

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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 Dat
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

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 during the financial period under review.

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NOTES TO THE INTERIM FINANCIAL REPORT

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 31st December 2020.

15. Review of Performance

	Fourth Quarter Ended		Variance	Cumulative Quarter Ended		Variance
	31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	38,344	32,396	18.36	128,411	122,973	4.42
Operating Profit/(loss)	9,916	4,919	101.58	30,453	23,618	28.94
Profit/(loss)before Interest and Tax	9,916	4,919	101.58	30,453	23,618	28.94
Profit/(loss)before Tax	9,916	4,919	101.58	30,453	23,618	28.94
Profit After Tax	7,380	4,560	61.83	22,586	19,382	16.53
Profit Attributable to Ordinary Equity Holders of the Parent	7,380	4,560		22,586	19,382	

For the quarter under review, the Group recorded a growth in revenue of RM 5.948 million (or 18.36%) from RM 32.396 million (December 2019) to RM 38.344 million (December 2020). The profit after tax of the group has increased by RM 2.280 million (or 61.83%) from RM 4.560 million to RM 7.380 million in tandem with the higher revenue recorded.

The cumulative revenue recorded during the fourth quarter has increased by RM 5.438 million (or 4.42%) from RM 122.973 million (December 2019) to RM 128.411 million (December 2020). There was an increase in cumulative profit after tax of RM 3.204 million (or 16.53 %) from RM19.382 million to RM 22.586 million. The increase of cumulative profit was mainly contributed by higher sales from Supercomal Medical Products Sdn. Bhd. (SMP).

16. Comparison with Immediate Preceding Quarter's Result

	Current Qtr 31.12.2020	Immediate preceding Quarter	Variance
	RM ' 000	RM ' 000	%
Revenue	38,344	37,758	1.55
Operating Profit/(loss)	9,916	6,898	43.75
Profit Before Interest and Tax	9,916	6,898	43.75
Profit Before Tax	9,916	6,898	43.75
Profit After Tax	7,380	5,157	43.10
Profit Attributable to Ordinary Equity Holders of the Parent	7,380	5,157	43.10

As compared to the immediate preceding quarter, the Group's revenue has increased by RM0.586 million (or 1.55%) from RM 37.758 million (September 2020) to RM 38.344 million (December 2020). The profit after tax increased by RM 2.223 million (or 43.10%) from RM 5.157 million (September 2020) to RM 7.380 million (December 2020) was mainly contributed by Supercomal Medical Products Sdn. Bhd. (SMP).

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 31.12.2020 RM ' 000	Individual Quarter 31.12.2019 RM ' 000	Cumulative Quarter 31.12.2020 RM ' 000	Cumulative Quarter 31.12.2019 RM ' 000
Taxation charge	(2,417)	(359)	(7,748)	(4,236)
Transfer to Deferred Taxation	(119)	-	(119)	-
	<u>(2,536)</u>	<u>(359)</u>	<u>(7,867)</u>	<u>(4,236)</u>

20. Corporate Proposals

There was no corporate proposals exercised during the period ended 31st December 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

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

24. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter 31.12.2020	Individual Quarter 31.12.2019	Cumulative Quarter 31.12.2020	Cumulative Quarter 31.12.2019
Profit attributable to shareholder (RM '000)	7,380	4,560	22,586	19,382
Weighted average number of ordinary shares ('000)	677,038	643,000	677,038	643,000
Basic EPS (sen)	1.09	0.71	3.34	3.01

(b) Fully Diluted EPS

	Individual Quarter 31.12.2020	Individual Quarter 31.12.2019	Cumulative Quarter 31.12.2020	Cumulative Quarter 31.12.2019
Profit attributable to shareholder (RM '000)	7,380	4,560	22,586	19,382
Weighted average number of ordinary shares ('000)	677,038	643,000	677,038	643,000
Warrant shares deemed to be issued for no consideration	111,776	-	111,776	-
	<u>788,815</u>	<u>643,000</u>	<u>788,815</u>	<u>643,000</u>
Diluted EPS (sen)	0.94	0.71	2.86	3.01

25. Profit for the Period

	(Unaudited) Fourth Quarter Ended 31.12.2020 RM ' 000	(Unaudited) Fourth Quarter Ended 31.12.2019 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.12.2020 RM ' 000	(Audited) Cumulative Quarter Ended 31.12.2019 RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	231	487	783	1156
Rental income	8	6	28	97
Depreciation and amortisation	(1,513)	(1,366)	(5,847)	(5,865)
Gain / (Loss) on disposal of :-				
Property, plant and equipment	21	(1)	22	(17)
Property, plant and equipment written off	-	-	(24)	(251)
Net foreign exchange (loss) / gain	(470)	(108)	336	546

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 10 March 2021.