

**SUMATEC RESOURCES BERHAD**Company No. 428355-D  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-15 RM'000	Preceding Year Corresponding Quarter 30-Jun-14 RM'000	Current Year To Date 30-Jun-15 RM'000	Preceding Year Corresponding Period 30-Jun-14 RM'000
<b>Revenue</b>	<b>16,334</b>	13,745	<b>44,312</b>	27,489
<b>Other income</b>	<b>1,815</b>	63	<b>9,670</b>	63
Operating expenses	<u>(7,490)</u>	<u>(6,518)</u>	<u>(13,811)</u>	<u>(15,388)</u>
<b>Operating profit</b>	<b>10,659</b>	7,290	<b>40,171</b>	12,164
Finance costs	<u>(571)</u>	<u>(53)</u>	<u>(9,100)</u>	<u>(76)</u>
<b>Profit before taxation</b>	<b>10,088</b>	7,237	<b>31,071</b>	12,088
Tax expense	<u>(950)</u>	-	<u>(2,200)</u>	<u>(116)</u>
<b>Profit for the financial period</b>	<b>9,138</b>	7,237	<b>28,871</b>	11,972
Other comprehensive income				
- Foreign currency translation differences for foreign operations	<u>492</u>	<u>(533)</u>	<u>196</u>	<u>(798)</u>
<b>Total comprehensive income for the period</b>	<b><u>9,630</u></b>	<b><u>6,704</u></b>	<b><u>29,067</u></b>	<b><u>11,174</u></b>
<b>Profit for the financial period attributable to:</b>				
Owners of the Company	<u>9,138</u>	7,237	<u>28,871</u>	11,972
Non-controlling interests	-	-	-	-
Net profit for the financial period	<b><u>9,138</u></b>	<b><u>7,237</u></b>	<b><u>28,871</u></b>	<b><u>11,972</u></b>
<b>Total comprehensive income for the financial period attributable to:</b>				
Owners of the Company	<u>9,630</u>	6,704	<u>29,067</u>	11,174
Non-controlling interests	-	-	-	-
Total comprehensive income for the financial period	<b><u>9,630</u></b>	<b><u>6,704</u></b>	<b><u>29,067</u></b>	<b><u>11,174</u></b>
<b>Earnings per share</b>				
(a) <i>Basic earnings per share (sen)</i>	<u>0.26</u>	<u>0.23</u>	<u>0.83</u>	<u>0.39</u>
(b) <i>Diluted earnings per share (sen)</i>	<u>0.26</u>	<u>0.22</u>	<u>0.82</u>	<u>0.36</u>

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes to this interim financial report.

**SUMATEC RESOURCES BERHAD**Company No. 428355-D  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	30-Jun-15	AUDITED 31-Dec-14
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,458	4,788
Intangible assets	301,719	301,869
Trade and other receivables	195,547	190,494
Total non-current assets	<u>501,724</u>	<u>497,151</u>
<b>Current assets</b>		
Trade and other receivables	160,226	159,970
Amount due from associated company	5,635	5,635
Tax recoverable	26	26
Cash and bank balances	19	1,384
Fixed deposits with licensed bank	230	230
Total current assets	<u>166,136</u>	<u>167,245</u>
Non-current assets classified as held for sale	17,000	17,000
<b>TOTAL ASSETS</b>	<u><u>684,860</u></u>	<u><u>681,396</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company:</b>		
Share capital	487,577	487,577
Other reserves	331,656	329,379
Accumulated losses	(177,493)	(206,364)
	<u>641,740</u>	<u>610,592</u>
Non-controlling interests	(31)	(31)
<b>Total equity</b>	<u><u>641,709</u></u>	<u><u>610,561</u></u>
<b>LIABILITIES</b>		
<b>Non-current liability</b>		
Deferred tax liabilities	331	331
Other payables	-	37,881
Total non-current liabilities	<u>331</u>	<u>38,212</u>
<b>Current liabilities</b>		
Trade and other payables	17,485	9,488
Term loans and short-term borrowings	22,635	22,635
Tax payable	2,700	500
Total current liabilities	<u>42,820</u>	<u>32,623</u>
<b>Total liabilities</b>	<u>43,151</u>	<u>70,835</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>684,860</u></u>	<u><u>681,396</u></u>
NET ASSETS PER SHARE (RM)	0.184	0.175

