

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

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

	Note	(Unaudited)		(Unaudited)	
		Third Quarter Ended 30.09.2012 RM ' 000	30.09.2011 RM ' 000	Cumulative Quarter Ended 30.09.2012 RM ' 000	30.09.2011 RM ' 000
Revenue		7,702	9,549	22,453	26,527
Cost of Goods Sold		(6,147)	(6,817)	(19,537)	(21,426)
Gross Profit		1,555	2,732	2,916	5,101
Other Operating Income (Net)	#	189	488	860	1,433
Administrative Expenses		(700)	(579)	(2,075)	(1,864)
Selling and Marketing Expenses		(140)	(159)	(641)	(442)
Other Operating Expenses		(48)	(53)	(135)	(161)
Profit from operation		856	2,429	925	4,067
Finance Costs, net		(19)	(9)	(61)	(24)
Share of profit of associated company		446	276	1,279	722
Profit before tax		1,283	2,696	2,143	4,765
Taxation	19	(223)	(702)	(264)	(1,035)
Profit after tax		1,060	1,994	1,879	3,730
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,060	1,994	1,879	3,730
Attributable to :					
Equity holders of the parent		1,060	1,994	1,879	3,730
Non-controlling interest		-	-	-	-
		1,060	1,994	1,879	3,730
Gross Profit margin (%)		20.19	28.61	12.99	19.23
Profit after tax margin(%)		13.76	20.88	8.37	14.06
Weighted average number of shares ('000)		243,000	243,000	243,000	243,000
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24a	0.44	0.82	0.77	1.53
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Property, plant and equipment written off		(55)	(2)	(56)	(6)
Gain on disposal of property, plant and equipment		-	-	21	11
Gain from scrap and other disposal		177	434	653	1,282
Rental Income		31	31	93	93
Interest Income		21	13	63	23
Unrealised gain/(loss) on foreign exchange		-	10	(3)	11
Realised gain on foreign exchange		15	2	89	19
		189	488	860	1,433

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 SEPTEMBER 2012 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	(Unaudited) As At End Of Current Quarter 30.09.2012 RM ' 000	This column has been restated for MFRS As At Preceding Financial Year End 31.12.2011 RM ' 000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		7,853	7,600
Prepaid Lease Payments on Leasehold Land		2,305	2,346
Investment in associated company		5,303	4,474
		15,461	14,420
Current Assets			
Inventories		13,739	12,107
Trade and Other Receivables		11,688	9,413
Tax (Prepaid)		176	-
Short-term deposit with licensed bank		2	4,002
Cash and Bank Balances		3,953	2,403
		29,558	27,925
Total Assets		45,019	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		-	-
- Retained Profit		6,671	5,703
		36,908	35,940
Non-Current Liability			
Deferred Taxation		774	774
		774	774
Current Liabilities			
Trade Payables		4,556	3,636
Other Payables		1,782	937
Taxation		-	211
Accrued expenses		539	847
Bank Borrowings	21	460	-
		7,337	5,631
Total Liabilities		8,111	6,405
TOTAL EQUITY AND LIABILITIES		45,019	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 SEPTEMBER 2012 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2012 9 months ended 30.09.2012 RM ' 000	(Unaudited) 2011 9 months ended 30.09.2011 RM ' 000
Profit before Tax	2,143	4,765
Adjustments for :-		
Depreciation	610	785
Property, plant and equipment written off	56	6
Amortisation of Prepaid Lease Payments on Leasehold Land	40	40
Gain on disposal of property, plant and equipment	(21)	(11)
Interest expense	27	-
Interest Income	(63)	(23)
Share of profit of an associated company	(1,279)	(722)
Operating profit before changes in working capital	<u>1,513</u>	<u>4,840</u>
Changes in Working Capital :-		
Net Change in Inventories : (Increase)/Decrease	(1,632)	(1,051)
Net Change in other current assets : Decrease/ (Increase)	1,725	(1,407)
Net Change in current liabilities : Increase /(Decrease)	<u>1,457</u>	<u>(83)</u>
Cash generated from operation	3,063	2,299
Tax paid	(651)	(114)
Net cash generated from operating activities	<u>2,412</u>	<u>2,185</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	63	23
Purchase of property, plant and equipment	(919)	(410)
Proceeds from disposal of property, plant and equipment	22	13
Dividend received from associated company	450	240
Dividend payment	(911)	-
Net cash used in investing activities	<u>(1,295)</u>	<u>(134)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Interest Paid	(27)	-
Net cash used in financing activities	<u>(27)</u>	<u>-</u>
Net change in Cash & Cash Equivalents	1,090	2,051
Cash & Cash Equivalents at beginning of period	2,403	2,998
Cash & Cash Equivalents at end of period	<u>3,493</u>	<u>5,049</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	3,953	5,049
Bank Overdraft	(460)	-
	<u>3,493</u>	<u>5,049</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 31st December, 2011

