



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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2025

SUMISAUJANA GROUP BERHAD

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

**Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income⁽¹⁾
for the First Quarter and Period Ended 31 March 2025**

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Period	Period
	Ended	Ended	Ended	Ended
	31.3.2025	31.3.2024 ⁽²⁾	31.3.2025	31.3.2024 ⁽²⁾
	RM '000	RM '000	RM '000	RM '000
Revenue	37,769	N/A	37,769	N/A
Cost of Sales	(26,269)	N/A	(26,269)	N/A
Gross Profit	11,500	N/A	11,500	N/A
Other Income	1,227	N/A	1,227	N/A
	12,727	N/A	12,727	N/A
Selling and Distribution Expenses	(2,287)	N/A	(2,287)	N/A
Administrative Expenses	(5,300)	N/A	(5,300)	N/A
Other Expenses	(1,463)	N/A	(1,463)	N/A
Finance Costs	(325)	N/A	(325)	N/A
Profit Before Taxation	3,352	N/A	3,352	N/A
Income Tax Expense	(637)	N/A	(637)	N/A
Profit After Taxation	2,715	N/A	2,715	N/A
Other Comprehensive Income	-	N/A	-	N/A
Total Comprehensive Income	2,715	N/A	2,715	N/A
Profit After Taxation Attributable to:				
Owners of the Company	2,715	N/A	2,715	N/A
Total Comprehensive Income Attributable to:				
Owners of the Company	2,715	N/A	2,715	N/A
Earnings Per Share ("EPS") (sen)				
- Basic ⁽³⁾	0.24	N/A	0.24	N/A
- Diluted ⁽⁴⁾	0.19	N/A	0.19	N/A

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share ("EPS") is calculated based on the Company's enlarged share capital of 1,133,601,600 ordinary shares in Sumisaujana Group Berhad ("SSGB Shares" or "Shares") pursuant to the acquisition of the entire issued share capital of Sumisaujana TCM Chemicals Sdn Bhd ("SSTCM"), which was completed on 7 February 2025 ("Acquisition of SSTCM") (refer to Note B6).
- (4) Diluted EPS is calculated based on the Company's enlarged share capital of 1,443,601,600 ordinary shares upon completion of the listing of the Company on the ACE Market of Bursa Securities on 9 April 2025, and is presented for illustrative purposes only.

N/A - Not applicable.

SUMISAUJANA GROUP BERHADRegistration No: 202101023259 (1423559 - T)
(Incorporated in Malaysia)**Unaudited Consolidated Statements of Financial Position⁽¹⁾
as at 31 March 2025**

	Unaudited As at 31.3.2025 RM '000	Audited As at 31.12.2024 RM '000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	31,634	32,146
Right-of-use assets	2,317	2,084
Intangible assets	23	23
Other investment	46	46
	<u>34,020</u>	<u>34,299</u>
CURRENT ASSETS		
Inventories	25,399	25,458
Trade receivables	31,819	32,226
Other receivables, deposits and prepayments	5,912	4,003
Contract assets	2,808	2,808
Current tax asset	3,370	3,106
Derivative assets	207	264
Fixed deposits with licensed banks	12,277	7,731
Cash and bank balances	25,440	23,568
	<u>107,232</u>	<u>99,164</u>
TOTAL ASSETS	<u>141,252</u>	<u>133,463</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	70,850	*(5)
Reorganisation deficit	(64,950)	(64,950)
Retained profits	84,768	82,053
TOTAL EQUITY	<u>90,668</u>	<u>17,103</u>
NON-CURRENT LIABILITIES		
Lease liabilities	562	590
Long-term borrowings	9,649	9,650
Government grant	2,510	2,561
Deferred tax liabilities	2,079	2,709
	<u>14,800</u>	<u>15,510</u>

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**Unaudited Consolidated Statements of Financial Position⁽¹⁾
as at 31 March 2025 (Cont'd)**