*The condensed statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes to this interim financial report.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015**

	Attributable to owners of the Company							Distributable Accumulated losses Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable									
	Share Capital RM'000	Share Premium RM'000	Warrant reserve RM'000	Employee share option reserve RM'000	Capital reserve RM'000	Translation reserve RM'000				
<b>Balance as at 1 January 2014</b>	<b>431,896</b>	<b>86,579</b>	<b>142,609</b>	<b>3,809</b>	<b>17,187</b>	<b>-</b>	<b>(255,297)</b>	<b>426,783</b>	<b>(198)</b>	<b>426,585</b>
Total comprehensive income for the financial year	-	-	-	-	-	-	48,904	48,904	-	48,904
Foreign currency translation difference	-	-	-	-	-	95	-	95	-	95
Transfer to share premium for share options exercised	-	5,700	-	(5,700)	-	-	-	-	-	-
Realised upon subsidiaries written off	-	-	-	-	-	-	-	-	167	167
<b>Transactions with owners:</b>										
Issuance of shares	43,203	74,063	-	-	-	-	-	117,266	-	117,266
Share issuance expenses	-	(10,465)	-	-	-	-	-	(10,465)	-	(10,465)
Exercise of ESOS	12,460	9,256	-	-	-	-	-	21,716	-	21,716
Employee share options	-	-	-	6,270	-	-	-	6,270	-	6,270
Conversion of warrants	18	5	(29)	-	-	-	29	23	-	23
<b>Total transactions with owners</b>	<b>55,681</b>	<b>72,859</b>	<b>(29)</b>	<b>6,270</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>134,810</b>	<b>-</b>	<b>134,810</b>
<b>Balance as at 31 December 2014</b>	<b>487,577</b>	<b>165,138</b>	<b>142,580</b>	<b>4,379</b>	<b>17,187</b>	<b>95</b>	<b>(206,364)</b>	<b>610,592</b>	<b>(31)</b>	<b>610,561</b>
<b>Balance as at 1 January 2015</b>	<b>487,577</b>	<b>165,138</b>	<b>142,580</b>	<b>4,379</b>	<b>17,187</b>	<b>95</b>	<b>(206,364)</b>	<b>610,592</b>	<b>(31)</b>	<b>610,561</b>
Total comprehensive income for the financial period	-	-	-	-	-	-	28,871	28,871	-	28,871
Foreign currency translation difference	-	-	-	-	-	196	-	196	-	196
<b>Transactions with owners:</b>										
Issuance of shares	-	-	-	-	-	-	-	-	-	-
Employee share options	-	-	-	2,081	-	-	-	2,081	-	2,081
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,081</b>	<b>-</b>	<b>2,081</b>
<b>Balance as at 30 June 2015</b>	<b>487,577</b>	<b>165,138</b>	<b>142,580</b>	<b>6,460</b>	<b>17,187</b>	<b>291</b>	<b>(177,493)</b>	<b>641,740</b>	<b>(31)</b>	<b>641,709</b>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes to this interim financial report.

