

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

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

	Note	(Unaudited)		(Unaudited)	
		Third Quarter Ended 30.09.2024 RM ' 000	30.09.2023 RM ' 000	Cumulative Quarter Ended 30.09.2024 RM ' 000	30.09.2023 RM ' 000
Revenue		37,284	32,531	111,709	103,229
Cost of sales		(24,502)	(21,607)	(75,285)	(70,089)
Gross profit		12,782	10,924	36,424	33,140
Other operating (loss)/income (net)	#	(1,758)	2,578	3,646	7,567
Administrative expenses		(2,703)	(3,463)	(9,647)	(10,991)
Distribution costs		(711)	(607)	(1,982)	(1,850)
Profit from operation		7,610	9,432	28,441	27,866
Finance cost, net		-	-	-	-
Profit before tax		7,610	9,432	28,441	27,866
Taxation	19	(2,104)	(2,030)	(6,476)	(6,144)
Profit after tax		5,506	7,402	21,965	21,722
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		5,506	7,402	21,965	21,722
Attributable to :					
Equity holders of the parent		5,506	7,402	21,965	21,722
Non-controlling interest		-	-	-	-
		5,506	7,402	21,965	21,722
Gross profit margin (%)		34.28	33.58	32.61	32.10
Profit after tax margin (%)		14.77	22.75	19.66	21.04
Weighted average number of shares ('000)		837,179	776,203	837,179	776,203
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24	0.66	0.95	2.62	2.80
Note # : Net other operating (loss)/income					
Fair value gain on other financial asset		683	1,152	3,996	4,294
Property, plant and equipment written off		-	-	(1)	(1)
(Loss)/Gain on disposal of property, plant and equipment		-	(3)	(1)	53
Gain from scrap sales and other disposal		450	237	920	887
Interest income		321	437	746	825
Rental income		7	5	21	17
Reversal of allowance for expected credit losses		-	-	51	-
Unrealised (loss)/gain on foreign exchange		(4,315)	4	(3,956)	365
Realised gain on foreign exchange		1,096	746	1,870	1,127
		(1,758)	2,578	3,646	7,567

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, 2023.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30,2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At End Of Current Quarter 30.09.2024 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2023 RM ' 000
ASSETS		
Non-Current Assets		
Intangible asset	8,632	10,482
Goodwill	87,478	87,478
Property, plant and equipment	29,886	21,541
Right-of-use assets	1,658	1,698
Deferred tax assets	969	1,013
Term deposits with licensed banks	342	202
	<u>128,965</u>	<u>122,414</u>
Current Assets		
Inventories	47,026	41,816
Trade and other receivables	32,838	30,158
Current tax assets	683	632
Other financial asset	201,110	166,281
Term deposits with licensed bank	11,500	19,527
Cash and bank balances	20,982	8,017
	<u>314,139</u>	<u>266,431</u>
TOTAL ASSETS	<u><u>443,104</u></u>	<u><u>388,845</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	314,700	265,870
Treasury shares	(491)	(418)
Share options reserve	-	2,144
Retained earnings	105,990	94,734
	<u>420,199</u>	<u>362,330</u>
Non-Current Liability		
Deferred tax liabilities	4,464	4,908
	<u>4,464</u>	<u>4,908</u>
Current Liabilities		
Trade payables	2,108	5,938
Other payables	10,861	10,263
Current tax payable	1,942	1,553
Accrued expenses	3,530	3,853
	<u>18,441</u>	<u>21,607</u>
Total Liabilities	<u>22,905</u>	<u>26,515</u>
TOTAL EQUITY AND LIABILITIES	<u><u>443,104</u></u>	<u><u>388,845</u></u>
Net asset per share (RM)	<u>0.50</u>	<u>0.47</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, 2023.