	Unaudited As at 31.3.2025 RM '000	Audited As at 31.12.2024 RM '000
CURRENT LIABILITIES		
Trade payables	14,664	11,041
Contract liabilities	-	1
Other payables and accruals	5,044	7,864 ⁽⁴⁾
Amount owing to holding company	-	67,308 ⁽⁴⁾
Amount owing to directors	-	*(5)
Lease liabilities	1,856	1,637
Short-term borrowings	14,005	12,701
Government grant	205	205
Derivative liabilities	10	93
	35,784	100,850
TOTAL LIABILITIES	50,584	116,360
TOTAL EQUITY AND LIABILITIES	141,252	133,463
 Net assets per share (RM)	 0.08 ⁽²⁾	 3.12 ⁽³⁾

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's enlarged share capital of 1,133,601,600 SSGB Shares pursuant to the Acquisition of SSTCM (refer to Note B11).
- (3) Computed based on the weighted average number of 5,482,474 ordinary shares in issue during the corresponding financial year but before the completion of the Acquisition of SSTCM and the Initial Public Offering ("IPO") of the Company.
- (4) 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 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 has been capitalised under the equity of the Company during the current financial quarter ended 31 March 2025.
- (5) Represent less than RM1,000.

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**Unaudited Consolidated Statements of Changes in Equity⁽¹⁾
for the Financial Period Ended 31 March 2025**

	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 2024	*(2)	5,900	-	64,916	70,816
Profit after taxation/Total comprehensive income for the financial year	-	-	-	17,137	17,137
Effect of internal reorganisation	*(2)	(5,900)	(64,950)	-	(70,850)
Balance as at 31 December 2024/1 January 2025	*(2)	-	(64,950)	82,053	17,103
Profit after taxation/Total comprehensive income for the financial period	-	-	-	2,715	2,715
Adjustments for acquisition of a subsidiary	70,850	-	-	-	70,850
Balance as at 31 March 2025	70,850	-	(64,950)	84,768	90,668

Notes:

(1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Represent less than RM1,000.

**Unaudited Consolidated Statements of Cash Flows⁽¹⁾
for the Financial Period Ended 31 March 2025**

	Unaudited 31.3.2025 RM '000	Unaudited 31.3.2024⁽²⁾ RM '000
Cash Flows from Operating Activities		
Profit before taxation	3,352	N/A
Adjustments for:-		
Depreciation:		
- plant and equipment	855	N/A
- right-of-use assets	571	N/A
Interest expenses:		
- lease liabilities	32	N/A
- others	293	N/A
Amortisation of government grant	(51)	N/A
Interest income	(263)	N/A
Gain on modification of leases	(2)	N/A
Reversal of impairment losses on inventories	(17)	N/A
Unrealised loss on foreign exchange	195	N/A
Operating profit before working capital changes	<u>4,965</u>	<u>N/A</u>
Changes in working capital:		
- inventories	76	N/A
- trade and other receivables	(1,586)	N/A
- trade and other payables	4,259	N/A
- contract liabilities	(1)	N/A
Cash From Operations	<u>7,713</u>	<u>N/A</u>
Interest received	263	N/A
Interest paid	(325)	N/A
Income tax paid	(1,530)	N/A
Net Cash from Operating Activities	<u>6,121</u>	<u>N/A</u>
Cash Flows for Investing Activities		
Purchase of plant and equipment	(343)	N/A
Placement of fixed deposits pledged with a licensed bank	(1,546)	N/A
Net Cash for Investing Activities	<u>(1,889)</u>	<u>N/A</u>

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**Unaudited Consolidated Statements of Cash Flows⁽¹⁾
for the Financial Period Ended 31 March 2025 (Cont'd)**

	Unaudited 31.3.2025 RM '000	Unaudited 31.3.2024⁽²⁾ RM '000
Cash Flows from Financing Activities		
Net drawdown/(repayment):		
- bankers' acceptances	1,226	N/A
- hire purchase payables	353	N/A
- lease liabilities	(611)	N/A
- term loans	(243)	N/A
Repayment to directors	*(3)	N/A
Net Cash from Financing Activities	725	N/A
Net Increase in Cash and Cash Equivalents	4,957	N/A
Effects of Exchange Rate Changes	(85)	N/A
Cash and Cash Equivalents at Beginning of the Financial Period	28,568	N/A
Cash and Cash Equivalents at End of the Financial Period	33,440	N/A

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the audited financial statement for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.
- (3) Represent less than RM1,000.