**SUMATEC RESOURCES BERHAD**Company No. 428355-D  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2015**

	<b>30-Jun-15</b>	<b>30-Jun-14</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	31,071	12,088
Adjustments for:		
Depreciation of property, plant and equipment	355	73
Amortisation of intangible assets	150	-
Interest expenses	9,100	76
Interest income	(7)	-
Unrealised loss/ (gain) on foreign exchange	(9,663)	-
Share option granted under ESOS	2,081	5,671
<b>Operating profit before changes in working capital</b>	<b>33,087</b>	<b>17,908</b>
Changes in working capital:-		
Trade and other receivables	5,587	(27,549)
Trade and other payables	(40,025)	(1,515)
<b>Cash (used in )/generated from operations</b>	<b>(1,351)</b>	<b>(11,156)</b>
Interest (paid)/ received	(16)	(76)
Tax refund/ (paid)/ recovered	-	170
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,367)</b>	<b>(11,062)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	-	(72)
<b>Net cash used in investing activity</b>	<b>-</b>	<b>(72)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	8,296
(Repayment)/ Drawdown of loans and other borrowings	-	(602)
Repayment of finance lease payables	-	(45)
<b>Net cash from financing activities</b>	<b>-</b>	<b>7,649</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,367)</b>	<b>(3,485)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>2</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>1,614</b>	<b>5,065</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>249</b>	<b>1,580</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	19	1,350
Fixed deposits with licensed bank	230	230
	<b>249</b>	<b>1,580</b>

*The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes to this interim financial report.*

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**SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE FINANCIAL PERIOD ENDED 30/6/2015**

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Jun-15 RM'000	Preceding Year Corresponding Quarter 30-Jun-14 RM'000	Current Year To Date 30-Jun-15 RM'000	Preceding Year Corresponding 30-Jun-14 RM'000
1	Revenue	16,334	13,745	44,312	27,489
2	Gain/(Loss) before tax	10,088	7,237	31,071	12,088
3	Gain/(Loss) for the period	9,138	7,237	28,871	11,972
4	Gain/(Loss) attributable to ordinary equity holders of the parent	9,138	7,237	28,871	11,972
5	Basic earnings per share (sen)	0.26	0.23	0.83	0.39
6	Proposed/declared dividend per share (sen)	-	-	-	-

		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	0.184	0.175
Remarks:			

**ADDITIONAL INFORMATION**

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-Jun-15 RM'000	Preceding Year Corresponding Quarter 30-Jun-14 RM'000	Current Year To Date 30-Jun-15 RM'000	Preceding Year Corresponding Period 30-Jun-14 RM'000
1	Gross interest income	1	-	7	-
2	Gross interest expense	(571)	(53)	(9,100)	(76)

*Note : The above information is for the Exchange internal use only.*

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**INTERIM FINANCIAL REPORT**

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**A. NOTES TO THE INTERIM FINANCIAL REPORT****A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Company and the Group for the financial year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

The financial information presented in this interim report has been prepared in accordance with the accounting policies used in preparing the annual consolidated financial statements for the year ended 31 December 2014.

The Group has not applied the following MFRSs that have been issued but not yet effective:

Standards issued but not yet effective:*Effective for annual periods  
beginning on or after*

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	1 January 2016
MFRS 10	Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)	1 January 2016
MFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)	1 January 2016
MFRS 12	Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)	1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 101	Disclosure Initiative (Amendments to MFRS 101)	1 January 2016
MFRS 116	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)	1 January 2016
MFRS 116	Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)	1 January 2016
MFRS 119	Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)	1 July 2014
MFRS 127	Equity Method in Separate Financial Statements (Amendments to MFRS 127)	1 January 2016

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**A1 Basis of preparation (continued)**

MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	1 January 2016
MFRS 128	Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)	1 January 2016
MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)	1 January 2016
MFRS 141	Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)	1 January 2016
	Annual improvements to MFRSs 2010-2012 Cycle	1 July 2014
	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
	Annual Improvements to MFRSs 2012-2014 Cycle	1 July 2014

The initial application of the above standards, amendments and interpretation are not expected to have material financial impacts to the financial statements. The financial effects of the above MFRSs are still being assessed due to the complexity of these new MFRSs and Amendments to MFRSs, and their proposed changes.

**A2 Audit report of preceding annual financial statement**

The audited financial statements of the Company and the Group for the year ended 31 December 2014 were not subject to qualification.

**A3 Seasonal or cyclical factors**

The operations of the Group are not subject to seasonal or cyclical fluctuations.

**A4 Unusual items**

There were no unusual items that affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

**A5 Material changes in estimates**

There were no material changes in estimates of amount reported during the quarter under review.

