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**INTERIM FINANCIAL REPORT**

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES  
BERHAD'S LISTING REQUIREMENTS****B1 Review of performance**

Compared to the preceding year corresponding quarter, the Group's turnover for the current quarter has increased by RM13.74 million from nil previously. The profit before taxation has increased by RM8.36 million from a loss of RM3.51 million to a profit of RM4.85 million. The increase in revenue and profit before tax in this quarter was attributed to the income from the upstream oil and gas activities. Concurrently, operating expenses increased in line with the increase in level of activities in the oil and gas production in Kazakhstan.

**B2 Variation of results against preceding quarter**

	<b>Current Year Quarter 31-Mar-2014 RM'000</b>	<b>Immediate Preceding Quarter 31-Dec-2013 RM'000</b>
Revenue	13,743	-
Profit before tax	4,852	94,130

The Group did not register any revenue in the immediate preceding quarter ended 31 December 2013. The Group's turnover for the current quarter which increased by RM13.74 million comprised of revenue from the upstream oil and gas activities. Profit before taxation however decreased by RM89.28 million. For the quarter ended 31 December 2013, the Group recognized one-off gains from waiver of debts of RM83.85 million pursuant to the scheme creditors' settlement arrangement and disposal of shares in a subsidiary company of RM22.87 million.

**B3 Prospects**

The workover rig operation, which is a significant step in ramping up the production from the Rakushechnoye Field, commenced on 30 April 2014. The preparation work for the workover program started since February 2014 involving improvements to the road access and pad locations around each wellhead. Formation evaluation was also conducted to gather downhole formation and pressure information which is crucial in achieving the production target for the year.

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In addition to the current production from one well, the first workover well is expected to be completed and producing by the end of May. By the time the whole workover program is completed in August 2014, a total of twelve wells will be on production.

Barring unforeseen circumstances the Company should be able to produce 2,000 barrels per day in 2014 and meet the profit forecast for the financial year ending 31<sup>st</sup> December 2014.

**B4 Forecast profit**

Barring unforeseen circumstances, the Board expects that the Company would be able to meet the profit forecast of RM69 million for the current financial year.

**B5 Taxation**

	<b>Current Year Quarter 31-Mar-14 RM'000</b>	<b>Current year to date 31-Mar-14 RM'000</b>
Current tax:		
Under provision in prior year	<u>116</u>	<u>116</u>

**B6 Unquoted investments and/or properties**

There were no purchases or sales of unquoted securities during the financial quarter under review and financial year to date.

**B7 Quoted securities**

There were no purchases or sales of quoted securities during the financial quarter under review and financial year to date.

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**B8 a) Status of corporate proposals**

**i) PROPOSED PRIVATE PLACEMENT OF UP TO 308,596,000 NEW ORDINARY SHARES**

On 28 Jan 2014, the Company announced the proposed private placement of up to 308,596,000 new ordinary shares of RM0.14 each in the Company, representing ten percent (10%) of the total issued and paid-up share capital of the Company, to independent third party investor(s) to be identified (“Proposed Private Placement”). Approval from Bursa Malaysia Securities Berhad for the listing of these new shares was sought on 29<sup>th</sup> January 2014.

**ii) DISPOSAL OF SHARES IN SEMUA INTERNATIONAL SDN BHD (“SISB”)**

On 21 December 2012, the Company entered into a sale and purchase agreement with third parties for the disposal of the entire 51% equity interest or 64,496,272 issued and paid up ordinary shares in SISB for a total sales consideration of RM18,800,000.

On 19 July 2013, the purchaser had paid the 1<sup>st</sup> tranche consideration amounting to RM1,800,000 to the Company and 2% equity interests of the disposal group had been transferred to the purchaser. The payment for the remaining 49% equity interest in SISB is expected to be completed by end of 2014.