N/A - Not applicable.

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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 Sumisaujana Group Berhad (the “**Company**”) and its subsidiary (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.

There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.

This interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Group's audited financial statements for the financial year ended 31 December 2024, except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

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
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

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2024.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical trend other than the general economic environment in which the Group operates during the current financial quarter and financial period under review.

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 period under review.

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 period under review.

A7. Debts and Equity Securities

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

A8. Dividends Paid

There were no dividends paid by the Company during the current financial quarter and financial period under review.

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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRSs”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A9. Segmental Reporting

The geographical segments of the Group’s revenue were as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current Quarter Ended 31.3.2025 RM ‘000	Corresponding Quarter Ended 31.3.2024 ⁽¹⁾ RM ‘000	Current Period Ended 31.3.2025 RM ‘000	Corresponding Period Ended 31.3.2024 ⁽¹⁾ RM ‘000
<u>Geographical segment</u>				
Thailand	15,840	N/A	15,840	N/A
Indonesia	6,952	N/A	6,952	N/A
South Korea	3,541	N/A	3,541	N/A
Malaysia	3,131	N/A	3,131	N/A
United States of America	2,245	N/A	2,245	N/A
Others ⁽²⁾	6,060	N/A	6,060	N/A
	<u>37,769</u>	<u>N/A</u>	<u>37,769</u>	<u>N/A</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) There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.
- (2) Other countries include China, Egypt, India, Kuwait, New Zealand, Nigeria, Papua New Guinea, Saudi Arabia, Singapore and United Arab Emirates.

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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 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 was 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 as at 31 December 2024.

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 period under review.

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

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

	Unaudited	Unaudited
	As at	As at
	31.3.2025	31.3.2024⁽¹⁾
	RM '000	RM '000
Purchase of:		
- plant and equipment	13	N/A
- leasehold factory building ⁽²⁾	18,900	N/A
- leasehold warehouse and office building ⁽³⁾	23,900	N/A
- leasehold factory and office building ⁽⁴⁾	16,300	N/A
Total	59,113	N/A

Notes:

- (1) There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.
- (2) Refers to Existing Puncak Alam Factory - Lot 11376
- (3) Refers to New Puncak Alam Corporate Office - Lot 41736
- (4) Refers to New Puncak Alam Warehouse - Lot 41735

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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

Saved as disclosed below, there were no other significant related party transactions during the current financial quarter and financial period ended 31 March 2025:

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current Quarter Ended 31.3.2025 RM '000	Corresponding Quarter Ended 31.3.2024 ⁽¹⁾ RM '000	Current Period Ended 31.3.2025 RM '000	Corresponding Period Ended 31.3.2024 ⁽¹⁾ RM '000
<u>Holding company</u>				
Rental expense	32	N/A	32	N/A

Notes:

⁽¹⁾ There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.

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)

A14. Material Events Subsequent to the End of the Quarter

During the financial quarter, the Company was in the process of listing its entire enlarged issued share capital of RM142.6 million comprising 1,443,601,600 shares on the ACE Market of Bursa Securities. In conjunction with the Company’s IPO and listing on the ACE Market of Bursa Securities in accordance with the Prospectus, the following listing scheme was undertaken by the Company:-

- (a) public issue of 310,000,000 new shares (“Issue Shares”) in the following manner:
 - i. 72,500,000 Issue Shares available for application by the Malaysian Public;
 - ii. 122,649,800 Issue Shares by way of private placement to identified institutional and selected investors;
 - iii. 24,400,000 Issue Shares available for application by the eligible Directors and employees as well as person who have contributed to the success of the Group; and
 - iv. 90,450,200 Issue Shares available for application by way of private placement to identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry, Malaysia (“MITI”).