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2024
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2024 9 months ended 30.09.2024 RM ' 000	(Unaudited) 2023 9 months ended 30.09.2023 RM ' 000
Profit for the period	21,965	21,722
Adjustments for :-		
Depreciation and amortisation of non-current assets	4,410	4,124
Fair value gain on financial asset carried at fair value through profit or loss	(3,996)	(4,294)
Loss/(Gain) on disposal of property, plant and equipment	1	(53)
Interest income	(746)	(825)
Property, plant and equipment written off	1	1
Reversal of allowance for expected credit losses	(51)	-
Share Options granted under ESOS	-	1,591
Unrealised loss/(gain) on foreign exchange	3,956	(365)
Tax expense recognised in profit or loss	6,476	6,144
Operating profit before changes in working capital	<u>32,016</u>	<u>28,045</u>
Changes in Working Capital :-		
Net Change in inventories : (Increase)	(5,210)	(4,195)
Net Change in other current assets : (Increase) / Decrease	(3,403)	11,137
Net Change in current liabilities : (Decrease)	<u>(3,555)</u>	<u>(9,832)</u>
Cash generated from operation	19,848	25,155
Income taxes paid	<u>(6,538)</u>	<u>(7,423)</u>
Net cash generated from operation	<u>13,310</u>	<u>17,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	746	825
Decrease in term deposits	460	56
Increase in other financial asset	(30,833)	(9,301)
Purchase of property, plant and equipment	(10,868)	(2,009)
Proceeds from disposal of property, plant and equipment	1	71
Net cash used in investing activities	<u>(40,494)</u>	<u>(10,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Conversion of warrants to ordinary shares	42,640	17,201
Conversion of ESOS to ordinary shares	6,190	-
Dividend paid	(12,853)	(11,801)
Purchase of treasury shares	<u>(73)</u>	<u>(149)</u>
Net cash generated from financing activities	<u>35,904</u>	<u>5,251</u>
Net change in cash & cash equivalents	8,720	12,625
Cash & cash equivalents at beginning of period	24,194	29,149
Effects of foreign exchange rate changes	(3,182)	463
Cash & cash equivalents at end of period	<u>29,732</u>	<u>42,237</u>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	11,842	19,792
Cash and bank balances	<u>20,982</u>	<u>29,347</u>
	32,824	49,139
Less : Term deposit held as security	(342)	(202)
Less : Deposits not recognised as cash and cash equivalent	<u>(2,750)</u>	<u>(6,700)</u>
	<u>29,732</u>	<u>42,237</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 SEPTMBER 30, 2024
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 30.09.2024</u>					
Balance as of January 1, 2024	265,870	(418)	2,144	94,734	362,330
Total comprehensive income for the period	-	-	-	21,965	21,965
Exercise of warrants	42,640	-	-	-	42,640
Payment of dividends	-	-	-	(12,853)	(12,853)
Purchase of treasury shares	-	(73)	-	-	(73)
Issuance of share pursuant to ESOS	6,190	-	(2,144)	2,144	6,190
Balance as of Septmber 30, 2024	<u>314,700</u>	<u>(491)</u>	<u>-</u>	<u>105,990</u>	<u>420,199</u>
<u>Preceding 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 Septmber 30, 2023	<u>264,772</u>	<u>(272)</u>	<u>1,591</u>	<u>91,349</u>	<u>357,440</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 SEPTEMBER 30, 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	January 1, 2024
Amendments to MFRS 101 Non-Current Liabilities with Covenants	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 3,273,400 ordinary share at an issue price of RM1.27 per share on each ESOS exercised

As at September 30, 2024, of the total 860,601,538 issued and fully paid ordinary shares, 410,000 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 RM12,852,728.40 in respect of financial year ended December 31, 2023 was paid in July 18, 2024.

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 80% as compared to 77% in the last corresponding period.

Meanwhile, the industrial segment has lower revenue contribution at 18%, compared to 21% in the last corresponding period.

Revenue contribution for the automotive segment stands at 2%, compared to 2% 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 SEPTEMBER 30, 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

There were no commitment for the purchase of property, plant and equipment as at September 30, 2024.

