



SUMISAUJANA GROUP BERHAD
Registration No: 202101023259 (1423559 - T)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

SUMISAUJANA GROUP BERHAD

Registration No: 202101023259 (1423559 - T)

(Incorporated in Malaysia)

**Consolidated Statements of Profit or Loss and Other Comprehensive Income⁽¹⁾
for the Fourth Quarter and Year Ended 31 December 2024**

	Unaudited		Audited	
	Current Quarter Ended 31.12.2024 RM '000	Corresponding Quarter Ended 31.12.2023 ⁽²⁾ RM '000	Current Year Ended 31.12.2024 RM '000	Corresponding Year Ended 31.12.2023 RM '000
Revenue	27,904	N/A	158,610	198,783
Cost of Sales	(20,138)	N/A	(105,414)	(130,936)
Gross Profit	7,766	N/A	53,196	67,847
Other Income	6,003	N/A	3,218	7,949
	13,769	N/A	56,414	75,796
Selling and Distribution Expenses	(1,604)	N/A	(9,041)	(8,154)
Administrative Expenses	(4,407)	N/A	(20,298)	(19,908)
Other Expenses	(1,318)	N/A	(5,198)	(4,871)
Finance Costs	(303)	N/A	(1,298)	(1,485)
Impairment Loss on Financial Assets	-	N/A	(30)	-
Profit Before Taxation	6,137	N/A	20,549	41,378
Tax Income/(Income Tax Expense)	503	N/A	(3,412)	(10,762)
Profit After Taxation	6,640	N/A	17,137	30,616
Other Comprehensive Income	-	N/A	-	-
Total Comprehensive Income	6,640	N/A	17,137	30,616
Profit After Taxation Attributable to:				
Owners of the Company	6,640	N/A	17,137	30,616
Total Comprehensive Income Attributable to:				
Owners of the Company	6,640	N/A	17,137	30,616
Earnings Per Share ("EPS") (RM)				
Basic and diluted	1.21 ⁽³⁾	N/A	3.13 ⁽³⁾	5.19 ⁽⁴⁾

Notes:

- (1) The Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (2) No comparative figures for the corresponding financial quarter are presented as this is the first interim financial report announced by Sumisaujana Group Berhad and its subsidiary ("the Group") in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- (3) Basic EPS is calculated based on the weighted average number of 5,482,474 ordinary shares in issue during the current financial year but before completion of the acquisition of Sumisaujana TCM Chemicals Sdn Bhd ("SSTCM") and the Initial Public Offering ("IPO") of the Company. Diluted EPS is equivalent to the basic EPS as the Company does not have any outstanding convertible securities at the end of the current financial quarter and financial year under review.
- (4) Basic EPS is calculated based on the total number of 5,900,100 ordinary shares as at 31 December 2023. Diluted EPS is equivalent to the basic EPS as the Company does not have any outstanding convertible securities at the end of the corresponding financial year under review.

N/A - Not applicable.

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**Consolidated Statements of Financial Position⁽¹⁾
as at 31 December 2024**

	Audited	
	As at 31.12.2024 RM '000	As at 31.12.2023⁽²⁾ RM '000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	32,146	17,481
Right-of-use assets	2,084	3,911
Intangible assets	23	23
Other investment	46	-
	<u>34,299</u>	<u>21,415</u>
CURRENT ASSETS		
Inventories	25,458	36,942
Trade receivables	32,226	65,659
Other receivables, deposits and prepayments	4,003	13,579
Contract assets	2,808	-
Current tax asset	3,106	-
Derivative assets	264	-
Fixed deposits with licensed banks	7,731	14,770
Cash and bank balances	23,568	10,284
	<u>99,164</u>	<u>141,234</u>
TOTAL ASSETS	<u>133,463</u>	<u>162,649</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	*(6)	*(6)
Invested equity	-	5,900
Reorganisation deficit	(64,950)	-
Retained profits	82,053	64,916
TOTAL EQUITY	<u>17,103</u>	<u>70,816</u>
NON-CURRENT LIABILITIES		
Lease liabilities	590	1,687
Long-term borrowings	9,650	635
Government grant	2,561	1,656
Deferred tax liabilities	2,709	1,797
	<u>15,510</u>	<u>5,775</u>

