

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2012 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited)		(Unaudited)	
		Second Quarter Ended		Cumulative Quarter Ended	
		30.06.2012	30.06.2011	30.06.2012	30.06.2011
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		7,082	9,294	14,751	16,978
Cost of Goods Sold		(7,029)	(7,917)	(13,390)	(14,609)
Gross Profit		53	1,377	1,361	2,369
Other Operating Income (Net)	#	400	474	671	945
Administrative Expenses		(732)	(612)	(1,375)	(1,285)
Selling and Marketing Expenses		(279)	(172)	(501)	(283)
Other Operating Expenses		(42)	(54)	(87)	(108)
Profit /(Loss) from operation		(600)	1,013	69	1,638
Finance Costs, net		(30)	(8)	(42)	(15)
Share of profit of associated company		341	227	833	446
Profit/(Loss) before tax		(289)	1,232	860	2,069
Taxation	18	58	(148)	(41)	(333)
Profit/(Loss) after tax		(231)	1,084	819	1,736
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		(231)	1,084	819	1,736
Attributable to :					
Equity holders of the parent		(231)	1,084	819	1,736
Non-controlling interest		-	-	-	-
		(231)	1,084	819	1,736
Gross Profit margin (%)		0.75	14.82	9.23	13.95
Profit /(Loss) after tax margin(%)		(3.26)	11.66	5.55	10.22
Weighted average number of shares ('000)		243,000	243,000	243,000	243,000
Earnings/(Loss) per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	23a	(0.10)	0.45	0.31	0.71
- Diluted	23b	-	-	-	-
Note # : Net Other Operating Income					
Property, plant and equipment written off		-	(5)	(1)	(6)
Gain on disposal of property, plant and equipment		21	5	21	13
Gain from scrap and other disposal		331	432	476	848
Rental Income		31	31	62	62
Interest Income		19	5	42	10
Unrealised Gain/(loss) on foreign exchange		6	(7)	(3)	1
Realised gain/(loss) on foreign exchange		(8)	13	74	17
		400	474	671	945

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, 2011

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2012 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	(Unaudited) As At End Of Current Quarter 30.06.2012 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2011 RM ' 000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		8,027	7,600
Prepaid Lease Payments on Leasehold Land		2,319	2,346
Investment in associated company		4,857	4,474
		15,203	14,420
Current Assets			
Inventories		12,567	12,107
Trade and Other Receivables		9,916	9,413
Short-term deposit with licensed bank		2	4,002
Cash and Bank Balances		6,354	2,403
		28,839	27,925
Total Assets		44,042	42,345
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		1,476	1,476
- Retained Profit		4,135	4,227
		35,848	35,940
Non-Current Liability			
Deferred Taxation		774	774
		774	774
Current Liabilities			
Trade Payables		4,428	3,636
Other Payables		1,235	937
Dividend Payable		911	-
Taxation		45	211
Accrued expenses		460	847
Bank Borrowings	20	341	-
		7,420	5,631
Total Liabilities		8,194	6,405
TOTAL EQUITY AND LIABILITIES		44,042	42,345
Net asset per share (RM)		0.15	0.15

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December , 2011

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2012 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2012 6 months ended 30.06.2012 RM ' 000	(Unaudited) 2011 6 months ended 30.06.2011 RM ' 000
Net Profit before Tax	860	2,069
Adjustments for non - cash items :-		
Depreciation and amortisation of non-current assets	415	524
Plant ,machinery, equipment written off	1	6
Amortisation of Prepaid Lease Payments on Leasehold Land	27	27
Gain on disposal of property, plant and equipment	(21)	(13)
Interest expense	17	-
Interest Income	(42)	(10)
Share of profit of an associated company	(833)	(446)
Operating profit before changes in working capital	424	2,157
Changes in Working Capital :-		
Net Change in Inventories : (Increase)/Decrease	(460)	86
Net Change in other current assets : Decrease/ (Increase)	3,497	(1,635)
Net Change in current liabilities : Increase /(Decrease)	703	(166)
Cash generated from operation	4,164	442
Tax paid	(207)	(73)
Net cash generated from operating activities	3,957	369
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	42	10
Purchase of property, plant and equipment	(844)	(160)
Proceeds from disposal of property, plant and equipment	22	13
Dividend received from associated company	450	-
Net cash used in investing activities	(330)	(137)
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Interest Paid	(17)	-
Net cash used in financing activities	(17)	-
Net change in Cash & Cash Equivalents	3,610	232
Cash & Cash Equivalents at beginning of period	2,403	2,998
Cash & Cash Equivalents at end of period	6,013	3,230
Cash and cash equivalents comprise the following:		
Cash and bank balances	6,354	3,230
Bank Overdraft	(341)	-
	6,013	3,230

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December, 2011

SUPERCOMNET TECHNOLOGIES BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012 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 30.06.2012</u>					
Balance as of 1st January , 2012	24,300	5,937	1,476	4,227	35,940
Total comprehensive income for the period	-	-	-	819	761
Dividends				(911)	
Balance as of 30th June,2012	<u>24,300</u>	<u>5,937</u>	<u>1,476</u>	<u>4,135</u>	<u>36,701</u>
<u>Preceding 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 30 th June,2011	<u>24,300</u>	<u>5,937</u>	<u>1,512</u>	<u>2,104</u>	<u>33,853</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, 2011

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

NOTES TO THE 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 ACE Market ("AMLR") 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 31 December 2011.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

Since the previous annual audited financial statements as at 31 December 2011 were issued, the Group has adopted the MFRS framework issued by the MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The adoption of these MFRSs and IC interpretations have not affected the amounts reported on the financial statements of the Group and of the Company.

