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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 RM13.75 million from nil previously. The profit before taxation has increased by RM11.25 million from a loss of RM4.01 million to a profit of RM7.24 million. The increase in revenue and profit before tax in this quarter was attributed to the income from the upstream oil and gas activities.

**B2 Variation of results against preceding quarter**

	<b>Current Year Quarter 30-Jun-2014 RM'000</b>	<b>Immediate Preceding Quarter 31-Mar-2014 RM'000</b>
Revenue	13,745	13,743
Profit before tax	7,237	4,852

Compared to the immediate preceding quarter ended 31 Mar 2014, the Group's turnover for the current quarter comprising revenue from the upstream oil and gas activities showed marginal increase. Profit before taxation however increased by RM2.39 million in line with lower overheads and direct operating costs.

**B3 Prospects**

Three workover wells were completed during the current quarter ended 30 June 2014. The Company together with CaspiOilgas LLP plan to put five more workover wells on production by the end of third quarter, and the balance four workover wells and four gas test wells in the 4th quarter this year.

The geological and production test data obtained from the workovers have provided valuable information on the well geological and reservoir architecture, which is improving our knowledge on how to develop the field and enhance the production from the workover wells. Based on the updated information and re-assessment, the Company is on track to complete 12 oil wells and 4 gas test wells by 31 December 2014.

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In June 2014 the company achieved an average daily production of 105 barrels from the wells put in production. Based on the production tests conducted to date and the reservoir information collected during the workovers, the production level is forecasted to increase upon completion of artificial stimulation, fracking and installation of production pumps at selected wells.

Barring unforeseen circumstances, the Company remains positive in its outlook for the remaining period of the current financial year.

**B4 Forecast profit**

In view of the technical requirements to install artificial lift pumps on a number of wells, the Company as a result has seen a delay in bringing some of the wells on to production. Barring unforeseen circumstances, the Board anticipates that the net profit of the Group for the financial year ending 31 December 2014 may fall short of the forecasted net profit of RM69 million. To address the situation, management will deploy all available resources to expedite completion of the remaining works under the workover program, install the artificial pumps and conduct production enhancement on each well, and adding more wells into the workover program.

**B5 Taxation**

	<b>Current Year Quarter 30-Jun-14 RM'000</b>	<b>Current year to date 30-Jun-14 RM'000</b>
Current tax:		
Under provision in prior year	-	116

**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.

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### **B7 Quoted securities**

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

### **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. The proposed private placement was completed on 5<sup>th</sup> August 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.

#### **iii) FRAMEWORK AGREEMENT**

The Company had on 11 July 2014 entered into a Framework Agreement with Abu Talib Bin Abdul Rahman and Dr Murat Safin (“Vendors”) for the purpose of pursuing the proposed acquisition of 100% of the issued and paid up capital in Borneo Energy Oil & Gas Ltd from the Vendors. Subject to satisfactory results of the technical, legal, financial and operational due diligence investigations, the sale and purchase agreement between parties is to be executed within six months from the date of the Framework Agreement.

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**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 30 June 2014 are as follows:

	<b>RM'000</b>
Secured:	
- Short Term	17,080
- Long Term*	<u>226</u>
	<u>17,306</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.

**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.

**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.

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**Current Status:** The court had on 17<sup>th</sup> June 2014 granted an order that Greentech Chemicals Sdn Bhd be wound up.

**B12 Dividends**

No dividend has been recommended during the quarter under review.

**B13 Earnings per share (sen)**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30-Jun-14</b>	<b>30-Jun-13</b>	<b>30-Jun-14</b>	<b>30-Jun-13</b>
<b>Basic earnings/( loss) per share</b>				
Net profit/(loss) attributable to shareholders (RM'000)	<b>7,237</b>	(3,944)	<b>11,972</b>	(9,161)
Number of ordinary shares at the beginning of the period ('000)	<b>3,094,231</b>	214,364	<b>3,084,968</b>	214,364
Weighted average increase in Share Capital ('000)	<b>6,910</b>	-	<b>16,173</b>	-
Weighted average number of shares at the end the period ('000)	<b>3,101,141</b>	214,364	<b>3,101,141</b>	214,364
Basic earnings/(loss) per share (sen)	<b>0.23</b>	(1.84)	<b>0.39</b>	(4.27)
<b>Diluted earnings /(loss) per share</b>				
Weighted average number of shares ('000)	<b>3,101,141</b>	*	<b>3,101,141</b>	*
Effect of warrants and ESOS ('000)	<b>234,167</b>	*	<b>234,167</b>	*
Weighted average number of ordinary shares - diluted ('000)	<b>3,335,308</b>	*	<b>3,335,308</b>	*
Diluted earnings/(loss) per share (sen)	<b>0.22</b>	*	<b>0.36</b>	*

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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	(241,919)	(239,943)
- Unrealised	(1,407)	
-		
	<hr/> (243,326) <hr/>	<hr/> (239,943) <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 28<sup>th</sup> August 2014.

**By order of the Board**

Lim Seck Wah (MAICSA 0799845)

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

Company Secretaries

Kuala Lumpur.

28<sup>th</sup> August 2014.