

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2015 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited) Fourth Quarter Ended 31.12.2015 RM ' 000	(Unaudited) 31.12.2014 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.12.2015 RM ' 000	(Audited) 31.12.2014 RM ' 000
Revenue		8,029	7,719	34,941	33,528
Cost of Goods Sold		(7,241)	(7,430)	(33,246)	(31,971)
Gross Profit		788	289	1,695	1,557
Other Operating Income (Net)	#	501	(165)	1,217	418
Administrative Expenses		(871)	(838)	(2,942)	(2,446)
Selling and Marketing Expenses		(35)	(40)	(146)	(323)
Other Operating Expenses		(49)	(53)	(217)	(236)
Profit / (loss) from operation		334	(807)	(393)	(1,030)
Finance Costs, net		-	-	-	-
Share of profit of associated company		1,001	372	3,365	1,750
Profit before tax		1,335	(435)	2,972	720
Taxation	18	57	26	11	57
Profit after tax		1,392	(409)	2,983	777
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,392	(409)	2,983	777
Attributable to :					
Equity holders of the parent		1,392	(409)	2,983	777
Non-controlling interest		-	-	-	-
		1,392	(409)	2,983	777
Gross Profit margin (%)		9.82	3.74	4.85	4.64
Profit after tax margin(%)		17.34	(5.30)	8.54	2.32
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)	23a	0.57	(0.17)	1.23	0.32
- Diluted	23b	-	-	-	-
Note # : Net Other Operating Income					
Inventories written down			(510)		(510)
Property , plant and equipment written off		(1)	(3)	(1)	(10)
Loss on disposal of property,plant and equipment		-	-	-	(1)
Gain from scrap and other disposal		311	273	727	542
Rental Income		43	43	172	156
Interest Income		161	53	214	201
Unrealised (loss) / gain on foreign exchange		(37)	(13)	92	(6)
Realised gain / (loss) on foreign exchange		24	(8)	13	46
		501	(165)	1,217	418

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2015 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
Note	As At End Of Current Quarter 31.12.2015 RM ' 000	As At Preceding Financial Year End 31.12.2014 RM ' 000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	7,392	7,884
Prepaid Lease Payments on Leasehold Land	2,130	2,184
Investment in associated company	9,955	7,790
	19,477	17,858
Current Assets		
Inventories	6,780	8,632
Trade and Other Receivables	6,958	6,713
Tax (Prepaid)	608	436
Short-term deposits with licensed bank	8,501	6,501
Cash and Bank Balances	1,550	2,595
	24,397	24,877
Total Assets	43,874	42,735
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	24,300	24,300
Reserves - Share Premium	5,937	5,937
- Retained Profit	10,666	7,683
	40,903	37,920
Non-Current Liability		
Deferred Taxation	410	423
	410	423
Current Liabilities		
Trade Payables	1,622	3,450
Other Payables	315	294
Accrued expenses	624	648
	2,561	4,392
Total Liabilities	2,971	4,815
TOTAL EQUITY AND LIABILITIES	43,874	42,735
Net asset per share (RM)	0.17	0.16

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, 2014

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2015 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2015 12 months ended 31.12.2015 RM ' 000	(Audited) 2014 12 months ended 31.12.2014 RM ' 000
Profit for the period	2,983	777
Adjustments for :-		
Depreciation and amortisation of non-current assets	743	734
(Reversal) of Inventories written down	(606)	510
Property, plant and equipment written off	1	10
Loss on disposal of property, plant and equipment	-	1
Unrealised (profit) / loss on foreign exchange	(92)	6
Interest expense	-	
Interest income	(214)	(201)
Share of profit of an associated company	(3,365)	(1,750)
Tax expense /(income) recognised in profit or loss	(11)	(57)
Operating profit / (loss) before changes in working capital	<u>(561)</u>	<u>30</u>
Changes in Working Capital :-		
Net Change in Inventories : Decrease	2,458	492
Net Change in other current assets : (Increase)	(223)	(493)
Net Change in current liabilities : (Decrease) / Increase	<u>(1,817)</u>	<u>458</u>
Cash used in operation	(143)	487
Income tax paid	(346)	(308)
Income tax refunded	171	-
Net cash used in operating activities	<u>(318)</u>	<u>179</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	214	201
Purchase of property, plant and equipment	(201)	(847)
Proceeds from disposal of property, plant and equipment	4	1
Repayment by associate	13	42
Dividend received from associated company	1,200	450
Net cash generated from investing activities	<u>1,230</u>	<u>(153)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Interest paid	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net change in Cash & Cash Equivalents	912	26
Cash & Cash Equivalents at beginning of period	9,096	9,051
Effects of foreign exchange rate changes	43	18
Cash & Cash Equivalents at end of period	<u>10,051</u>	<u>9,095</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	8,501	6,500
Cash and bank balances	1,550	2,595
	<u>10,051</u>	<u>9,095</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, 2014

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	(Unaudited)			
	<---- Attributable to equity holders of the parent ----->			
	Share Capital	Share Premium	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 12 months ended 31.12.2015</u>				
Balance as of 1st January , 2015	24,300	5,937	7,683	37,920
Total comprehensive income for the period	-	-	2,983	2,983
Balance as of 31st December, 2015	<u>24,300</u>	<u>5,937</u>	<u>10,666</u>	<u>40,903</u>
<u>Preceding Year's 12 months ended 31.12.2014</u>				
Balance as of 1st January , 2014	24,300	5,937	6,906	37,143
Total comprehensive income for the period	-	-	777	777
Balance as of 31st December, 2014	<u>24,300</u>	<u>5,937</u>	<u>7,683</u>	<u>37,920</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, 2014

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

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 2014.