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations, which were issued but not yet effective :-

Effective date : 1 July 2012

MFRS 101 Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive

Effective date : 1 January 2013

MFRS 1	First-time Adoption of Financial Reporting Standards(Amendments relating to Government Loans)
MFRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to Repeated application of FRS 1and Borrowing Costs)
MFRS 7	Financial Instruments : Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Financial Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements, Joint Arrangements and Disclosure of interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12)
MFRS 11	Joint Arrangement
MFRS 11	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12)
MFRS 12	Disclosure of interests in Other Entities
MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12)
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements (Amendments relating to Clarification of the requirements for comparative information)
MFRS 116	Property , Plant and Equipment (Admendments relating to Classification of servicing equipment.
MFRS 119	Employee Benefits (2011)
MFRS 127	Separate Financial Statements (2011)
MFRS 128	Investments in Associates and Joint Ventures (2011)
MFRS 132	Financial Instruments : Presentation (Amendments relating to Tax effect of distribution to holders of equity instruments)

MFRS 134 Interim Financial Reporting (Amendments relating to interim financial reporting and segment information for total assets and liabilities)
IC int 20 Stripping Costs in the Production Phase of a Surface Mine

Effective date : 1 January 2014

MFRS 132 Financial instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

Effective date : 1 January 2015

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

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 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 were no changes 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 2012.

13. Capital Commitments

There were no commitment for the purchase of property, plant and equipment as at 30th June 2012.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

14. Review of Performance

For the quarter under review, total revenue decreased by 13.12% (or RM 2.23 million) from RM 16.98 million to RM 14.75 million. The Q2 revenue also dropped by 24% from RM 9.29 million to RM 7.08 million(Q1 revenue). Both decrease were due to lower sales demand. The Group posted a profit after tax of RM 0.82 million as compared to a profit of RM 1.74 million for the same quarter of the preceding year, representing a profit decrement of RM 0.92 million. The profit reduction is mainly caused by under utilisation of production capacity and increase in operating expenses.

15. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a loss after tax of RM 231,000 as compared to a profit after tax of RM 1.05 million for the immediate preceding quarter due to the reason mentioned in note 14 above.

16. Prospects For The Financial Year

The current unstable european debt crisis together with the United States poor economy performance may affect the business performance this year. The company is putting its efforts to secure more customer base to enhance its revenue.

Barring any unforeseen circumstances, the company expects performance for this year to be satisfactory.

17. Profit Forecast or Guarantee

The group has not given any profit forecast nor guarantee in respect of any corporate proposals.

18. Taxation

Taxation comprises the following :-

	Individual Quarter 30.06.12 RM ' 000	Individual Quarter 30.06.11 RM ' 000	Cumulative Quarter	
			30.06.12 RM ' 000	30.06.11 RM ' 000
Estimate tax expenses				
Taxation payable for current quarter	-	123	99	308
Transfer to deferred taxation	-	25	-	25
Taxation overprovided in respect of prior financial period	(58)	-	(58)	-
	<u>(58)</u>	<u>148</u>	<u>41</u>	<u>333</u>

19. Corporate Proposals

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

20. Borrowings and Debts Securities

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

	30.06.12 RM'000	30.06.11 RM'000
Secured Short Term Borrowings :-		
Bank Overdraft	(341)	-
	<u>(341)</u>	<u>-</u>

21. Changes in Material Litigation

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

22. Dividend

On 18 June 2012, the shareholders approved the proposed First and Final dividend of 0.5 sen per share less income tax at 25% amounting to RM911,250/- for the financial year ended 31 December 2011 which was paid to all holders of ordinary shares on 18 July 2012 whose names appeared in the Records of Depositors at the close of business on 28 June 2012.

23. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter		Cumulative Quarter	
	30.06.12	30.06.11	30.06.12	30.06.11
Profit/(loss) attributable to shareholder (RM '000)	(289)	1,084	761	1,736
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	(0.12)	0.45	0.31	0.71

(b) Fully Diluted EPS

Not applicable. - - - -

24. Realised and Unrealised Profits

	As At End Of Current Quarter 30/06/2012 RM '000	As At End Of Previous Financial Year 31/12/2011 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiary		
- Realised	(23,109)	(18,626)
- Unrealised	(288)	(291)
	<u>(23,397)</u>	<u>(18,917)</u>
Total share of retained profits / (accumulated losses) from associated company :		
- Realised	4,896	4,066
- Unrealised	(39)	(42)
	<u>4,857</u>	<u>4,024</u>
	<u>(18,540)</u>	<u>(14,893)</u>
Less : Consolidation adjustments	23,528	19,120
Total Group retained profits as per consolidated accounts	<u>4,988</u>	<u>4,227</u>

25. Profit for the Period

	(Unaudited)		(Unaudited)	
	Second Quarter Ended		Cumulative Quarter Ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	19	5	42	10
Rental Income	31	31	62	62
Interest Expense	11	-	17	-
Impairment losses -trade receivables	-	-	-	-
Depreciation and amortisation	(217)	(366)	(442)	(551)
Net Gain/(Loss) on disposal of :				
-property,plant and equipment	21	5	21	13
Property, plant and equipment written off	-	(5)	(1)	(6)
Net foreign exchange gain/(loss)	(2)	6	71	18

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Securities Ace Market Listing Requirements are not applicable.

26. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors' on 29th August 2012