

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

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

	Note	(Unaudited)		(Unaudited)	
		Third Quarter Ended 30.09.2022 RM ' 000	30.09.2021 RM ' 000	Cumulative Quarter Ended 30.09.2022 RM ' 000	30.09.2021 RM ' 000
Revenue		45,144	32,117	120,980	102,437
Cost of sales		(31,865)	(21,517)	(82,251)	(73,597)
Gross profit		13,279	10,600	38,729	28,840
Other operating income (net)	#	3,635	1,191	7,841	3,231
Administrative expenses		(3,187)	(2,444)	(9,254)	(7,688)
Distribution costs		(587)	(721)	(2,034)	(2,252)
Profit from operation		13,140	8,626	35,282	22,131
Finance cost, net		-	-	-	-
Profit before tax		13,140	8,626	35,282	22,131
Taxation	19	(3,036)	(1,630)	(8,372)	(4,841)
Profit after tax		10,104	6,996	26,910	17,290
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		10,104	6,996	26,910	17,290
Attributable to :					
Equity holders of the parent		10,104	6,996	26,910	17,290
Non-controlling interest		-	-	-	-
		10,104	6,996	26,910	17,290
Gross profit margin (%)		29.41	33.00	32.01	28.15
Profit after tax margin (%)		22.38	21.78	22.24	16.88
Weighted average number of shares ('000)		761,611	755,091	761,611	755,091
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	1.33	0.93	3.53	2.29
- Diluted (sen)	24(b)	1.24	0.80	3.31	1.98
Note # : Net other operating income					
Fair value gain on other financial asset		1,099	371	2,276	811
Property, plant and equipment written off		-	(2)	(29)	(5)
Gain on disposal of property, plant and equipment		2	75	15	75
Gain from scrap sales and other disposal		362	157	1,312	686
Interest Income		172	101	325	254
Rental Income		6	7	33	21
Reversal of Inventories written down		106	-	106	-
Unrealised gain on foreign exchange		1,035	64	2,007	658
Realised gain on foreign exchange		853	418	1,796	731
		3,635	1,191	7,841	3,231

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 30.09.2022 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2021 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	14,227	17,070
Goodwill	87,478	87,478
Property, plant and equipment	19,460	17,606
Right-of-use assets	1,766	1,806
Deferred tax assets	1,133	1,230
Term deposits with licensed banks	294	187
	<u>124,358</u>	<u>125,377</u>
Current Assets		
Inventories	36,662	31,496
Trade and other receivables	27,920	33,129
Other financial asset	120,883	102,256
Term deposits with licensed bank	24,850	16,350
Cash and bank balances	20,137	28,673
	<u>230,452</u>	<u>211,904</u>
TOTAL ASSETS	<u><u>354,810</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	(123)	-
Retained earnings	79,249	63,765
	<u>326,567</u>	<u>309,682</u>
Non-Current Liability		
Deferred tax liabilities	5,944	5,466
	<u>5,944</u>	<u>5,466</u>
Current Liabilities		
Trade payables	4,957	6,075
Other payables	10,140	9,855
Current tax payable	4,182	2,983
Accrued expenses	3,020	3,220
	<u>22,299</u>	<u>22,133</u>
Total Liabilities	<u>28,243</u>	<u>27,599</u>
TOTAL EQUITY AND LIABILITIES	<u><u>354,810</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 SEPTEMBER 30, 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2022 9 months ended 30.09.2022 RM ' 000	(Unaudited) 2021 9 months ended 30.09.2021 RM ' 000
Profit for the period	26,910	17,290
Adjustments for :-		
Depreciation and amortisation of non-current assets	4,725	4,993
Fair value gain on financial asset carried at fair value through profit or loss	(2,276)	(811)
Gain on disposal of property, plant and equipment	(15)	(75)
Interest income	(325)	(254)
Reversal of inventories written down	(106)	-
Property, plant and equipment written off	29	5
Unrealised gain on foreign exchange	(2,007)	(658)
Tax expense recognised in profit or loss	8,372	4,841
Operating profit before changes in working capital	<u>35,307</u>	<u>25,331</u>
Changes in Working Capital :-		
Net Change in inventories : Increase	(5,060)	(5,099)
Net Change in other current assets : Decrease	5,443	8,680
Net Change in current liabilities : Decrease	<u>(1,033)</u>	<u>(5,455)</u>
Cash generated from operation	34,657	23,457
Income taxes paid	<u>(6,598)</u>	<u>(4,084)</u>
Net cash generated from operation	<u>28,059</u>	<u>19,373</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Investment income	-	560
Interest received	325	254
(Increase)/Decrease in term deposits	(107)	7,140
Increase in other financial asset	(16,351)	(63,660)
Purchase of property, plant and equipment	(3,724)	(3,056)
Proceeds from disposal of property, plant and equipment	14	100
Net cash used in investing activities	<u>(19,843)</u>	<u>(58,662)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	1,524	50,734
Purchase of treasury shares	(123)	-
Dividend paid	<u>(11,426)</u>	<u>(10,837)</u>
Net cash (used in)/generated from financing activities	<u>(10,025)</u>	<u>39,897</u>
Net change in cash & cash equivalents	(1,809)	48
Cash & cash equivalents at beginning of period	41,673	32,609
Effects of foreign exchange rate changes	1,773	496
Cash & cash equivalents at end of period	<u>41,637</u>	<u>33,153</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	25,144	16,087
Cash and bank balances	<u>20,137</u>	<u>20,003</u>
	45,281	36,090
Less : Term deposit held as security	(294)	(187)
Less : Deposits not recognised as cash and cash equivalent	<u>(3,350)</u>	<u>(2,750)</u>
	<u>41,637</u>	<u>33,153</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 SEPTEMBER 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 9 months ended 30.09.2022</u>				
Balance as of January 1, 2022	245,917	-	63,765	309,682
Total comprehensive income for the period	-	-	26,910	26,910
Exercise of warrants	1,524	-	-	1,524
Payment of dividends	-	-	(11,426)	(11,426)
Purchase of treasury shares	-	(123)	-	(123)
Balance as of September 30, 2022	<u>247,441</u>	<u>(123)</u>	<u>79,249</u>	<u>326,567</u>
<u>Preceding Year's 9 months ended 30.09.2021</u>				
Balance as of January 1, 2021	192,362	-	49,388	241,750
Total comprehensive income for the period	-	-	17,290	17,290
Exercise of warrants	50,734	-	-	50,734
Payment of dividends	-	-	(10,837)	(10,837)
Balance as of September 30, 2021	<u>243,096</u>	<u>-</u>	<u>55,841</u>	<u>298,937</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 SEPTEMBER 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 MFRS 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) repurchased 60,900 ordinary shares from open market at an average price of RM1.092, the total consideration paid including transaction costs was RM66,880.67.