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**Consolidated Statements of Financial Position⁽¹⁾
as at 31 December 2024 (Cont'd)**

	Audited	
	As at	As at
	31.12.2024	31.12.2023⁽²⁾
	RM '000	RM '000
CURRENT LIABILITIES		
Trade payables	11,041	38,085
Contract liabilities	1	284
Other payables and accruals	7,864 ⁽⁵⁾	12,258
Amount owing to holding company	67,308 ⁽⁵⁾	30
Amount owing to directors	*(6)	22
Lease liabilities	1,637	2,507
Short-term borrowings	12,701	20,561
Government grant	205	106
Dividend payable	-	8,000
Current tax liabilities	-	4,205
Derivative liabilities	93	-
	<u>100,850</u>	<u>86,058</u>
TOTAL LIABILITIES	<u>116,360</u>	<u>91,833</u>
TOTAL EQUITY AND LIABILITIES	<u>133,463</u>	<u>162,649</u>
 Net assets per share (RM)	 <u>3.12⁽³⁾</u>	 <u>12.00⁽⁴⁾</u>

Notes:

- (1) The Consolidated Statements of Financial Position should be read in conjunction with Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (2) The consolidated statements of financial position as at 31 December 2023 is presented as a combined financial position of the Group. The consolidated statements of financial position should be read in conjunction with Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (3) Computed based on the weighted average number of 5,482,474 ordinary shares in issue during the current financial year but before completion of the acquisition of Sumisaujana TCM Chemicals Sdn Bhd ("SSTCM") and the Initial Public Offering ("IPO") of the Company.
- (4) Computed based on the total number of 5,900,100 ordinary shares as at 31 December 2023.
- (5) On 29 February 2024, the Company entered into a conditional Share Sale Agreement ("SSA") with the vendors of SSTCM to acquire the entire issued share capital of SSTCM comprising 5,900,000 ordinary shares for a purchase consideration of RM70.8 million. The SSA became unconditional upon the fulfilment of the conditions precedent of the SSA on 5 December 2024. In consequent thereof, SSTCM became a wholly-owned subsidiary of the Company and consolidated under the pre-IPO restructuring and the acquisition was deemed completed on 7 February 2025. As part of this pre-IPO restructuring accounting treatment, the Company increased its issued and paid-up capital from RM100 to RM70.8 million by issuance of 1,133,600,000 new ordinary shares for a total consideration of RM70.8 million as full payment for the acquisition of a subsidiary, SSTCM. Hence, this gives rise to an amount owing to holding company of RM67.3 million and amount owing to the other payables (i.e, Pre-IPO Investors) of RM3.5 million. The total amount of RM70.8 million will subsequently be capitalised under the equity of the Company post-IPO.
- (6) Represent less than RM1,000.

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**Consolidated Statements of Changes in Equity⁽¹⁾⁽²⁾
for the Financial Year Ended 31 December 2024**

	Share Capital RM '000	Invested Equity RM '000	Non-distributable Reorganisation Deficit RM '000	Distributable Retained Profits RM '000	Total Equity RM '000
Balance as at 1 January 2023	*(3)	5,900	-	56,300	62,200
Profit after taxation/Total comprehensive income for the financial year	-	-	-	30,616	30,616
Distribution to owners of the Company: - Dividends	-	-	-	(22,000)	(22,000)
Balance as at 31 December 2023/1 January 2024	*(3)	5,900	-	64,916	70,816
Profit after taxation/Total comprehensive income for the financial year	-	-	-	17,137	17,137
Effect of internal reorganisation	*(3)	(5,900)	(64,950)	-	(70,850)
Balance as at 31 December 2024	*(3)	-	(64,950)	82,053	17,103

Notes:

- (1) The Consolidated Statements of Changes in Equity should be read in conjunction with Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (2) The consolidated statements of changes in equity as at 31 December 2023 is presented as a combined changes in equity of the Group. The consolidated statements of changes in equity should be read in conjunction with Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (3) Represent less than RM1,000.

