

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	( Unaudited )		( Unaudited )	
		First Quarter Ended		Cumulative Quarter Ended	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		37,365	35,973	37,365	35,973
Cost of sales		(25,466)	(24,217)	(25,466)	(24,217)
Gross profit		11,899	11,756	11,899	11,756
Other operating income (net)	#	1,552	1,785	1,552	1,785
Administrative expenses		(3,762)	(3,107)	(3,762)	(3,107)
Distribution costs		(672)	(701)	(672)	(701)
Profit from operation		9,017	9,733	9,017	9,733
Finance cost, net		-	-	-	-
Profit before tax		9,017	9,733	9,017	9,733
Taxation	19	(1,997)	(2,329)	(1,997)	(2,329)
Profit after tax		7,020	7,404	7,020	7,404
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		7,020	7,404	7,020	7,404
Attributable to :					
Equity holders of the parent		7,020	7,404	7,020	7,404
Non-controlling interest		-	-	-	-
		7,020	7,404	7,020	7,404
Gross profit margin (%)		31.85	32.68	31.85	32.68
Profit after tax margin (%)		18.79	20.58	18.79	20.58
Weighted average number of shares ('000)		763,008	761,669	763,008	761,669
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	0.92	0.97	0.92	0.97
- Diluted (sen)	24(b)	0.86	0.92	0.86	0.92
Note # : Net other operating income					
Fair value gain on other financial asset		1,210	546	1,210	546
Property, plant and equipment written off		-	(1)	-	(1)
Gain on disposal of property, plant and equipment		56	-	56	-
Gain from scrap sales and other disposal		176	600	176	600
Interest income		154	44	154	44
Rental income		6	27	6	27
Unrealised (loss)/gain on foreign exchange		(225)	162	(225)	162
Realised gain on foreign exchange		175	407	175	407
		1,552	1,785	1,552	1,785

**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, 2022.**

**SUPERCOMNET TECHNOLOGIES BERHAD**  
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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>(Unaudited)</b> As At End Of Current Quarter 31.03.2023 RM ' 000	<b>(Audited)</b> As At Preceding Financial Year End 31.12.2022 RM ' 000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Intangible asset	12,331	13,279
Goodwill	87,478	87,478
Property, plant and equipment	22,845	20,521
Right-of-use assets	1,739	1,752
Deferred tax assets	839	1,004
Term deposits with licensed banks	229	258
	<u>125,461</u>	<u>124,292</u>
<b>Current Assets</b>		
Inventories	39,450	38,714
Trade and other receivables	23,606	31,896
Other financial asset	133,435	126,924
Term deposits with licensed bank	20,910	19,550
Cash and bank balances	16,713	16,299
	<u>234,114</u>	<u>233,383</u>
<b>TOTAL ASSETS</b>	<u><u>359,575</u></u>	<u><u>357,675</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent		
Share capital	248,396	247,571
Treasury shares	(123)	(123)
Retained earnings	88,448	81,428
	<u>336,721</u>	<u>328,876</u>
<b>Non-Current Liability</b>		
Deferred tax liabilities	5,243	5,471
	<u>5,243</u>	<u>5,471</u>
<b>Current Liabilities</b>		
Trade payables	7,142	11,600
Other payables	7,366	6,842
Current tax payable	667	1,510
Accrued expenses	2,436	3,376
	<u>17,611</u>	<u>23,328</u>
Total Liabilities	<u>22,854</u>	<u>28,799</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>359,575</u></u>	<u><u>357,675</u></u>
Net asset per share (RM)	<u>0.44</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, 2022.**

