

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 DECEMBER 2016 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited) Fourth Quarter Ended 31.12.2016 RM ' 000	(Unaudited) 31.12.2015 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.12.2016 RM ' 000	Audited 31.12.2015 RM ' 000
Revenue		8,904	8,029	30,413	34,941
Cost of Goods Sold		(7,661)	(7,241)	(27,696)	(33,246)
Gross Profit		1,243	788	2,717	1,695
Other Operating Income (Net)	#	564	501	1,728	1,217
Administrative Expenses		(437)	(871)	(3,124)	(2,942)
Selling and Marketing Expenses		(23)	(35)	(120)	(146)
Other Operating Expenses		(1,967)	(49)	(2,113)	(218)
Profit / (loss) from operation		(620)	334	(912)	(394)
Finance Costs, net		-	-	-	-
Share of profit of associated company		812	1001	3,244	3,365
Profit before tax		192	1,335	2,332	2,971
Taxation	19	14	57	14	11
Profit after tax		206	1,392	2,346	2,982
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		206	1,392	2,346	2,982
Attributable to :					
Equity holders of the parent		206	1,392	2,346	2,982
Non-controlling interest		-	-	-	-
		206	1,392	2,346	2,982
Gross Profit margin (%)		13.96	9.81	8.93	4.85
Profit after tax margin (%)		2.31	17.34	7.71	8.53
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	0.08	0.57	0.97	1.23
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Property , plant and equipment written off		(1)	(1)	(1)	(1)
Gain from disposal of property, plant and equipment		22	-	22	-
Gain from scrap sales and other disposal		232	311	917	727
Rental Income		109	43	372	172
Interest Income		176	161	371	214
Unrealised gain / (loss) on foreign exchange		5	(37)	3	92
Realised (loss) / gain on foreign exchange		21	24	44	13
		564	501	1,728	1,217

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

(Company No. : 197527-H)

(Incorporated in Malaysia)

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

	(Unaudited)	(Audited)
Note	As At End Of Current Quarter 31.12.2016 RM ' 000	As At Preceding Financial Year End 31.12.2015 RM ' 000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,823	7,391
Prepaid Lease Payments on Leasehold Land	2,076	2,130
Investment in associated company	11,199	9,955
	20,098	19,476
Current Assets		
Inventories	7,522	6,780
Trade and Other Receivables	8,018	6,957
Tax (Prepaid)	544	608
Short-term deposits with licensed bank	8,002	8,502
Cash and Bank Balances	2,429	1,550
	26,515	24,397
Total Assets	46,613	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	12,040	10,666
	42,277	40,903
Non-Current Liability		
Deferred Taxation	396	410
	396	410
Current Liabilities		
Trade Payables	3,006	1,566
Other Payables	264	372
Accrued expenses	670	622
	3,940	2,560
Total Liabilities	4,336	2,970
TOTAL EQUITY AND LIABILITIES	46,613	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 31 DECEMBER 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	(Unaudited) 2016 12 months ended 31.12.2016 RM ' 000	Audited 2015 12 months ended 31.12.2015 RM ' 000
Profit for the period	2,346	2,982
Adjustments for :-		
Depreciation and amortisation of non-current assets	746	743
Property, plant and equipment written off	1	1
Gain on disposal of Property, plant and equipment	(22)	-
Impairment loss on Plant ,machinery, equipment	309	-
Inventories written down	976	286
Unrealised gain on foreign exchange	(3)	(92)
Interest income	(371)	(214)
Reversal of inventories written down	-	(892)
Share of profit of an associated company	(3,244)	(3,365)
Tax income recognised in profit or loss	(14)	(11)
Operating profit / (loss) before changes in working capital	<u>724</u>	<u>(562)</u>
Changes in Working Capital :-		
Net Change in Inventories : (Increase) /Decrease	(1,718)	2,458
Net Change in other current assets : (Increase) / (Increase)	(1,054)	(224)
Net Change in current liabilities : Increase/(Decrease)	<u>1,363</u>	<u>(1,816)</u>
Cash used in operation	(685)	(144)
Income tax paid	(264)	(346)
Income tax refunded	328	171
Net cash used in operating activities	<u>(621)</u>	<u>(319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	371	214
Purchase of property, plant and equipment	(434)	(200)
Proceeds from disposal of property, plant and equipment	22	4
Repayment by associate	-	13
Dividend received from associated company	2,000	1,200
Net cash generated from investing activities	<u>1,959</u>	<u>1,231</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Dividend paid	(972)	0
Advances from associated company	8	0
Net cash generated from financing activities	<u>(964)</u>	<u>-</u>
Net change in Cash & Cash Equivalents	374	912
Cash & Cash Equivalents at beginning of period	10,050	9,095
Effects of foreign exchange rate changes	5	43
Cash & Cash Equivalents at end of period	<u>10,429</u>	<u>10,050</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	8,002	8,502
Cash and bank balances	<u>2,429</u>	<u>1,550</u>
	10,431	10,052
Less : Short- term deposit held as security	<u>(2)</u>	<u>(2)</u>
	<u>10,429</u>	<u>10,050</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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016 CONDENSED CONSOLIDATED STATEMENT 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 31.12.2016</u>				
Balance as of 1st January , 2016	24,300	5,937	10,666	40,903
Total comprehensive income for the period	-	-	2,346	2,346
Dividend	-	-	(972)	(972)
Balance as of 31st December 2016	<u>24,300</u>	<u>5,937</u>	<u>12,040</u>	<u>42,277</u>
<u>Preceding Year's 12 months ended 31.12.2015</u>				
Balance as of 1st January 2015	24,300	5,937	7,684	37,921
Total comprehensive income for the period	-	-	2,982	2,982
Balance as of 31st December 2015	<u>24,300</u>	<u>5,937</u>	<u>10,666</u>	<u>40,903</u>

