

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

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

	Note	(Unaudited) Third Quarter Ended 30.09.2018 RM ' 000	(Unaudited) 30.09.2017 RM ' 000	(Unaudited) Cumulative Quarter Ended 30.09.2018 RM ' 000	(Unaudited) 30.09.2017 RM ' 000
Revenue		25,056	8,567	61,082	23,750
Cost of Goods Sold		(17,931)	(8,130)	(45,891)	(22,670)
Gross Profit		7,125	437	15,191	1,080
Other Operating Income (Net)	#	1,346	299	2,595	1,012
Administrative Expenses		(1,534)	(754)	(4,229)	(2,334)
Selling and Marketing Expenses		(329)	(40)	(632)	(87)
Other Operating Expenses		(192)	(47)	(449)	(151)
Profit / (loss) from operation		6,416	(105)	12,476	(480)
Finance Costs, net		-	-	-	-
Share of profit of associated company		-	978	489	2,720
Profit before tax		6,416	873	12,965	2,240
Taxation	19	(1,474)	-	(2,812)	-
Profit after tax		4,942	873	10,153	2,240
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		4,942	873 #	10,153	2,240
Attributable to :					
Equity holders of the parent		4,942	873 #	10,153	2,240
Non-controlling interest		-	-	-	-
		4,942	873 #	10,153	2,240
Gross Profit margin (%)		28.44	5.10 #	24.87	4.55
Profit after tax margin (%)		19.72	10.19 #	16.62	9.43
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	0.77	0.36	1.58	0.92
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Insurance Claim		-	-	-	8
Property , plant and equipment written off		-	-	(3)	-
(Loss) / Gain on disposal of property, plant and equipment		(1)	-	(3)	17
Gain from scrap sales and other disposal		612	165	1,078	615
Rental Income		28	109	138	329
Interest Income		176	16	346	61
Unrealised gain / (loss) on foreign exchange		267	12	900	(1)
Realised (loss) / gain on foreign exchange		264	(3)	139	(17)
		1,346	299	2,595	1,012

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

	Note	(Unaudited) As At End Of Current Quarter 30.09.2018 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2017 RM ' 000
ASSETS			
Non-Current Assets			
Goodwill		48,892	-
Property, Plant and Equipment		14,162	6,999
Prepaid Lease Payments on Leasehold Land		1,982	2,022
Investment in associated company		0	12,488
Deferred tax assets		584	584
		65,620	22,093
Current Assets			
Inventories		18,995	7,520
Other financial asset		2,095	-
Trade and Other Receivables		19,265	9,854
Tax (Prepaid)		82	462
Short-term deposits with licensed bank		25,084	6,002
Cash and Bank Balances		9,192	3,363
		74,713	27,201
Total Assets		140,333	49,294
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		106,237	30,237
Retained Profits		24,782	14,629
		131,019	44,866
Non-Current Liability			
Deferred Taxation		727	382
		727	382
Current Liabilities			
Trade Payables		2,415	2,054
Other Payables		3,693	574
Current tax payable		1,118	12
Accrued expenses		1,361	1,406
		8,587	4,046
Total Liabilities		9,314	4,428
TOTAL EQUITY AND LIABILITIES		140,333	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.

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

	(Unaudited) 2018 9 months ended 30.09.2018 RM ' 000	(Unaudited) 2017 9 months ended 30.09.2017 RM ' 000
Profit for the period	10,153	2,240
Adjustments for :-		
Depreciation and amortisation of non-current assets	1,035	554
Property, plant and equipment written off	3	-
Loss /(gain) on disposal of property, plant and equipment	3	(17)
Unrealised (gain)/loss on foreign exchange	(900)	1
Interest income	(346)	(61)
Share of profit of an associated company	(489)	(2,720)
Income tax expense recognised in profit or loss	2,812	-
Operating profit before changes in working capital	<u>12,271</u>	<u>(3)</u>
Changes in Working Capital :-		
Net Change in Inventories : (Increase)/Decrease	(436)	1,495
Net Change in other current asset : (Increase)/(Increase)	(1,936)	(510)
Net Change in current liabilities : Increase / (Decrease)	<u>183</u>	<u>(1,174)</u>
Cash generated from / (used in) operation	10,082	(192)
Income tax paid	(2,284)	(169)
Income tax refunded	246	306
Net cash generated from /(used in) operation	<u>8,044</u>	<u>(55)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	346	61
Purchase of property, plant and equipment	(3,086)	(252)
Proceeds from disposal of property, plant and equipment	-	58
Purchase consideration on acquisition of a subsidiary	14,961	-
Dividend received from associated company	5,200	2,000
Net cash generated from investing activities	<u>17,421</u>	<u>1,867</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Dividend paid	-	-
Advances from associated company	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net change in Cash & Cash Equivalents	25,465	1,812
Cash & Cash Equivalents at beginning of period	9,363	10,429
Effects of foreign exchange rate changes	(554)	(18)
Cash & Cash Equivalents at end of period	<u>34,274</u>	<u>12,223</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	25,084	10,002
Cash and bank balances	9,192	2,223
	<u>34,276</u>	<u>12,225</u>
Less : Short-term deposit held as security	(2)	(2)
	<u>34,274</u>	<u>12,223</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.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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
<u>Current Year's 9 months ended 30.09.2018</u>			
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	-	10,153	10,153
Balance as of 30 September 2018	<u>106,237</u>	<u>24,782</u>	<u>131,019</u>
<u>Preceding Year's 9 months ended 30.09.2017</u>			
Balance as of 1st January 2017	30,237	12,040	42,277
Total comprehensive income for the period	-	2,240	2,240
Balance as of 30th September 2017	<u>30,237</u>	<u>14,280</u>	<u>44,517</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)
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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

