

**SUPERCOMNET TECHNOLOGIES BERHAD**  
( Company No. : 197527-H )  
( Incorporated in Malaysia )

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	( Unaudited ) First Quarter Ended 30.06.2018 RM ' 000	( Unaudited ) 30.06.2017 RM ' 000	( Unaudited ) Cumulative Quarter Ended 30.06.2018 RM ' 000	( Unaudited ) 30.06.2017 RM ' 000
Revenue		24,218	6,886	36,026	15,183
Cost of Goods Sold		(17,308)	(6,687)	(27,960)	(14,540)
Gross Profit		6,910	199	8,066	643
Other Operating Income (Net)	#	940	329	1,249	713
Administrative Expenses		(1,876)	(774)	(2,695)	(1,580)
Selling and Marketing Expenses		(269)	(23)	(303)	(47)
Other Operating Expenses		(191)	(49)	(257)	(104)
Profit / (loss) from operation		5,514	(318)	6,060	(375)
Finance Costs, net		-	-	-	-
Share of profit of associated company		-	754	489	1,742
Profit before tax		5,514	436	6,549	1,367
Taxation	19	(1,308)	-	(1,338)	-
Profit after tax		4,206	436	5,211	1,367
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		4,206	436	5,211	1,367
Attributable to :					
Equity holders of the parent		4,206	436	5,211	1,367
Non-controlling interest		-	-	-	-
		4,206	436	5,211	1,367
Gross Profit margin (%)		28.53	2.89	22.39	4.23
Profit after tax margin (%)		17.37	6.33	14.47	9.00
Weighted average number of shares ('000)		643,000	243,000	643,000	243,000
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24a	0.65	0.18	0.81	0.56
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Property , plant and equipment written off		(3)	-	(3)	-
Insurance Claim		-	8	-	8
(Loss) / Gain on disposal of property, plant and equipment		(1)	3	(2)	17
Gain from scrap sales and other disposal		275	230	466	450
Rental Income		-	110	110	220
Interest Income		143	19	170	45
Unrealised gain / (loss) on foreign exchange		643	(31)	633	(13)
Realised (loss) / gain on foreign exchange		(117)	(10)	(125)	(14)
		940	329	1,249	713

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2017.

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( Company No. : 197527-H )

( Incorporated in Malaysia )

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2018  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	(Unaudited) As At End Of Current Quarter 30.06.2018 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2017 RM ' 000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Goodwill		48,892	-
Property, Plant and Equipment		13,885	6,999
Prepaid Lease Payments on Leasehold Land		1,995	2,022
Investment in associated company		-	12,488
Deferred tax assets		584	584
		65,356	22,093
<b>Current Assets</b>			
Inventories		18,088	7,520
Trade and Other Receivables		17,563	9,854
Other financial asset		2,095	-
Tax (Prepaid)		247	462
Short-term deposits with licensed bank		19,851	6,002
Cash and Bank Balances		11,903	3,363
		69,747	27,201
Total Assets		135,103	49,294
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent			
Share Capital		106,237	30,237
Retained Profits		19,840	14,629
		126,077	44,866
<b>Non-Current Liability</b>			
Deferred Taxation		727	382
		727	382
<b>Current Liabilities</b>			
Trade Payables		2,292	2,054
Other Payables		3,901	574
Current tax payable		905	12
Accrued expenses		1,201	1,406
		8,299	4,046
Total Liabilities		9,026	4,428
<b>TOTAL EQUITY AND LIABILITIES</b>		135,103	49,294
Net asset per share (RM)		0.20	0.18

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2017.

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	( Unaudited ( Unaudited )	
	2018	2017
	6 months	6 months
	ended	ended
	<b>30.06.2018</b>	<b>30.06.2017</b>
	RM ' 000	RM ' 000
Profit for the period	5,211	1,367
<b>Adjustments for :-</b>		
Depreciation and amortisation of non-current assets	592	370
Property, plant and equipment written off	3	-
Loss /(gain) on disposal of property, plant and equipment	2	(17)
Unrealised (gain)/loss on foreign exchange	(633)	12
Interest income	(170)	(45)
Share of profit of an associated company	(489)	(1,742)
Tax income recognised in profit or loss	1,338	-
Operating profit /(loss) before changes in working capital	<u>5,854</u>	<u>(55)</u>
<b>Changes in Working Capital :-</b>		
Net Change in Inventories : Decrease /(Increase)	471	(326)
Net Change in other current asset : (increase)/Decrease	(3,174)	1,366
Net Change in current liabilities : Increase /(Decrease)	<u>1,882</u>	<u>(1,682)</u>
Cash generated from / (used in) operation	5,033	(697)
Income tax paid	(1,189)	(113)
Income tax refunded	246	308
<b>Net Cash generated from / (used in) operation</b>	<u>4,090</u>	<u>(502)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :-</b>		
Interest received	170	45
Purchase of property, plant and equipment	(2,378)	(145)
Proceeds from disposal of property, plant and equipment	-	58
Net cash inflow from acquisition of a subsidiary (see note below)	14,961	-
Dividend received from associated company	5,200	2,000
<b>Net cash generated from investing activities</b>	<u>17,953</u>	<u>1,958</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :-</b>		
Dividend paid	-	-
<b>Net cash generated from financing activities</b>	<u>-</u>	<u>-</u>
Net change in Cash & Cash Equivalents	22,043	1,456
Cash & Cash Equivalents at beginning of period	9,363	10,429
Effects of foreign exchange rate changes	346	(15)
Cash & Cash Equivalents at end of period	<u>31,752</u>	<u>11,870</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	19,851	9,002
Cash and bank balances	11,903	2,870
	<u>31,754</u>	<u>11,872</u>
Less : Short-term deposit held as security	(2)	(2)
	<u>31,752</u>	<u>11,870</u>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2017.**

