

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

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

	Note	(Unaudited)		(Unaudited)	(Audited)
		Fourth Quarter Ended		Cumulative Quarter Ended	Quarter Ended
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		34,826	37,328	138,055	158,308
Cost of sales		(23,183)	(27,826)	(93,272)	(110,077)
Gross profit		11,643	9,502	44,783	48,231
Other operating income (net)	#	2,709	1,834	10,276	9,675
Administrative expenses		(3,634)	(3,086)	(14,625)	(12,340)
Distribution costs		(683)	(770)	(2,533)	(2,804)
Profit from operation		10,035	7,480	37,901	42,762
Finance cost, net		-	-	-	-
Profit before tax		10,035	7,480	37,901	42,762
Taxation	19	(2,030)	(1,492)	(8,174)	(9,864)
Profit after tax		8,005	5,988	29,727	32,898
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		8,005	5,988	29,727	32,898
Attributable to :					
Equity holders of the parent		8,005	5,988	29,727	32,898
Non-controlling interest		-	-	-	-
		8,005	5,988	29,727	32,898
Gross profit margin (%)		33.43	25.46	32.44	30.47
Profit after tax margin (%)		22.99	16.04	21.53	20.78
Weighted average number of shares ('000)		776,228	761,653	776,228	761,653
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	1.03	0.79	3.83	4.32
- Diluted (sen)	24(b)	0.98	0.74	3.63	4.04
Note # : Net other operating income					
Fair value gain on other financial asset		1,149	312	5,443	2,588
Property, plant and equipment written off		(3)	-	(4)	(28)
Gain/(Loss) on disposal of property, plant and equipment		37	(1)	90	14
Gain from scrap sales and other disposal		710	1,094	1,597	2,405
Interest income		318	230	1,143	555
Rental income		6	49	23	82
Reversal of allowance for expected credit losses		149	-	149	-
Reversal of Inventories written down		-	131	-	237
Unrealised (loss)/gain on foreign exchange		(149)	(623)	216	1,384
Realised gain on foreign exchange		492	642	1,619	2,438
		2,709	1,834	10,276	9,675

