

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note (Unaudited)	Second Quarter Ended		Cumulative Quarter Ended	
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		39,863	32,753	75,836	70,320
Cost of sales		<u>(26,169)</u>	<u>(23,398)</u>	<u>(50,386)</u>	<u>(52,080)</u>
Gross profit		13,694	9,355	25,450	18,240
Other operating income (net)	#	2,421	757	4,206	2,040
Administrative expenses		(2,960)	(2,592)	(6,067)	(5,244)
Distribution costs		<u>(746)</u>	<u>(705)</u>	<u>(1,447)</u>	<u>(1,531)</u>
Profit from operation		12,409	6,815	22,142	13,505
Finance cost, net		-	-	-	-
Profit before tax		<u>12,409</u>	<u>6,815</u>	<u>22,142</u>	<u>13,505</u>
Taxation	19	<u>(3,007)</u>	<u>(1,406)</u>	<u>(5,336)</u>	<u>(3,211)</u>
Profit after tax		<u>9,402</u>	<u>5,409</u>	<u>16,806</u>	<u>10,294</u>
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		<u>9,402</u>	<u>5,409</u>	<u>16,806</u>	<u>10,294</u>
Attributable to :					
Equity holders of the parent		9,402	5,409	16,806	10,294
Non-controlling interest		-	-	-	-
		<u>9,402</u>	<u>5,409</u>	<u>16,806</u>	<u>10,294</u>
Gross profit margin (%)		34.35	28.56	33.56	25.94
Profit after tax margin (%)		23.59	16.51	22.16	14.64
Weighted average number of shares ('000)		761,641	722,477	761,641	722,477
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	1.23	0.75	2.21	1.42
- Diluted (sen)	24(b)	1.16	0.66	2.07	1.25
Note # :					
Net other operating income					
Fair value gain on other financial asset		631	205	1,177	440
Property, plant and equipment written off		(28)	(1)	(29)	(3)
Gain/(Loss) on disposal of property, plant and equipment		13	(31)	13	-
Gain from scrap sales and other disposal		350	232	950	529
Interest Income		109	100	153	153
Rental Income		-	7	27	14
Unrealised gain on foreign exchange		810	14	972	594
Realised gain on foreign exchange		<u>536</u>	<u>231</u>	<u>943</u>	<u>313</u>
		<u>2,421</u>	<u>757</u>	<u>4,206</u>	<u>2,040</u>

