

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

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited) Fourth Quarter Ended 31.12.2018 RM ' 000	(Unaudited) 31.12.2017 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.12.2018 RM ' 000	(Unaudited) 31.12.2017 RM ' 000
Revenue		27,206	10,698	88,288	34,447
Cost of Goods Sold		(19,586)	(9,658)	(65,477)	(32,327)
Gross Profit		7,620	1,040	22,811	2,120
Other Operating Income (Net)	#	1,098	660	3,693	1,672
Administrative Expenses		(2,245)	(2,125)	(6,474)	(4,459)
Selling and Marketing Expenses		(470)	(44)	(1,102)	(131)
Other Operating Expenses		(2,876)	(307)	(3,325)	(458)
Profit / (loss) from operation		3,127	(776)	15,603	(1,256)
Finance Costs, net		-	-	-	-
Share of profit of associated company		-	569	489	3,289
Profit before tax		3,127	(207)	16,092	2,033
Taxation	19	(1,107)	556	(3,919)	556
Profit after tax		2,020	349	12,173	2,589
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		2,020	349 #	12,173	2,589
Attributable to :					
Equity holders of the parent		2,020	349 #	12,173	2,589
Non-controlling interest		-	-	-	-
		2,020	349 #	12,173	2,589
Gross Profit margin (%)		28.01	9.72 #	25.84	6.15
Profit after tax margin (%)		9.72	3.26 #	14.50	7.52
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	0.31	0.14 #	1.89	1.07
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Insurance Claim		-	-	-	8
Property , plant and equipment written off		-	(1)	(3)	(1)
(Loss) / Gain on disposal of property, plant and equipment		-	41	(3)	58
Gain from scrap sales and other disposal		268	255	1,346	870
Rental Income		13	110	151	439
Interest Income		428	259	774	320
Unrealised gain / (loss) on foreign exchange		(218)	(6)	682	(7)
Realised (loss) / gain on foreign exchange		607	2	746	(15)
		1,098	660	3,693	1,672

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.

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited)	(Audited)
Note	As At End Of Current Quarter 31.12.2018 RM ' 000	As At Preceding Financial Year End 31.12.2017 RM ' 000
ASSETS		
Non-Current Assets		
Intangible Asset	26,051	-
Goodwill	20,230	-
Property, Plant and Equipment	14,036	6,999
Prepaid Lease Payments on Leasehold Land	1,968	2,022
Investment in associated company	0	12,488
Deferred tax assets	507	584
	62,792	22,093
Current Assets		
Inventories	17,099	7,520
Other financial asset	2,167	-
Trade and Other Receivables	19,889	9,854
Tax (Prepaid)	360	462
Short-term deposits with licensed bank	37,048	6,002
Cash and Bank Balances	2,479	3,363
	79,042	27,201
Total Assets	141,834	49,294
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	106,237	30,237
Fair value reserve	0	-
Retained Profits	26,802	14,629
	133,039	44,866
Non-Current Liability		
Deferred Taxation	862	382
	862	382
Current Liabilities		
Trade Payables	1,500	2,054
Other Payables	3,461	574
Current tax payable	1,028	12
Accrued expenses	1,944	1,406
	7,933	4,046
Total Liabilities	8,795	4,428
TOTAL EQUITY AND LIABILITIES	141,834	49,294
Net asset per share (RM)	0.21	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 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2018 12 months ended 31.12.2018 RM ' 000	(Unaudited) 2017 12 months ended 31.12.2017 RM ' 000
Profit for the period	12,173	2,589
Adjustments for :-		
Depreciation and amortisation of non-current assets	4,100	661
Inventories written down	-	237
Property, plant and equipment written off	3	1
Loss /(gain) on disposal of property, plant and equipment	3	(58)
Unrealised (gain)/loss on foreign exchange	(682)	7
Interest income	(774)	(320)
Share of profit of an associated company	(489)	(3,289)
Tax Income recognised in profit or loss	3,919	(556)
Operating profit before changes in working capital	18,253	(728)
Changes in Working Capital :-		
Net Change in Inventories : (Increase)/Decrease	1,461	(235)
Net Change in other current asset: (Increase)/(Increase)	(2,560)	(1,730)
Net Change in current liabilities : Increase / (Decrease)	(381)	102
Cash generated from / (used in) operation	16,773	(2,591)
Income tax paid	(3,546)	(254)
Income tax refunded	246	306
Net cash generated from /(used in) operation	13,473	(2,539)
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	774	193
Purchase of property, plant and equipment	(3,403)	(784)
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	17,532	1,467
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Dividend paid	-	-
Advances from associated company	-	12
Net cash generated from financing activities	-	12
Net change in Cash & Cash Equivalents	31,005	(1,060)
Cash & Cash Equivalents at beginning of period	9,363	10,429
Effects of foreign exchange rate changes	(843)	(6)
Cash & Cash Equivalents at end of period	39,525	9,363
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	37,048	6,002
Cash and bank balances	2,479	3,363
	39,527	9,365
Less : Short-term deposit held as security	(2)	(2)
	39,525	9,363