SUMISAUJANA GROUP BERHAD

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Consolidated Statements of Cash Flows⁽¹⁾
for the Financial Year Ended 31 December 2024

	Audited	
	31.12.2024	31.12.2023⁽²⁾
	RM '000	RM '000
Cash Flows from Operating Activities		
Profit before taxation	20,549	41,378
Adjustments for:-		
Depreciation:		
- plant and equipment	2,730	2,227
- right-of-use assets	2,691	2,507
(Reversal)/Allowance for impairment losses:		
- inventories	(544)	318
- trade receivables	30	-
Interest expenses:		
- lease liabilities	213	226
- others	1,085	1,259
Written off:		
- inventories	-	197
- plant and equipment	12	219
Amortisation of government grant	(247)	(106)
Interest income	(944)	(381)
(Gain)/Loss on disposal of plant and equipment	(32)	33
Gain on modification of leases	-	*(3)
Unrealised (gain)/loss on foreign exchange	(1,287)	630
Operating profit before working capital changes	24,256	48,507
Changes in working capital:		
- inventories	12,028	(6,607)
- trade and other receivables	44,125	(29,489)
- trade and other payables	(34,966)	23,865
- amount owing to a director	*(3)	-
- contract assets	(2,808)	-
- contract liabilities	(283)	(78)
Cash From Operations	42,352	36,198
Interest received	944	381
Interest paid	(1,298)	(1,486)
Income tax paid	(9,812)	(9,811)
Net Cash from Operating Activities	32,186	25,282

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**Consolidated Statements of Cash Flows⁽¹⁾
for the Financial Year Ended 31 December 2024 (Cont'd)**

	Audited	
	31.12.2024	31.12.2023⁽²⁾
	RM '000	RM '000
Cash Flows for Investing Activities		
Government grant received	1,252	-
Purchase of:		
- plant and equipment	(6,278)	(4,755)
- intangible assets	-	(23)
- other investment	(45)	-
Placement of fixed deposits pledged with a licensed bank	(1,731)	(1,000)
Proceeds from disposal of plant and equipment	90	1
Net Cash For Investing Activities	(6,712)	(5,777)
Cash Flows for Financing Activities		
Dividends paid	(8,000)	(19,000)
Net drawdown/(repayment):		
- bankers' acceptances	973	7,289
- hire purchase payables	(528)	(260)
- islamic revolving facilities	-	(3,955)
- lease liabilities	(2,830)	(2,557)
- receivables factoring	(2,352)	(39)
- term loans	(383)	(1,320)
- trust receipts	(7,801)	754
Repayment to a related party	(30)	20
Repayment to directors	(22)	13
Net Cash for Financing Activities	(20,973)	(19,055)
Net Increase in Cash and Cash Equivalents	4,501	450
Effects of Exchange Rate Changes	13	(268)
Cash and Cash Equivalents at Beginning of the Financial Year	24,054	23,872
Cash and Cash Equivalents at End of the Financial Year	28,568	24,054

Notes:

- (1) The Consolidated Statements of Cash Flows should be read in conjunction with Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (2) The consolidated statements of cash flows as at 31 December 2023 is presented as a combined cash flows of the Group. The consolidated statements of cash flows should be read in conjunction with Accountants' Report dated 27 February 2025 as disclosed in the Prospectus of Sumisaujana Group Berhad dated 13 March 2025 and the accompanying explanatory notes attached to the consolidated interim financial report.
- (3) Represent less than RM1,000.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRSs”) 134: INTERIM FINANCIAL REPORTING**A1. Basis of Preparation**

This interim financial report of the Company and our subsidiary (collectively, “the Group”) is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This is the first interim financial report announced by the Company in compliance with the Listing Requirements. Comparative figures for the corresponding financial quarter are not presented as the Company will only be listed on the ACE Market of Bursa Securities on 9 April 2025.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus dated 13 March 2025 in relation to the Company’s Initial Public Offering (“IPO”) and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The accounting policies and the methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus dated 13 March 2025 and the audited financial statements for the financial year ended 31 December 2024.

As at the date of authorisation of this interim financial report, the following Standards were issued but not yet effective and have not been adopted by the Group:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The initial application of the above Standards is not expected to have any material impact to the consolidated financial statements of the Group upon adoption.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRSs”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**A2. Significant Accounting Policies (Cont’d)**

MFRS 18 ‘Presentation and Disclosure in Financial Statements’ will replace MFRS 101 ‘Presentation of Financial Statements’ upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: “operating”, “investing” and “financing” and introduces 2 new subtotals: “operating profit or loss” and “profit or loss before financing and income tax”. In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group has yet to be assessed.

