

Income Statements

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2011
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	(Unaudited)		(Unaudited)	
		Second Quarter Ended 30.06.2011	30.06.2010	Cumulative Quarter Ended 30.06.2011	30.06.2010
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		9,294	8,787	16,978	17,420
Cost of Goods Sold		(7,917)	(7,914)	(14,609)	(16,113)
Gross Profit		1,377	873	2,369	1,307
Other Operating Income (Net)	#	474	187	945	411
Administrative Expenses		(612)	(619)	(1,285)	(1,661)
Selling and Marketing Expenses		(172)	(167)	(283)	(406)
Other Operating Expenses		(54)	(55)	(108)	(128)
Profit /(Loss) from operation		1,013	219	1,638	(477)
Finance Costs, net		(8)	(9)	(15)	(18)
Share of profit of associated company		227	515	446	922
Profit / (Loss)		1,232	725	2,069	427
Taxation	18	(148)	(55)	(333)	(55)
Profit / (Loss) after tax		1,084	670	1,736	372
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,084	670	1,736	372
Attributable to :					
Equity holders of the parent		1,084	670	1,736	372
Minority interests		-	-	-	-
		1,084	670	1,736	372
Earnings/(Loss) per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	26a	0.45	0.28	0.71	0.15
- Diluted	26b	-	-	-	-
Note # : Net Other Operating Income					
Property, plant and equipment written off		(5)	(1)	(6)	(2)
Gain /(Loss) on disposal of property, plant and equipment		5	-	13	(1)
Gains from scrap and other disposal		432	156	848	360
Rental Income		31	31	62	62
Interest Income		5	-	10	1
Unrealised Gain/(Loss) on foreign exchange		(7)	-	1	-
Gain/(Loss) on foreign exchange		13	1	17	(9)
		474	187	945	411

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December, 2010

SUPERCOMNET TECHNOLOGIES BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2011 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	(Unaudited)	(Audited)
		As At End Of Current Quarter 30.06.2011 RM ' 000	As At Preceding Financial Year End 31.12.2010 RM ' 000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		7,747	8,117
Prepaid Lease Payments		2,373	2,400
Investment in associated company		3,458	3,012
		13,578	13,529
Current Assets			
Inventories		10,829	10,915
Trade and Other Receivables		9,176	7,541
Tax (Prepaid)		262	497
Short-term deposit with licensed bank		2	2
Cash and Bank Balances		3,230	2,998
		23,499	21,953
Total Assets		37,077	35,482
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		24,300	24,300
Reserves - Share Premium		5,937	5,937
- Revaluation Reserve		1,512	1,512
- Retained Profit		2,104	368
		33,853	32,117
Non-Current Liability			
Deferred Taxation		813	788
		813	788
Current Liabilities			
Trade Payables		1,831	1,799
Other Payables		173	350
Accrued expenses		407	428
		2,411	2,577
Total Liabilities		3,224	3,365
TOTAL EQUITY AND LIABILITIES		37,077	35,482
Net asset per share (RM)		0.14	0.13

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December , 2010

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2011 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	(Unaudited) 2011 6 months ended 30.06.2011 RM ' 000	(Unaudited) 2010 6 months ended 30.06.2010 RM ' 000
Net Profit before Tax	2,069	427
Adjustment for non - cash items :-		
Depreciation of property,plant and equipment	524	686
Property,plant and equipment written off	6	2
Amortisation of Prepaid Lease Payments	27	27
(Gain)/Loss on disposal of property, plant and equipment	(13)	1
Interest Income	(10)	(1)
Share of profit of an associated company	(446)	(922)
Operating profit / (loss) before changes in working capital	<u>2,157</u>	<u>220</u>
Changes in Working Capital :-		
Net Change in Inventories : Decrease/ (Increase)	86	(1,611)
Net Change in current assets : Decrease/ (Increase)	(1,635)	(536)
Net Change in current liabilities : Increase /(Decrease)	<u>(166)</u>	<u>1,302</u>
Cash generated from/ (used in) operation	442	(625)
Tax paid	(73)	(148)
Tax refund	-	387
Net cash flow generated from / (used in) operating activities	<u>369</u>	<u>(386)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	10	1
Purchase of property, plant & equipment	(160)	(82)
Proceeds from disposal of property, plant & equipment	13	2
Net cash generated from/(used in) investing activities	<u>(137)</u>	<u>(79)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Interest Paid	-	-
Net cash (used in) financing activities	<u>0</u>	<u>0</u>
Net change in Cash & Cash Equivalents	232	(465)
Cash & Cash Equivalents at beginning of period	2,998	2,739
Cash & Cash Equivalents at end of period	<u><u>3,230</u></u>	<u><u>2,274</u></u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December, 2010

SUPERCOMNET TECHNOLOGIES BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2011 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	<---- Attributable to equity holders of the parent ----->				
	Share Capital	Share Premium	Revaluation Reserve	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 6 months ended 30.06.2011</u>					
Balance as of 1st January , 2011	24,300	5,937	1,512	368	32,117
Total comprehensive income for the period	-	-	-	1,736	1,736
Balance as of 30th June,2011	<u>24,300</u>	<u>5,937</u>	<u>1,512</u>	<u>2,104</u>	<u>33,853</u>
<u>Preceding Year's 6 months ended 30.06.2010</u>					
Balance as of 1st January, 2010	24,300	5,937	1,547	358	32,142
Total comprehensive income for the period	-	-	-	372	372
Balance as of 30th June,2010	<u>24,300</u>	<u>5,937</u>	<u>1,547</u>	<u>730</u>	<u>32,514</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December, 2010

SUPERCOMNET TECHNOLOGIES BERHAD

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis Of Preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 30th June 2011 and has been prepared in compliance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market ("AMLR").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the interim financial statements 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 31 December 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendment to FRSs and Interpretations with effect from 1 January 2011.