Note :	Net cash inflow from the acquisition of a subsidiary	RM ' 000
	cash payment	(4,000)
	less Cash and bank deposits of the subsidiary	18,961
		<u>14,961</u>

**SUPERCOMNET TECHNOLOGIES BERHAD****( Company No. : 197527-H )****( Incorporated in Malaysia )****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	( Unaudited )		
	<---Attributable to equity holders of the parent		
	Share Capital	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000
<b><u>Current Year's 6 months ended 30.06.2018</u></b>			
Balance as of 1st January , 2018	30,237	14,629	44,866
Issuance of new shares	76,000	-	76,000
Total comprehensive income for the period	-	5,211	5,211
Balance as of 30th June 2018	<u>106,237</u>	<u>19,840</u>	<u>126,077</u>
<b><u>Preceding Year's 6 months ended 30.06.2017</u></b>			
Balance as of 1st January 2017	30,237	12,040	42,277
Total comprehensive income for the period	-	1,367	1,367
Balance as of 30th June 2017	<u>30,237</u>	<u>13,407</u>	<u>43,644</u>

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2017**

**SUPERCOMNET TECHNOLOGIES BERHAD**  
**( Company No. : 197527-H )**  
**( Incorporated in Malaysia )**

**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis Of Preparation**

This interim financial report is unaudited and has been prepared in accordance with the requirements of Chapter 9, Continuing Disclosure, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market ("AMLR") and in compliance with Malaysian Financial Reporting Standards ("MFRSs") 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB) and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2017.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

Standards and IC Interpretations in issue but not yet effective

The directors anticipate that the following Standards and IC Interpretations will be adopted in the annual financial statements of the Group when they become mandatorily effective for adoption. The adoption of these Standards and IC Interpretations (IC Int.) is not expected to have a material impact on the financial statements of the Group.

MFRS 9	Financial Instruments (a)
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications) (a)
MFRS 16	Leases (b)
IC Int. 22	Foreign Currency Transactions and Advance Consideration (a)

Amendments to MFRSs . Annual Improvements to MFRSs 2014-2016 Cycle (a)  
(a) Effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.  
(b) Effective for annual periods on or after 1 January 2019 with earlier application is permitted.

**2. Audit Report of Preceding Annual Financial Statements**

The auditors' report on the preceding annual financial statements was not subject to any qualification.

**3. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

**4. Unusual Material Event**

There was no unusual material event during the quarter.

**5. Material Changes In Estimates**

There were no changes in estimates which materially affect the current interim period.

**6. Changes in Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt.  
Additional new shares is issued to the shareholders of associated company as a purchase consideration to acquire whole equity in associated company.

**7. Dividend Paid**

There was no dividend paid during the quarter.

**8. Segmental Reporting**

No segmental analysis is prepared as the Group is primarily operating in the manufacture of wires and cables for harnessing and electronic devices.

**9. Valuations of Property, Plant and Equipment**

Not applicable as the Group did not revalue its property, plant and equipment during the current financial period.

**10. Material Subsequent Events**

There were no material subsequent events.

**11. Significant Event**

There were no significant event occurred during the quarter.

**12. Changes in the Composition of The Group**

Following the completion of Proposed Acquisition as disclosed in Note 20, Supercomal Medical Products has become a wholly own subsidiary of Supercomnet Technologies Berhad with effect from 16th April 2018.

**13. Contingent Liabilities and Contingent Assets**

There was no Contingent liabilities / assets during the financial period under review.

**14. Capital Commitments**

There were no commitment for the purchase of property, plant and equipment as at 30th June 2018.

