

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2024
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited)		(Unaudited)	
		First Quarter Ended		Cumulative Quarter Ended	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		36,141	37,365	36,141	37,365
Cost of sales		(25,212)	(25,466)	(25,212)	(25,466)
Gross profit		10,929	11,899	10,929	11,899
Other operating income (net)	#	3,026	1,552	3,026	1,552
Administrative expenses		(3,228)	(3,762)	(3,228)	(3,762)
Distribution costs		(674)	(672)	(674)	(672)
Profit from operation		10,053	9,017	10,053	9,017
Finance cost, net		-	-	-	-
Profit before tax		10,053	9,017	10,053	9,017
Taxation	19	(2,002)	(1,997)	(2,002)	(1,997)
Profit after tax		8,051	7,020	8,051	7,020
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		8,051	7,020	8,051	7,020
Attributable to :					
Equity holders of the parent		8,051	7,020	8,051	7,020
Non-controlling interest		-	-	-	-
		8,051	7,020	8,051	7,020
Gross profit margin (%)		30.24	31.85	30.24	31.85
Profit after tax margin (%)		22.28	18.79	22.28	18.79
Weighted average number of shares ('000)		814,453	763,008	814,453	763,008
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24(a)	0.99	0.92	0.99	0.92
- Diluted (sen)	24(b)	0.96	0.86	0.96	0.86
Note # : Net other operating income					
Fair value gain on other financial asset		1,773	1,210	1,773	1,210
Property, plant and equipment written off		(1)	-	(1)	-
(Loss)/Gain on disposal of property, plant and equipment		(1)	56	(1)	56
Gain from scrap sales and other disposal		260	176	260	176
Interest income		162	154	162	154
Rental income		7	6	7	6
Reversal of allowance for expected credit losses		51	-	51	-
Unrealised gain/(loss) on foreign exchange		355	(225)	355	(225)
Realised gain on foreign exchange		420	175	420	175
		3,026	1,552	3,026	1,552

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 31,2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 31.03.2024 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2023 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	10,065	10,482
Goodwill	87,478	87,478
Property, plant and equipment	21,515	21,541
Right-of-use assets	1,685	1,698
Deferred tax assets	1,148	1,013
Term deposits with licensed banks	202	202
	122,093	122,414
Current Assets		
Inventories	44,107	41,816
Trade and other receivables	28,613	30,158
Other financial asset	183,054	166,281
Current tax assets	842	632
Term deposits with licensed bank	17,440	19,527
Cash and bank balances	15,056	8,017
	289,112	266,431
TOTAL ASSETS	411,205	388,845
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	284,917	265,870
Treasury shares	(491)	(418)
Share options reserve	2,144	2,144
Retained earnings	102,785	94,734
	389,355	362,330
Non-Current Liability		
Deferred tax liabilities	4,830	4,908
	4,830	4,908
Current Liabilities		
Trade payables	2,328	5,938
Other payables	9,469	10,263
Current tax payable	2,186	1,553
Accrued expenses	3,037	3,853
	17,020	21,607
Total Liabilities	21,850	26,515
TOTAL EQUITY AND LIABILITIES	411,205	388,845
Net asset per share (RM)	0.48	0.47

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, 2023.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2024
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2024 3 months ended 31.03.2024 RM ' 000	(Unaudited) 2023 3 months ended 31.03.2023 RM ' 000
Profit for the period	8,051	7,020
Adjustments for :-		
Depreciation and amortisation of non-current assets	1,261	1,771
Fair value gain on financial asset carried at fair value through profit or loss	(1,773)	(1,210)
(Loss)/Gain on disposal of property, plant and equipment	1	(56)
Interest income	(162)	(154)
Property, plant and equipment written off	1	-
Reversal of allowance for expected credit losses	(51)	-
Unrealised (gain)/loss on foreign exchange	(355)	225
Tax expense recognised in profit or loss	2,002	1,997
Operating profit before changes in working capital	<u>8,975</u>	<u>9,593</u>
Changes in Working Capital :-		
Net Change in inventories : (Increase)	(2,291)	(736)
Net Change in other current assets : Decrease	1,654	8,007
Net Change in current liabilities : (Decrease)	<u>(5,220)</u>	<u>(4,874)</u>
Cash generated from operation	3,118	11,990
Income taxes paid	(1,792)	(2,903)
Net cash generated from operation	<u>1,326</u>	<u>9,087</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	162	154
(Increase)/ Decrease in term deposits	(1,500)	29
Increase in other financial asset	(15,000)	(5,301)
Purchase of property, plant and equipment	(808)	(3,149)
Proceeds from disposal of property, plant and equipment	1	71
Net cash used in investing activities	<u>(17,145)</u>	<u>(8,196)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	19,047	825
Purchase of treasury shares	(73)	-
Net cash generated from financing activities	<u>18,974</u>	<u>825</u>
Net change in cash & cash equivalents	3,155	1,716
Cash & cash equivalents at beginning of period	24,194	29,149
Effects of foreign exchange rate changes	297	58
Cash & cash equivalents at end of period	<u>27,646</u>	<u>30,923</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	17,642	21,139
Cash and bank balances	<u>15,056</u>	<u>16,713</u>
	32,698	37,852
Less : Term deposit held as security	(202)	(229)
Less : Deposits not recognised as cash and cash equivalent	<u>(4,850)</u>	<u>(6,700)</u>
	<u>27,646</u>	<u>30,923</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, 2023.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)				Total
	Share Capital	<----- Attributable to equity holders of the parent ----->			
	RM ' 000	Treasury Share RM ' 000	Share Options Reserve RM ' 000	Retained Earnings RM ' 000	RM ' 000
<u>Current Year's 3 months ended 31.03.2024</u>					
Balance as of January 1, 2024	265,870	(418)	2,144	94,734	362,330
Total comprehensive income for the period	-	-	-	8,051	8,051
Exercise of warrants	19,047	-	-	-	19,047
Purchase of treasury shares	-	(73)	-	-	(73)
Balance as of March 31, 2024	<u>284,917</u>	<u>(491)</u>	<u>2,144</u>	<u>102,785</u>	<u>389,355</u>
<u>Preceding Year's 3 months ended 31.03.2023</u>					
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>-</u>	<u>88,448</u>	<u>336,721</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, 2023.

