

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2021
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited) Fourth Quarter Ended 31.12.2021 RM ' 000	(Unaudited) 31.12.2020 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.12.2021 RM ' 000	(Audited) Quarter Ended 31.12.2020 RM ' 000
Revenue		43,004	38,343	145,441	128,410
Cost of goods sold		(29,965)	(25,174)	(102,260)	(86,801)
Gross profit		13,039	13,169	43,181	41,609
Other operating income (net)	#	1,453	287	4,684	2,786
Administrative expenses		(2,217)	(1,857)	(8,364)	(7,417)
Selling and marketing expenses		(721)	(530)	(2,090)	(1,739)
Other operating expenses		(1,307)	(1,148)	(5,033)	(4,781)
Profit from operation		10,247	9,921	32,378	30,458
Finance cost, net		-	-	-	-
Profit before tax		10,247	9,921	32,378	30,458
Taxation	19	(2,247)	(1,626)	(7,088)	(6,957)
Profit after tax		8,000	8,295	25,290	23,501
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		8,000	8,295	25,290	23,501
Attributable to :					
Equity holders of the parent		8,000	8,295	25,290	23,501
Non-controlling interest		-	-	-	-
		8,000	8,295	25,290	23,501
Gross profit margin (%)		30.32	34.35	29.69	32.40
Profit after tax margin (%)		18.60	21.63	17.39	18.30
Weighted average number of shares ('000)		759,431	677,038	759,431	677,038
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	1.05	1.23	3.33	3.47
- Diluted (sen)	24(b)	0.95	1.05	2.99	2.98
Note # : Net other operating income					
Reversal of Inventories written down		-	11	-	11
Insurance claim		-	-	-	310
Fair value gain / (loss) on other financial asset		415	(2)	1,226	252
Property, plant and equipment written off		-	-	(5)	(11)
Gain on disposal of property, plant and equipment		33	(5)	108	(4)
Gain from scrap sales and other disposal		811	445	1,497	1,012
Rental Income		7	77	28	97
Interest Income		75	231	329	783
Unrealised (loss) / gain on foreign exchange		(288)	(663)	370	(583)
Realised gain on foreign exchange		400	193	1,131	919
		1,453	287	4,684	2,786