- (b) offer for sale of 90,000,000 existing shares by way of private placement to identified Bumiputera investors approved by the MITI

The listing of and quotation for the Company’s entire enlarged issued share capital of RM142.6 million comprising 1,443,601,600 shares on the ACE Market of Bursa Securities was completed on 9 April 2025.

Saved as disclosed above, there were no other material events subsequent to the end of the current financial quarter.

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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 period ended 31 March 2025 are tabled below:

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Period	Period
	Ended	Ended	Ended	Ended
	31.3.2025	31.3.2024 ⁽¹⁾	31.3.2025	31.3.2024 ⁽¹⁾
	RM '000	RM '000	RM '000	RM '000
Revenue	37,769	N/A	37,769	N/A
Gross profit ("GP")	11,500	N/A	11,500	N/A
Profit before taxation ("PBT")	3,352	N/A	3,352	N/A
GP margin	30.4%	N/A	30.4%	N/A
PBT margin	8.9%	N/A	8.9%	N/A

Notes:

⁽¹⁾ There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable.

In the current financial quarter under review, the Group recorded a revenue of RM37.8 million, which was mainly derived from the sales to Thailand and Indonesia accounting for RM15.8 million and RM7.0 million respectively, representing 41.8% and 18.5% of the Group's total revenue.

The Group achieved a GP of RM11.5 million and a PBT of RM3.4 million in the current financial quarter under review. During the financial period ended 31 March 2025, the Group had recognised a net foreign exchange loss of RM0.6 million.

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**B2. Comparison with the Immediate-Corresponding Quarter's Result**

The Group's performance for the current financial quarter and immediate-corresponding quarter are tabled below:

	Unaudited	
	Current	Immediate-
	Quarter	Corresponding
	Ended	Quarter
	31.3.2025	Ended
	RM '000	31.12.2024
		RM '000
Revenue	37,769	27,904
GP	11,500	7,766
PBT	3,352	6,137
GP margin	30.4%	27.8%
PBT margin	8.9%	22.0%

The Group recorded a revenue of RM37.8 million for the current financial quarter ended 31 March 2025, of which RM15.8 million was derived from the sales to Thailand, whilst RM7.0 million was derived from sales to Indonesia and RM15.0 million came from the other countries, such as South Korea, Malaysia, United States of America, Saudi Arabia, and etc.

The Group's revenue increased by approximately 35.4% from RM27.9 million in the immediate-corresponding financial quarter as compared to RM37.8 million in the current financial quarter mainly due to the increase in the sales derived from Thailand and Indonesia by approximately RM4.1 million and RM4.2 million, respectively.

The Group achieved a GP of RM11.5 million and a PBT of RM3.4 million in the current financial quarter as compared to a GP of RM7.8 million and a PBT of RM6.1 million in the immediate-corresponding financial quarter. The GP margin for the current financial quarter at 30.4% is higher than in the immediate-corresponding financial quarter of 27.8%, whereas the PBT margin dropped by 13.1% from 22.0% in the immediate-corresponding financial quarter to 8.9% in the current financial quarter.

The lower PBT for the current financial quarter as compared to the immediate-corresponding financial quarter was primarily attributed to favourable foreign exchange fluctuations in the immediate-corresponding financial quarter which resulted in a RM4.5 million net gain on foreign exchange, as compared to a RM0.6 million net loss on foreign exchange in the current financial quarter.

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

B3. Prospects of the Group

The Group expects the oil and gas industry to remain stable in the coming months with upstream and downstream activities staying active despite ongoing concerns over global tariff hikes and ongoing geopolitical conflicts in Eastern Europe and the Middle East.