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 9 months ended 30.09.2012</u>					
Balance as of 1st January , 2012	24,300	5,937	1,476	4,227	35,940
Transition to MFRS 1	-	-	(1,476)	1,476	-
Balance as of 1st January , 2012 as restated	24,300	5,937	-	5,703	35,940
Total comprehensive income for the period	-	-	-	1,879	1,879
Dividend	-	-	-	(911)	(911)
Balance as of 30th September,2012	<u>24,300</u>	<u>5,937</u>	<u>-</u>	<u>6,671</u>	<u>36,908</u>

Preceding Year's 9 months ended 30.09.2011

Balance as of 1st January, 2011	24,300	5,937	1,512	368	32,117
Transition to MFRS 1	-	-	(1,512)	1,512	-
Balance as of 1st January , 2011 as restated	24,300	5,937	-	1,880	32,117
Total comprehensive income for the period	-	-	-	3,730	3,730
Balance as of 30 th September,2011	<u>24,300</u>	<u>5,937</u>	<u>-</u>	<u>5,610</u>	<u>35,847</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

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 Income)

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 1 and 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)
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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. Changes in Accounting Policies

The Group has applied MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in preparing the first MFRS framework interim financial report. In preparing this interim financial report, the Group's opening statement of financial position was prepared as at 1 January 2011 which is the Group's date of transition to MFRSs. Upon transition to MFRSs, the Group elected to apply the optional exemption to use the fair value of leasehold lands as deemed cost under MFRSs. The revaluation reserve as at 1 January 2011 was reclassified to retained earnings. The financial effects of convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence are set out as follows:-

a) Reconciliation of Statement of Financial Position

As at 1 January 2011	As Previously Reported RM'000	Effects of Transition to MFRS RM'000	As Restated RM'000
Non-Current Assets			
Property, Plant and Equipment	8,116		8,116
Prepaid Lease Payments on Leasehold Land	2,400		2,400
Investment in associated company	3,012		3,012
Total Non-Current Assets	13,528		13,528
Current Assets			
Inventories	10,915		10,915
Trade and Other Receivables	7,541		7,541
Tax (Prepaid)	497		497
Short-term deposit with licensed bank	2		2
Cash and Bank Balances	2,998		2,998
Total Current Assets	21,953		21,953
TOTAL ASSETS	35,481		35,481
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	1,511	(1,511)	-
- Retained Profit	369	1,511	1,880
Total equity	32,117		32,117
Non-Current Liability			
Deferred Taxation	789		789
Current Liabilities			
Trade Payables	1,798		1,798
Other Payables	350		350
Accrued expenses	427		427
Total current liabilities	2,575		2,575
Total Liabilities	3,364		3,364
TOTAL EQUITY AND LIABILITIES	35,481		35,481

As at 31 December 2011	As Previously Reported RM'000	Effects of Transition to MFRS RM'000	As Restated RM'000
Non-Current Assets			
Property, Plant and Equipment	7,600		7,600
Prepaid Lease Payments on Leasehold Land	2,346		2,346
Investment in associated company	4,474		4,474
Total Non-Current Assets	<u>14,420</u>		<u>14,420</u>
Current Assets			
Inventories	12,107		12,107
Trade and Other Receivables	9,413		9,413
Short-term deposit with licensed bank	4,002		4,002
Cash and Bank Balances	2,403		2,403
Total Current Assets	<u>27,925</u>		<u>27,925</u>
TOTAL ASSETS	<u><u>42,345</u></u>		<u><u>42,345</u></u>
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	4,227	1,476	5,703
Total equity	<u>35,940</u>		<u>35,940</u>
Non-Current Liability			
Deferred Taxation	774		774
Current Liabilities			
Trade Payables	3,636		3,636
Other Payables	937		937
Taxation	211		211
Accrued expenses	847		847
Total current liabilities	<u>5,631</u>		<u>5,631</u>
Total Liabilities	<u>6,405</u>		<u>6,405</u>
TOTAL EQUITY AND LIABILITIES	<u><u>42,345</u></u>		<u><u>42,345</u></u>

b) There are no material differences between the Statement of Comprehensive Income presented under MFRS framework and the Statement of Comprehensive Income presented under FRS framework.

c) There are no material differences between the Statement of Cash Flows presented under MFRS framework and the Statement of Cash Flows presented under FRS framework.