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended December 31, 2020.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 31.12.2021 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2020 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	17,071	20,862
Goodwill	87,478	87,478
Property, plant and equipment	17,605	15,926
Right-of-use assets	1,806	1,860
Deferred tax assets	1,133	1,381
Term deposits with licensed banks	187	187
	<u>125,280</u>	<u>127,694</u>
Current Assets		
Inventories	31,496	28,772
Other financial asset	102,256	38,070
Trade and other receivables	29,550	29,400
Term deposits with licensed bank	11,350	24,190
Cash and bank balances	33,673	18,309
	<u>208,325</u>	<u>138,741</u>
TOTAL ASSETS	<u><u>333,605</u></u>	<u><u>266,435</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	245,917	192,362
Retained earnings	63,841	49,388
	<u>309,758</u>	<u>241,750</u>
Non-Current Liability		
Deferred tax liabilities	5,369	5,964
	<u>5,369</u>	<u>5,964</u>
Current Liabilities		
Trade payables	3,690	9,378
Other payables	8,686	3,413
Current tax payable	2,902	2,898
Accrued expenses	3,200	3,032
	<u>18,478</u>	<u>18,721</u>
Total Liabilities	<u>23,847</u>	<u>24,685</u>
TOTAL EQUITY AND LIABILITIES	<u><u>333,605</u></u>	<u><u>266,435</u></u>
Net asset per share (RM)	<u>0.41</u>	<u>0.36</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended December 31, 2020.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2021 12 months ended 31.12.2021 RM ' 000	(Audited) 2020 12 months ended 31.12.2020 RM ' 000
Profit for the period	25,290	23,501
Adjustments for :-		
Allowance for doubtful debt	346	-
Depreciation and amortisation of non-current assets	6,127	5,847
Fair value gain on financial asset carried at fair value through profit or loss	(1,226)	(252)
(Gain) / Loss on disposal of property, plant and equipment	(108)	4
Interest income	(329)	(783)
Inventories written down	31	-
Property, plant and equipment written off	5	11
Reversal of Inventories written down	-	(11)
Unrealised (gain) / loss on foreign exchange	(370)	583
Tax expense recognised in profit or loss	7,088	6,957
Operating profit before changes in working capital	<u>36,854</u>	<u>35,857</u>
Changes in Working Capital :-		
Net Change in inventories : (Increase)	(2,755)	(9,890)
Net Change in other current assets : (Increase)	(448)	(9,235)
Net Change in current liabilities : (Decrease) / Increase	<u>(247)</u>	<u>6,225</u>
Cash generated from operation	33,404	22,957
Income taxes paid	<u>(7,431)</u>	<u>(6,900)</u>
Net cash generated from operation	<u>25,973</u>	<u>16,057</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	329	872
Decrease in term deposits	7,140	15,079
Increase in other financial asset	(62,960)	(28,590)
Purchase of property, plant and equipment	(4,003)	(3,951)
Proceeds from disposal of property, plant and equipment	145	9
Net cash used in investing activities	<u>(59,349)</u>	<u>(16,581)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	53,555	22,125
Dividend paid	<u>(10,837)</u>	<u>(9,645)</u>
Net cash generated from financing activities	<u>42,718</u>	<u>12,480</u>
Net change in cash & cash equivalents	9,342	11,956
Cash & cash equivalents at beginning of period	32,609	21,176
Effects of foreign exchange rate changes	322	(523)
Cash & cash equivalents at end of period	<u>42,273</u>	<u>32,609</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	11,537	24,377
Cash and bank balances	<u>33,673</u>	<u>18,309</u>
	45,210	42,686
Less : Term deposit held as security	(187)	(187)
Less : Deposits not recognised as cash and cash equivalent	<u>(2,750)</u>	<u>(9,890)</u>
	<u>42,273</u>	<u>32,609</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended December 31, 2020.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)		
	<--- Attributable to equity holders of the parent --->		
	Share capital	Retained earnings	Total
	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 12 months ended 31.12.2021</u>			
Balance as of January 1, 2021	192,362	49,388	241,750
Total comprehensive income for the period	-	25,290	25,290
Exercise of warrants	53,555	-	53,555
Payment of dividends	-	(10,837)	(10,837)
Balance as of December 31, 2021	<u>245,917</u>	<u>63,841</u>	<u>309,758</u>
<u>Preceding Year's 12 months ended 31.12.2020</u>			
Balance as of January 1, 2020	170,237	35,532	205,769
Total comprehensive income for the period	-	23,501	23,501
Exercise of warrants	22,125	-	22,125
Payment of dividends	-	(9,645)	(9,645)
Balance as of December 31, 2020	<u>192,362</u>	<u>49,388</u>	<u>241,750</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended December 31, 2020.

SUPERCOMNET TECHNOLOGIES BERHAD
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED DECEMBER 31, 2021

NOTES TO THE UNAUDITED 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 December 31, 2020.

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 December 31, 2020.

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 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16 Interest Rate Benchmark Reform - Phase 2	January 1, 2021
Amendments to MFRS 16 Covid-19 - Related Rent Concessions beyond 30 June 2021	April 1, 2021

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 and equity securities during the quarter under review except the issuance of 4,340,800 ordinary shares at an issue price of RM 0.65 per share on each warrant exercised.

7. Dividend Paid

No dividend has been paid in the current quarter under review.

An interim single tier dividend of 1 sen per ordinary share and a special interim single tier dividend of 0.5 sen per ordinary share amounting to RM 10,837,154.43 in respect of financial year ended December 31, 2020 was paid on July 28, 2021.

8. Segmental Reporting

The Group's principal activities include manufacturing and sub-assembly of wires and cables for the medical devices, electrical appliances, consumer electronics and automotive markets.

The Group started to manufacture and assemble cables used to connect various medical devices through its wholly-owned subsidiary, Supercomal Medical Products Sdn. Bhd (SMP) since April 16, 2018. Since FY2020, the medical segment had overtaken the non-medical segment as the main contributor to the Group's revenue.

For the quarter under review, the medical segment continues to be the driver of growth for the Group with a revenue contribution of 62% as compared to 60% in the last corresponding period.

Meanwhile, the automotive segment has also seen a higher revenue contribution at 11%, compared to 5% in the last corresponding period.

Revenue contribution for the industrial segment stands at 27%, compared to 35% in the last corresponding period.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED DECEMBER 31, 2021

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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.

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 December 31, 2021.

