

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited) Fourth Quarter Ended 31.12.2022 RM ' 000	(Unaudited) 31.12.2021 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.12.2022 RM ' 000	(Audited) Quarter Ended 31.12.2021 RM ' 000
Revenue		37,348	41,178	158,328	143,615
Cost of sales		(27,414)	(28,152)	(109,665)	(101,749)
Gross profit		9,934	13,026	48,663	41,866
Other operating income (net)	#	1,537	1,120	9,378	4,351
Administrative expenses		(3,134)	(3,100)	(12,388)	(10,788)
Distribution costs		(752)	(794)	(2,786)	(3,046)
Profit from operation		7,585	10,252	42,867	32,383
Finance cost, net		-	-	-	-
Profit before tax		7,585	10,252	42,867	32,383
Taxation	19	(1,492)	(2,328)	(9,864)	(7,169)
Profit after tax		6,093	7,924	33,003	25,214
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		6,093	7,924	33,003	25,214
Attributable to :					
Equity holders of the parent		6,093	7,924	33,003	25,214
Non-controlling interest		-	-	-	-
		6,093	7,924	33,003	25,214
Gross profit margin (%)		26.60	31.63	30.74	29.15
Profit after tax margin (%)		16.31	19.24	20.84	17.56
Weighted average number of shares ('000)		761,653	719,380	761,653	719,380
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	0.80	1.10	4.33	3.50
- Diluted (sen)	24(b)	0.75	0.98	4.05	3.13
Note # : Net other operating income					
Fair value gain on other financial asset		312	415	2,588	1,226
Property, plant and equipment written off		-	3	(29)	(2)
Gain on disposal of property, plant and equipment		-	19	15	94
Gain from scrap sales and other disposal		854	800	2,166	1,486
Interest income		230	75	555	329
Rental (expense)/income		(9)	73	24	94
Allowance for expected credit losses		-	(346)	-	(346)
Inventories written down		-	(108)	-	(108)
Reversal of inventories written down		131	77	237	77
Unrealised (loss)/gain on foreign exchange		(623)	(288)	1,384	370
Realised gain on foreign exchange		642	400	2,438	1,131
		1,537	1,120	9,378	4,351

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 DECEMBER 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 31.12.2022 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2021 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	13,279	17,070
Goodwill	87,478	87,478
Property, plant and equipment	20,521	17,606
Right-of-use assets	1,752	1,806
Deferred tax assets	1,004	1,230
Term deposits with licensed banks	258	187
	124,292	125,377
Current Assets		
Inventories	38,106	31,496
Trade and other receivables	23,830	33,129
Other financial asset	126,924	102,256
Term deposits with licensed bank	16,550	16,350
Cash and bank balances	19,299	28,673
	224,709	211,904
TOTAL ASSETS	349,001	337,281
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	247,571	245,917
Treasury shares	(123)	-
Retained earnings	81,533	63,765
	328,981	309,682
Non-Current Liability		
Deferred tax liabilities	5,471	5,466
	5,471	5,466
Current Liabilities		
Trade payables	1,783	6,075
Other payables	7,935	9,855
Current tax payable	1,510	2,983
Accrued expenses	3,321	3,220
	14,549	22,133
Total Liabilities	20,020	27,599
TOTAL EQUITY AND LIABILITIES	349,001	337,281
Net asset per share (RM)	0.43	0.41