As at September 30, 2022, of the total 761,775,597 issued and fully paid ordinary shares, 110,000 ordinary shares are held as treasury shares by the Company.

7. Dividend Paid

A final single tier dividend of RM0.015 per ordinary share, amounting to RM11,425,884.39 in respect of financial year ended December 31, 2021 was paid in July 18, 2022.

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 56% as compared to 71% in the last corresponding period.

Meanwhile, the automotive segment has higher revenue contribution at 14%, compared to 10% in the last corresponding period.

Revenue contribution for the industrial segment stands at 30%, compared to 19% 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 SEPTEMBER 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 September 30, 2022.

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	30.09.2022	30.09.2021	Variance	30.09.2022	30.09.2021	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	45,144	32,117	40.56	120,980	102,437	18.10
Operating Profit	13,140	8,626	52.33	35,282	22,131	59.42
<i>Profit before Interest and Tax</i>	13,140	8,626	52.33	35,282	22,131	59.42
<i>Profit before Tax</i>	13,140	8,626	52.33	35,282	22,131	59.42
<i>Profit After Tax</i>	10,104	6,996	44.43	26,910	17,290	55.64
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	10,104	6,996	44.43	26,910	17,290	55.64

For the quarter under review, the Group recorded a growth in revenue of RM13.027 million (or 40.56%) from RM32.117 million (Q3/21) to RM45.144 million (Q3/22) due to increase in the demand from all three segments. Profit after tax for the group increased by RM3.108 million (or 44.43%) from RM6.996 million (Q3/21) to RM10.104 million (Q3/22) attributed by increased in sales and favorable foreign exchange. Also, the performance in Q3/21 was partially affected by higher raw material prices, freight costs.

The cumulative revenue recorded a growth of RM18.543 million (or 18.10%) from RM102.437 million (cumulative Q3/21) to RM120.980 million (cumulative Q3/22) and the cumulative profit after tax of the group has increased by RM9.620 million (or 55.64%) from RM17.290 million (cumulative Q2/21) to RM26.910 million (cumulative Q3/22) attributed by reasons mentioned above.

16. Comparison with Immediate Preceding Quarter's Result

	Current	Immediate	Variance
	Quarter Ended	Preceding Quarter Ended	
	30.09.2022	30.06.2022	%
	RM ' 000	RM ' 000	
Revenue	45,144	39,863	13.25
Operating Profit	13,140	12,409	5.89
<i>Profit Before Interest and Tax</i>	13,140	12,409	5.89
<i>Profit Before Tax</i>	13,140	12,409	5.89
<i>Profit After Tax</i>	10,104	9,402	7.47
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	10,104	9,402	7.47

As compared to the immediate preceding quarter, the Group revenue increased by RM5.281 million (or 13.25%) from RM39.863 million (Q2/22) to RM45.144 million (Q3/22) attributed by the higher sales from all three segments. The profit after tax showed an increased of RM0.702 million (or 7.47%) from RM9.402 million (Q2/22) to RM10.104 million (Q3/22) 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 SEPTEMBER 30, 2022

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Taxation

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(2,475)	(2,037)	(8,063)	(5,248)
Over provision in prior year	266	346	266	346
Deferred tax	(827)	61	(575)	61
	(3,036)	(1,630)	(8,372)	(4,841)

20. Corporate Proposals

There was no corporate proposals exercised during the period ended September 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 Board of Directors is pleased to declare a first interim single tier dividend of RM0.005 sen per ordinary share in respect of the financial year ending December 31, 2022, payable on December 22, 2022. The entitlement date has been fixed on December 7, 2022.

24. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit attributable to shareholders (RM '000)	10,104	6,996	26,910	17,290
Weighted average number of ordinary shares ('000)	761,611	755,091	761,611	755,091
Basic EPS (sen)	1.33	0.93	3.53	2.29

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Profit attributable to shareholders (RM '000)	10,104	6,996	26,910	17,290
Weighted average number of ordinary shares ('000)	761,611	755,091	761,611	755,091
Warrant shares deemed to be issued for no consideration ('000)	50,597	120,212	50,597	120,212
	812,208	875,303	812,208	875,303
Diluted EPS (sen)	1.24	0.80	3.31	1.98

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,595)	(1,654)	(4,725)	(4,993)
Gain on disposal of property, plant and equipment	2	75	15	75
Interest income	172	101	325	254
Rental income	6	7	33	21
Reversal of inventories written down	106	-	106	-
Property, plant and equipment written off	-	(2)	(29)	(5)
Net foreign exchange gain	1,888	482	3,803	1,389

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 November 22, 2022.