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))
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 31.12.2023 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2022 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	10,482	13,279
Goodwill	87,478	87,478
Property, plant and equipment	21,541	20,521
Right-of-use assets	1,698	1,752
Deferred tax assets	1,013	1,004
Term deposits with licensed banks	202	258
	<u>122,414</u>	<u>124,292</u>
Current Assets		
Inventories	41,940	38,714
Trade and other receivables	26,479	31,896
Other financial asset	166,281	126,924
Term deposits with licensed bank	12,350	19,550
Cash and bank balances	15,194	16,299
	<u>262,244</u>	<u>233,383</u>
TOTAL ASSETS	<u><u>384,658</u></u>	<u><u>357,675</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	265,870	247,571
Treasury shares	(418)	(123)
Share options reserve	1,591	-
Retained earnings	95,411	81,428
	<u>362,454</u>	<u>328,876</u>
Non-Current Liability		
Deferred tax liabilities	4,908	5,471
	<u>4,908</u>	<u>5,471</u>
Current Liabilities		
Trade payables	5,307	11,600
Other payables	7,290	6,842
Current tax payable	921	1,510
Accrued expenses	3,778	3,376
	<u>17,296</u>	<u>23,328</u>
Total Liabilities	<u>22,204</u>	<u>28,799</u>
TOTAL EQUITY AND LIABILITIES	<u><u>384,658</u></u>	<u><u>357,675</u></u>
Net asset per share (RM)	<u>0.47</u>	<u>0.43</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 DECEMBER 31, 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2023 12 months ended 31.12.2023 RM ' 000	(Audited) 2022 12 months ended 31.12.2022 RM ' 000
Profit for the period	29,727	32,898
Adjustments for :-		
Depreciation and amortisation of non-current assets	5,906	6,402
Fair value gain on financial asset carried at fair value through profit or loss	(5,443)	(2,588)
Gain on disposal of property, plant and equipment	(90)	(14)
Interest income	(1,143)	(555)
Property, plant and equipment written off	4	28
Reversal of allowance for expected credit losses	(149)	-
Reversal of inventories written down	-	(237)
Share options granted under ESOS	1,591	-
Unrealised (gain) on foreign exchange	(216)	(1,384)
Tax expense recognised in profit or loss	8,174	9,864
Operating profit before changes in working capital	<u>38,361</u>	<u>44,414</u>
Changes in Working Capital :-		
Net Change in inventories : (Increase)	(3,226)	(6,981)
Net Change in other current assets : Decrease	5,520	1,137
Net Change in current liabilities : (Decrease) / Increase	<u>(5,443)</u>	<u>3,038</u>
Cash generated from operation	35,212	41,608
Income taxes paid	<u>(9,335)</u>	<u>(11,106)</u>
Net cash generated from operation	<u>25,877</u>	<u>30,502</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Disposal of other financial assets	-	12,697
Interest received	1,143	503
Decrease/(Increase) in term deposits	1,906	(3,421)
Increase in other financial asset	(33,914)	(34,777)
Purchase of property, plant and equipment	(4,123)	(5,877)
Proceeds from disposal of property, plant and equipment	134	392
Net cash used in investing activities	<u>(34,854)</u>	<u>(30,483)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	18,299	1,654
Purchase of treasury shares	(295)	(123)
Dividend paid	<u>(15,744)</u>	<u>(15,235)</u>
Net cash generated from financing activities	<u>2,260</u>	<u>(13,704)</u>
Net change in cash & cash equivalents	(6,717)	(13,687)
Cash & cash equivalents at beginning of period	29,149	41,673
Effects of foreign exchange rate changes	262	1,163
Cash & cash equivalents at end of period	<u>22,694</u>	<u>29,149</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	12,552	19,808
Cash and bank balances	<u>15,194</u>	<u>16,299</u>
	27,746	36,107
Less : Term deposit held as security	(202)	(258)
Less : Deposits not recognised as cash and cash equivalent	<u>(4,850)</u>	<u>(6,700)</u>
	<u>22,694</u>	<u>29,149</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
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31, 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 12 months ended 31.12.2023</u>					
Balance as of January 1, 2023	247,571	(123)	-	81,428	328,876
Total comprehensive income for the period	-	-	-	29,727	29,727
Exercise of warrants	18,299	-	-	-	18,299
Payment of dividends	-	-	-	(15,744)	(15,744)
Purchase of treasury shares	-	(295)	-	-	(295)
Share options granted under ESOS	-	-	1,591	-	1,591
Balance as of December 31, 2023	<u>265,870</u>	<u>(418)</u>	<u>1,591</u>	<u>95,411</u>	<u>362,454</u>
<u>Preceding 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	-	-	-	32,898	32,898
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>-</u>	<u>81,428</u>	<u>328,876</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
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED DECEMBER 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 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 for the following:

- (i) issuance of 1,688,400 ordinary shares at an issue price of RM0.65 per share on each warrant exercised,
- (ii) repurchased 120,000 ordinary shares from open market at an average price of RM1.21, the total consideration paid including transaction costs was RM145,999.40.

As at December 31, 2023, of the total 790,127,329 issued and fully paid ordinary shares, 350,000 ordinary shares are held as treasury shares by the Company.

7. Dividends Paid

Type of dividend	For the financial year ended	Entitlement Date	Payment Date	Dividend per share	Amount
Final single tier dividend	Dec 31, 2022	Jun 23, 2023	July 18, 2023	1.5 sen	RM11,800,875.87
First interim single tier dividend	Dec 31, 2023	Dec 8, 2023	Dec 28, 2023	0.5 sen	RM3,942,879.55

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 79% as compared to 64% in the last corresponding period.

Meanwhile, the automotive segment has lower revenue contribution at 2%, compared to 6% in the last corresponding period.

