

**SUPERCOMNET TECHNOLOGIES BERHAD**  
**( Company No. : 199001005958 (197527-H) )**  
**( Incorporated in Malaysia )**

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

**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 2019.

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 2019.

**New MFRS adopted during the financial year**

The Group and the Company adopted the following Standards of the MFRS Framework that are issued by the Malaysian Accounting Standards Board (MASB) during the financial year.

Title	Effective Date
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16 Covid-19 - Related Rent Concessions	1 June 2020

**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 equity securities during the quarter under review.

**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 RM9,644,999.99 in respect of the financial year ended 31 December 2019 was approved in the Annual General Meeting held on 9 July 2020 and paid on 30 July 2020.

**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 during the financial period under review.

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**11. Significant Event**

There is no significant event during the financial period under review.

**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 2020.

**15. Review of Performance**

	Third Quarter Ended		Variance	Cumulative Quarter Ended		Variance
	30.09.2020	30.09.2019		30.09.2020	30.09.2019	
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	37,758	35,029	7.79	90,067	90,573	(0.56)
Operating Profit/(loss)	6,898	6,797	1.48	20,537	18,692	9.87
Profit/(loss)before Interest and Tax	6,898	6,797	1.48	20,537	18,692	9.87
Profit/(loss)before Tax	6,898	6,797	1.48	20,537	18,692	9.87
Profit After Tax	5,157	5,185	(0.54)	15,206	14,259	6.64
Profit Attributable to Ordinary Equity Holders of the Parent	5,157	5,185		15,206	14,259	

For the quarter under review, the Group generated an increased revenue from RM 35.029 million (3rd quarter ended September 2019) to RM 37.758 million (current quarter ended September 2020). i.e. 7.79% or RM 2.729 million.

The cumulative revenue recorded during the third quarter has reduced marginally by RM 0.506 million (or 0.56 %) from RM 90.573 million (September 2019) to RM 90.067 million (September 2020). The cumulative profit has increased by RM0.947 million (or 6.64%), from RM 14.259 million to RM 15.206 million mainly due to contribution from Supercomal Medical Products Sdn. Bhd. (SMP).

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

	Current Qtr 30.09.2020	Immediate preceding Quarter	Variance
	RM ' 000	RM ' 000	%
Revenue	37,758	24,161	56.28
Operating Profit/(loss)	6,898	8,145	(15.31)
Profit Before Interest and Tax	6,898	8,145	(15.31)
Profit Before Tax	6,898	8,145	(15.31)
Profit After Tax	5,157	5,952	(13.36)
Profit Attributable to Ordinary Equity Holders of the Parent	5,157	5,952	(13.36)

As compared to the immediate preceding quarter, the Group's revenue has increased by RM13.597 million (or 56.28%) from RM 24.161 million (June 2020) to RM 37.758 million (September 2020), mainly contributed by an increased sales from Supercomnet Technologies Berhad (STB) and Supercomal Medical Products Sdn. Bhd. (SMP). However, the profit after tax declined by RM 0.795 million (or 13.36%) from RM 5.952 million to RM 5.157 million. The declined in profit was attributed to a substantial amount of sales recorded by STB at a very competitive margin. The deterioration of the profit was also due to the increase in the labour cost and lower foreign exchange income due to unfavourable foreign exchange rate.

**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.

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**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 30.09.2020 RM ' 000	Individual Quarter 30.09.2019 RM ' 000	Cumulative Quarter 30.09.2020 RM ' 000	Cumulative Quarter 30.09.2019 RM ' 000
Taxation charge	(1,741)	(1,612)	(5,331)	(4,433)
	<u>(1,741)</u>	<u>(1,612)</u>	<u>(5,331)</u>	<u>(4,433)</u>

**20. Corporate Proposals**

There was no corporate proposals exercised during the period ended 30th September 2020.

**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**

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 RM9,644,999.99 in respect of the financial year ended 31 December 2019 was approved in the Annual General Meeting held on 9 July 2020 and paid on 30 July 2020.

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

(a) Basic EPS

	Individual Quarter 30.09.2020	Individual Quarter 30.09.2019	Cumulative Quarter 30.09.2020	Cumulative Quarter 30.09.2019
Profit attributable to shareholder (RM '000)	5,157	5,185	15,206	14,259
Weighted average number of ordinary shares ('000)	665,678	643,000	665,678	643,000
Basic EPS (sen)	0.77	0.81	2.28	2.22

(b) Fully Diluted EPS

	Individual Quarter 30.09.2020	Individual Quarter 30.09.2019	Cumulative Quarter 30.09.2020	Cumulative Quarter 30.09.2019
Profit attributable to shareholder (RM '000)	5,157	5,185	15,206	14,259
Weighted average number of ordinary shares ('000)	665,678	643,000	665,678	643,000
Warrant shares deemed to be issued for no consideration	70,656	-	70,656	-
	<u>736,334</u>	<u>643,000</u>	<u>736,334</u>	<u>643,000</u>
Diluted EPS (sen)	0.70	0.81	2.07	2.22

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**25. Profit for the Period**

	(Unaudited)		(Unaudited)	
	Third Quarter Ended		Cumulative Quarter Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	264	296	552	669
Rental income	8	(8)	20	21
Depreciation and amortisation	(1,445)	(1,372)	(4,334)	(4,459)
(Loss) /gain on disposal of :-				
Property , plant and equipment	1.00	-	1	(267)
Property , plant and equipment written off	(14)	-	(24)	-
Net foreign exchange gain /(loss)	(370)	407	806	654

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. Authorisation 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 November 2020.