



PRESS RELEASE
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Supercomnet Records its Highest Ever Full Year Profit After Tax of RM33mil and revenue of RM158.33mil

Medical and automotive segment to power growth in FY23

KUALA LUMPUR, 21 FEBRUARY 2023 - Supercomnet Technologies Bhd (“Scomnet” or “Group”) delivered an impressive 30.89% jump in net profit to RM33mil for its full year ended Dec 31, 2022, from RM25.21mil previously. Revenue increased 10.24% to RM158.33mil for the full year. The record full year profits are simply the result of Scomnet’s growing momentum from existing customers besides maiden contributions from new customers. The pipeline of Scomnet’s orders remain strong and continues to increase.

For the fourth quarter to Dec 31, 2022, net profit however dropped 23.11% to RM6.09mil while revenue declined 9.3% to RM37.35mil. The lower profits were due to delays from a supplier, inventory adjustment from one of its customers and an unfavourable foreign exchange rate.

For the issue with the supplier, Scomnet was not able to begin manufacturing one of its new products from its latest client, simply because it received defective products from its FDA-approved supplier. The principal for this new product has urgently stepped in, as it looks to resolve this issue with the supplier, by the second quarter. Scomnet has also proactively been in talks with another FDA-compliant supplier to fulfil this required product.

Secondly, there was a post-Covid inventory adjustment by one of Scomnet’s main customer for the Endoscopy Video Cables product that was used in the treatment of Covid.



Despite a weaker fourth quarter result, Scomnet still managed to deliver record full year profits and revenues. This trend is expected to continue organically, which is just based off its existing orders and product pipeline.

The automotive sector is also expected to increase its contribution in FY23, especially for the fuel tank and wire harness segment.

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

Financially, the company continues to be on extremely strong footing. As of the period, the company has highly liquid assets totalling RM162.77mil. This comprises of cash and bank balances of RM19.3mil, term deposits of RM16.55mil and other financial assets worth RM126.92mil that mainly represented by investment in money market.

“Organically, we are confident of our business prospects. Besides the pipeline of orders that we have in hand, our cashflow from operations continues to increase over the quarters. Financially, we have a lot of buffer, and thus are ready to grow our business through internal and external channels.” said Scomnet managing director James Shiue Jong-Zone.

“We remain optimistic with the group's mid to long term prospects and will continue work closely with existing and new customers on new products development. Thus, barring any unforeseen circumstances, the group expects the performance for the next financial year to be satisfactory.”

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