A3. Auditors’ Report on Preceding Annual Financial Statements

The Company was incorporated in Malaysia on 5 July 2021 under the Companies Act 2016 as a private limited company under the name of Sumisaujana Group Sdn. Bhd. On 8 May 2024, the Company was converted into a public limited company and adopted its present name, Sumisaujana Group Berhad. The Company completed the acquisition of a subsidiary, namely Sumisaujana TCM Chemicals Sdn. Bhd. (“SSTCM”) on 7 February 2025.

There was no auditors’ report on the Group for preceding annual financial statements. In addition, the auditor’s report of SSTCM for the financial year ended 31 December 2023 was not subject to any qualification.

The preceding audited financial statements are prepared based on the combination or aggregation of all the audited financial statements of the respective companies of the Group.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical trend during the current financial quarter and financial year.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year except for other income/expenses and other comprehensive income/expenses arising from realised loss on foreign exchange of RM3.7 million and tax impact on reinvestment allowance of RM1.7 million.

A6. Material Changes in Accounting Estimates

There were no changes in accounting estimates that have a material effect to the Group in the current financial quarter and financial year under review.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRSS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**A7. Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter and financial year under review.

A8. Dividends Paid

There were no dividends paid during the current financial quarter. An interim single-tier dividend of RM8.0 million in respect of the financial year ended 31 December 2023 was declared on 31 December 2023 and paid by SSTCM to its previous holding company on 28 June 2024 as disclosed in Note B10.

A9. Segmental Reporting

	Unaudited		Audited	
	Current Quarter Ended 31.12.2024 RM '000	Corresponding Quarter Ended 31.12.2023 ⁽¹⁾ RM '000	Current Year Ended 31.12.2024 RM '000	Corresponding Year Ended 31.12.2023 RM '000
<u>Geographical segment</u>				
Malaysia	682	N/A	28,855	61,098
Thailand	11,765	N/A	49,655	35,146
Indonesia	2,721	N/A	23,350	21,023
Saudi Arabia	*(2)	N/A	*(2)	38,886
Oman	*(2)	N/A	*(2)	19,417
Others	12,736	N/A	56,750	23,213
	<u>27,904</u>	<u>N/A</u>	<u>158,610</u>	<u>198,783</u>

No business segment information has been presented as the Group is mainly involved in the manufacturing of oil and gas specialty chemicals, trading of oil and gas specialty and industrial chemicals and provision of related support services which are substantially within a single business segment.

Notes:

(1) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the corresponding financial quarter available as no interim financial report was prepared for the comparative financial period concerned.

(2) Contributed less than 10% of the Group’s total revenue, therefore it was categorised under others in the respective financial quarter and financial year.

N/A Not applicable.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRSS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**A10. Changes in Composition of the Group**

On 29 February 2024, the Company entered into a conditional Share Sale Agreement (“SSA”) with the vendors of SSTCM to acquire the entire issued share capital of SSTCM comprising 5,900,000 ordinary shares for a purchase consideration of RM70.8 million.

The purchase consideration of RM70.8 million was based on the net assets of SSTCM as at 31 December 2023, which amounted to RM70.8 million. The purchase consideration will be fully satisfied by the issuance of 1,133,600,000 new ordinary shares at an issue price of RM0.0625 per share to the vendors of SSTCM in equal proportion to their existing shareholdings in SSTCM.

On 5 December 2024, the SSA became unconditional upon the fulfilment of the conditions precedent of the SSA. In consequent thereof, SSTCM became a wholly-owned subsidiary of the Company and consolidated under the pre-IPO restructuring.

The acquisition was completed on 7 February 2025.

Saved for the above, there were no changes in the composition of the Group during the current financial quarter and financial year.

A11. Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities in the Group as at the date of this interim financial report.

A12. Capital Commitments

Save as disclosed below, there were no other material capital commitments entered into and not provided for by the Group during the current financial quarter and financial year under review.