**SUPERCOMNET TECHNOLOGIES BERHAD**  
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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	( Unaudited )	
	2023	2022
	3 months	3 months
	ended	ended
	31.03.2023	31.03.2022
	RM ' 000	RM ' 000
Profit for the period	7,020	7,404
<b>Adjustments for :-</b>		
Depreciation and amortisation of non-current assets	1,771	1,558
Fair value gain on financial asset carried at fair value through profit or loss	(1,210)	(546)
Gain on disposal of property, plant and equipment	(56)	-
Interest income	(154)	(44)
Property, plant and equipment written off	-	1
Unrealised loss/(gain) on foreign exchange	225	(162)
Tax expense recognised in profit or loss	1,998	2,329
Operating profit before changes in working capital	<u>9,594</u>	<u>10,540</u>
<b>Changes in Working Capital :-</b>		
Net Change in inventories : (Increase)	(736)	(1,920)
Net Change in other current assets : Decrease	8,007	9,699
Net Change in current liabilities : (Decrease)	<u>(4,874)</u>	<u>(6,199)</u>
Cash generated from operation	11,991	12,120
Income taxes paid	<u>(2,904)</u>	<u>(2,088)</u>
<b>Net cash generated from operation</b>	<u>9,087</u>	<u>10,032</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :-</b>		
Interest received	154	44
Decrease in term deposits	29	-
Increase in other financial asset	(5,301)	(2,649)
Purchase of property, plant and equipment	(3,149)	(303)
Proceeds from disposal of property, plant and equipment	71	-
<b>Net cash used in investing activities</b>	<u>(8,196)</u>	<u>(2,908)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :-</b>		
Conversion of warrants to ordinary shares	825	1,521
<b>Net cash generated from financing activities</b>	<u>825</u>	<u>1,521</u>
Net change in cash & cash equivalents	1,716	8,645
Cash & cash equivalents at beginning of period	29,149	41,673
Effects of foreign exchange rate changes	58	121
Cash & cash equivalents at end of period	<u>30,923</u>	<u>50,439</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	21,139	16,987
Cash and bank balances	16,713	36,989
	<u>37,852</u>	<u>53,976</u>
Less : Term deposit held as security	(229)	(187)
Less : Deposits not recognised as cash and cash equivalent	<u>(6,700)</u>	<u>(3,350)</u>
	<u>30,923</u>	<u>50,439</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, 2022.**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2023**  
**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
<b><u>Current Year's 3 months ended 31.03.2023</u></b>				
Balance as of January 1, 2023	247,571	(123)	81,428	328,876
Total comprehensive income for the period	-	-	7,020	7,020
Exercise of warrants	825	-	-	825
Balance as of March 31, 2023	<u>248,396</u>	<u>(123)</u>	<u>88,448</u>	<u>336,721</u>
<b><u>Preceding Year's 3 months ended 31.03.2022</u></b>				
Balance as of January 1, 2022	245,917	-	63,765	309,682
Total comprehensive income for the period	-	-	7,404	7,404
Exercise of warrants	1,521	-	-	1,521
Balance as of March 31, 2022	<u>247,438</u>	<u>-</u>	<u>71,169</u>	<u>318,607</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, 2022.**

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**QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2023**

**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, 2022.

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, 2022.

**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.

<b>Title</b>	<b>Effective Date</b>
MFRS 17 <i>Insurance Contracts</i>	January 1, 2023
Amendment to MFRS 17 <i>Insurance Contracts</i>	January 1, 2023
Amendment to MFRS 17 <i>Insurance Contracts</i> - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	January 1, 2023
Amendments to MFRS 101 and MFRS Practice Statement 2 <i>Disclosure of Accounting Policies</i>	January 1, 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	January 1, 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	January 1, 2023

**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 1,269,300 ordinary shares at an issue price of RM0.65 per share on each warrant exercised.

As at March 31, 2023, of the total 763,244,897 issued and fully paid ordinary shares, 110,000 ordinary shares are held as treasury shares by the Company.

**7. Dividends 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, the medical segment continues to be key contributor for the Group with a revenue contribution of 60% as compared to 69% in the last corresponding period.

Meanwhile, the automotive segment has higher revenue contribution at 20%, compared to 8% in the last corresponding period.