3. Audit Report of Preceding Annual Financial Statements

The auditors' report on the preceding annual financial statements was not subject to any qualification.

4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

5. Unusual Material Event

There was no unusual material event during the quarter.

6. Material Changes In Estimates

There were no changes in estimates which materially affect the current interim period.

7. 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.

8. Dividends Paid

A first and final dividend of 0.5 sen per share less income tax at 25% amounting to RM 911,250 was paid during the quarter.

9. 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.

10. Valuations of Property, Plant and Equipment

Not applicable as the Group did not revalue its property, plant and equipment during the current financial period.

11. Material Subsequent Events

There were no material subsequent events.

12. Changes in the Composition of The Group

There were no changes in the composition of the Group during the financial period under review.

13. Contingent Liabilities and Contingent Assets

The Group had no contingent liabilities and contingent assets as at 30th September 2012.

14. Capital Commitments

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

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

For the quarter under review, total revenue for the nine month period ended 30 September 2012 decreased by 15% (or RM 4.08 million) from RM 26.53 million to RM 22.45 million. The Q3 revenue also dropped by 19% from RM 9.55 million (Q3/2011 revenue) to RM 7.70 million. Both decrease were due to lower sales demand. The Group posted a profit after tax of RM 1.88 million as compared to a profit of RM 3.73 million for the same quarter of the preceding year, representing a profit decrement of RM 1.85 million. The profit reduction is mainly caused by under utilisation of production capacity and increase in operating expenses.

16. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a profit after tax of RM 1.06 million as compared to a loss after tax of RM 231,000 for the immediate preceding quarter mainly due to increase in revenue for the current reporting quarter.

17. Prospects For The Financial Year

The strike occurred in some European state has worsened the recovery rate of the European economy. This together with the current United State's 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 this 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 30.09.12 RM ' 000	Individual Quarter 30.09.11 RM ' 000	Cumulative Quarter	
			30.09.12 RM ' 000	30.09.11 RM ' 000
Estimated tax expenses				
Taxation payable for current quarter	(223)	(696)	(264)	(1,004)
Transfer to deferred taxation	-	(6)	-	(31)
	<u>(223)</u>	<u>(702)</u>	<u>(264)</u>	<u>(1,035)</u>

20. Corporate Proposals

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

21. Borrowings and Debts Securities

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

	30.09.12 <u>RM'000</u>	30.09.11 <u>RM'000</u>
Secured Short Term Borrowings :-		
Bank Overdraft	460	-
	<u>460</u>	<u>-</u>

22. Changes in Material Litigation

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

23. Dividend

There was no dividend declared during the quarter under review.

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

	Individual Quarter		Cumulative Quarter	
	30.09.12	30.09.11	30.09.12	30.09.11
Profit attributable to shareholder (RM '000)	1,060	1,994	1,879	3,730
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.44	0.82	0.77	1.53

(b) Fully Diluted EPS

Not applicable.

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25. Realised and Unrealised Profits

	As At End Of Current Quarter 30/09/2012 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	(23,616)	(18,626)
- Unrealised	(52)	1,185
	<u>(23,668)</u>	<u>(17,441)</u>
Total share of retained profits / (accumulated losses) from associated company :		
- Realised	4,845	4,066
- Unrealised	8	(42)
	<u>4,853</u>	<u>4,024</u>
	(18,815)	(13,417)
Less : Consolidation adjustments	25,486	19,120
Total Group retained profits /(accumulated losses) as per consolidated accounts	<u>6,671</u>	<u>5,703</u>

26. Profit for the Period

	(Unaudited) Third Quarter Ended		(Unaudited) Cumulative Quarter Ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	21	13	63	23
Rental Income	31	31	93	93
Interest Expense	(10)	-	(27)	-
Depreciation and amortisation	(209)	(274)	(651)	(825)
Net Gain on disposal of property, plant and equipment	-	-	21	11
Property, plant and equipment written off	(55)	(2)	(56)	(6)
Net foreign exchange gain	15	12	86	30

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.

27. 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 23rd November 2012.