	Audited	
	31.12.2024	31.12.2023
	RM ‘000	RM ‘000
Purchase of:		
- plant and equipment	665	5,396
- leasehold factory building	18,900	18,900
- leasehold warehouse and office building	23,900	-
- leasehold factory and office building	16,300	-
	<u>59,765</u>	<u>24,296</u>

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRSs”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**A13. Related Party Transactions**

Save as disclosed below, there are no other significant related party transactions during the current financial quarter and financial year ended 31 December 2024:

	Unaudited		Audited	
	Current Quarter Ended 31.12.2024 RM ‘000	Corresponding Quarter Ended 31.12.2023 ⁽¹⁾ RM ‘000	Current Year Ended 31.12.2024 RM ‘000	Corresponding Year Ended 31.12.2023 RM ‘000
<u>Holding company</u>				
Deposit paid for				
lease rental	-	N/A	-	31
Dividends declared	-	N/A	-	22,000
Expenses paid on behalf of	2	N/A	30	17
Expenses paid on behalf by	-	N/A	-	19
Purchase of plant and equipment	-	N/A	18	-
Rental expense	32	N/A	126	99
<u>A related party</u>				
Payment on behalf by	-	N/A	-	20

Notes:

- (1) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the corresponding financial quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

A14. Material Events Subsequent to the End of the Quarter

In conjunction with the Company’s Listing, the Company had on 13 March 2025 issued the Prospectus in relation to its IPO comprising public issue of 310,000,000 new ordinary shares and offer for sale of up to 90,000,000 existing shares in the Company at an IPO price of RM0.24 per share. Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issue share capital of 1,443,601,600 shares shall be listed and quoted on the ACE Market of Bursa Securities on 9 April 2025. Save as disclosed above, there are no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**B1. Review of the Group's Performance**

The Group's performance for the current financial quarter and financial year ended 31 December 2024 are tabled below:

	Unaudited		Audited	
	Current Quarter Ended 31.12.2024 RM '000	Corresponding Quarter Ended 31.12.2023 ⁽¹⁾ RM '000	Current Year Ended 31.12.2024 RM '000	Corresponding Year Ended 31.12.2023 RM '000
Revenue	27,904	N/A	158,610	198,783
Gross profit ("GP")	7,766	N/A	53,196	67,847
Profit before taxation ("PBT")	6,137	N/A	20,549	41,378
GP margin	27.8%	N/A	33.5%	34.1%
PBT margin	22.0%	N/A	13.0%	20.8%

Notes:

- (1) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the corresponding financial quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

(a) Results for the current financial quarter

In the current financial quarter under review, the Group recorded a revenue of RM27.9 million, which was mainly derived from the sales to Thailand accounting for RM11.8 million, representing 42.3% of the Group's total revenue.

The Group achieved a GP of RM7.8 million and a PBT of RM6.1 million in the current financial quarter under review.

There are no comparative figures for the corresponding financial quarter as this is the first interim financial report prepared by the Company in compliance with the ACE Market Listing Requirements.

PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of the Group's Performance (Cont'd)

(b) Results for the current financial year

The Group recorded a revenue of RM158.6 million for the current financial year ended 31 December 2024, of which RM49.7 million was derived from the sales to Thailand, whilst RM28.9 million was derived from local sales in Malaysia and RM23.4 million came from the sales to Indonesia.

The Group's revenue decreased by approximately 20.2% from RM198.8 million in the corresponding year as compared to RM158.6 million in the current financial year mainly due to the decrease in the local sales in Malaysia as there was a project-based sale of catalyst which contributed RM29.2 million in the corresponding year.

In addition, the decrease in the current financial year's revenue was also attributed to soft market conditions in the Middle East region arising from the extension of the voluntary production cuts from the Organisation of Petroleum Exporting Countries (OPEC) and non-OPEC countries, collectively known as OPEC+ that had impacted O&G activities in the Middle East region.

The Group achieved a GP of RM53.2 million and a PBT of RM20.5 million in the current financial year as compared to a GP of RM67.8 million and a PBT of RM41.4 million in the corresponding financial year. The GP margin for the current financial year and corresponding financial year remains rather consistent at 33.5% and 34.1% respectively, whereas the PBT margin dropped 7.8% from 20.8% in the corresponding year to 13.0% in the current financial year.

