The proposed payment of benefits comprises meeting allowances and training allowances payable to the Board of Directors.

#### **4. ITEM 7 OF THE AGENDA – PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY**

The revocation of the old constitution and adoption of a new constitution are necessary to align the company's status as a non-listed entity, ensuring compliance with the Companies Act 2016 and reflecting the company's current operational and regulatory requirements.



## NOTICE OF TWELFTH ANNUAL GENERAL MEETING

(cont'd)

### NOTE:-

1. The 12<sup>th</sup> AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting (“**RPV**”) facilities provided by Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>. Please follow the procedures as set in the Administrative Guide in order to register, participate and vote remotely via RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chair of the 12<sup>th</sup> AGM of the Company to be present at the main venue in Malaysia. Shareholders/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 12<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting. Any Shareholders or Proxies or Corporate Representatives who turn up at the Broadcast Venue would be requested to leave the venue politely.
3. In regard of deposited securities, only members whose names appears in the Record of Depositors as at 21 April 2025 shall be eligible to attend the Meeting and to speak and vote thereat.
4. A member of the Company who is entitled to attend and vote at the Meeting shall be entitled to appoint any person as his(her) proxy to attend and vote in his(her) stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
5. A member of the Company may appoint not more than two (2) proxies to attend the Meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his(her) shareholdings to be represented by each proxy.
6. In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.
7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at the Meeting.
8. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (“omnibus account”), such Exempt Authorised Nominee may appoint multiple proxies in respect of each omnibus account it holds. The appointment of multiple proxies shall be invalid unless the authorised nominee or exempt authorised nominee specifies the proportion of its shareholdings to be represented by each proxy it has appointed.
9. The instrument appointing a proxy or proxies may be deposited not less than 48 hours before the Meeting in the following manner:-
  - a. **In hard copy form**  
In the case of an appointment made in hard copy form, the original proxy form must be deposited with the poll administrator's office, Boardroom Share Registrars Sdn Bhd (“**Boardroom**”) of the Company at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - b. **By electronic means**  
The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (“eProxy Lodgement”). Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com).
10. All resolutions set out in the Notice of the 12<sup>th</sup> AGM will be put to vote on a poll.

Please refer to the “Administrative Guide” for the 12<sup>th</sup> AGM for the guidance in relation to eProxy Lodgement.

# ADMINISTRATIVE GUIDE

## FOR THE ANNUAL GENERAL MEETING OF REACH ENERGY BERHAD

### **Mode of Meeting**

1. The Twelfth Annual General Meeting ("12<sup>th</sup> AGM") of Reach Energy Berhad ("REB") will be conducted on a virtual basis with proceedings of the AGM being streamed live from the broadcast venue on the date and time as set out below:

<b>Online Meeting Platform</b>	: <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
<b>Day and Date</b>	: Tuesday, 17 June 2025
<b>Time</b>	: 2.00 p.m.
<b>Broadcast Venue</b>	: 12 <sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
<b>Mode of Communication</b>	: 1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Online Meeting Platform, one (1) hour before the 12 <sup>th</sup> AGM, that is from 1.00 p.m. on Tuesday, 17 June 2025. 2) Alternatively, you may also submit your questions in advance to <a href="mailto:info@reachenergy.com.my">info@reachenergy.com.my</a> by 2.00 p.m. on 15 June 2025 (48 hours before the commencement of the 12 <sup>th</sup> AGM).

2. Shareholders will be able to access and participate in the proceedings through Remote Participation and Electronic Voting ("**RPEV**") facilities, which will be made available on the online portal of Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>.
3. The broadcast venue is only meant to facilitate the conduct of the virtual AGM. **No shareholder or proxy shall be physically admitted to the broadcast venue on the day of the AGM.**

### **Entitlement to Participate and Vote Remotely**

1. A shareholder whose name appears on the Record of Depositors as at 21 April 2025 shall be eligible to participate the meeting or appoint proxy(ies) to participate on his/ her behalf.
2. If a shareholder is unable to participate at the AGM, he/she may also appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

### **Voting Procedure**

1. Voting will be conducted by poll. The Company has appointed Boardroom Share Registrars Sdn Bhd ("**Boardroom**") as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting).
2. As the Company is no longer listed on the Main Market of Bursa Malaysia Securities Berhad and is therefore not subject to the Main Market Listing Requirements, an independent scrutineer is not required. Accordingly, the poll results will be verified by the Company Secretary, Synergy Professionals Group Sdn. Bhd..
3. e-Voting for the resolution set out in the Notice of AGM will take place immediately after questions on all resolutions have been addressed.
4. Members and proxies are required to use one of the following methods to vote remotely:
  - a. Launch Lumi AGM by scanning the QR code given to you in the email along with your remote participation User ID and Password; or
  - b. Access to Lumi AGM via website URL <https://meeting.boardroomlimited.my>.