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 DECEMBER 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2022 12 months ended 31.12.2022 RM ' 000	(Audited) 2021 12 months ended 31.12.2021 RM ' 000
Profit for the period	33,003	25,214
Adjustments for :-		
Depreciation and amortisation of non-current assets	6,401	6,127
Fair value gain on financial asset carried at fair value through profit or loss	(2,588)	(1,226)
Gain on disposal of property, plant and equipment	(15)	(94)
Interest income	(555)	(329)
Allowance for expected credit losses	-	346
Inventories written down	-	108
Reversal of inventories written down	(237)	(77)
Property, plant and equipment written off	29	2
Unrealised gain on foreign exchange	(1,384)	(371)
Tax expense recognised in profit or loss	9,864	7,169
Operating profit before changes in working capital	<u>44,518</u>	<u>36,869</u>
Changes in Working Capital :-		
Net Change in inventories : Increase	(6,373)	(2,755)
Net Change in other current assets : Decrease/(Increase)	9,513	(3,903)
Net Change in current liabilities : (Decrease)/Increase	<u>(6,111)</u>	<u>3,188</u>
Cash generated from operation	41,547	33,399
Income taxes paid	<u>(11,106)</u>	<u>(7,431)</u>
Net cash generated from operation	<u>30,441</u>	<u>25,968</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	555	1,131
(Increase)/Decrease in term deposits	(3,421)	6,540
Increase in other financial asset	(22,080)	(63,763)
Purchase of property, plant and equipment	(5,499)	(4,003)
Proceeds from disposal of property, plant and equipment	14	135
Net cash used in investing activities	<u>(30,431)</u>	<u>(59,960)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	1,654	53,555
Purchase of treasury shares	(123)	-
Dividend paid	<u>(15,235)</u>	<u>(10,837)</u>
Net cash (used in)/generated from financing activities	<u>(13,704)</u>	<u>42,718</u>
Net change in cash & cash equivalents	(13,694)	8,727
Cash & cash equivalents at beginning of period	41,673	32,609
Effects of foreign exchange rate changes	1,170	337
Cash & cash equivalents at end of period	<u>29,149</u>	<u>41,673</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	16,808	16,537
Cash and bank balances	<u>19,299</u>	<u>28,673</u>
	36,107	45,210
Less : Term deposit held as security	(258)	(187)
Less : Deposits not recognised as cash and cash equivalent	<u>(6,700)</u>	<u>(3,350)</u>
	<u>29,149</u>	<u>41,673</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 DECEMBER 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)			
	<--- Attributable to equity holders of the parent --->			
	Share capital RM ' 000	Treasury shares RM ' 000	Retained earnings RM ' 000	Total RM ' 000
<u>Current Year's 12 months ended 31.12.2022</u>				
Balance as of January 1, 2022	245,917	-	63,765	309,682
Total comprehensive income for the period	-	-	33,003	33,003
Exercise of warrants	1,654	-	-	1,654
Payment of dividends	-	-	(15,235)	(15,235)
Purchase of treasury shares	-	(123)	-	(123)
Balance as of December 31, 2022	<u>247,571</u>	<u>(123)</u>	<u>81,533</u>	<u>328,981</u>
<u>Preceding 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	-	-	25,214	25,214
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>-</u>	<u>63,765</u>	<u>309,682</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 DECEMBER 31, 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
Amendments to MFRS contained in the document entitled "Annual Improvements to MFRS Standards 2018–2020"	January 1, 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	January 1, 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	January 1, 2022
Amendments to MFRS 137 <i>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 the issuance of 200,000 ordinary shares at an issue price of RM0.65 per share on each warrant exercised.

As at December 31, 2022, of the total 761,975,597 issued and fully paid ordinary shares, 110,000 ordinary shares are held as treasury shares by the Company.

7. Dividends Paid

Dividends paid by the Company during the financial periods were as follows:

Type of dividend	For the financial year ended	Entitlement Date	Payment Date	Dividend per share	Amount
Final single tier dividend	Dec 31, 2021	June 24, 2022	July 18, 2022	RM0.015	RM11,425,884.39
First interim single tier dividend	Dec 31, 2022	Dec 7, 2022	Dec 22, 2022	RM0.005	RM3,809,327.89

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, the medical segment continues to be key contributor for the Group with a revenue contribution of 64% for both current period and the last corresponding period.

Meanwhile, the industrial segment has higher revenue contribution at 30%, compared to 26% in the last corresponding period.

Revenue contribution for the automotive segment stands at 6%, compared to 10% 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 DECEMBER 31, 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 December 31, 2022.