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**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

**ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS**

**15. Review of Performance**

	Second Quarter Ended		Variance	Cumulative Quarter Ended		Variance
	30.06.2018	30.06.2017		30.06.2018	30.06.2017	
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	24,219	6,886	252	36,026	15,183	137
Operating Profit/(loss)	5,514	(318)	1,834	6,061	(375)	1,716
Profit Before Interest and Tax	5,514	(318)	1,834	6,061	(375)	1,716
Profit Before Tax	5,514	436	1,165	6,550	1,367	379
Profit After Tax	4,206	436	865	5,211	1,367	281
Profit Attributable to Ordinary Equity Holders of the Parent	4,206	436	865	5,211	1,367	281

For the quarter under review, total Group revenue for the six month period ended 30 June 2018 increased by 137% (or RM 20.85 million) from RM 15.18 million to RM 36.03 million. The major contribution to the increment of sales result is due to the acquisition of the remaining 80% of equity in an associated company.

The Group making a profit after tax of RM 5.21 million as compared to the RM 1.37 million for the same quarter of preceding year. The significant increment in profit is also due to the above acquisition.

**16. Comparison with Immediate Preceding Quarter's Result**

On a quarter to quarter basis, the Group posted a profit after tax of RM 4,206,000 as compared to a profit after tax of RM 1,005,000 for the immediate preceding quarter. The significant improvement in the profit is due to the reason mentioned in Note 15.

**17. Prospects For The Financial Year**

Barring any unforeseen circumstances, the prospect of the Group is expected to grow inline with the overall performance of Supercomal Medical Products Sdn Bhd for the remaining quarters.

**18. Profit Forecast or Guarantee**

The Group has not given any profit forecast nor guarantee in respect of any corporate proposals.

**19. Taxation**

Taxation comprises the following :-

	Individual Quarter 30.06.18	Individual Quarter 30.06.17	Cumulative Quarter 30.06.18	Cumulative Quarter 30.06.17
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Taxation charge	(1,308)	-	(1,338)	-
	(1,308)	-	(1,338)	-

**20. Corporate Proposals**

On 13th October 2017, Affin Hwang Investment Bank Berhad ("Affin Hwang IB") had, on behalf of Supercomnet Technologies Berhad ("STB" or "the Company") announced that the Company proposed to undertake the following :-

- (i) Proposed Acquisition of 8,000,000 Ordinary Shares In Supercomal Medical Products Sdn. Bhd. ("SMP"), representing the remaining 80.00% equity interest in SMP not owned by STB, for a total consideration of RM80,000,000 to be satisfied via the issuance of 400,000,000 Ordinary Shares in STB and cash of RM4,000,000 ("Proposed Acquisition"); and
- (ii) Proposed Exemption under Paragraph 4.08(1)(a) of the Rules On Takeovers, Mergers and Compulsory Acquisitions ("Rules") for Shiue, Jong-Zone ("SJZ") and Persons Acting in Concert with him ("PACS"), from the obligation to undertake a mandatory take-over offer to acquire the remaining Ordinary Shares in STB ("STB shares") not already owned by them after the Proposed Acquisition ("Proposed Exemption").

(collectively referred to as "Proposals")

Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 11th December 2017, resolved to approve the listing of and quotation for the 400,000,000 STB Shares to be issued pursuant to the Proposed Acquisition on the Main Market of Bursa Securities, subject to the conditions as detailed in our announcement dated 11th December 2017. The Securities Commission Malaysia had via its letter dated 21st March 2018 approved the Proposed Exemption. The 400,000,000 STB Shares have been issued and allotted to the Vendors on 12th April 2018. Further, the Consideration Shares have been listed and quoted on the ACE Market of Bursa Securities on 16th April 2018, marking the completion of the Proposals.

**21. Borrowings and Debts Securities**

There was no Group borrowings and Debts Securities at the end of the reporting period.

**22. Changes in Material Litigation**

There was no material litigation pending on the date of this announcement.

**23. Dividend**

No dividend was proposed and declared by the Company in the current quarter under review.

**24. Earnings Per Share (EPS)****(a) Basic EPS**

	Individual Quarter		Cumulative Quarter	
	30.06.18	30.06.17	30.06.18	30.06.17
Profit attributable to shareholder (RM)	4,206	436	5,211	1,367
Weighted average number of ordinary shares	643,000	243,000	643,000	243,000
Basic EPS (sen)	0.65	0.18	0.81	0.56

**(b) Fully Diluted EPS**

Not applicable. - - - -

**25. Profit for the Period**

	(Unaudited)		(Unaudited)	
	Second Quarter Ended	En	Cumulative Quarter Ended	
	30.06.18	30.06.17	30.06.18	30.06.17
	RM '000	RM '000	RM '000	RM '000

Profit for the period is arrived at after

crediting/(charging) :

Property, plant and equipment written off	(3)	-	(3)	-
Interest income	143	19	170	45
Rental income	110	110	220	220
Depreciation and amortisation	(171)	(186)	(592)	(370)
(Loss) /gain on disposal of :-				
Property, plant and equipment	(1)	3	(2)	17
Net foreign exchange (loss)	526	(41)	508	(27)

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Securities Ace Market Listing Requirements are not applicable.

**26. Authorization for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 21st August 2018.