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	31.12.2021	31.12.2020	Variance	31.12.2021	31.12.2020	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	43,004	38,343	12.16	145,441	128,410	13.26
Operating Profit	10,247	9,921	3.29	32,378	30,458	6.30
Profit before Interest and Tax	10,247	9,921	3.29	32,378	30,458	6.30
Profit before Tax	10,247	9,921	3.29	32,378	30,458	6.30
Profit After Tax	8,000	8,295	(3.56)	25,290	23,501	7.61
Profit Attributable to Ordinary Equity Holders of the Parent	8,000	8,295		25,290	23,501	

For the quarter under review, the Group recorded a growth in revenue of RM 4.661 million (or 12.16%) from RM 38.343 million (Q4/20) to RM 43.004 million (Q4/21) due to higher sale orders received and adjustment in selling price to factor in the increase in raw material costs in tandem with the increase in cost of goods sold. This resulted in the higher profit before tax for Q4/21 as compared to Q4/20. However, the profit after tax of the group has decreased by RM 0.295 million (or 3.56%) from RM 8.295 million (Q4/20) to RM 8.000 million (Q4/21) attributed by lower deferred tax income reported during Q4/21 as compared to Q4/20.

The cumulative revenue recorded a growth of RM RM 17.031 million (or 13.26%) from RM 128.410 million (cumulative Q4/20) to RM 145,441 (cumulative Q4/21) due to the reasons mentioned above. The cumulative profit after tax of the group has increased by RM 1.789 million (or 7.61%) from RM 23.501 million (cumulative Q4/20) to RM 25.290 million (cumulative Q4/21) attributed by higher sale orders received.

16. Comparison with Immediate Preceding Quarter's Result

	Current	Immediate	Variance
	Quarter	Preceding	
	Ended	Quarter Ended	
	31.12.2021	30.09.2021	
	RM ' 000	RM ' 000	%
Revenue	43,004	32,117	33.90
Operating Profit	10,247	8,626	18.79
Profit Before Interest and Tax	10,247	8,626	18.79
Profit Before Tax	10,247	8,626	18.79
Profit After Tax	8,000	6,996	14.35
Profit Attributable to Ordinary Equity Holders of the Parent	8,000	6,996	14.35

With the approval from the authority to operate at 100% workforce from September 1, 2021, the Group revenue increased by RM10.887 million (or 33.90%) from RM 32.117 million (Q3/21) to RM 43.004 million (Q4/21) when compared to the immediate preceding quarter. The profit after tax showed an increased of RM 1.004 million (or 14.35%) as a result from RM 6.996 million (Q3/21) to RM 8.000 million (Q4/21) .

17. Prospects

We remain optimistic with the Group's mid to long term prospects underpinned by continuous growing demand from customers in addition to several new products in the pipeline.

Thus, barring any unforeseen circumstances, the Group is expecting the performance for the next financial year to be satisfactory.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED DECEMBER 31, 2021

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 Ended		Cumulative Quarter Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(2,547)	(2,642)	(7,781)	(7,973)
Over provision in prior year	-	148	346	148
Deferred tax	300	868	347	868
	<u>(2,247)</u>	<u>(1,626)</u>	<u>(7,088)</u>	<u>(6,957)</u>

20. Corporate Proposals

There was no corporate proposals exercised during the period ended December 31, 2021.

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 is no dividend declared for the financial period under review.

24. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to shareholders (RM '000)	8,000	8,295	25,290	23,501
Weighted average number of ordinary shares ('000)	759,431	677,038	759,431	677,038
Basic EPS (sen)	1.05	1.23	3.33	3.47

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to shareholders (RM '000)	8,000	8,295	25,290	23,501
Weighted average number of ordinary shares ('000)	759,431	677,038	759,431	677,038
Warrant shares deemed to be issued for no consideration ('000)	86,994	111,776	86,994	111,776
	846,425	788,815	846,425	788,815
Diluted EPS (sen)	0.95	1.05	2.99	2.98

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Allowance for doubtful debt	(346)	-	(346)	-
Depreciation and amortisation	(1,134)	(1,513)	(6,127)	(5,847)
Gain / (Loss) on disposal of property, plant and equipment	33	(5)	108	(4)
Interest income	75	231	329	783
Inventories written down	(31)	-	(31)	-
Rental income	7	77	28	97
Property, plant and equipment written off	-	-	(5)	(11)
Net foreign exchange gain / (loss)	112	(470)	1,501	336

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 February 22, 2022