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)			
	<--- Attributable to equity holders of the parent ---->			
	Share Capital	Share Premium	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 12 months ended 31.12.2018</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	-	-	12,173	12,173
Balance as of 31st December 2018	<u>106,237</u>	<u>-</u>	<u>26,802</u>	<u>133,039</u>
<u>Preceding Year's 12 months ended 31.12.2017</u>				
Balance as of 1st January 2017	24,300	5,937	12,040	42,277
Total comprehensive income for the period	-	-	2,589	2,589
Transfer arising from "no par value "	5,937	(5,937)	-	-
Balance as of 31st December 2017	<u>30,237</u>	<u>-</u>	<u>14,629</u>	<u>44,866</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
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31st December 2018.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

	Fourth Quarter Ended		Variance	Cumulative Quarter End		Variance
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	27,206	10,698	154	88,288	34,447	156
Operating Profit/(loss)	3,127	(776)	503	15,603	(1,256)	1,342
Profit/(loss) before Interest and Tax	3,127	(776)	503	15,603	(1,256)	1,342
Profit/(loss) before Tax	3,127	(207)	1,610	16,092	2,033	692
Profit After Tax	2,020	349	479	12,173	2,589	370
Profit Attributable to Ordinary Equity Holders of the Parent	2,020	349	479	12,173	2,589	370

For the current quarter under review, Group revenue has been increased by 154% (or RM 16.51 million) from RM 10.70 million to RM 27.21 million while profit after tax increased by 479% (or RM 1.67 million) from RM 0.35 million to RM 2.02 million.

Cumulatively, total Group revenue for the twelve month period ended 31 December 2018 increased by 156% (or RM 53.84 million) from RM 34.45 million to RM 88.29 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 45 million during the quarter under review. As a result the Group's profit after tax has increased from RM 2.59 million to RM12.17 million, with SMP accounted for RM 11.8 million of the overall profit during the quarter under review.

16. Comparison with Immediate Preceding Quarter's Result

	Current Qt:	Immediate preceding Quarter	Variance
	31.12.2018		%
	RM ' 000	RM ' 000	
Revenue	27,206	25,056	9
Operating Profit/(loss)	3,127	6,416	(51)
Profit Before Interest and Tax	3,127	6,416	(51)
Profit Before Tax	3,127	6,416	(51)
Profit After Tax	2,020	4,942	(59)
Profit Attributable to Ordinary Equity Holders of the Parent	2,020	4,942	(59)

For the current quarter under review, the Group Revenue increased by 9% (or RM2.15 million) from RM 25.06 million to RM 27.21 million as compared to immediate preceding quarter due to increased order.

The Group recorded a 59% (or RM2.922 million) reduction in profit after tax of RM 2.020 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	31.12.18	31.12.17
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Taxation charge	(1,107)	-	(3,919)	-
	(1,107)	-	(3,919)	-

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	
	31.12.18	31.12.17	31.12.18	31.12.17
Profit attributable to shareholder (RM '000)	2,020	349	12,173	2,589
Weighted average number of ordinary shares ('000)	643,000	243,000	643,000	243,000
Basic EPS (sen)	0.31	0.14	1.89	1.07

(b) Fully Diluted EPS

Not applicable. - - - -

25. Profit for the Period

	(Unaudited) Fourth Quarter Ended		(Unaudited) Cumulative Quarter Ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	428	259	774	320
Rental income	13	110	151	439
Depreciation and amortisation	(3,064)	(107)	(4,100)	(661)
(Loss) /gain on disposal of :-				
Property , plant and equipment	-	41	(3)	58
Property , plant and equipment written off	-	(1)	(3)	(1)
Net foreign exchange (loss) /gain	389	(4)	1,428	(22)

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 25th February 2019.