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**A6 Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, share held as treasury shares and resale of treasury shares during the current quarter under review.

**A7 Dividend paid**

There were no dividends paid during the quarter under review.

**A8 Segment Information**

The Group is principally involved in the upstream oil & gas activities.

	<b>Current Quarter ended</b>	
	<b>30 June 2015</b>	
	<b>Revenue</b>	<b>Profit/(loss) before tax</b>
	<b>RM'000</b>	<b>RM'000</b>
Oil & Gas Development and Production	<b>16,334</b>	<b>10,089</b>
Others	-	(1)
	<b>16,334</b>	<b>10,088</b>

**A9 Valuation of property, plant and equipment**

There were no changes to the valuation of property, plant and equipment brought forward from the preceding annual audited financial statements.

**A10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the current financial quarter, which are likely to substantially affect the results of the operations of the Group for the current quarter.



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**A11 Changes in the composition of the Group**

During the period under review, the Company had disposed of its 80% equity interest, representing 80,000 ordinary shares of Perlis Bio-Power Sdn Bhd for a total sales consideration of RM1.00.

Save as disclosed above, there were no other changes in the composition of the Group.

**A12 Contingent liabilities**

The Company has given corporate guarantees amounting to RM471 million to suppliers, licensed banks and financial institution for banking facility granted to the associate companies, investments in which are currently held for sale. Consequently, the Company is liable for the amount of banking facilities utilised by the associate companies totaling RM255 million.

**A13 Capital commitments**

The outstanding capital commitments as at 30 June 2015 are as follows:

	<b>RM'000</b>
Approved and contracted for – property, plant and equipment	<u>314</u>

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

The Group's turnover for the current quarter has risen to RM16.33 million from RM13.75 million as registered in the corresponding quarter last year. With the higher revenue as well as unrealised gains on foreign exchange, the Group's profit before taxation has also increased by RM2.85 million to RM10.09 million from RM7.24 million previously.

**B2 Variation of results against preceding quarter**

	<b>Current Year Quarter 30-Jun-2015 RM'000</b>	<b>Immediate Preceding Quarter 31-Mar-2015 RM'000</b>
Revenue	16,334	27,978
Profit before tax	10,088	20,983

Compared to the immediate preceding quarter ended 31 March 2015, the Group's turnover for the current quarter decreased in tandem with the slowdown in the oil and gas industry. This, coupled with smaller gains from unrealised foreign exchange, has resulted in lower profit before tax for the current quarter by RM10.90 million.

**B3 Prospects**

The market conditions in the oil and gas industry are forecasted to continue to be challenging for the rest of 2015, and oil prices will remain to be volatile in the short to medium term. The extent of the field development work to be carried out by the Group during the second half of the current year will depend on the rate of recovery in oil prices. The Board however, is conscious of the need for the Group to balance growth with conservation of resources during this critical period. Barring unforeseen circumstances, the Board is cautiously optimistic that the Group will be able to face the challenging circumstances ahead.

**B4 Forecast profit**

The Company has not issued any profit forecast for the financial period under review.

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**B5 Taxation**

	<b>Current Year Quarter 30-Jun-15 RM'000</b>	<b>Current year to date 30-Jun-15 RM'000</b>
Current tax	<u>950</u>	<u>2,200</u>

The effective tax rate of the Group for the financial period ended 30 June 2015 is lower than the statutory tax rate, mainly due to utilisation of unabsorbed business losses brought forward from prior years.

**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.

**B8 a) Status of corporate proposals****i) 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 to dispose its 51% equity interest, representing 64,496,272 ordinary shares of Semua International Sdn. Bhd. (“SISB”) for a total sales consideration of RM18,800,000, comprising its entire shipping division.

On 19 July 2013, the Company received RM1.8 million (“1st Tranche Consideration”), representing the disposal value of 2% equity interest in SISB from the purchaser.

