

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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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 2018.

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 2018.

Title	Effective Date
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 128 Long-term Interest in Associates and Joint Venture	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 3 Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 11 Annual Improvements to MFRS Standards 2015-2017 Cycle.	1 January 2019
Amendments to MFRS 112 Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 123 Annual Improvements to MFRS Standards 2015-2017 Cycle.	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019

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

A first and final single tier dividend of 1 sen per share together with a special single tier dividend of 0.5 sen per share, amounting to RM 9,645,000 in respect of financial year ended 31 December 2018, was paid on 14 June 2019.

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 June 2019.

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ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

	Second Quarter Ended		Variance %	Cumulative Quarter Ended		Variance %
	30.06.2019 RM ' 000	30.06.2018 RM ' 000		30.06.2019 RM ' 000	30.06.2018 RM ' 000	
Revenue	30,573	24,218	26.24	55,544	36,026	54.18
Operating Profit/(loss)	6,862	5,514	24.45	11,916	6,060	96.64
Profit/(loss)before Interest and T	6,862	5,514	24.45	11,916	6,549	81.95
Profit /(loss)before Tax	6,853	5,514	24.29	11,895	6,549	81.63
Profit After Tax	5,327	4,206	26.65	9,074	5,211	74.13
Profit Attributable to Ordinary Equity Holders of the Parent	5,327	4,206		9,074	5,211	

For the current quarter under review , Group revenue has been increased by 54.18% (or RM19.51 million) from RM 36.03 million to RM 55.54 million while profit after tax increased by 74.13 % (or RM 3.86 million) from RM 5.21 million to RM 9.07 million mainly due to the contribution from the acquisition of the 80 % remaining share of Supercomal Medical Products Sdn. Bhd.

16. Comparison with Immediate Preceding Quarter's Result

	Current Qtr	Immediate preceding Quarter	Variance %
	30.06.2019 RM ' 000		
Revenue	30,573	24,971	22.43
Operating Profit/(loss)	6,862	5,054	35.78
Profit Before Interest and Tax	6,862	5,054	35.78
Profit Before Tax	6,853	5,042	35.92
Profit After Tax	5,327	3,747	42.17
Profit Attributable to Ordinary Equity Holders of the Parent	5,327	3,747	42.17

For the second single quarter under review, the Group Revenue increased by 22.43 % (or RM5.60 million) from RM 24.97 million to RM 30.57 million as compared to immediate preceding quarter due to increased sales order .

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 Quarter	Individual Quarter	Cumulative Quarter	
	30.06.2019 RM ' 000	30.06.2018 RM ' 000	30.06.2019 RM ' 000	30.06.2018 RM ' 000
Taxation charge	(1,526)	(1,308)	(2,821)	(1,338)
	(1,526)	(1,308)	(2,821)	(1,338)

20. Corporate Proposals

On 20 January 2019, Amn nwang investment bank berhad nau, on behalf of Supercomnet technologies berhad ("STB" or "Company") announced that the Company proposed to undertake the following:

- (i) bonus issue of up to 214,333,333 free warrants in STB ("Warrant(s)") on the basis of one (1) Warrant for every three (3) existing shares in STB ("STB Share(s)" or "Share(s)") held on the entitlement date to be determined later ("Entitlement Date") ("Bonus Issue of Warrants"); and
- (ii) establishment of an employees' share option scheme of up to ten percent (10%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the scheme for eligible Directors and employees of STB and its subsidiaries (excluding subsidiaries which are dormant, if any) ("ESOS")

(collectively referred to as "Proposals")

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 2 April 2019, resolved to approve the following:

- (i) admission to the Official List and listing of and quotation for up to 214,333,333 Warrants to be issued pursuant to the Bonus Issue of Wa
- (ii) listing of and quotation for up to 214,333,333 new STB Shares to be issued arising from the exercise of the Warrants; and
- (iii) listing of such number of new STB Shares, representing up to 10% of the total number of issued shares of STB (excluding shares) to be issued pursuant to the ESOS.

The shareholders of STB had approved the Proposals via an extraordinary general meeting held on 28 May 2019. The Bonus Issue of Warrants has been completed on 28 June 2019 following the listing of and quotation for the Warrants on the ACE Market of Bursa Securities on 28 June 2019.

The effective date for the ESOS has not been determined as at 30 June 2019.

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

During the financial period ended 30 June 2019, the Company paid a first and final single tier dividend per 1 sen per share together with a special single tier dividend of 0.5 sen per share, amounting to RM 9,645,000 in respect of financial year ended 31 December 2018

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

	Individual Quarter		Cumulative Quarter	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to shareholder (RM '000)	5,327	4,206	9,074	5,211
Weighted average number of ordinary shares ('000)	643,000	643,000	643,000	643,000
Basic EPS (sen)	0.83	0.65	1.41	0.81

(b) Fully Diluted EPS

Not applicable.

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25. Profit for the Period

	(Unaudited) Second Quarter Ended		(Unaudited) Cumulative Quarter Ended	
	30.06.2019 RM ' 000	30.06.2018 RM ' 000	30.06.2019 RM ' 000	30.06.2018 RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	255	143	373	170
Rental income	-	-	29	110
Depreciation and amortisation	(1,372)	(421)	(2,745)	(592)
(Loss) /gain on disposal of :-				
Property , plant and equipment	(267)	(1)	(267)	(2)
Property , plant and equipment written off	-	(3)	-	(3)
Net foreign exchange (loss) /gain	365	526	247	508

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 August 2019.