

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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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.

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 31st December 2019.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DEC 2019

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

	Fourth Quarter Ended		Variance %	Cumulative Quarter Ended		Variance %
	31.12.2019 RM ' 000	31.12.2018 RM ' 000		31.12.2019 RM ' 000	31.12.2018 RM ' 000	
Revenue	32,396	27,206	19.08	122,969	88,288	39.28
Operating Profit/(loss)	4,919	3,127	57.30	23,613	15,603	51.34
Profit/(loss)before Interest and T	4,919	3,127	57.30	23,613	15,603	51.34
Profit /(loss)before Tax	4,919	3,127	57.30	23,613	16,092	46.74
Profit After Tax	4,560	2,020	125.73	18,821	12,173	54.61
Profit Attributable to Ordinary Equity Holders of the Parent	4,560	2,020		18,821	12,173	

For the year under review, Group revenue has been increased by 39.28% (or RM34.68 million) from RM 88.29 million to RM 122.97 million due to increasing sales from existing customers of subsidiaries.

The profit after tax increased by 54.61 % (or RM 6.65 million) from RM 12.17 million to RM 18.82 million after amortisation of RM 4 million intangible assets. The major improvement in profits for the year were contributed by subsidiaries.

16. Comparison with Immediate Preceding Quarter's Result

	Current Qtr		Variance %
	31.12.2019 RM ' 000	Immediate preceding Quarter RM ' 000	
Revenue	32,396	35,029	(7.52)
Operating Profit/(loss)	4,919	6,797	(27.63)
Profit Before Interest and Tax	4,919	6,797	(27.63)
Profit Before Tax	4,919	6,797	(27.63)
Profit After Tax	4,560	5,185	(12.06)
Profit Attributable to Ordinary Equity Holders of the Parent	-	5,185	(12.06)

For the fourth quarter under review, the Group Revenue decreased by 7.52 % (or RM2.63 million) from RM 35.02 million to RM 32.39 million as compared to immediate preceding quarter despite the increased in the revenue for the year.

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	
	31.12.2019 RM ' 000	31.12.2018 RM ' 000	31.12.2019 RM ' 000	31.12.2018 RM ' 000
Taxation charge	(359)	(1,107)	(4,792)	(3,919)
Deferred taxation	966	-	966	-
	607	(1,107)	(3,826)	(3,919)

20. Corporate Proposals

There are no corporate proposal during the period ended 31st December 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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit attributable to shareholder (RM '000)	4,560	2,020	18,821	12,173
Weighted average number of ordinary shares ('000)	643,000	643,000	643,000	643,000
Basic EPS (sen)	0.71	0.31	2.93	1.89

(b) Fully Diluted EPS

Not applicable.

25. Profit for the Period

	(Unaudited) Fourth Quarter Ended		(Unaudited) Cumulative Quarter Ended	
	31.12.2019 RM ' 000	31.12.2018 RM ' 000	31.12.2019 RM ' 000	31.12.2018 RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	487	428	1156	774
Rental income	6	13	27	151
Depreciation and amortisation	(1,366)	(3,065)	(5,865)	(4,100)
(Loss) /gain on disposal of :-				
Property , plant and equipment	(1)	-	(268)	(3)
Property , plant and equipment written off	-	-	-	(8)
Net foreign exchange (loss) /gain	(108)	389	546	1,428

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 2020.