

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2106 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | (Unaudited) First Quarter Ended 31.03.2016 RM ' 000 | (Unaudited) 31.03.2015 RM ' 000 | (Unaudited) Cumulative Quarter Ended 31.03.2016 RM ' 000 | (Unaudited) 31.03.2015 RM ' 000 |
|--|------|--|---|---|---|
| Revenue | | 6,460 | 10,346 | 6,460 | 10,346 |
| Cost of Goods Sold | | (6,083) | (9,841) | (6,083) | (9,841) |
| Gross Profit | | 377 | 505 | 377 | 505 |
| Other Operating Income (Net) | # | 332 | 151 | 332 | 151 |
| Administrative Expenses | | (1,117) | (788) | (1,117) | (788) |
| Selling and Marketing Expenses | | (30) | (34) | (30) | (34) |
| Other Operating Expenses | | (39) | (64) | (39) | (64) |
| Profit / (loss) from operation | | (477) | (230) | (477) | (230) |
| Finance Costs, net | | - | - | - | - |
| Share of profit of associated company | | 719 | 523 | 719 | 523 |
| Profit before tax | | 242 | 293 | 242 | 293 |
| Taxation | 18 | - | - | - | - |
| Profit after tax | | 242 | 293 | 242 | 293 |
| Other comprehensive income, net of tax | | - | - | - | - |
| Total comprehensive income for the period | | 242 | 293 | 242 | 293 |
| Attributable to : | | | | | |
| Equity holders of the parent | | 242 | 293 | 242 | 293 |
| Non-controlling interest | | - | - | - | - |
| | | 242 | 293 | 242 | 293 |
| Gross Profit margin (%) | | 5.84 | 4.88 | 5.84 | 4.88 |
| Profit after tax margin(%) | | 3.74 | 2.83 | 3.74 | 2.83 |
| 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 | 0.10 | 0.12 | 0.10 | 0.12 |
| - Diluted | 23b | - | - | - | - |
| Note # : Net Other Operating Income | | | | | |
| Gain from scrap and other disposal | | 274 | 59 | 274 | 59 |
| Rental Income | | 43 | 43 | 43 | 43 |
| Interest Income | | 53 | 16 | 53 | 16 |
| Unrealised (loss) / gain on foreign exchange | | (48) | 43 | (48) | 43 |
| Realised gain / (loss) on foreign exchange | | 10 | (10) | 10 | (10) |
| | | 332 | 151 | 332 | 151 |

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 , 2015

SUPERCOMNET TECHNOLOGIES BERHAD

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2016 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | (Unaudited) | (Audited) |
|---|---|---|
| Note | As At End Of Current Quarter 31.03.2016 RM ' 000 | As At Preceding Financial Year End 31.12.2015 RM ' 000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant and Equipment | 7,336 | 7,391 |
| Prepaid Lease Payments on Leasehold Land | 2,116 | 2,130 |
| Investment in associated company | 10,674 | 9,955 |
| | 20,126 | 19,476 |
| Current Assets | | |
| Inventories | 6,765 | 6,780 |
| Trade and Other Receivables | 6,759 | 6,958 |
| Tax (Prepaid) | 349 | 608 |
| Short-term deposits with licensed bank | 8,501 | 8,501 |
| Cash and Bank Balances | 1,648 | 1,550 |
| | 24,022 | 24,397 |
| Total Assets | 44,148 | 43,873 |
| 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 | 10,908 | 10,666 |
| | 41,145 | 40,903 |
| Non-Current Liability | | |
| Deferred Taxation | 409 | 410 |
| | 409 | 410 |
| Current Liabilities | | |
| Trade Payables | 1,502 | 1,566 |
| Other Payables | 157 | 372 |
| Accrued expenses | 935 | 622 |
| | 2,594 | 2,560 |
| Total Liabilities | 3,003 | 2,970 |
| TOTAL EQUITY AND LIABILITIES | 44,148 | 43,873 |
| Net asset per share (RM) | 0.17 | 0.17 |

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, 2015.

SUPERCOMNET TECHNOLOGIES BERHAD

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2016 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | (Unaudited) 2016 3 months ended 31.03.2016 RM ' 000 | (Unaudited) 2015 3 months ended 31.03.2015 RM ' 000 |
|---|--|--|
| Profit for the period | 242 | 293 |
| Adjustments for :- | | |
| Depreciation and amortisation of non-current assets | 186 | 192 |
| Unrealised loss / (gain) on foreign exchange | 48 | (43) |
| Interest income | (53) | (16) |
| Share of profit of an associated company | (719) | (523) |
| Operating loss before changes in working capital | <u>(296)</u> | <u>(97)</u> |
| Changes in Working Capital :- | | |
| Net Change in Inventories : Decrease /(Increase) | 15 | (351) |
| Net Change in other current assets : Decrease /(Increase) | 154 | (2,788) |
| Net Change in current liabilities : Increase | <u>45</u> | <u>306</u> |
| Cash used in operation | (82) | (2,930) |
| Income tax paid | (69) | (117) |
| Income tax refunded | <u>327</u> | <u>171</u> |
| Net cash generated from / (used in) operating activities | <u>176</u> | <u>(2,876)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES :- | | |
| Interest received | 53 | 16 |
| Purchase of property, plant and equipment | <u>(116)</u> | <u>(29)</u> |
| Net cash used in investing activities | <u>(63)</u> | <u>(13)</u> |
| Net change in Cash & Cash Equivalents | 112 | (2,889) |
| Cash & Cash Equivalents at beginning of period | 10,051 | 9,096 |
| Effects of foreign exchange rate changes | (14) | 18 |
| Cash & Cash Equivalents at end of period | <u>10,149</u> | <u>6,225</u> |
| Cash and cash equivalents comprise the following: | | |
| Short-term deposits with licensed bank | 8,501 | 5,001 |
| Cash and bank balances | <u>1,648</u> | <u>1,224</u> |
| | <u>10,149</u> | <u>6,225</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,2015