The 2nd Tranche Consideration of RM17 million, representing the disposal value of the remaining 49% equity interest in SISB, together with interest thereon at the rate of 6% per annum (interest shall be payable half yearly) shall be paid within 24 months, or earlier, from 31 January 2013, i.e. the date the last approval was obtained from the CLO bondholders. However, the third parties are unable to fulfill the settlement obligation to CLO bondholders.

The Company has entered into preliminary negotiation with a potential buyer and the Directors expect negotiation to be finalised and the sale to be completed in 2015.

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**ii) PROPOSED ACQUISITION OF 100% EQUITY IN BORNEO ENERGY OIL & GAS LTD**

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 (“BORNEO”), comprising 100 ordinary shares of USD1.00 each from the Vendors.

On 8 September 2014, the Company executed the share purchase agreement (“SPA”) with the Vendors for a purchase price of USD350.0 million to be satisfied by a combination of cash and ordinary shares in SUMATEC (“SUMATEC Shares”) (“Proposed Acquisition”).

The purchase consideration of USD350.0 million comprises of:-

- (a) USD250.0 million for the Buzachi Neft Oilfields with a proved and probable oil reserves of 68.86 million barrels of oil at USD3.63 per barrel of oil; and
- (b) USD100.0 million for the Ancillary Assets. Ancillary Assets comprise:-
  - (i) the non-current assets of Buzachi Neft (which includes but is not limited to oil and gas wells, processing facilities, roads and artificial islands, buildings and constructions machinery and equipment and vehicles) with a net book value of USD75.9 million based on its unaudited financial statements for the financial year ended 31 December 2013; and
  - (ii) Limestone Production Quarry which is worth at least USD25.0 million. Under the terms of the SPA, SUMATEC shall appoint an independent valuer to value the Limestone Production Quarry to confirm the value of the Limestone Production Quarry to be at least USD25.0 million.

In addition, under the terms of the SPA, SUMATEC shall acquire BORNEO and Buzachi Neft free from all indebtedness and encumbrances (including but not limited to borrowings, trade payables and tax liabilities).

In conjunction with the Proposed Acquisition, the Board of SUMATEC proposes to undertake the following:-

- (a) Proposed renounceable rights issue of up to 2,298,582,440 new SUMATEC Shares (“Rights Shares”) together with up to 2,298,582,440 free detachable warrants (“Rights Warrants”) at an indicative issue price of RM0.40 per Rights Share on the basis of one (1) Rights Share for every two (2) SUMATEC Shares held together with one (1) Rights Warrants for every one (1) Rights Shares subscribed (“Proposed Rights Issue with Warrants”);

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- (b) Proposed increase in the authorised share capital of the Company from RM1,000,000,000 comprising 7,142,857,143 SUMATEC Shares to RM2,000,000,000 comprising 14,285,714,286 SUMATEC Shares (“Proposed IASC”); and
- (c) Proposed amendments to the Memorandum and/or Articles of Association of the Company to facilitate the Proposed IASC (“Proposed Amendments”).

The listing application for the Proposed Acquisition and Proposed Rights Issue with Warrants has been submitted to Bursa Malaysia Securities Berhad on 17 October 2014.

On 9 January 2015, the Company entered into a supplemental agreement with the Vendors to reduce the Purchase Price for the Proposed Acquisition by USD60.0 million to USD290.0 million, of which cash payment is USD210.0 million and the balance USD80.0 million by way of issuance of 1,217,391,305 Consideration Shares to the Vendors at an issue price of RM0.23 per share.

The revised terms for the other proposals are as follows:-

- (a) The Proposed Rights Issue with Warrants will be a renounceable rights issue of up to 5,517,521,495 new Rights Shares together with up to 2,758,760,747 Rights Warrants at an indicative issue price of RM0.20 per Rights Share on the basis of six (6) Rights Share for every five (5) SUMATEC Shares held together with one (1) Rights Warrant for every two (2) Rights Shares subscribed; and
- (b) The Proposed IASC from RM1,000,000,000 comprising 7,142,857,143 SUMATEC Shares to RM5,000,000,000 comprising 35,714,285,714 SUMATEC Shares.