The lower PBT for the current financial year as compared to the corresponding financial year were primarily attributed to:

- (i) a reduction in gross profit of RM14.7 million arising from the decreased in revenue as mentioned in the second and third paragraphs above;
- (ii) unfavourable foreign exchange fluctuations in the current financial year which resulted in a RM3.7 million loss on realised foreign exchange, as compared to a RM3.2 million gain in the corresponding financial year;
- (iii) one-off listing expenses of RM0.5 million in the current financial year related to the IPO exercise; and
- (iv) one-off reversal of overprovision for tax penalty of RM1.1 million recorded in the corresponding financial year whereas there is no such reversal in the current financial year.

B2. Comparison with the Immediate Preceding Quarter's Result

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report announced by the Company.

PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. Prospects of the Group

Our Group has a strong track record in the manufacture and supply of specialty chemicals for the Oil & Gas ("O&G") industry since 2011. With a proven history of delivering high-quality and effective products, we have built a reputation for reliability and excellence. Our market presence spans both domestic and international markets whereby approximately 70% of our products are exported out from Malaysia, ensuring business sustainability and continuous growth. By continuously tapping into various foreign markets, we not only expand our addressable market but also reduce dependency on any single country, enhancing our resilience and long-term prospects. With most of our products based on in-house formulations, we maintain control over quality and innovation, while also offering flexibility to customise products based on customer-provided formulations or specifications.

Based on the Independent Market Research Report prepared by Vital Factor Consulting Sdn Bhd as detailed in the Prospectus, the long-term outlook for the O&G industry in Malaysia remains promising, with significant growth anticipated driven by the country's Chemical Industry Roadmap 2030 (CIR 2030). This roadmap aims to increase the gross value added (GVA) contribution of the chemical industry to the overall economy, targeting over 4.5% by 2030, with a particular focus on transitioning to higher-value products like specialty chemicals.

More specifically, significant investments announced by major O&G players in our key markets point to the promising growth potential for the O&G specialty chemicals sector, creating valuable opportunities for us. Thailand's PTT Exploration and Production Public Company Limited's (PTTEP) allocation for capital expenditure between 2025 and 2029 remains intact at USD21.2 billion. PETRONAS has planned an allocation of RM113 billion for domestic capital expenditure from 2023 to 2027 as outlined in its recent PETRONAS Activity Outlook 2025-2027 report. In Saudia Arabia, the government's directive to maintain Aramco's oil production at 12 million barrels per day is expected to moderate capital investments between 2024 and 2028.

O&G will remain the most important components in the global energy mix. However, the O&G sector is subject to geopolitical developments and remains volatile in nature. We will continue to monitor the market closely and play to our competitive strengths to ensure sustainable long-term success. The Group will remain competitive through efficient operations and supply chain, product innovations with continuous research & development, superior customer service and technical support.

The Group is also strategically expanding domestically and internationally to drive growth and diversification. In Malaysia, we are leveraging our O&G specialty chemicals expertise to enter the industrial chemicals sector, focusing on sustainable oleochemicals like biodegradable lubricants and transformer oil. Collaborations with local manufacturers and the Malaysian Palm Oil Board will strengthen our market presence in Malaysia and Southeast Asia. Internationally, the Group has plans to establish production facilities in North America and the Middle East, with implementation targeted for early 2026. These initiatives align with sustainability trends and position the Group for long-term growth in industrial chemicals and global markets.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B4. Profit Forecast or Profit Guarantee**

The Group has not provided any profit estimate, forecast, projection or internal targets in any public document during the current financial year under review.

B5. (Tax Income)/Income Tax Expenses

	Unaudited		Audited	
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Year	Year
	Ended	Ended	Ended	Ended
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM '000	RM '000	RM '000	RM '000
Current tax (income)				
/expense	(1,972)	N/A	2,500	10,762
Deferred tax expense	1,469	N/A	912	-
Total	(503)	N/A	3,412	10,762
Effective tax rate (%)⁽²⁾	N/A	N/A	16.6	26.0

Notes:

⁽¹⁾ This is the first interim financial report announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the corresponding financial quarter available as no interim financial report was prepared for the comparative financial period concerned.

⁽²⁾ Calculated based on income tax expense over PBT for the financial year.

N/A Not applicable.