The Asia Pacific drilling sector continues to be a strategic priority, driven by increasing energy needs, progress in technology, and supportive regulations especially in countries like China, India, and Indonesia, where investment in drilling infrastructure is expected to expand. PETRONAS, in its latest Activity Outlook report, remains committed to supporting its upstream activities by increasing and maintaining Malaysia's oil and gas production to 2 million barrels of oil equivalent per day between 2025 and 2027. This commitment is underpinned by major projects, including the development of the Kasawari gas field in Sarawak and the redevelopment of existing fields such as Gumusut-Kakap, Bekok, Tabu, and Seligi. These developments are expected to continue to drive the Group's drilling fluids business in the medium to long term. ⁽¹⁾

In short to medium term, challenges such as fluctuating oil prices, geopolitical tensions, and uncertainties in logistics and raw material prices will continue to persist. The Group will continue to monitor and adapt to these changing market dynamics to optimize costs and protect margins.

As part of its diversification strategy, the Group via its wholly-owned subsidiary, SSTCM has entered into a Licencing and Commercialisation Agreement with the Malaysian Palm Oil Board on 7 April 2025. This agreement covers the licencing of technologies to manufacture and commercialise palm-based intermediates, palm-based polyols and bio-based polyester polyols, which are feedstocks for polyurethane products and additives products used in the construction, plastics, rubber, textiles, coatings, adhesives, sealants, elastomers, paints, and other industries. This new sustainable product line is expected to contribute positively to future financial performance of the Group once it is fully commercialised.

Despite macroeconomic headwinds, the Group remains cautiously optimistic in the growth of the global oil and gas industry. The Group will continue to leverage its strengths in drilling, production, and refinery chemicals across upstream, midstream, and downstream segments to drive long-term value for its shareholders and partners.

Reference:

⁽¹⁾ PETRONAS Activity Outlook 2025 – 2027 (released on 29 January 2025)

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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 quarter under review.

B5. Income Tax Expenses

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current Quarter Ended	Corresponding Quarter Ended	Current Period Ended	Corresponding Period Ended
	31.3.2025	31.3.2024 ⁽¹⁾	31.3.2025	31.3.2024 ⁽¹⁾
	RM '000	RM '000	RM '000	RM '000
Current tax expenses	1,266	N/A	1,266	N/A
Deferred tax income	(629)	N/A	(629)	N/A
Total	637	N/A	637	N/A
Effective tax rate (%)⁽²⁾	19.0	N/A	19.0	N/A

Notes:

⁽¹⁾ There are no comparative figures for the corresponding quarter and period 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 period.

N/A - Not applicable.

In the current financial quarter, the Group has recorded a current tax expense of RM1.3 million and the effective tax rate for the current financial quarter is 19.0% which is lower than the statutory tax rate of 24%. This is mainly due to the accelerated capital allowance over depreciation and reinvestment allowance claimed during the current financial quarter. 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

In conjunction with the Company's IPO, the Company has undertaken the following listing scheme:

(a) Acquisition of SSTCM

The acquisition of the entire issued share capital of SSTCM by the Company for a total purchase consideration of RM70.8 million which was wholly satisfied by the issuance of 1,133,600,000 new ordinary shares at an issue price of RM0.0625 per share, which was completed on 7 February 2025.

(b) Listing Exercise

On 13 March 2025, the Company issued its prospectus dated 13 March 2025 ("**Prospectus**") and undertook an IPO comprising a public issue of 310,000,000 new ordinary shares in the Company and an offer for sale of 90,000,000 existing ordinary shares by existing shareholders of the Company at an IPO price of RM0.24 per share. The Company was successfully listed on the ACE Market of Bursa Securities on 9 April 2025.

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

<u>Detail of utilisation</u>	<u>Proposed Utilisation</u>		<u>Estimated timeframe for utilisation from the date of listing</u>
	<u>RM '000</u>	<u>%</u>	
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 31 March 2025, the IPO is pending completion and therefore, the said proceeds have yet to be raised and utilised during the current financial quarter under review.

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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: -

	Unaudited As at 31.3.2025 RM '000	Audited As at 31.12.2024 RM '000
<u>Current Liabilities</u>		
<u>Secured</u>		
Hire purchase payables	790	698
Term loans	1,014	995
Bankers' acceptances	12,201	11,008
	14,005	12,701
<u>Non-current Liabilities</u>		
<u>Secured</u>		
Hire purchase payables	2,608	2,347
Term loans	7,041	7,303
	9,649	9,650
Total	23,654	22,351

The currency exposure profile of the borrowings are as follows:

	Unaudited 31.3.2025 RM '000	Audited 31.12.2024 RM '000
Ringgit Malaysia	19,176	19,095
United States Dollar	4,478	3,256
	23,654	22,351

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.