Revenue contribution for the industrial segment stands at 20%, compared to 23% 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 MARCH 31, 2023**

**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 March 31, 2023.

**15. Review of Performance**

	Individual Quarter Ended			Cumulative Quarter Ended		
	31.03.2023	31.03.2022	Variance	31.03.2023	31.03.2022	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	37,365	35,973	3.87	37,365	35,973	3.87
Operating Profit	9,017	9,733	(7.36)	9,017	9,733	(7.36)
Profit before Interest and Tax	9,017	9,733	(7.36)	9,017	9,733	(7.36)
Profit before Tax	9,017	9,733	(7.36)	9,017	9,733	(7.36)
Profit After Tax	7,020	7,404	(5.19)	7,020	7,404	(5.19)
Profit Attributable to Ordinary Equity Holders of the Parent	7,020	7,404	(5.19)	7,020	7,404	(5.19)

For the quarter under review, the Group recorded a growth in revenue of RM1.392 million (or 3.87%) from RM35.973 million (Q1/22) to RM37.365 million (Q1/23) due to the increased in revenue from automotive segment, however the increase was mitigated by decrease in revenue from medical segment due to post-covid inventories adjustments by customers and decrease in demand for Endoscopy Video Cables that used in Covid treatment. Profit after tax for the group decreased by RM0.384 million (or 5.19%) from RM7.404 million (Q1/22) to RM7.020 million (Q1/23) attributed by decreased in revenue from medical segment as mentioned above, implementation of Minimum Wages Order 2022 and higher electricity tariff.

**16. Comparison with Immediate Preceding Quarter's Result**

	Current	Immediate	Variance
	Quarter	Preceding	
	Ended	Quarter Ended	
	31.03.2023	31.12.2022	
	RM ' 000	RM ' 000	%
Revenue	37,365	37,348	0.05
Operating Profit	9,017	7,585	18.88
Profit Before Interest and Tax	9,017	7,585	18.88
Profit Before Tax	9,017	7,585	18.88
Profit After Tax	7,020	6,093	15.21
Profit Attributable to Ordinary Equity Holders of the Parent	7,020	6,093	15.21

As compared to the immediate preceding quarter, the Group revenue increased by RM0.017 million (or 0.05%) from RM37.348million (Q4/22) to RM37.365 million (Q1/23) due to the increased in revenue from automotive segment, however the increase was mitigated by decrease in the other two segments. The profit after tax showed an increased of RM0.927 million (or 15.21%) from RM6.093 million (Q4/22) to RM7.020 million (Q1/23) due to improved in margin from medical segment by increased in sales of higher profit margin products.

**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 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 MARCH 31, 2023**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**19. Taxation**

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(2,162)	(2,564)	(2,162)	(2,564)
Deferred tax	165	235	165	235
	<u>(1,997)</u>	<u>(2,329)</u>	<u>(1,997)</u>	<u>(2,329)</u>

**20. Corporate Proposals**

There was no corporate proposals exercised during the period ended March 31, 2023.

**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, 2022. This dividend has not been included as a liabilities in the financial statements and is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company.

**24. Earnings Per Share (EPS)**

(a) Basic EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Profit attributable to shareholders (RM '000)	7,020	7,404	7,020	7,404
Weighted average number of ordinary shares ('000)	763,008	761,669	763,008	761,669
Basic EPS (sen)	0.92	0.97	0.92	0.97

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Profit attributable to shareholders (RM '000)	7,020	7,404	7,020	7,404
Weighted average number of ordinary shares ('000)	763,008	761,669	763,008	761,669
Warrant shares deemed to be issued for no consideration ('000)	52,745	42,309	52,745	42,309
	<u>815,753</u>	<u>803,978</u>	<u>815,753</u>	<u>803,978</u>
Diluted EPS (sen)	0.86	0.92	0.86	0.92

**25. Profit for the Period**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,771)	(1,558)	(1,771)	(1,558)
Gain on disposal of property, plant and equipment	56	-	56	-
Interest income	154	44	154	44
Rental income	6	27	6	27
Property, plant and equipment written off	-	(1)	-	(1)
Net foreign exchange gain	(50)	569	(50)	569

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 May 29, 2023.