For the purpose of this AGM, e-Voting can be carried out by using either personal smart mobile phones, tablets, personal computers or laptops.

## ADMINISTRATIVE GUIDE (cont'd)

### **Voting Procedure (Cont'd)**

5. During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of poll.
6. Upon the closing of the poll session by the Chairman, the poll result reports will be verified by the Company Secretary, Synergy Professionals Group Sdn. Bhd. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were carried or not.

### **Lodgement of Proxy Form**

1. If you are unable to attend the AGM via RPEV facilities and wish to appoint the Chairman of the AGM as your proxy to vote on your behalf, you may deposit your Proxy Form at the office of the Poll Administrator, Boardroom at **11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by 15 June 2025 at 2.00 p.m. Any alteration to the Form of Proxy must be initialled.
2. Alternatively, the proxy appointment may also be lodged electronically at <https://investor.boardroomlimited.com>, which is free and available to all individual shareholders, not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by 15 June 2025 at 2.00 p.m..

For further information, kindly refer to the “Electronic Lodgement of Form of Proxy” below:

#### **Step 1 Register Online with Boardroom Smart Investor Portal (“BSIP”) (for first time registration only)**

*(Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 on eProxy Lodgement.)*

- a. Access BSIP website at <https://investor.boardroomlimited.com>
- b. Click <<Login>> and click <<Register>> to sign up as a user.
- c. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport in JPEG or PNG format.
- d. Please enter a valid email address, follow the instruction for registration and wait for Boardroom’s email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

#### **Step 2 eProxy Lodgement**

- a. Access BSIP website at <https://investor.boardroomlimited.com>
  - b. Login with your User ID and Password given above.
  - c. Go to “**E-PROXY LODGEMENT**” and browse the Meeting List for “**REACH ENERGY BERHAD 12<sup>th</sup> ANNUAL GENERAL MEETING**” and click “**APPLY**”.
  - d. Select “**Submit eProxy Form**”.
  - e. Read the terms & conditions and confirm the Declaration.
  - f. Enter your CDS Account Number and indicate the number of securities.
  - g. Appoint your proxy(ies) or the Chairman of the AGM and enter the required particulars for your proxy(ies).
  - h. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes.
  - i. Review and confirm your proxy(ies) appointment.
  - j. Click submit.
3. **If you wish to participate in the AGM yourself, please do not submit any proxy form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.**

## ADMINISTRATIVE GUIDE

(cont'd)

### Revocation of Proxy

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM through the following options:

- Hardcopy Form  
-Write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy(ies)
- eProxy Form  
-Go to **"Submitted eProxy Form list"** and click **"View"**;  
Click **"Cancel/Revoke"** at the bottom of the eProxy Form; and  
Click **"Proceed"** to confirm.

On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.




### Remote Participation and Electronic Voting ("RPEV")

1. All shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorized nominees; and (iv) exempt authorised nominees shall use the RPEV facilities to participate and vote remotely at the AGM. You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time whilst the meeting is in progress.
2. Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants. Therefore, kindly ensure that connectivity for the duration of the meeting is maintained.
3. Kindly follow the steps below to request for your login ID and password and usage of the RPEV facilities:

Procedure		Action
<b>Before the day of the AGM</b>		
1.	Register online with Boardroom Smart Investor Portal ("BSIP") <b>(for first time registration only)</b>	<p><i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]</i></p> <ol style="list-style-type: none"> <li>a. Access BSIP website at <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>b. Click <b>&lt;&lt;Login&gt;&gt;</b> and click <b>&lt;&lt;Register&gt;&gt;</b> to sign up as a user.</li> <li>c. Complete registration and upload softcopy of MyKAD/Identification Card (front and back) or Passport in JPEG or PNG format.</li> <li>d. Please enter a valid email address, follow the instruction for registration and wait for Boardroom's email verification.</li> <li>e. Your registration will be verified and approved within one business day and an email notification will be provided.</li> </ol>
2.	Submit request for remote participation <b>(user ID and password)</b>	<p><i>(Note: Registration for remote access will be opened on 26 May 2025. Please note that the closing time to submit your request is not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by Sunday, 15 June 2024 at 2.00 p.m.)</i></p> <p><b>Individual Members</b></p> <ol style="list-style-type: none"> <li>a. Log in to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a>, using your user ID and password.</li> <li>b. Select "Virtual Meeting" from main menu and select the correct Meeting Event(s) <b>"REACH ENERGY BERHAD ANNUAL GENERAL MEETING"</b>, then click <b>"Register for RPEV"</b>.</li> <li>c. Read and agree to the Terms &amp; Condition.</li> <li>d. Enter your CDS Account Number and thereafter submit your request.</li> </ol>