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 2014.

Standards and IC Interpretations in issue but not yet effective

The directors anticipate that the following Standards and IC Interpretations will be adopted in the annual financial statements of the Group when they become mandatorily effective for adoption. The adoption of these Standards and IC Interpretations is not expected to have a material impact on the financial statements of the Group.

MFRS 9	Financial Instruments (b)
MFRS 14	Regulatory Deferred Account (a)
MFRS 15	Revenue from Contracts with Customers (b)
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures (b)
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities : Applying the Consolidation Exception (a)
Amendments to MFRS 10, and MFRS 128	Sale or Contribution of Assets between an investor and its Associate or Joint Venture (c)
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations (a)
Amendments to MFRS 101	Disclosure Initiative (a)
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation (a)
Amendments to MFRS 116 and MFRS 141	Agriculture : Bearer Plants (a)
Amendments to MFRS 127	Equity Method in Separate Financial Statements (a)
Amendments to MFRS contained in the document entitled Annual Improvements to MFRSs 2012-2014 Cycle	(a)

(a) Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted.

(b) Effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.

(c) Effective date deferred to a date to be determined and announced , with earlier application permitted.

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 Company had received a letter of claim dated 12th January 2016 from Royal Malaysian Customs (RMC) under Section 17(1) Customs Act and Section 30(1) under Sales Tax Act 1972 for failing to declare the trade value correctly results in the short payment of Import Duty amounting to RM 6,487,728.58 and Sales Tax of RM 2,501,581.43 respectively. The Company had on 25th January 2016 issued a letter to RMC requesting for the basis of their computation of the above import duties and sales tax under paid.

However, the Company has yet to receive any reply from RMC as at to-date.

Further to some preliminary discussions with a few consultants on this matter and the consultants are of the view that since the Company have not receive any reply from RMC, it is premature to come to a conclusion on quantification of reliably estimates of the amount to pay, as such no provision to be made on this.

The Company will have a meeting with RMC officers on 3 March 2016 on this matter.

13. Capital Commitments

There were no commitment for the purchase of property, plant and equipment as at 31st December 2015

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

14. Review of Performance

For the quarter under review , total group revenue for the twelve month period ended 31 December 2015 increased by 4% (or RM 1.41 million) from RM 33.53 million to RM 34.94 million due to increase in sales order from our existing customers.

The Group had posted a profit after tax of RM 2.98 million as compared to to a profit of RM 0.78 million for the same quarter of the preceding year due to contribution by associated company.

15. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a profit after tax of RM 1.39 million as compared to a profit after tax of RM 0.21 million for the immediate preceding quarter .

16. Prospects For The Financial Year

Barring any unforeseen circumstances, the prospect of the Group is expected to improve. However the management is cautiously optimistic on prospect of the performance .

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 31.12.15 RM ' 000	Individual Quarter 31.12.14 RM ' 000	Cumulative Quarter	
			31.12.15 RM ' 000	31.12.14 RM ' 000
Taxation charge	-	-	46	-
Transfer from deferred taxation	14	-	14	31
Over provision in previous quarter	46	-	(46)	-
(Under) / over provision in prior year	(3)	26	(3)	26
	<u>57</u>	<u>26</u>	<u>11</u>	<u>57</u>

19. Corporate Proposals

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

20. Borrowings and Debts Securities

There was no Group borrowings and Debts Securities at the end of the reporting period.

21. Changes in Material Litigation

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

22. Dividend

There was no dividend declared during the quarter under review

23. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter		Cumulative Quarter	
	31.12.15	31.12.14	31.12.15	31.12.14
Profit attributable to shareholder (RM '000)	1,392	(409)	2,983	777
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.57	(0.17)	1.23	0.32
(b) Fully Diluted EPS				
Not applicable.	-	-	-	-

24. Realised and Unrealised Profits

	As At End Of Current Quarter 31.12.2015 RM '000	As At End Of Previous Financial Year 31.12.2014 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiary		
- Realised	(22,010)	(21,564)
- Unrealised	1,559	1,506
	<u>(20,451)</u>	<u>(20,058)</u>
Total share of retained profits / (accumulated losses) from associated company :		
- Realised	7,823	5,816
- Unrealised	131	(27)
	<u>7,954</u>	<u>5,789</u>
	<u>(12,497)</u>	<u>(14,269)</u>
Less : Consolidation adjustments	23,163	21,952
Total Group retained profits as per consolidated accounts	<u>10,666</u>	<u>7,683</u>

25. Profit for the Period

	(Unaudited) Fourth Quarter Ended		(Unaudited) Cumulative Quarter Ended	
	31.12.15 RM ' 000	31.12.14 RM ' 000	31.12.15 RM ' 000	31.12.14 RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	161	53	214	201
Rental Income	43	43	172	156
Depreciation and amortisation	(185)	(195)	(743)	(734)
Property, plant and equipment written off	(1)	(3)	(1)	(10)
Loss on disposal of property, plant and equip	-	-	0	(1)
Net foreign exchange gain/(loss)	(13)	(21)	105	38

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 22nd February 2016