On 23 February 2015, Bursa Securities had approved the followings:

- (a) Admission to the Official List of the Main Market of Bursa Securities and the listing and quotation for up to 2,758,760,747 Rights Warrants to be issued together with the Rights Shares pursuant to the Proposed Rights Issue with Warrants;
- (b) Listing of and quotation for:
  - 1,217,391,305 Consideration Shares to be issued pursuant to the Proposed Acquisition;
  - Up to 5,517,521,495 new Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
  - Up to 2,758,760,747 new Sumatec Shares to be issued pursuant to the full exercise of the Rights Warrants;
  - Up to 1,379,173 additional Warrants A pursuant to the Rights Adjustments;
  - Up to 6,591,070 additional Warrants B pursuant to the Rights Adjustments; and

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- Up to 7,970,243 new Sumatec Shares to be issued pursuant to the full exercise of additional Warrants A and additional Warrants B.

On 8 April 2015, the shareholders of the Company at the Company's Extraordinary General Meeting approved the Proposed Acquisition, Proposed Rights Issues with Warrants, Proposed IASC and Proposed Amendments.

On 14 August 2015, the Company announced that Bursa Securities had approved for the extension of time of six months from 23 August 2015 to 22 February 2016 for the Company to complete the implementation of the above proposals.

#### **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 2015 are as follows:

	<b>RM'000</b>
Secured:	
- Short Term	22,635
- Long Term	<u>-</u>
	<u>22,635</u>

All Group borrowings are denominated in Ringgit Malaysia.

#### **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.

#### **Kuala Lumpur High Court – winding up petition number 28NCC-209-03/2014**

**Sumatec Corporation Sdn Bhd (“SCSB”) v Greentech Chemical Sdn Bhd (“GCSB”) (formerly known as Himpunan Sari Sdn Bhd)**

SCSB had on 18 March 2014 presented a petition to wind-up GCSB for its failure to pay RM10,299,285.90 to SCSB as at 20 June 2012 pursuant to a turnkey engineering, procurement, construction and commissioning contract to build a biodiesel plant at the Telok Kalong Industrial Estate in Terengganu. The petition was heard on 17 June 2014 where the Court ordered GCSB to be wound up.

**Current Status:** SCSB’s solicitors will file in a proof of debt in due course.

### **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>30-Jun-15</b>	<b>Preceding Year Corresponding Quarter</b> 30-Jun-14	<b>Current Year To Date</b> <b>30-Jun-15</b>	<b>Preceding Year Corresponding Period</b> 30-Jun-14
<b>Basic earnings per share</b>				
Net profit attributable to shareholders (RM'000)	<b>9,138</b>	7,237	<b>28,871</b>	11,972
Number of ordinary shares at the beginning of the period ('000)	<b>3,482,695</b>	3,094,231	<b>3,482,695</b>	3,084,968
Weighted average increase in Share Capital ('000)	-	6,910	-	16,173
Weighted average number of shares at the end the period ('000)	<b>3,482,695</b>	3,101,141	<b>3,482,695</b>	3,101,141
Basic earnings per share (sen)	<b>0.26</b>	0.23	<b>0.83</b>	0.39
<b>Diluted earnings per share</b>				
Weighted average number of shares ('000)	<b>3,482,695</b>	3,101,141	<b>3,482,695</b>	3,101,141
Effect of warrants ('000)	<b>24,505</b>	234,167	<b>24,505</b>	234,167
Weighted average number of ordinary shares - diluted ('000)	<b>3,507,200</b>	3,335,308	<b>3,507,200</b>	3,335,308
Diluted earnings per share (sen)	<b>0.26</b>	0.22	<b>0.82</b>	0.36



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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	(179,202)	(247,931)
- Unrealised	1,709	(999)
	<hr/> (177,493) <hr/>	<hr/> (248,930) <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 25<sup>th</sup> August 2015.

**By order of the Board**

Lim Seck Wah (MAICSA 0799845)

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

Company Secretaries

Kuala Lumpur.

25<sup>th</sup> August 2015.