

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPT 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.

<b>Title</b>	<b>Effective Date</b>
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**

There was no dividend paid during the quarter under review.

**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 2019.

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2019

**ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS**

**15. Review of Performance**

	Third Quarter Ended		Variance %	Cumulative Quarter Ended		Variance %
	30.09.2019 RM ' 000	30.09.2018 RM ' 000		30.09.2019 RM ' 000	30.09.2018 RM ' 000	
Revenue	35,029	25,056	39.80	90,573	61,082	48.28
Operating Profit/(loss)	6,797	6,416	5.94	18,692	12,476	49.82
Profit/(loss)before Interest and T	6,797	6,416	5.94	18,692	12,476	49.82
Profit /(loss)before Tax	6,797	6,416	5.94	18,692	12,965	44.17
Profit After Tax	5,185	4,942	4.91	14,259	10,153	40.44
Profit Attributable to Ordinary Equity Holders of the Parent	5,185	4,942		14,259	10,153	

For the period under review , Group revenue has been increased by 48.28% (or RM29.49 million) from RM 61.08 million to RM 90.57 million whereby Supercomal Medical Product(SMP) contribute 20.61 million of the sales increment.

The profit after tax increased by 40.44 % ( or RM 4.11 million) from RM 10.15 million to RM 14.26 million after the amortisation of RM 3 million intangible assets. The improvement in profit mainly due to contribution from SMP which accounted 80% of profit for the period .

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

	Current Qtr	Immediate preceding Quarter	Variance %
	30.09.2019 RM ' 000		
Revenue	35,029	30,573	14.57
Operating Profit/(loss)	6,797	6,862	(0.95)
Profit Before Interest and Tax	6,797	6,862	(0.95)
Profit Before Tax	6,797	6,853	(0.82)
Profit After Tax	5,185	5,327	(2.67)
Profit Attributable to Ordinary Equity Holders of the Parent	5,185	5,327	(2.67)

For the third quarter under review, the Group Revenue increased by 14.57 % (or RM4.45 million) from RM 30.57 million to RM 35.02 million as compared to immediate preceding quarter due to increased sales order mainly from a subsidiary ie Supercomal Advanced Cables Sdn Bhd (SAC) .

The profit after tax has decreased due to lower margin and increased of amortisation of Intangible assets amounting to RM 675,000

**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	
	30.09.2019 RM ' 000	30.09.2018 RM ' 000	30.09.2019 RM ' 000	30.09.2018 RM ' 000
Taxation charge	(1,612)	(1,474)	(4,433)	(2,812)
	(1,612)	(1,474)	(4,433)	(2,812)

**20. Corporate Proposals**

On 28 January 2019, Affin Hwang Investment Bank Berhad had, on behalf of Supercomnet Technologies Berhad ("STB" or "Company") announced that the Company proposed to undertake the following:

- 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 ordinary 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
- 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:

- 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 Warrants;
- listing of and quotation for up to 214,333,333 new STB Shares to be issued arising from the exercise of the Warrants; and
- listing of such number of new STB Shares, representing up to 10% of the total number of issued shares of STB (excluding treasury 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 implementation of the ESOS is on 18 September 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**

There was no dividend paid during the financial quarter under review.

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

(a) Basic EPS

	Individual Quarter		Cumulative Quarter	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit attributable to shareholder (RM '000)	5,185	4,942	14,259	10,153
Weighted average number of ordinary shares ('000)	643,000	643,000	643,000	643,000
Basic EPS (sen)	0.81	0.77	2.22	1.58

(b) Fully Diluted EPS

Not applicable.

**25. Profit for the Period**

	(Unaudited) Third Quarter Ended		(Unaudited) Cumulative Quarter Ended	
	30.09.2019 RM ' 000	30.09.2018 RM ' 000	30.09.2019 RM ' 000	30.09.2018 RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	296	176	669	346
Rental income	(8)	28	21	138
Depreciation and amortisation	(1,714)	(443)	(4,459)	(1,035)
(Loss) /gain on disposal of :-				
Property , plant and equipment	-	(1)	(267)	(3)
Property , plant and equipment written off	-	-	-	(3)
Net foreign exchange (loss) /gain	407	531	654	1,039

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 26th November 2019.