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016 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 3 months ended 31.03.2016</u> | | | | |
| Balance as of 1st January , 2016 | 24,300 | 5,937 | 10,666 | 40,903 |
| Total comprehensive income for the period | - | - | 242 | 242 |
| Balance as of 31st March, 2016 | <u>24,300</u> | <u>5,937</u> | <u>10,908</u> | <u>41,145</u> |
| <u>Preceding Year's 3 months ended 31.03.2015</u> | | | | |
| Balance as of 1st January , 2015 | 24,300 | 5,937 | 7,683 | 37,920 |
| Total comprehensive income for the period | - | - | 293 | 293 |
| Balance as of 31st March, 2015 | <u>24,300</u> | <u>5,937</u> | <u>7,976</u> | <u>38,213</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, 2015

SUPERCOMNET TECHNOLOGIES BERHAD

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

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 2015.

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 2015.

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 (a) |
| MFRS 15 | Revenue from Contracts with Customers (a) |
| MFRS 16 | Leases (d) |
| Amendments to MFRS 9 and MFRS 7 | Mandatory Effective Date of MFRS 9 and Transition Disclosures (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 107 | Disclosure Initiative (b) |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses (b) |

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

(b) Effective for annual periods beginning on or after January 1, 2017 with earlier application permitted.

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

(d) Effective for annual periods on or after 1 January 2019 .Earlier application is permitted provided MFRS 15 is also applied.

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 (dated 12th January 2016) of claim 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 requesting for the basis of their computation of the above import duties and sales tax under paid. To date, the Company has not received any reply from RMC.

The company had a preliminary discussion with a few consultants on this matter and they mentioned that since we have not received 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 top management had a meeting with RMC officers on 3 March 2016 on this matter and up to this date the Company have not yet received any feedback from the RMC officers.

13. Capital Commitments

There were no commitment for the purchase of property, plant and equipment as at 31st March 2016

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

14. Review of Performance

For the quarter under review , total group revenue for the three month period ended 31 March 2016 decreased by 38% (or RM 3.89 million) from RM 10.35 million to RM 6.46 million due to decreased in sales order from our existing customers.

The Group had posted a profit after tax of RM 242,000 as compared to a profit of RM 293,000 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 RM242,000 as compared to a profit after tax of RM 1,390,000 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 31.03.16 RM ' 000 | Individual Quarter 31.03.15 RM ' 000 | Cumulative Quarter | |
|-----------------|---|---|----------------------|----------------------|
| | | | 31.03.16 RM ' 000 | 31.03.15 RM ' 000 |
| Taxation charge | - | - | - | - |
| | - | - | - | - |

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

A Single Tier Final Dividend of 0.4 sen per share for the year ended 31 December 2015, has been approved by the Company's shareholders at the 26th Annual General Meeting on 27 May 2016 and will be paid on 8 July 2016 to depositors registered in the Record of Depositors on 9 June 2016.

23. Earnings Per Share (EPS)

(a) Basic EPS

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|----------|--------------------|----------|
| | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 |
| Profit attributable to shareholder (RM '000) | 242 | 293 | 242 | 293 |
| Weighted average number of ordinary shares ('000) | 243,000 | 243,000 | 243,000 | 243,000 |
| Basic EPS (sen) | 0.10 | 0.12 | 0.10 | 0.12 |
| (b) Fully Diluted EPS | | | | |
| Not applicable. | - | - | - | - |

24. Realised and Unrealised Profits

| | As At End Of Current Quarter 31.03.2016 RM '000 | As At End Of Previous Financial Year 31.12.2015 RM '000 |
|--|--|--|
| Total retained profits / (accumulated losses) of the Company and its subsidiary | | |
| - Realised | (22,319) | (21,697) |
| - Unrealised | 1,555 | 1,603 |
| | <u>(20,764)</u> | <u>(20,094)</u> |
| Total share of retained profits / (accumulated losses) from associated company : | | |
| - Realised | 8,873 | 7,892 |
| - Unrealised | (199) | 63 |
| | <u>8,674</u> | <u>7,955</u> |
| | <u>(12,090)</u> | <u>(12,139)</u> |
| Less : Consolidation adjustments | 22,998 | 22,805 |
| Total Group retained profits as per consolidated accounts | <u>10,908</u> | <u>10,666</u> |

25. Profit for the Period

| | (Unaudited) First Quarter Ended | | (Unaudited) Cumulative Quarter Ended | |
|--|------------------------------------|----------------------|---|----------------------|
| | 31.03.16 RM ' 000 | 31.03.15 RM ' 000 | 31.03.16 RM ' 000 | 31.03.15 RM ' 000 |
| Profit for the period is arrived at after crediting/(charging) : | | | | |
| Interest income | 53 | 16 | 53 | 16 |
| Rental Income | 43 | 43 | 43 | 43 |
| Depreciation and amortisation | (186) | (192) | (186) | (192) |
| Net foreign exchange gain/(loss) | (38) | 33 | (38) | 33 |

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 27th May 2016