

SUMATEC RESOURCES BERHADCompany No. 428355-D
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31-Dec-17 RM'000	Preceding Year Corresponding Quarter 31-Dec-16 RM'000	Current Year To Date 31-Dec-17 RM'000	Preceding Year Corresponding Period 31-Dec-16 RM'000
Revenue	A8	16,852	8,108	29,041	46,407
Other income		3,225	11,934	11,873	28,418
Operating expenses		<u>(80,033)</u>	<u>(19,730)</u>	<u>(97,299)</u>	<u>(42,730)</u>
Operating (loss) / profit		(59,956)	312	(56,385)	32,095
Finance costs		<u>(1,597)</u>	<u>(582)</u>	<u>(3,291)</u>	<u>(2,303)</u>
(Loss) / Profit before taxation	A8	(61,553)	(270)	(59,676)	29,792
Tax expense	B5	<u>(3,991)</u>	<u>1,783</u>	<u>(3,991)</u>	<u>(2,420)</u>
(Loss) / Profit for the financial period		(65,544)	1,513	(63,667)	27,372
Other comprehensive income / (loss)					
- Foreign currency translation differences for foreign operations		<u>326</u>	<u>508</u>	<u>(388)</u>	<u>656</u>
Total comprehensive (loss) / income for the period		<u>(65,218)</u>	<u>2,021</u>	<u>(64,055)</u>	<u>28,028</u>
(Loss) / Profit for the financial period attributable to:					
Owners of the Company		<u>(65,544)</u>	<u>1,513</u>	<u>(63,667)</u>	<u>27,372</u>
Total comprehensive (loss) / income for the financial period attributable to:					
Owners of the Company		<u>(65,218)</u>	<u>2,021</u>	<u>(64,055)</u>	<u>28,028</u>
(Loss) / Earnings per share	B13				
(a) Basic (loss) / earnings per share (sen)		<u>(1.58)</u>	<u>0.04</u>	<u>(1.62)</u>	<u>0.79</u>
(b) Diluted (loss) / earnings per share (sen)		<u>(1.58)</u>	<u>0.04</u>	<u>(1.62)</u>	<u>0.79</u>

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes to this interim financial report.

SUMATEC RESOURCES BERHADCompany No. 428355-D
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	31-Dec-17 RM'000	Audited 31-Dec-16 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	1,383	1,999
Intangible asset		298,954	299,428
Trade and other receivables		242,915	246,321
Total non-current assets		<u>543,252</u>	<u>547,748</u>
Current assets			
Trade and other receivables		306,035	284,183
Fixed deposit with a licensed bank		230	230
Cash and bank balances		1,165	141
Total current assets		<u>307,430</u>	<u>284,554</u>
TOTAL ASSETS		<u><u>850,682</u></u>	<u><u>832,302</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company:			
Share capital	A6	722,169	541,256
Other reserves		157,412	322,611
Accumulated losses		(289,805)	(226,138)
Total equity		<u>589,776</u>	<u>637,729</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		2,957	7,394
Total non-current liabilities		<u>2,957</u>	<u>7,394</u>
Current liabilities			
Trade and other payables		224,723	162,381
Tax payable		10,696	2,268
Term loan	B9	22,530	22,530
Total current liabilities		<u>257,949</u>	<u>187,179</u>
TOTAL LIABILITIES		<u>260,906</u>	<u>194,573</u>
TOTAL EQUITY AND LIABILITIES		<u><u>850,682</u></u>	<u><u>832,302</u></u>
NET ASSETS PER SHARE (sen)		13.87	16.50

The condensed statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes to this interim financial report.

SUMATEC RESOURCES BERHAD

Company No. 428355-D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017

	Attributable to owners of the Company						Accumulated losses RM'000	Total equity RM'000
	Non-distributable		Warrant reserve RM'000	Employee share option reserve RM'000	Capital reserve RM'000	Translation reserve RM'000		
	Share Capital RM'000	Share Premium RM'000						
Balance as at 1 January 2017	541,256	164,562	142,580	249	17,186	(1,966)	(226,138)	637,729
Adjustments for effects of Companies Act 2016 (Note a)	164,562	(164,562)	-	-	-	-	-	-
Other comprehensive loss for the financial period	-	-	-	-	-	(388)	-	(388)
Net loss for the financial period	-	-	-	-	-	-	(63,667)	(63,667)
Total comprehensive (loss) / income for the financial period	-	-	-	-	-	(388)	(63,667)	(64,055)
Transactions with owners:								
Private placement	19,112							19,112
Shares issuance expenses	(2,761)							(2,761)
Employee share options forfeited				(249)				(249)
Total transactions with owners	16,351	-	-	(249)	-	-	-	16,102
Balance as at 31 December 2017	722,169	-	142,580	-	17,186	(2,354)	(289,805)	589,776
Balance as at 1 January 2016	490,146	165,756	142,580	4,211	17,187	(2,622)	(166,378)	650,880
Other comprehensive income for the financial period	-	-	-	-	-	656	-	656
Net loss for the financial period	-	-	-	-	-	-	(62,018)	(62,018)
Total comprehensive income /(loss) for the financial period	-	-	-	-	-	656	(62,018)	(61,362)
Transactions with owners:								
Exercise of ESOS	2,352	50	-	-	-	-	-	2,402
Employee share options forfeited	-	-	-	(3,445)	-	-	2,258	(1,187)
Private placement	48,758							48,758
Share issuance expenses	-	(1,762)						(1,762)
Total transactions with owners	51,110	(1,712)	-	(3,445)	-	-	2,258	48,211
Transferred to share premium for ESOS exercised	-	517	-	(517)	-	-	-	-
Balance as at 31 December 2016	541,256	164,561	142,580	249	17,187	(1,966)	(226,138)	637,729

Note a

With the Companies Act 2016 ("CA") coming into effect on 31 January 2017, the credit standing in the share premium account of RM164,562,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the CA, the Group may exercise its right to use the credit amounts being transferred from share premium within 24 months after the commencement of the CA. The Board of Directors will make a decision thereon by 31 January 2019.

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes to this interim financial report.

INTERIM FINANCIAL REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	31-Dec-17 RM'000	31-Dec-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(59,676)	29,792
Adjustments for:		
Depreciation of property, plant and equipment	261	538
Loss on disposal of property, plant and equipment	22	-
Amortisation of intangible asset	475	1,176
Finance costs	3,291	2,303
Interest income	(10)	(29)
Unrealised loss on foreign exchange	21,843	(13,005)
Share option granted under ESOS, net of forfeiture	(249)	(1,188)
Amortisation of unwinding discount on financial assets	(11,528)	-
Impairment on receivables	-	6,280
Provision for liabilities	51,869	-
Property, plant and equipment written off	326	1,816
Operating profit before changes in working capital	6,624	27,683
Changes in working capital:		
Trade and other receivables	(37,706)	(69,686)
Trade and other payables	15,748	(7,843)
Cash used in operations	(15,334)	(49,846)
Net interest received / (paid)	2	(10)
Tax paid	-	(296)
Net cash used in operating activities	(15,332)	(50,152)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	6	-
Net cash generated from investing activities	6	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	16,350	49,398
Net cash generated from financing activities	16,350	49,398
CASH AND CASH EQUIVALENTS		
Net increase / (decrease)	1,024	(754)
At beginning of financial period	371	1,125
At end of the financial period	1,395	371
CASH AND CASH EQUIVALENTS:		
Fixed deposit with a licensed bank	230	230
Cash and bank balances	1,165	141
	1,395	371

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes to this interim financial report.