Revenue contribution for the industrial segment stands at 19%, 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.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED DECEMBER 31, 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 December 31, 2023, the Group has the following commitments in respect of capital expenditure on acquisition of property, plant and equipment

	31.12.2023
	RM ' 000
Contracted and not provided for: Property, plant and equipment	8,000

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	31.12.2023	31.12.2022	Variance	31.12.2023	31.12.2022	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	34,826	37,328	(6.70)	138,055	158,308	(12.79)
Operating Profit	10,035	7,480	34.16	37,901	42,762	(11.37)
<i>Profit before Interest and Tax</i>	10,035	7,480	34.16	37,901	42,762	(11.37)
<i>Profit before Tax</i>	10,035	7,480	34.16	37,901	42,762	(11.37)
<i>Profit After Tax</i>	8,005	5,988	33.68	29,727	32,898	(9.64)
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	8,005	5,988	33.68	29,727	32,898	(9.64)

For the quarter under review, the Group recorded a declined in revenue of RM2.502 million (or 6.70%) from RM37.328 million (Q4/22) to RM34.826 million (Q4/23) due to decreased orders from industrial segment and temporary dip in demand for automotive segment. However the decrease is mitigated by increased orders from medical segment, particularly with the resurgence of demand for Endoscopy Video Cables. Profit after tax for the group increased by RM2.017 million (or 33.68%) from RM5.988 million (Q4/22) to RM8.005 million (Q4/23) attributed by increased in sales of medical products with better profit margin and favorable foreign exchange.

The cumulative revenue recorded a declined of RM20.253 million (or 12.79%) from RM158.308 million (cumulative Q4/22) to RM138.055 million (cumulative Q4/23) and the cumulative profit after tax of the group has decreased by RM3.171 million (or 9.64%) from RM32.898 million (cumulative Q4/22) to RM29.727 million (cumulative Q4/23) attributed by decrease in revenue from automotive and industrial segments, higher electricity tariff, one-off expenses of RM0.936 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
	31.12.2023	30.09.2023	%
	RM ' 000	RM ' 000	%
Revenue	34,826	32,531	7.05
Operating Profit	10,035	9,432	6.39
<i>Profit Before Interest and Tax</i>	10,035	9,432	6.39
<i>Profit Before Tax</i>	10,035	9,432	6.39
<i>Profit After Tax</i>	8,005	7,402	8.15
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	8,005	7,402	8.15

As compared to the immediate preceding quarter, the Group revenue increased by RM2.295 million (or 7.05%) from RM32.531 million (Q3/23) to RM34.826 million (Q4/23) mainly due to the increased in revenue from medical segment. The profit after tax showed an increased of RM0.603 million (or 8.15%) from RM7.402 million (Q3/23) to RM8.005 million (Q4/23) due to increased orders from medical segment, particularly with the resurgence of demand for Endoscopy Video Cables

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.

19. Taxation

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(2,074)	(1,836)	(8,649)	(9,899)
Over provision in prior year	(97)	-	(97)	266
Deferred tax	141	344	572	(231)
	(2,030)	(1,492)	(8,174)	(9,864)

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED DECEMBER 31, 2023

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

20. Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this quarterly report.

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to shareholders (RM '000)	8,005	5,988	29,727	32,898
Weighted average number of ordinary shares ('000)	776,228	761,653	776,228	761,653
Basic EPS (sen)	1.03	0.79	3.83	4.32

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to shareholders (RM '000)	8,005	5,988	29,727	32,898
Weighted average number of ordinary shares ('000)	776,228	761,653	776,228	761,653
Warrant shares deemed to be issued for no consideration ('000)	41,707	52,798	41,707	52,798
Share options deemed to be issued for no consideration ('000)	481	-	481	-
	818,416	814,451	818,416	814,451
Diluted EPS (sen)	0.98	0.74	3.63	4.04

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,782)	(1,677)	(5,906)	(6,402)
Gain/(Loss) on disposal of property, plant and equipment	37	(1)	90	14
Interest income	318	230	1,143	555
Rental income	6	49	23	82
Reversal of allowance for expected credit losses	149	-	149	-
Reversal of inventories written down	-	131	-	237
Property, plant and equipment written off	(3)	-	(4)	(28)
Net foreign exchange gain	343	19	1,835	3,822

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 February 28, 2024.