## ADMINISTRATIVE GUIDE

(cont'd)

Procedure		Action
<b>Before the day of the AGM (cont'd)</b>		
		<b>Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee</b> <ol style="list-style-type: none"> <li>Write in to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request.</li> <li>Please provide a copy of Corporate Representative's MyKAD/Identification Card (front and back) or Passport in JPEG or PNG format as well as his/her email address.</li> </ol>
3.	Email notification	<ol style="list-style-type: none"> <li>You will receive notification(s) from Boardroom that your request(s) has been received and is/are being verified.</li> <li>Upon system verification against the AGM Record of Depositories as at 21 April 2025, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.</li> <li>If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.</li> <li>Please note that the closing date and time to submit your request is by Sunday, 15 June 2025 at 2.00 p.m.</li> </ol>
<b>On the day of the AGM</b>		
4.	Login to Meeting Platform	<ol style="list-style-type: none"> <li>The AGM virtual meeting portal will be opened for login at 17 June 2025 at 1.00 p.m. which can be accessed via one of the following methods:- <ol style="list-style-type: none"> <li>Launch Lumi AGM by scanning the QR Code provided in the email notification;</li> <li>Access to Lumi AGM via website at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a></li> </ol> </li> <li>Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3 above.</li> </ol>
5.	Participate	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.]</i></p> <ol style="list-style-type: none"> <li>If you would like to view the live webcast, select the broadcast icon. </li> <li>If you would like to ask a question during the AGM, select the messaging icon. </li> <li>Type your message within the chat box, once completed click the send button.</li> </ol>
6.	Voting	<ol style="list-style-type: none"> <li>Once voting has been opened, the polling icon will appear with the resolutions and your voting choices. </li> <li>To vote simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</li> <li>To change your vote, simply select another voting direction.</li> <li>If you wish to cancel your vote, please press "Cancel".</li> </ol>
7.	End of Participation	<ol style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end and the Messaging window will be disabled.</li> <li>You can now logout from the virtual meeting platform.</li> </ol>

## ADMINISTRATIVE GUIDE

(cont'd)

### **Submission of Questions**

1. Shareholders may submit questions in advance on the AGM resolutions commencing from 26 May 2025 and in any event no later than 2.00 p.m., Sunday, 15 June 2025 via Boardroom's website at <https://investor.boardroomlimited.com> using the same user ID and password provided in Step (3) above, and select "SUBMIT QUESTION" to pose questions ("**Pre-AGM Meeting Questions**").
2. Thereafter, on the day of the AGM, shareholders may also submit questions via the messaging box on Lumi AGM website at <https://meeting.boardroomlimited.my> starting at 1.00 p.m. This website will remain open throughout the virtual AGM session.
3. The Board will endeavour to respond to Pre-AGM Meeting Questions and questions submitted from 1.00 p.m. on the day of the AGM and throughout the meeting. However, not all questions will be answered during the meeting. In such event, the responses will be posted on the Company's website as soon as practicable.

### **Gift policy**

No gift voucher will be given to shareholders/ proxy holders who participate in the AGM.

### **No Recording or Photography**

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

### **Digital Copies of AGM Documents**

1. As part of our commitment to protect the environment from paper waste, the following documents can be accessed from our website at [www.reachenergy.com.my](http://www.reachenergy.com.my):
  - a. Annual Report 2024 (inclusive of the Audited Financial Statements for the Financial Year ended 31 December 2024)
  - b. Notice of the 12<sup>th</sup> AGM, Proxy Form and Administrative Guide
  - c. New Constitution ("Appendix I")
2. If you wish to receive a copy of the Annual Report 2024, you may submit your on-line request via the poll administrator's website at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) and submit the Request Form in the Annual Report 2024 (abridged version). The printed Annual Report 2024 will be sent to you by ordinary post within four (4) market days from the date of the receipt of your request.

### **Enquiry**

If you have any enquiries prior to the AGM, please contact the following during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.) except on public holidays:-

Boardroom Share Registrars Sdn. Bhd.