The Group had two subsidiaries at the reporting date.

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 September 2018.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

	Third Quarter Ended		Variance	Cumulative Quarter End		Variance
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	25,056	8,567	192	61,082	23,750	157
Operating Profit/(loss)	6,416	(105)	6,210	12,476	(480)	2,699
<i>Profit Before Interest and Tax</i>	6,416	(105)	6,210	12,476	(480)	2,699
<i>Profit Before Tax</i>	6,416	873	635	12,965	2,240	479
<i>Profit After Tax</i>	4,942	873	466	10,153	2,240	353
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	4,942	873	466	10,153	2,240	353

For the period under review, total Group revenue for the nine month period ended 30 September 2018 increased by 157% (or RM 37.33 million) from RM 23.75 million to RM 61.08 million due to the improvement of the overall group performance in particular the contribution from the newly acquired subsidiary, Supercomal Medical Products Sdn Bhd(SMP) which has accounted for increase of RM 29 million during the quarter under review. As a result the Group's profit after tax has increased from RM 2.24 million to RM10.15 million, with SMP accounted for RM 8 million of the overall profit during the quarter under review.

For the current quarter under review, Group revenue has been increased by 192% (or RM 16.50 million) from RM 8.60 million to RM 25.10 million while profit after tax also increased by 466% (or RM 4.07 million) from RM 0.87 million to RM 4.94 million due to the reason illustrated above.

16. Comparison with Immediate Preceding Quarter's Result

	Current Qtr		Variance
	30.09.2018	Immediate preceding Quarter	
	RM ' 000	RM ' 000	%
Revenue	25,056	24,218	3
Operating Profit/(loss)	6,416	5,514	16
<i>Profit Before Interest and Tax</i>	6,416	5,514	16
<i>Profit Before Tax</i>	6,416	5,514	16
<i>Profit After Tax</i>	4,942	4,206	17
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	4,942	4,206	17

For the current quarter under review, the Group Revenue increased by 3% (or RM0.84 million) from RM 24.22 million to RM 25.06 million as compared to immediate preceding quarter due to increased order. The Group recorded a 17% (or RM0.73 million) increment in profit after tax to RM 4.94 million in the current quarter as compared to the immediate preceding quarter.

17. Prospects For The Financial Year

Barring any unforeseen circumstances, the prospect of the Group is expected to improve. However, the management is cautiously optimistic on prospect of the performance.

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	Individual	Cumulative Quarter	
	Quarter	Quarter	Quarter	Quarter
	30.09.18	30.09.17	30.09.18	30.09.17
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Taxation charge	(1,474)	-	(2,812)	-
	(1,474)	-	(2,812)	-

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, making 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	
	30.09.18	30.09.17	30.09.18	30.09.17
Profit attributable to shareholder (RM '000)	4,942	873	10,153	2,240
Weighted average number of ordinary share	643,000	243,000	643,000	243,000
Basic EPS (sen)	0.77	0.36	1.58	0.92

(b) Fully Diluted EPS

Not applicable.

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25. Profit for the Period

	(Unaudited)		(Unaudited)	
	Third Quarter Ended		Cumulative Quarter Ended	
	30.09.18	30.09.17	30.09.18	30.09.17
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	176	16	346	61
Rental income	28	109	138	329
Depreciation and amortisation	(443)	(184)	(1,035)	(554)
(Loss) /gain on disposal of :-				
Property, plant and equipment	(1)	-	(3)	17
Property, plant and equipment	-	-	(3)	-
Net foreign exchange (loss) /gain	531	9	1,039	(18)

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 27th November 2018.