In the current financial quarter, the Group has recorded a current tax income of RM2.0 million and the effective tax rate for the current financial year is 16.6% which is lower than the statutory tax rate of 24%. This is mainly due to the reinvestment allowance claimed during the current financial year. Reinvestment allowance is an incentive given to Malaysian resident companies involved in the manufacturing sector and selected agricultural sector to incentivise these companies to reinvest and grow their businesses. The allowance is given for 15 years from year 2019. The allowance is computed at 60% of qualifying capital expenditure incurred and can be utilised against 70% of statutory income.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B6. Status of Corporate Proposals**

On 13 March 2025, the Company had issued the Prospectus in relation to its IPO comprising public issue of 310,000,000 new ordinary shares and offer for sale of 90,000,000 existing shares in the Company at an IPO price of RM0.24 per share.

Upon completion of the Company's IPO, the Company's entire enlarged share capital of RM142.6 million comprising 1,443,601,600 shares shall be listed on the ACE Market of Bursa Securities.

Save for the above, there are no other corporate proposals announced and not completed as at the date of this interim financial report.

B7. Utilisation of Proceeds from the IPO

Proceeds to be raised from the public issue amounting to RM74.4 million will be utilised in the following manner:

Detail of utilisation	Proposed Utilisation		Estimated timeframe for utilisation from the date of listing
	RM '000	%	
Acquisition of the New Puncak Alam Warehouse and New Puncak Alam Corporate Office	40,200	54.0	Within 12 months
Acquisition of the existing Puncak Alam Factory	18,900	25.4	Within 12 months
Capital expenditure			
- Installation of solar photovoltaic system at the existing Puncak Alam Factory and purchase and installation of IT infrastructure for the New Puncak Alam Corporate Office	2,080	2.8	Within 24 months
Expansion of research & development division	7,620	10.3	Within 36 months
Estimated listing expenses	5,600	7.5	Within 1 month
	<u>74,400</u>	<u>100.0</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As at the date of this interim financial report, the IPO is pending completion and therefore, the said proceeds have yet to be raised and utilised.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B8. Borrowings**

The details of the Group's borrowings are as follows: -

	Audited	
	As at	As at
	31.12.2024	31.12.2023
	RM '000	RM '000
<u>Current Liabilities</u>		
<u>Secured</u>		
Hire purchase payables	698	221
Term loans	995	210
Trust receipts	-	7,801
Bankers' acceptances	11,008	9,977
Receivables factoring	-	2,352
	12,701	20,561
<u>Non-current Liabilities</u>		
<u>Secured</u>		
Hire purchase payables	2,347	302
Term loans	7,303	333
	9,650	635
Total	22,351	21,196

The currency exposure profile of the borrowings are as follows:

	Audited	
	31.12.2024	31.12.2023
	RM '000	RM '000
Ringgit Malaysia	19,095	13,009
United States Dollar	3,256	8,187
	22,351	21,196

The borrowings denominated in foreign currency are classified as short-term.

B9. Material Litigation

There were no material litigations by or against the Group as at the date of this interim financial report.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B10. Dividends**

For information purposes, SSTCM, a wholly-owned subsidiary of the Company, declared an interim single-tier dividend of RM1.36 per ordinary share amounting to RM8.0 million on 31 December 2023 to its previous holding company in respect of the corresponding financial year ended 31 December 2023. The said dividend was paid on 28 June 2024 and was funded by SSTCM's internally generated funds.

No dividend was declared or recommended for payment by the Board of Directors of the Company during the current financial year under review.

B11. Basic/Diluted Earnings per Share

	Unaudited		Audited	
	Current Quarter Ended 31.12.2024 RM '000	Corresponding Quarter Ended 31.12.2023 ⁽¹⁾ RM '000	Current Year Ended 31.12.2024 RM '000	Corresponding Year Ended 31.12.2023 RM '000
Profit attributable to owners of the Company	6,640	N/A	17,137	30,616
Weighted average number of ordinary shares in issue	5,482 ⁽²⁾	N/A	5,482 ⁽²⁾	5,900 ⁽³⁾
Basic/Diluted EPS (RM)	1.21	N/A	3.13	5.19

Notes:

- (1) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements. There are no comparative figures for the corresponding financial quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the weighted average number of 5,482,474 ordinary shares in issue during the current financial year but before completion of the acquisition of Sumisaujana TCM Chemicals Sdn Bhd ("SSTCM") and the Initial Public Offering ("IPO") of the Company. Diluted EPS is equivalent to the basic EPS as the Company does not have any outstanding convertible securities at the end of the current financial quarter and financial year under review.
- (3) Basic EPS is calculated based on the total number of 5,900,100 ordinary shares as of 31 December 2023. Diluted EPS is equivalent to the basic EPS as the Company does not have any outstanding convertible securities at the end of the corresponding financial year under review.