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRS and Interpretation:-

FRS 1	First time Adoption of Financial Reporting Standards (revised)
FRS 1	First time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First time Adoption of Financial Reporting Standards (Amendments relating to limited exemption for first-time adopters)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (revised)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary)
FRS 7	Financial Instruments : Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 128	Investments in Associates (revised)
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments : Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)
Improvements to FRSs 2010	
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers

The adoption of these FRSs and IC Interpretations have not affected the amounts reported on the financial statements of the Group and of the Company.

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 Change 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 current financial period.

7. Dividends Paid

There was no dividend paid during the quarter.

8. Segmental Reporting

No segmental analysis is prepared as the Group is primarily operating in the manufacture of wires and cables for harnessing and electronic devices.

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.

11. Changes in the Composition of The Group

There was no change in the composition of the Group during the financial period under review.

12. Contingent Liabilities and Contingent Assets

The Group had no contingent liabilities and contingent assets as at 30th June 2011.

13. Capital Commitments

There were no commitment for purchases of property, plant and equipment as at 30th June 2011.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

14. Review of Performance

For the quarter under review, total revenue increased by 6% (or RM 0.50 million) from RM 8.79 million to RM 9.29 million as a result of more sales demand for automotive cables. The Group posted a profit after tax of RM 1.08 million as compared to a profit of RM 0.67 million for the same quarter of the preceding year, representing a profit increment of RM 0.41 million. The profit increment was attributed to the contribution from the subsidiary company and other income.

15. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a profit after tax of RM 1.08 million as compared to a profit after tax of RM 0.65 million for the immediate preceding quarter due to better sales revenue.

16. Prospects For The Financial Year

In view of the current improved trading condition in this industry other than the sale of automotive cables, the management is optimistic that the business operation may turn around and achieve positive financial performance for the current financial year.

17. Profit Forecast or Guarantee

There was no profit forecast or guarantee made public during the financial period under review.

18. Taxation

Taxation comprises the following :-

	Individual Quarter 30.06.11 RM ' 000	Individual Quarter 30.06.10 RM ' 000	Cumulative Quarter	
			30.06.11 RM ' 000	30.06.10 RM ' 000
Estimate tax expenses				
Taxation payable for current quarter	123	-	308	-
Transfer to /(from) deferred taxation	25	55	25	55
(Under)/Overprovision	-	-	-	-
	<u>148</u>	<u>55</u>	<u>333</u>	<u>55</u>

19. Profits/ (Losses) on Sale of Unquoted Investments and / (or) Properties

There were no sales of unquoted investments or properties during the financial period under review.

20. Quoted Securities and Investments

There were no purchases or disposals of quoted securities during the quarter under review and there were no new material investments as at the end of the reporting period.

21. Corporate Proposals

There were no corporate proposals announced but not completed at the date of this report.

22. Borrowings and Debts Securities

Group borrowings as at the end of the reporting period are as follows:-

	30.06.11 RM'000	30.06.10 RM'000
Secured Short Term Borrowings :-		
Bank Overdraft	-	-
	<u>-</u>	<u>-</u>

23. Off Balance Sheet Financial Instruments

There was no off balance sheet financial instrument utilized as at the date of this announcement.

24. Changes in Material Litigation

There was no material litigation pending on the date of this announcement.

25. Dividends Paid

	The Group and The Company	
	2011	2010
	RM ' 000	RM ' 000
Dividend declared and paid :	nil	nil

26. Earnings Per Share (EPS)**(a) Basic EPS**

	Individual Quarter		Cumulative Quarter	
	30.06.11	30.06.10	30.06.11	30.06.10
Profit/(loss) attributable to shareholder (RM '000)	1,084	670	1,736	372
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.45	0.28	0.71	0.15

(b) Fully Diluted EPS

Not applicable. - - - -

27. Realised and Unrealised Profits

	As At End Of Current Quarter 30/06/2011 RM '000	As At End Of Previous Financial Year 31/12/2010 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(18,563)	(20,161)
- Unrealised	(377)	(330)
	<u>(18,940)</u>	<u>(20,491)</u>
Total share of retained profits / (accumulated losses) from associated company :		
- Realised	3,093	2,675
- Unrealised	(85)	(113)
	<u>3,008</u>	<u>2,562</u>
	(15,932)	(17,929)
Less : Consolidation adjustments	<u>18,036</u>	<u>18,297</u>
Total Group retained profits /(accumulated losses) as per consolidated accounts	<u>2,104</u>	<u>368</u>

28. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors' meeting on 23rd August 2011