15. Review of Performance

	Individual Quarter Ended			Cumulative Quarter Ended		
	30.09.2024	30.09.2023	Variance	30.09.2024	30.09.2023	Variance
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	37,284	32,531	14.61	111,709	103,229	8.21
Operating Profit	7,610	9,432	(19.32)	28,441	27,866	2.06
Profit before Interest and Tax	7,610	9,432	(19.32)	28,441	27,866	2.06
Profit before Tax	7,610	9,432	(19.32)	28,441	27,866	2.06
Profit After Tax	5,506	7,402	(25.61)	21,965	21,722	1.12
Profit Attributable to Ordinary Equity Holders of the Parent	5,506	7,402	(25.61)	21,965	21,722	1.12

For the quarter under review, the Group recorded a growth in revenue of RM4.753 million (or 14.61%) from RM32.531 million (Q3/23) to RM37.284 million (Q3/24) due to increased orders from medical segment, particularly with the pick up in demand for single use endoscopy. This resulted to a corresponding increase in gross profit by RM1.858 million (or 17.00%), which grew from RM10.924 million in (Q3/23) to RM12.782 million in (Q3/24), reflecting the Group's improved operational performance.

Despite the growth in revenue and gross profit, profit after tax for the group declined by RM1.896 million (or 25.61%) from RM7.402 million (Q3/23) to RM5.506 million (Q3/24). This was mainly due to an unrealised foreign exchange loss of RM4.315 million recorded during the current financial period under review. Additionally, the Group had carried out a planned downtime for certain reusable cables production lines within the medical segment to facilitate modification works for capacity expansion. The modification works were commissioned for quality assurance and completed timely.

The cumulative revenue recorded a growth of RM8.480 million (or 8.21%) from RM103.229 million (cumulative Q3/23) to RM111.709 million (cumulative Q3/24) and the cumulative profit after tax of the group has increased by RM0.243 million (or 1.12%) from RM21.722 million (cumulative Q3/23) to RM21.965 million (cumulative Q3/24) attributed by increase in revenue from medical segments as mentioned in above. However the increase in profit after tax was diluted by the impact of the cumulative unrealised foreign exchange loss of RM3.956 million.

16. Comparison with Immediate Preceding Quarter's Result

	Current Quarter Ended	Immediate Preceding Quarter Ended	Variance
	30.09.2024	30.06.2024	
	RM ' 000	RM ' 000	%
Revenue	37,284	38,284	(2.61)
Operating Profit	7,610	10,778	(29.39)
Profit Before Interest and Tax	7,610	10,778	(29.39)
Profit Before Tax	7,610	10,778	(29.39)
Profit After Tax	5,506	8,408	(34.51)
Profit Attributable to Ordinary Equity Holders of the Parent	5,506	8,408	(34.51)

As compared to the immediate preceding quarter, the Group revenue decreased by RM1 million (or 2.61%) from RM38.284 million (Q2/24) to RM37.284 million (Q3/24) mainly due to the Group had carried out a planned downtime for certain reusable cables production lines within the medical segment to facilitate modification works for capacity expansion.

The profit after tax saw a decrease of RM2.902 million (or 34.51%) from RM8.408 million (Q2/24) to RM5.506 million (Q3/24) mainly attributed to unrealised foreign exchange loss of RM4.315 million for the current financial period under review.

17. Prospects

We remain optimistic with the Group's mid to long term prospects and will continue to 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.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2024

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. Taxation

Taxation comprises the following :-

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Current tax:				
Income tax expense in respect of current year	(1,396)	(2,178)	(6,199)	(6,575)
Under provision in prior year	(677)	-	(677)	-
Deferred tax	(31)	148	400	431
	(2,104)	(2,030)	(6,476)	(6,144)

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 Board of Directors is pleased to declare a first interim single tier dividend of RM0.01 sen per ordinary share in respect of the financial year ending December 31, 2024, payable on December 30, 2024. The entitlement date has been fixed on December 12, 2024.

24. Earnings Per Share (EPS)

Basic EPS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to shareholders (RM '000)	5,506	7,402	21,965	21,722
Weighted average number of ordinary shares ('000)	837,179	776,203	837,179	776,203
Basic EPS (sen)	0.66	0.95	2.62	2.80

Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial period under review.

25. Profit for the Period

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting / (charging) :				
Depreciation and amortisation	(1,466)	(882)	(4,410)	(4,124)
Gain/(Loss) on disposal of property, plant and equipment	-	(3)	(1)	53
Interest income	321	437	746	825
Rental income	7	5	21	17
Reversal of allowance for expected credit losses	-	-	51	-
Property, plant and equipment written off	-	-	(1)	(1)
Net foreign exchange (loss)/gain	(3,219)	750	(2,086)	1,492

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 26, 2024.