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	31.12.2022	31.12.2021	Variance	31.12.2022	31.12.2021	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	37,348	41,178	(9.30)	158,328	143,615	10.24
Operating Profit	7,585	10,252	(26.01)	42,867	32,383	32.38
<i>Profit before Interest and Tax</i>	7,585	10,252	(26.01)	42,867	32,383	32.38
<i>Profit before Tax</i>	7,585	10,252	(26.01)	42,867	32,383	32.38
<i>Profit After Tax</i>	6,093	7,924	(23.11)	33,003	25,214	30.89
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	6,093	7,924	(23.11)	33,003	25,214	30.89

For the quarter under review, the Group recorded a declined in revenue of RM3.830 million (or 9.30%) from RM41.178 million (Q4/21) to RM37.348 million (Q4/22) due to the post-covid inventories adjustments by customers from medical and automotive segment and decrease in demand for Endoscopy Video Cables that used in Covid treatment. Profit after tax for the group decreased by RM1.831 million (or 23.11%) from RM7.924 million (Q4/21) to RM6.093 million (Q4/22) attributed by decreased in revenue as mentioned above, unfavorable foreign exchange in Q4/22 and implementation of Minimum Wages Order 2022.

Despite revenue declined in Q4/22, the cumulative revenue recorded a growth of RM14.713 million (or 10.24%) from RM143.615 million (cumulative Q4/21) to RM158.328 million (cumulative Q4/22) and the cumulative profit after tax of the group has increased by RM7.789 million (or 30.89%) from RM25.214 million (cumulative Q4/21) to RM33.003 million (cumulative Q4/22) attributed by increase in revenue from all three segments and favorable foreign exchange.

16. Comparison with Immediate Preceding Quarter's Result

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance
	31.12.2022	30.09.2022	
	RM ' 000	RM ' 000	%
Revenue	37,348	45,144	(17.27)
Operating Profit	7,585	13,140	(42.28)
<i>Profit Before Interest and Tax</i>	7,585	13,140	(42.28)
<i>Profit Before Tax</i>	7,585	13,140	(42.28)
<i>Profit After Tax</i>	6,093	10,104	(39.70)
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	6,093	10,104	(39.70)

As compared to the immediate preceding quarter, the Group revenue decreased by RM7.796 million (or 17.27%) from RM45.144million (Q3/22) to RM37.348 million (Q4/22) attributed by the lower sales from all three segments. The profit after tax showed an decreased of RM4.011 million (or 39.70%) from RM10.104 million (Q3/22) to RM6.093 million (Q4/22) due to the reason mentioned in above and lower foreign exchange gain as compared to the immediate preceding quarter.

17. Prospects

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.

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 DECEMBER 31, 2022

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Taxation

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(1,836)	(2,614)	(9,899)	(7,862)
Over provision in prior year	-	-	266	346
Deferred tax	344	286	(231)	347
	<u>(1,492)</u>	<u>(2,328)</u>	<u>(9,864)</u>	<u>(7,169)</u>

20. Corporate Proposals

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

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to shareholders (RM '000)	6,093	7,924	33,003	25,214
Weighted average number of ordinary shares ('000)	761,653	719,380	761,653	719,380
Basic EPS (sen)	0.80	1.10	4.33	3.50

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to shareholders (RM '000)	6,093	7,924	33,003	25,214
Weighted average number of ordinary shares ('000)	761,653	719,380	761,653	719,380
Warrant shares deemed to be issued for no consideration ('000)	52,798	86,994	52,798	86,994
	814,451	806,374	814,451	806,374
Diluted EPS (sen)	0.75	0.98	4.05	3.13

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,676)	(1,134)	(6,401)	(6,127)
Gain on disposal of property, plant and equipment	-	19	15	94
Interest income	230	75	555	329
Rental (expense)/income	(9)	73	24	94
Reversal of inventories written down	131	77	237	77
Property, plant and equipment written off	-	3	(29)	(2)
Net foreign exchange gain	19	112	3,822	1,501

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 21, 2023.