B10. Dividends

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

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PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B11. Basic/Diluted Earnings per Share**

	Individual Quarter		Cumulative Quarter	
	Unaudited		Unaudited	
	Current	Corresponding	Current	Corresponding
	Quarter	Quarter	Period	Period
	Ended	Ended	Ended	Ended
	31.3.2025	31.3.2024 ⁽¹⁾	31.3.2025	31.3.2024 ⁽¹⁾
	RM '000	RM '000	RM '000	RM '000
Profit attributable to owners of the Company	2,715	N/A	2,715	N/A
Weighted average number of ordinary shares in issue ('000)	1,133,602	N/A	1,133,602	N/A
Basic EPS (sen) ⁽²⁾	0.24	N/A	0.24	N/A
Based on enlarged ordinary shares in issue after the pre-IPO exercise and IPO:				
Number of ordinary shares ('000)	1,443,602	N/A	1,443,602	N/A
Diluted EPS (sen) ⁽³⁾ (for illustrative purposes only)	0.19	N/A	0.19	N/A

Notes:

- (1) There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the Company's share capital of 1,133,601,600 ordinary shares after issuance of shares for the Acquisition of SSTCM.
- (3) Diluted EPS is calculated based on the Company's enlarged share capital of 1,443,601,600 ordinary shares that was listed and presented for illustrative purposes only as the Company does not have any convertible securities as at the end of the financial period.

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**

	Individual Quarter Unaudited		Cumulative Quarter Unaudited	
	Current Quarter Ended 31.3.2025 RM '000	Corresponding Quarter Ended 31.3.2024 ⁽¹⁾ RM '000	Current Period Ended 31.3.2025 RM '000	Corresponding Period Ended 31.3.2024 ⁽¹⁾ RM '000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration	23	N/A	23	N/A
Depreciation:				
- plant and equipment	855	N/A	855	N/A
- right-of-use assets	571	N/A	571	N/A
Directors' remuneration	1,658	N/A	1,658	N/A
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdrafts	2	N/A	1	N/A
- hire purchase payables	40	N/A	40	N/A
- term loans	133	N/A	133	N/A
- others	118	N/A	118	N/A
Interest expense on lease liabilities	32	N/A	32	N/A
Lease expenses:				
- low-value assets	23	N/A	23	N/A
- short-term leases	218	N/A	218	N/A
Staff costs (including other key management personnel):				
- salaries, wages, bonuses and allowances	5,189	N/A	5,189	N/A
- defined contribution benefits	516	N/A	516	N/A
- other benefits	278	N/A	278	N/A
Amortisation of government grant	(51)	N/A	(51)	N/A
Interest income	(263)	N/A	(263)	N/A
Loss on foreign exchange:				
- realised	416	N/A	416	N/A
- unrealised	195	N/A	195	N/A
Gain on modification of leases	(2)	N/A	(2)	N/A
Reversal of impairment loss on inventories	(17)	N/A	(17)	N/A

Notes:

⁽¹⁾ There are no comparative figures for the corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.

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 31.3.2025 RM '000	As at 31.12.2024 RM '000	As at 31.3.2025 RM '000	As at 31.12.2024 RM '000
Derivative assets				
Forward currency contracts	<u>19,294</u>	<u>15,400</u>	<u>207</u>	<u>264</u>
Derivative liabilities				
Forward currency contracts	<u>1,917</u>	<u>3,350</u>	<u>(10)</u>	<u>(93)</u>

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 financial period. The settlement dates of the forward currency contracts range between 1 to 5 months after the end of the financial period.

**BY ORDER OF THE BOARD
SUMISAUJANA GROUP BERHAD
28 MAY 2025**