Address : 11<sup>th</sup> Floor, Menara Symphony  
No. 5 Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

General Line : 603-7890 4700  
Fax Number : 603-7890 4670  
Email : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

### **Personal Data Policy**

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## PROXY FORM

CDS Account No.	
No. of shares held	

I/We .....  
(FULL NAME IN BLOCK LETTERS)  
(NRIC No./Passport No./Company Registration No. ....) of  
.....  
(ADDRESS)

being a member/members of **REACH ENERGY BERHAD**, hereby appoint:

Full Name (in block letters)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address		Contact Number:	

and/or (delete as appropriate)

Full Name (in block letters)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address		Contact Number:	

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting ("12<sup>th</sup> AGM") of **REACH ENERGY BERHAD** to be conducted on a virtual basis for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice or at any adjournment thereof:-

**Online Meeting Platform** : <https://meeting.boardroomlimited.my>  
**Day and Date** : Tuesday, 17 June 2025  
**Time** : 2.00 p.m.  
**Broadcast Venue** : 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan  
**Mode of Communication** : 1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Online Meeting Platform, one (1) hour before the 12<sup>th</sup> AGM, that is from 1.00 p.m. on Tuesday, 17 June 2025.  
 2) Alternatively, you may also submit your questions in advance to [info@reachenergy.com.my](mailto:info@reachenergy.com.my) by 2.00 p.m. on 15 June 2025 (48 hours before the commencement of the 12<sup>th</sup> AGM).

RESOLUTION NO.	RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	To re-elect Yusoff Bin Hassan, who retires by rotation pursuant to Clause 89 of the Constitution of the Company.		
Ordinary Resolution 2	To re-elect Tse Man Yin, who retires by rotation pursuant to Clause 89 of the Constitution of the Company.		
Ordinary Resolution 3	To approve the proposed payment of Directors' fees amounting up to RM250,000 in respect of the financial year ending 31 December 2025, to be made payable quarterly.		
Ordinary Resolution 4	To approve the payment of Directors' benefits (other than Directors' fees) up to an amount of RM130,000 for the period from 1 January 2025 until the conclusion of the next Annual General Meeting of the Company, to be made payable quarterly.		
Ordinary Resolution 5	To re-appoint Crowe Malaysia PLT as the Company's Auditors and to authorise the Board of Directors to determine their remuneration.		
Ordinary Resolution 6	Authority to issue and allot shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
Special Resolution	Proposed Adoption of a New Constitution of the Company		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific instruction, your proxy will vote or abstain as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2025

.....  
Signature of Shareholder/ Attorney  
(if shareholder is a corporation, this part should be executed under seal or under the hand of its officer or attorney duly authorised)

### NOTES:

- The 12<sup>th</sup> AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>. Please follow the procedures as set in the Administrative guide in order to register, participate and vote remotely via RPV facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chair of the 12<sup>th</sup> AGM of the Company to be present at the main venue in Malaysia. Shareholders/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 12<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting. Any Shareholders or Proxies or Corporate Representatives who turn up at the Broadcast Venue would be requested to leave the venue politely.



**NOTES: (CONT'D)**

3. In regard of deposited securities, only members whose names appears in the Record of Depositors as at 21 April 2025 shall be eligible to attend the Meeting and to speak and vote thereat.
  4. A member of the Company who is entitled to attend and vote at the Meeting shall be entitled to appoint any person as his(her) proxy to attend and vote in his(her) stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
  5. A member of the Company may appoint not more than two (2) proxies to attend the Meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his(her) shareholdings to be represented by each proxy.
  6. In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.
  7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at the Meeting.
  8. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), such Exempt Authorised Nominee may appoint multiple proxies in respect of each omnibus account it holds. The appointment of multiple proxies shall be invalid unless the authorised nominee or exempt authorised nominee specifies the proportion of its shareholdings to be represented by each proxy it has appointed.
  9. The instrument appointing a proxy or proxies may be deposited not less than 48 hours before the Meeting in the following manner:-
    - a. **In hard copy form**  
In the case of an appointment made in hard copy form, the original proxy form must be deposited with the poll administrator's office, Boardroom Share Registrars Sdn Bhd ("**Boardroom**") of the Company at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
    - b. **By electronic means**  
The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> ("eProxy Lodgement"). Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com).
- Please refer to the "Administrative Guide" for the 12<sup>th</sup> AGM for the guidance in relation to eProxy Lodgement.
10. All resolutions set out in the Notice of the 12<sup>th</sup> AGM will be put to vote on a poll.

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AFFIX  
STAMP

**REACH ENERGY BERHAD**  
**Boardroom Share Registrars Sdn Bhd**  
*11<sup>th</sup> Floor, Menara Symphony*  
*No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13*  
*46200 Petaling Jaya*  
*Selangor Darul Ehsan*

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**REACH ENERGY BERHAD**

( Company No: 1034400-D ) ( Incorporated in Malaysia under the Companies Act, 1965 )

D3-5-8, Block D3, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia.  
Tel : +603 6412 3000 Fax : +603 6412 8005 Email : [info@reachenergy.com.my](mailto:info@reachenergy.com.my)  
[www.reachenergy.com.my](http://www.reachenergy.com.my)