

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2023
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited)		(Unaudited)	
		Third Quarter Ended 30.09.2023 RM ' 000	30.09.2022 RM ' 000	Cumulative Quarter Ended 30.09.2023 RM ' 000	30.09.2022 RM ' 000
Revenue		32,531	45,144	103,229	120,980
Cost of sales		(21,607)	(31,865)	(70,089)	(82,251)
Gross profit		10,924	13,279	33,140	38,729
Other operating income (net)	#	2,578	3,635	7,567	7,841
Administrative expenses		(3,463)	(3,187)	(10,991)	(9,254)
Distribution costs		(607)	(587)	(1,850)	(2,034)
Profit from operation		9,432	13,140	27,866	35,282
Finance cost, net		-	-	-	-
Profit before tax		9,432	13,140	27,866	35,282
Taxation	19	(2,030)	(3,036)	(6,144)	(8,372)
Profit after tax		7,402	10,104	21,722	26,910
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		7,402	10,104	21,722	26,910
Attributable to :					
Equity holders of the parent		7,402	10,104	21,722	26,910
Non-controlling interest		-	-	-	-
		7,402	10,104	21,722	26,910
Gross profit margin (%)		33.58	29.41	32.10	32.01
Profit after tax margin (%)		22.75	22.38	21.04	22.24
Weighted average number of shares ('000)		776,203	761,611	776,203	761,611
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	0.95	1.33	2.80	3.53
- Diluted (sen)	24(b)	0.90	1.24	2.65	3.31
Note # : Net other operating income					
Fair value gain on other financial asset		1,152	1,099	4,294	2,276
Property, plant and equipment written off		-	-	(1)	(29)
Gain on disposal of property, plant and equipment		(3)	2	53	15
Gain from scrap sales and other disposal		237	362	887	1,312
Interest income		437	172	825	325
Rental income		5	6	17	33
Reversal of Inventories written down		-	106	-	106
Unrealised gain on foreign exchange		4	1,035	365	2,007
Realised gain on foreign exchange		746	853	1,127	1,796
		2,578	3,635	7,567	7,841