SUPERCOMNET TECHNOLOGIES BERHAD
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024

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, 2023.

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, 2023.

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 16 Lease Liability in a Sale and Leaseback or Non-current	January 1, 2024
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	January 1, 2024

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 29,303,950 ordinary shares at an issue price of RM0.65 per share on each warrant exercised,
- (ii) repurchased 60,000 ordinary shares from open market at an average price of RM1.21, the total consideration paid including transaction costs was RM72,999.70.

As at March 31, 2024, of the total 819,431,279 issued and fully paid ordinary shares, 410,000 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 76% as compared to 60% in the last corresponding period.

Meanwhile, the automotive segment has lower revenue contribution at 5%, compared to 20% in the last corresponding period.

Revenue contribution for the industrial segment stands at 19%, compared to 20% 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
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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024

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 March 31, 2024, the Group has the following commitments in respect of capital expenditure on acquisition of property, plant and equipment

	31.03.2024
	RM ' 000
Contracted and not provided for:	
Property, plant and equipment	8,000

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	31.03.2024	31.03.2023	Variance	31.03.2024	31.03.2023	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	36,141	37,365	(3.28)	36,141	37,365	(3.28)
Operating Profit	10,053	9,017	11.49	10,053	9,017	11.49
<i>Profit before Interest and Tax</i>	10,053	9,017	11.49	10,053	9,017	11.49
<i>Profit before Tax</i>	10,053	9,017	11.49	10,053	9,017	11.49
<i>Profit After Tax</i>	8,051	7,020	14.69	8,051	7,020	14.69
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	8,051	7,020	14.69	8,051	7,020	14.69

For the quarter under review, the Group recorded a declined in revenue of RM1.224 million (or 3.28%) from RM37.365 million (Q1/23) to RM36.141 million (Q1/24) due to decreased orders from automotive segment. However the decrease is cushioned by increased orders from medical segment, particularly with the pick up in demand for Endoscopy Video Cables. Profit after tax for the group increased by RM1.031 million (or 14.69%) from RM7.020 million (Q1/23) to RM8.051 million (Q1/24) attributed by increased in sales of medical products with better profit margin and favorable foreign exchange.

16. Comparison with Immediate Preceding Quarter's Result

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance
	31.03.2024	31.12.2023	%
	RM ' 000	RM ' 000	%
Revenue	36,141	34,826	3.78
Operating Profit	10,053	10,035	0.18
<i>Profit Before Interest and Tax</i>	10,053	10,035	0.18
<i>Profit Before Tax</i>	10,053	10,035	0.18
<i>Profit After Tax</i>	8,051	8,005	0.57
<i>Profit Attributable to Ordinary Equity Holders of the Parent</i>	8,051	8,005	0.57

As compared to the immediate preceding quarter, the Group revenue increased by RM1.315 million (or 3.78%) from RM34.826 million (Q4/24) to RM36.141 million (Q1/24) mainly due to the increased in revenue from automotive segment. The profit after tax saw a slight increase of RM0.046 million (or 0.57%) from RM8.005 million (Q4/23) to RM8.051 million (Q1/24) mainly due to the increase of revenue from automotive segment, however the increase were mitigated by higher operating costs from automotive segment and expenses associated with setting up a new factory.

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 product 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(2,215)	(2,162)	(2,215)	(2,162)
Deferred tax	213	165	213	165
	(2,002)	(1,997)	(2,002)	(1,997)

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2024

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

The Directors proposed a final single tier dividend of 1.5 sen per ordinary shares in respect of the financial year ended December 31, 2023. 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to shareholders (RM '000)	8,051	7,020	8,051	7,020
Weighted average number of ordinary shares ('000)	814,453	763,008	814,453	763,008
Basic EPS (sen)	0.99	0.92	0.99	0.92

(b) Fully Diluted EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to shareholders (RM '000)	8,051	7,020	8,051	7,020
Weighted average number of ordinary shares ('000)	814,453	763,008	814,453	763,008
Warrant shares deemed to be issued for no consideration ('000)	20,846	52,745	20,846	52,745
Share options deemed to be issued for no consideration ('000)	10	-	10	-
	835,309	815,753	835,309	815,753
Diluted EPS (sen)	0.96	0.86	0.96	0.86

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM '000	RM '000	RM '000	RM '000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,261)	(1,771)	(1,261)	(1,771)
Gain/(Loss) on disposal of property, plant and equipment	(1)	56	(1)	56
Interest income	162	154	162	154
Rental income	7	6	7	6
Reversal of allowance for expected credit losses	51	-	51	-
Property, plant and equipment written off	(1)	-	(1)	-
Net foreign exchange gain	775	(50)	775	(50)

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 May 20, 2024.