N/A Not applicable.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B12. Profit Before Taxation**

	Unaudited		Audited	
	Current Quarter Ended 31.12.2024 RM '000	Corresponding Quarter Ended 31.12.2023 ⁽¹⁾ RM '000	Current Year Ended 31.12.2024 RM '000	Corresponding Year Ended 31.12.2023 RM '000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- statutory audit fees	21	N/A	82	82
- non-statutory audit fee	6	N/A	72	-
- underprovision in the previous financial year	-	N/A	*(2)	8
Depreciation:				
- plant and equipment	733	N/A	2,730	2,227
- right-of-use assets	559	N/A	2,691	2,507
Directors' remuneration	336	N/A	5,439	6,839
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdrafts	1	N/A	6	5
- hire purchase payables	43	N/A	108	24
- term loans	75	N/A	146	102
- others	148	N/A	825	1,128
Interest expense on lease liabilities	36	N/A	213	226
Lease expenses:				
- low-value assets	23	N/A	24	-
- short-term leases	293	N/A	785	1,200
Staff costs (including other key management personnel):				
- salaries, wages, bonuses and allowances	4,562	N/A	19,428	17,737
- defined contribution benefits	487	N/A	2,034	2,025
- other benefits	423	N/A	1,873	1,998
Written off:				
- inventories	-	N/A	-	197
- plant and equipment	-	N/A	12	219
Amortisation of government grant	(51)	N/A	(247)	(106)
Loss/(Gain) on disposal of plant and equipment	20	N/A	(32)	33

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B12. Profit Before Taxation (Cont'd)**

	Unaudited		Audited	
	Current Quarter Ended	Corresponding Quarter Ended	Current Year Ended	Corresponding Year Ended
	31.12.2024	31.12.2023 ⁽¹⁾	31.12.2024	31.12.2023
	RM '000	RM '000	RM '000	RM '000
Profit before taxation is arrived at after charging/(crediting) (cont'd):-				
Interest income	(470)	N/A	(944)	(381)
Loss/(Gain) on foreign exchange:				
- realised	951	N/A	3,654	(3,161)
- unrealised	(5,460)	N/A	(1,287)	630
Provision for tax penalty:				
- overprovision in the previous year	-	N/A	-	(1,057)
(Reversal)/Impairment losses on:				
- inventories	(544)	N/A	(544)	318
- trade receivables	-	N/A	30	-

Notes:

⁽¹⁾ This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the corresponding financial quarter available as no interim financial report was prepared for the comparative financial period concerned.

⁽²⁾ Represent less than RM1,000.

N/A Not applicable.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B13. Derivative Financial Instruments**

The details of the Group's derivative financial instruments are as follows: -

	Contract/Notional Amount		Fair Value	
	As at 31.12.2024 RM '000	As at 31.12.2023 RM '000	As at 31.12.2024 RM '000	As at 31.12.2023 RM '000
Derivative assets				
Forward currency contracts	15,400	-	264	-
Derivative liabilities				
Forward currency contracts	3,350	-	(93)	-

Forward currency contracts are used to hedge the Group's purchases denominated in Euro ("EUR") and sales denominated in United States Dollar ("USD"), for which firm commitments existed at the end of the reporting period. The settlement dates of the forward currency contracts ranging between 2 to 8 months after the end of the reporting period.

B14. Other Matter

The 1st Annual General Meeting of the Company is scheduled to be held on 28 March 2025 which is prior to the listing of the Company on the ACE Market of Bursa Securities. Accordingly, there shall be no issuance of annual report for the financial year ended 31 December 2024. The annual report together with the annual general meeting for the financial year ending 31 December 2025 is scheduled to take place in the 2nd quarter of 2026.

BY ORDER OF THE BOARD
SUMISAUJANA GROUP BERHAD
13 MARCH 2025