**B9 Group borrowings and debt securities**

The Group does not have or issue any debt securities during the quarter under review. The Group’s borrowings as at 31 March 2014 are as follows:

	<b>RM’000</b>
Secured:	
- Short Term	17,098
- Long Term*	<u>226</u>
	<u>17,324</u>

All Group borrowings are denominated in Ringgit Malaysia.

\*In relation to finance lease payable.

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk issued during the quarter under review.

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### **B11 Material litigation**

Save as disclosed below, the Company and its subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors of the Company do not have any knowledge of any proceedings, pending or threatened against the Company and its subsidiaries or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of the Company and its subsidiaries as at the date of this announcement.

- (a) **Kuala Lumpur High Court Suit No. 22NCC-1570-09/2011**  
**Sumatec Corporation Sdn Bhd (SCSB) v Greentech Chemical Sdn Bhd (“GCSB”)**  
**(formerly known as Himpunan Sari Sdn Bhd)**

SCSB filed a suit against GCSB in relation to GCSB’s call on a Bank Guarantee of RM5.77 million which was provided by SCSB pursuant to a contract for the design, engineering, procurement, construction works, start-up works, commissioning and performance testing of a 250,000 metric ton per year Biodiesel Facilities. In the injunction proceedings SCSB sought for declarations to the effect that GCSB has no right to call on the Bank Guarantee provided by SCSB. SCSB was successful in obtaining the injunction pending disposal of the main suit. Subsequently, parties entered into negotiations and arbitration. The case management fixed by the Kuala Lumpur High Court on 24 October 2013 was not attended by representatives of both SCSB and GCSB.

**Current Status:** SCSB filed a winding-up petition against GCSB on 18 March 2014 and the Kuala Lumpur High Court has fixed the hearing on 17 June 2014.

### **B12 Dividends**

No dividend has been recommended during the quarter under review.

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	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b> <b>31-Mar-14</b>	<b>Preceding Year Corresponding Quarter</b> 31-Mar-13	<b>Current Year To Date</b> <b>31-Mar-14</b>	<b>Preceding Year Corresponding Period</b> 31-Mar-13
<b>Basic earnings/( loss) per share</b>				
Net profit/(loss) attributable to shareholders (RM'000)	<b>4,736</b>	(5,217)	<b>4,736</b>	(5,217)
Number of ordinary shares at the beginning of the period ('000)	<b>3,084,968</b>	214,364	<b>3,084,968</b>	214,364
Weighted average increase in Share Capital ('000)	<b>4,628</b>	-	<b>4,628</b>	-
Weighted average number of shares at the end the period ('000)	<b>3,089,596</b>	214,364	<b>3,089,596</b>	214,364
Basic earnings/(loss) per share (sen)	<b>0.15</b>	(2.43)	<b>0.15</b>	(2.43)
<b>Diluted earnings /(loss) per share</b>				
Weighted average number of shares ('000)	<b>3,089,596</b>	214,364	<b>3,089,596</b>	214,364
Effect of warrants and ESOS ('000)	<b>248,313</b>	-	<b>248,313</b>	-
Weighted average number of ordinary shares - diluted ('000)	<b>3,337,909</b>	214,364	<b>3,337,909</b>	214,364
Diluted earnings/(loss) per share (sen)	<b>0.14</b>	(2.43)	<b>0.14</b>	(2.43)

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**B14 Disclosure of realised and unrealised loss**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Total accumulated losses of the Company and the Group		
- Realised	(249,953)	(248,664)
- Unrealised	(874)	-
	<hr/> (250,827) <hr/>	<hr/> (248,664) <hr/>

*The disclosure of realized and unrealized loss above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.*

The interim financial statements were approved for issue by the Board of Directors in accordance with Directors' resolution dated 22 May 2014.

**By order of the Board**

Lim Seck Wah (MAICSA 0799845)

M. Chandrasegaran A/L S. Murugasu (MAICSA 0781031)

Company Secretaries

Kuala Lumpur.

22 May 2014.