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 30.09.2023 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2022 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	11,453	13,279
Goodwill	87,478	87,478
Property, plant and equipment	20,253	20,521
Right-of-use assets	1,712	1,752
Deferred tax assets	912	1,004
Term deposits with licensed banks	202	258
	<u>122,010</u>	<u>124,292</u>
Current Assets		
Inventories	42,909	38,714
Trade and other receivables	20,661	31,896
Other financial asset	140,519	126,924
Term deposits with licensed bank	19,590	19,550
Cash and bank balances	29,347	16,299
	<u>253,026</u>	<u>233,383</u>
TOTAL ASSETS	<u><u>375,036</u></u>	<u><u>357,675</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	264,772	247,571
Treasury shares	(272)	(123)
Share options reserve	1,591	-
Retained earnings	91,349	81,428
	<u>357,440</u>	<u>328,876</u>
Non-Current Liability		
Deferred tax liabilities	5,037	5,471
	<u>5,037</u>	<u>5,471</u>
Current Liabilities		
Trade payables	1,624	11,600
Other payables	7,520	6,842
Current tax payable	573	1,510
Accrued expenses	2,842	3,376
	<u>12,559</u>	<u>23,328</u>
Total Liabilities	<u>17,596</u>	<u>28,799</u>
TOTAL EQUITY AND LIABILITIES	<u><u>375,036</u></u>	<u><u>357,675</u></u>
Net asset per share (RM)	<u>0.46</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
(Company No. : 199001005958 (197527-H))
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	2023	2022
	9 months ended 30.09.2023	9 months ended 30.09.2022
	RM ' 000	RM ' 000
Profit for the period	21,722	26,910
Adjustments for :-		
Depreciation and amortisation of non-current assets	4,124	4,725
Fair value gain on financial asset carried at fair value through profit or loss	(4,294)	(2,276)
Gain on disposal of property, plant and equipment	(53)	(15)
Interest income	(825)	(325)
Property, plant and equipment written off	1	29
Reversal of inventories written down	-	(106)
Share options granted under ESOS	1,591	-
Unrealised loss/(gain) on foreign exchange	(365)	(2,007)
Tax expense recognised in profit or loss	6,144	8,372
Operating profit before changes in working capital	<u>28,045</u>	<u>35,307</u>
Changes in Working Capital :-		
Net Change in inventories : (Increase)	(4,195)	(5,060)
Net Change in other current assets : Decrease	11,137	5,443
Net Change in current liabilities : (Decrease)	<u>(9,832)</u>	<u>(1,033)</u>
Cash generated from operation	25,155	34,657
Income taxes paid	<u>(7,423)</u>	<u>(6,598)</u>
Net cash generated from operation	<u>17,732</u>	<u>28,059</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	825	325
Decrease/(Increase) in term deposits	56	(107)
Increase in other financial asset	(9,301)	(16,351)
Purchase of property, plant and equipment	(2,009)	(3,724)
Proceeds from disposal of property, plant and equipment	71	14
Net cash used in investing activities	<u>(10,358)</u>	<u>(19,843)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	17,201	1,524
Purchase of treasury shares	(149)	(123)
Dividend paid	<u>(11,801)</u>	<u>(11,426)</u>
Net cash generated from financing activities	<u>5,251</u>	<u>(10,025)</u>
Net change in cash & cash equivalents	12,625	(1,809)
Cash & cash equivalents at beginning of period	29,149	41,673
Effects of foreign exchange rate changes	463	1,773
Cash & cash equivalents at end of period	<u><u>42,237</u></u>	<u><u>41,637</u></u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	19,792	25,144
Cash and bank balances	<u>29,347</u>	<u>20,137</u>
	49,139	45,281
Less : Term deposit held as security	(202)	(294)
Less : Deposits not recognised as cash and cash equivalent	<u>(6,700)</u>	<u>(3,350)</u>
	<u><u>42,237</u></u>	<u><u>41,637</u></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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)				Total
	<----- Attributable to equity holders of the parent ----->				
	Share Capital	Treasury Share	Share Options Reserve	Retained Earnings	
	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 9 months ended 30.09.2023</u>					
Balance as of January 1, 2023	247,571	(123)	-	81,428	328,876
Total comprehensive income for the period	-	-	-	21,722	21,722
Exercise of warrants	17,201	-	-	-	17,201
Payment of dividends	-	-	-	(11,801)	(11,801)
Purchase of treasury shares	-	(149)	-	-	(149)
Share options granted under ESOS	-	-	1,591	-	1,591
Balance as of September 30, 2023	<u>264,772</u>	<u>(272)</u>	<u>1,591</u>	<u>91,349</u>	<u>357,440</u>
<u>Preceding 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>-</u>	<u>79,249</u>	<u>326,567</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.

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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 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 Main Market ("MMLR") 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.

Title	Effective Date
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 - Initial Application of MFRS 17</i> and MFRS 9 - <i>Comparative Information</i>	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 1,388,666 ordinary shares at an issue price of RM0.65 per share on each warrant exercised.

As at September 30, 2023, of the total 788,438,929 issued and fully paid ordinary shares, 230,000 ordinary shares are held as treasury shares by the Company.

7. Dividends Paid

A final single tier dividend of RM0.015 per ordinary share, amounting to RM11,800,875.87 in respect of financial year ended December 31, 2022 was paid in July 18, 2023.

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 77% as compared to 56% in the last corresponding period.

Meanwhile, the automotive segment has lower revenue contribution at 2%, compared to 14% in the last corresponding period.

Revenue contribution for the industrial segment stands at 21%, compared to 30% 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.

10. Material Subsequent Events

There were no material subsequent events during the financial period under review.

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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2023

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

As of September 30, 2023, the Group has the following commitments in respect of capital expenditure on acquisition of property, plant and equipment

	30.09.2023
	RM ' 000
Contracted and not provided for:	
Property, plant and equipment	<u>8,000</u>

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	30.09.2023	30.09.2022	Variance	30.09.2023	30.09.2022	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	32,531	45,144	(27.94)	103,229	120,980	(14.67)
Operating Profit	9,432	13,140	(28.22)	27,866	35,282	(21.02)
<i>Profit before Interest and Tax</i>	9,432	13,140	(28.22)	27,866	35,282	(21.02)
<i>Profit before Tax</i>	9,432	13,140	(28.22)	27,866	35,282	(21.02)
<i>Profit After Tax</i>	7,402	10,104	(26.74)	21,722	26,910	(19.28)
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	7,402	10,104	(26.74)	21,722	26,910	(19.28)