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, 2021.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 30.06.2022 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2021 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	15,175	17,070
Goodwill	87,478	87,478
Property, plant and equipment	17,697	17,606
Right-of-use assets	1,779	1,806
Deferred tax assets	1,133	1,230
Term deposits with licensed banks	130	187
	<u>123,392</u>	<u>125,377</u>
Current Assets		
Inventories	32,103	31,496
Trade and other receivables	24,925	33,129
Other financial asset	111,581	102,256
Term deposits with licensed bank	18,850	16,350
Cash and bank balances	36,993	28,673
	<u>224,452</u>	<u>211,904</u>
TOTAL ASSETS	<u><u>347,844</u></u>	<u><u>337,281</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	247,441	245,917
Treasury shares	(56)	-
Retained earnings	80,571	63,765
	<u>327,956</u>	<u>309,682</u>
Non-Current Liability		
Deferred tax liabilities	5,117	5,466
	<u>5,117</u>	<u>5,466</u>
Current Liabilities		
Trade payables	1,654	6,075
Other payables	5,747	9,855
Current tax payable	5,185	2,983
Accrued expenses	2,185	3,220
	<u>14,771</u>	<u>22,133</u>
Total Liabilities	<u>19,888</u>	<u>27,599</u>
TOTAL EQUITY AND LIABILITIES	<u><u>347,844</u></u>	<u><u>337,281</u></u>
Net asset per share (RM)	<u>0.43</u>	<u>0.41</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, 2021.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2022 6 months ended 30.06.2022 RM ' 000	(Unaudited) 2021 6 months ended 30.06.2021 RM ' 000
Profit for the period	16,806	10,294
Adjustments for :-		
Depreciation and amortisation of non-current assets	3,130	3,339
Fair value gain on financial asset carried at fair value through profit or loss	(1,177)	(440)
Gain on disposal of property, plant and equipment	(13)	-
Interest income	(153)	(153)
Property, plant and equipment written off	29	3
Unrealised gain on foreign exchange	(972)	(594)
Tax expense recognised in profit or loss	5,336	3,211
Operating profit before changes in working capital	<u>22,986</u>	<u>15,660</u>
Changes in Working Capital :-		
Net Change in inventories : Increase	(607)	(4,374)
Net Change in other current assets : Decrease	7,972	6,582
Net Change in current liabilities : (Decrease)	<u>(9,564)</u>	<u>(4,644)</u>
Cash generated from operation	20,787	13,224
Income taxes paid	<u>(3,386)</u>	<u>(2,873)</u>
Net cash generated from operation	<u>17,401</u>	<u>10,351</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Investment income	-	288
Interest received	153	153
Decrease/(Increase) in term deposits	57	(8,890)
Increase in other financial asset	(8,148)	(7,899)
Purchase of property, plant and equipment	(1,329)	(2,454)
Proceeds from disposal of property, plant and equipment	14	-
Net cash used in investing activities	<u>(9,253)</u>	<u>(18,802)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	1,524	29,535
Purchase of treasury shares	<u>(56)</u>	<u>-</u>
Net cash generated from financing activities	<u>1,468</u>	<u>29,535</u>
Net change in cash & cash equivalents	9,616	21,084
Cash & cash equivalents at beginning of period	41,673	32,609
Effects of foreign exchange rate changes	1,204	594
Cash & cash equivalents at end of period	<u>52,493</u>	<u>54,287</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	18,980	33,267
Cash and bank balances	<u>36,993</u>	<u>39,799</u>
	55,973	73,066
Less : Term deposit held as security	(130)	(187)
Less : Deposits not recognised as cash and cash equivalent	<u>(3,350)</u>	<u>(18,592)</u>
	<u>52,493</u>	<u>54,287</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, 2021.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

<--- Attributable to equity holders of the parent --->

	Share capital	Treasury shares	Retained earnings	Total
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 6 months ended 30.06.2022</u>				
Balance as of January 1, 2022	245,917	-	63,765	309,682
Total comprehensive income for the period	-	-	16,806	16,806
Exercise of warrants	1,524	-	-	1,524
Purchase of treasury shares	-	(56)	-	(56)
Balance as of June 30, 2022	<u>247,441</u>	<u>(56)</u>	<u>80,571</u>	<u>327,956</u>
<u>Preceding Year's 6 months ended 30.06.2021</u>				
Balance as of January 1, 2021	192,362	-	49,388	241,750
Total comprehensive income for the period	-	-	10,294	10,294
Exercise of warrants	29,535	-	-	29,535
Balance as of June 30, 2021	<u>221,897</u>	<u>-</u>	<u>59,682</u>	<u>281,579</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, 2021.

SUPERCOMNET TECHNOLOGIES BERHAD
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2022

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, 2021.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended December 31, 2021.

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
<i>Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018–2020"</i>	January 1, 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	January 1, 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	January 1, 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	January 1, 2022

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 for the following:

- (i) issuance of 4,199 ordinary shares at an issue price of RM 0.65 per share on each warrant exercised,
- (ii) repurchased 49,100 ordinary shares from open market at an average price of RM 1.136, the total consideration paid including transaction costs was RM56,228.50.

As at June 30, 2022, of the total 761,775,597 issued and fully paid ordinary shares, 49,100 ordinary shares are held as treasury shares by the Company.

7. Dividend Paid

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

8. Segmental Reporting

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

For the quarter under review, all three segments recorded improved revenue performance as compared to last corresponding period. The medical segment continues to be key contributor for the Group with a revenue contribution of 61% as compared to 69% in the last corresponding period.

Meanwhile, the automotive segment has higher revenue contribution at 10%, compared to 5% in the last corresponding period.

Revenue contribution for the industrial segment stands at 29%, compared to 26% in the last corresponding period.

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.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2022

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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 June 30, 2022.

