

# SUPERCOMNET TECHNOLOGIES BERHAD

( Company No. : 197527-H )

( Incorporated in Malaysia )

## UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2106 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	( Unaudited ) Second Quarter Ended 30.06.2016 RM ' 000	( Unaudited ) 30.06.2015 RM ' 000	( Unaudited ) Cumulative Quarter Ended 30.06.2016 RM ' 000	( Unaudited ) 30.06.2015 RM ' 000
Revenue		6,805	8,489	13,265	18,835
Cost of Goods Sold		(6,363)	(7,723)	(12,446)	(17,564)
Gross Profit		442	766	819	1,271
Other Operating Income (Net)	#	514	310	846	461
Administrative Expenses		(743)	(644)	(1,860)	(1,432)
Selling and Marketing Expenses		(34)	(38)	(64)	(72)
Other Operating Expenses		(53)	(52)	(92)	(116)
Profit / (loss) from operation		126	342	(351)	112
Finance Costs, net		-	-	-	-
Share of profit of associated company		840	796	1,559	1,319
Profit before tax		966	1,138	1,208	1,431
Taxation	18	-	(46)	-	(46)
Profit after tax		966	1,092	1,208	1,385
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		966	1,092	1,208	1,385
Attributable to :					
Equity holders of the parent		966	1,092	1,208	1,385
Non-controlling interest		-	-	-	-
		966	1,092	1,208	1,385
Gross Profit margin (%)		6.50	9.02	6.18	6.75
Profit after tax margin(%)		14.20	12.86	9.11	7.35
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	0.40	0.45	0.50	0.57
- Diluted	23b	-	-	-	-
Note # : Net Other Operating Income					
Gain from scrap sales and other disposal		277	248	551	307
Rental Income		110	43	153	86
Interest Income		72	13	125	29
Unrealised (loss) / gain on foreign exchange		40	(2)	(8)	41
Realised gain / (loss) on foreign exchange		15	8	25	(2)
		514	310	846	461

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

# SUPERCOMNET TECHNOLOGIES BERHAD

( Company No. : 197527-H )

( Incorporated in Malaysia )

## UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2016 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
Note	As At End Of Current Quarter 30.06.2016 RM ' 000	As At Preceding Financial Year End 31.12.2015 RM ' 000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	7,192	7,391
Prepaid Lease Payments on Leasehold Land	2,103	2,130
Investment in associated company	10,514	9,955
	19,809	19,476
<b>Current Assets</b>		
Inventories	7,076	6,780
Trade and Other Receivables	6,442	6,958
Tax (Prepaid)	413	608
Short-term deposits with licensed bank	9,502	8,501
Cash and Bank Balances	2,897	1,550
	26,330	24,397
Total Assets	46,139	43,873
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent		
Share Capital	24,300	24,300
Reserves - Share Premium	5,937	5,937
- Retained Profit	11,874	10,666
	42,111	40,903
<b>Non-Current Liability</b>		
Deferred Taxation	410	410
	410	410
<b>Current Liabilities</b>		
Trade Payables	2,348	1,566
Other Payables	176	372
Accrued expenses	1,094	622
	3,618	2,560
Total Liabilities	4,028	2,970
<b>TOTAL EQUITY AND LIABILITIES</b>	46,139	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

( Company No. : 197527-H )

( Incorporated in Malaysia )

## UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2016 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	( Unaudited ) 2016 6 months ended 30.06.2016 RM ' 000	( Unaudited ) 2015 6 months ended 30.06.2015 RM ' 000
Profit for the period	1,208	1,385
<b>Adjustments for :-</b>		
Depreciation and amortisation of non-current assets	371	376
Unrealised loss /(gain) on foreign exchange	8	(41)
Interest income	(125)	(29)
Share of profit of an associated company	(1,559)	(1,319)
Tax expense recognised / profit or loss	-	46
Operating (loss) / profit before changes in working capital	(97)	418
<b>Changes in Working Capital :-</b>		
Net Change in Inventories : (Increase) /Decrease	(296)	868
Net Change in other current assets : Decrease /(Increase)	513	(1,005)
Net Change in current liabilities : Increase/(Decrease)	1,059	(957)
Cash used in /(generated from) operation	1,179	(676)
Income tax paid	(132)	(192)
Income tax refunded	327	171
<b>Net cash generated from / (used in) operating activities</b>	<b>1,374</b>	<b>(697)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :-</b>		
Interest received	125	29
Purchase of property, plant and equipment	(145)	(75)
Proceeds from disposal of property, plant and equipment	-	4
Dividend received from associated company	1,000	600
<b>Net cash used in investing activities</b>	<b>980</b>	<b>558</b>
Net change in Cash & Cash Equivalents	2,354	(139)
Cash & Cash Equivalents at beginning of period	10,051	9,096
Effects of foreign exchange rate changes	(6)	14
Cash & Cash Equivalents at end of period	<u>12,399</u>	<u>8,971</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	9,502	6,502
Cash and bank balances	2,897	2,469
	<u>12,399</u>	<u>8,971</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 30 JUNE 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
<b><u>Current Year's 6 months ended 30.06.2016</u></b>				
Balance as of 1st January , 2016	24,300	5,937	10,666	40,903
Total comprehensive income for the period	-	-	1,208	1,208
Balance as of 30th June, 2016	<u>24,300</u>	<u>5,937</u>	<u>11,874</u>	<u>42,111</u>
<b><u>Preceding Year's 6 months ended 30.06.2015</u></b>				
Balance as of 1st January , 2015	24,300	5,937	7,683	37,920
Total comprehensive income for the period	-	-	1,385	1,385
Balance as of 30th June , 2015	<u>24,300</u>	<u>5,937</u>	<u>9,068</u>	<u>39,305</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

( Company No. : 197527-H )

( Incorporated in Malaysia )

## QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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)
Clarifications to 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 receive 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 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's 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 30th June 2016.

# SUPERCOMNET TECHNOLOGIES BERHAD

( Company No. : 197527-H )

( Incorporated in Malaysia )

## QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

### ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

#### **14. Review of Performance**

For the quarter under review, total group revenue for the six month period ended 30 June 2016 decreased by 30% (or RM 5.57 million) from RM 18.84 million to RM 13.27 million due to decrease in sales order from our existing customers.

The Group making an operational loss of RM 351,000 before the contribution from the associated company which makes up the Group profit of RM 1.21 million as compared to RM 1.39 million for the same quarter of preceding year.

#### **15. Comparison with Immediate Preceding Quarter's Result**

On a quarter to quarter basis, the Group posted a profit after tax of RM966,000 as compared to a profit after tax of RM 242,000 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 30.06.16 RM ' 000	Individual Quarter 30.06.15 RM ' 000	Cumulative Quarter	
			30.06.16 RM ' 000	30.06.15 RM ' 000
Taxation charge	-	(46)	-	(46)
	-	(46)	-	(46)

#### **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	
	30.06.16	30.06.15	30.06.16	30.06.15
Profit attributable to shareholder (RM '000)	966	1,092	1,208	1,385
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.40	0.45	0.50	0.57
(b) Fully Diluted EPS				
Not applicable.	-	-	-	-

### 24. Realised and Unrealised Profits

	As At End Of	As At End Of
	Current Quarter	Previous Financial Year
	30.06.2016	31.12.2015
	RM '000	RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiary		
- Realised	(22,048)	(21,697)
- Unrealised	1,595	1,603
	<u>(20,453)</u>	<u>(20,094)</u>
Total share of retained profits / (accumulated losses) from associated company :		
- Realised	8,514	7,892
- Unrealised	(121)	63
	<u>8,393</u>	<u>7,955</u>
	(12,060)	(12,139)
Less : Consolidation adjustments	23,934	22,805
Total Group retained profits as per consolidated accounts	<u>11,874</u>	<u>10,666</u>

### 25. Profit for the Period

	(Unaudited)		(Unaudited)	
	Second Quarter Ended	Second Quarter Ended	Cumulative Quarter Ended	Cumulative Quarter Ended
	30.06.16	30.06.15	30.06.16	30.06.15
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	72	13	125	29
Rental Income	110	43	153	86
Depreciation and amortisation	(185)	(184)	(371)	(376)
Net foreign exchange gain/(loss)	55	6	17	39

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 30th August 2016