For the quarter under review, the Group recorded a declined in revenue of RM12.613 million (or 27.94%) from RM45.144 million (Q3/22) to RM32.531 million (Q3/23) due to the decreased orders from industrial segment and temporary dip in demand for automotive segment. Profit after tax for the group decreased by RM2.702 million (or 26.74%) from RM10.104 million (Q3/22) to RM7.402 million (Q3/23) attributed by decreased in revenue as mentioned above, higher electricity tariff and recognition of RM0.795 million for fair value expense related to share options granted under ESOS. Also, decline in net foreign exchange gain by RM1.138 million as compared to the last corresponding period.

The cumulative revenue recorded a declined of RM17.751 million (or 14.67%) from RM120.980 million (cumulative Q3/22) to RM103.229 million (cumulative Q3/23) and the cumulative profit after tax of the group has decreased by RM5.188 million (or 19.28%) from RM26.910 million (cumulative Q3/22) to RM21.722 million (cumulative Q3/23) attributed by decrease in revenue from all three segments, higher electricity tariff, one-off expenses of RM0.776 million related to transfer listing of Company share capital to Main Market of Bursa and recognition of RM1.591 million for fair value expense related to share options granted under ESOS.

16. Comparison with Immediate Preceding Quarter's Result

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance %
	30.09.2023	30.06.2023	
	RM ' 000	RM ' 000	
Revenue	32,531	33,333	(2.41)
Operating Profit	9,432	9,417	0.16
<i>Profit Before Interest and Tax</i>	9,432	9,417	0.16
<i>Profit Before Tax</i>	9,432	9,417	0.16
<i>Profit After Tax</i>	7,402	7,300	1.40
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	7,402	7,300	1.40

As compared to the immediate preceding quarter, the Group revenue declined by RM0.802 million (or 2.41%) from RM33.333 million (Q2/23) to RM32.531 million (Q3/23) mainly due to the decreased in revenue from automotive segment. The profit after tax showed an increased of RM0.102 million (or 1.40%) from RM7.300 million (Q2/23) to RM7.402 million (Q3/23) due to improved in margin from automotive and industrial segments, however the increase was mitigated by lower margin generated from medical segment.

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.

19. Taxation

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(2,178)	(2,475)	(6,575)	(8,063)
Over provision in prior year	-	266	-	266
Deferred tax	148	(827)	431	(575)
	<u>(2,030)</u>	<u>(3,036)</u>	<u>(6,144)</u>	<u>(8,372)</u>

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

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2023

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

20. Corporate Proposals

Save as disclosed below, there was no corporate proposal announced but not completed as at the date of this quarterly report:

On November 3, 2023, the Company had announced that the Company intends to seek the shareholders' approval for the proposed amendment to the existing Constitution of the Company ("Proposed Amendment") at its Extraordinary General Meeting to be convened on Tuesday, December 12, 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 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, 2023, payable on December 28, 2023. The entitlement date has been fixed on December 8, 2023.

24. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to shareholders (RM '000)	7,402	10,104	21,722	26,910
Weighted average number of ordinary shares ('000)	776,203	761,611	776,203	761,611
Basic EPS (sen)	0.95	1.33	2.80	3.53

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to shareholders (RM '000)	7,402	10,104	21,722	26,910
Weighted average number of ordinary shares ('000)	776,203	761,611	776,203	761,611
Warrant shares deemed to be issued for no consideration ('000)	42,306	50,597	42,306	50,597
Share options deemed to be issued for no consideration ('000)	591	-	591	-
	819,100	812,208	819,100	812,208
Diluted EPS (sen)	0.90	1.24	2.65	3.31

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(882)	(1,572)	(4,124)	(4,725)
Gain on disposal of property, plant and equipment	(3)	2	53	15
Interest income	437	172	825	325
Rental income	5	6	17	33
Reversal of inventories written down	-	106	-	106
Property, plant and equipment written off	-	-	(1)	(29)
Net foreign exchange gain	750	1,888	1,492	3,803

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Securities Main 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, 2023.