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	30.06.2022	30.06.2021	Variance	30.06.2022	30.06.2021	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	39,863	32,753	21.71	75,836	70,320	7.84
Operating Profit	12,409	6,815	82.08	22,142	13,505	63.95
<i>Profit before Interest and Tax</i>	12,409	6,815	82.08	22,142	13,505	63.95
<i>Profit before Tax</i>	12,409	6,815	82.08	22,142	13,505	63.95
<i>Profit After Tax</i>	9,402	5,409	73.82	16,806	10,294	63.26
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	9,402	5,409	73.82	16,806	10,294	63.26

For the quarter under review, the Group recorded a growth in revenue of RM7.110 million (or 21.71%) from RM32.753 million (Q2/21) to RM39.863 million (Q2/22) due to increase in the demand from all three segments. Profit after tax for the group increased by RM3.993 million (or 73.82%) from RM5.409 million (Q2/21) to RM9.402 million (Q2/22) attributed by increased in sales of higher profit margin products and favorable foreign exchange. Also, the performance in Q2/21 was partially affected by higher raw material prices, freight costs and the movement control order.

The cumulative revenue recorded a growth of RM5.516 million (or 7.84%) from RM70.320 million (cumulative Q2/21) to RM75.836 million (cumulative Q2/22) and the cumulative profit after tax of the group has increased by RM6.512 million (or 63.26%) from RM10.294 million (cumulative Q2/21) to RM16.806 million (cumulative Q2/22) attributed by reasons mentioned above.

16. Comparison with Immediate Preceding Quarter's Result

	Current	Immediate	Variance
	Quarter Ended	Preceding Quarter Ended	
	30.06.2022	31.03.2022	%
	RM ' 000	RM ' 000	
Revenue	39,863	35,973	10.81
Operating Profit	12,409	9,733	27.49
<i>Profit Before Interest and Tax</i>	12,409	9,733	27.49
<i>Profit Before Tax</i>	12,409	9,733	27.49
<i>Profit After Tax</i>	9,402	7,404	26.99
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	9,402	7,404	26.99

As compared to the immediate preceding quarter, the Group revenue increased by RM3.890 million (or 10.81%) from RM35.973 million (Q1/22) to RM39.863 million (Q2/22) attributed by the higher sales from industrial and automotive segments. The profit after tax showed an increased of RM1.998 million (or 26.99%) from RM7.404 million (Q1/22) to RM9.402 million (Q2/22) due to the reason mentioned in above and favorable foreign exchange.

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 expects the performance for the current financial year to be satisfactory.

18. Profit Forecast or Guarantee

The Group has not given any profit forecast nor guarantee in respect of any corporate proposals.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED JUNE 30, 2022

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Taxation

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(3,024)	(1,406)	(5,588)	(3,211)
Deferred tax	17	-	252	-
	<u>(3,007)</u>	<u>(1,406)</u>	<u>(5,336)</u>	<u>(3,211)</u>

20. Corporate Proposals

There was no corporate proposals exercised during the period ended June 30, 2022.

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

The Directors proposed a final single tier dividend of RM0.015 per ordinary shares in respect of the financial year ended December 31, 2021. This dividend has been approved by shareholders during the Annual General Meeting held on June 10, 2022 and the payment was subsequently made on July 18, 2022.

24. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profit attributable to shareholders (RM '000)	9,402	5,409	16,806	10,294
Weighted average number of ordinary shares ('000)	761,641	722,477	761,641	722,477
Basic EPS (sen)	1.23	0.75	2.21	1.42

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profit attributable to shareholders (RM '000)	9,402	5,409	16,806	10,294
Weighted average number of ordinary shares ('000)	761,641	722,477	761,641	722,477
Warrant shares deemed to be issued for no consideration ('000)	50,001	97,824	50,001	97,824
	811,642	820,301	811,642	820,301
Diluted EPS (sen)	1.16	0.66	2.07	1.25

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,572)	(1,746)	(3,130)	(3,339)
Gain on disposal of property, plant and equipment	13	(31)	13	-
Interest income	109	100	153	153
Rental income	-	7	27	14
Property, plant and equipment written off	(28)	(1)	(29)	(3)
Net foreign exchange gain	1,346	245	1,915	907

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 August 23, 2022.