The Condensed Consolidated Statement 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)

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 (IC Int.) 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 (and the related Clarifications) (a)
MFRS 16	Leases (c)
Amendments to MFRS 107	Disclosure Initiative (b)
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses (b)
IC Int. 22	Foreign Currency Transactions and Advance Consideration (a)

Amendments to MFRSs . Annual Improvements to MFRSs 2014. 2016 Cycle (a) or (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 for annual periods on or after 1 January 2019 , 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. Dividend Paid

A Single Tier Final Dividend of 0.4 sen per share for the year ended 31 December 2015 amounting to RM 972,000 has been paid by the Company on 8 July 2016 to depositors registered in the Record of Depositors on 9 June 2016.

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. Significant Event

The Company has effected payment of RM 622,950.21 in response to Royal Malaysian Customs (RMC) letter dated 1st December 2016 on import duty underpaid.

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

There was no Contingent liabilities / assets during the financial period under review.

14. Capital Commitments

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

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

For the quarter under review , total Group revenue for the twelve month period ended 31 December 2016 decreased by 13% (or RM 4.53 million) from RM 34.94 million to RM 30.41 million due to decrease in sales order from our existing customers.

The Group making an operational loss of RM 912,000 due to the payment of addition import duty and impairment loss of property,plant and equipment and provision for slow moving inventories.

In view of the contribution from the associated company , the Group has recorded profit of RM 2.35 million after taxation for the financial year .

16. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a profit after tax of RM 206,000 as compared to a profit after tax of RM 932,000 for the immediate preceding quarter .

17. 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 .

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 31.12.16 RM ' 000	Individual Quarter 31.12.15 RM ' 000	Cumulative Quarter	
			30.12.16 RM ' 000	31.12.15 RM ' 000
Taxation charge	-	-	-	46
Transfer from deferred taxation	14	14	14	14
Overprovision in previous quarter	-	46	-	(46)
(Under) / over provision in prior year	-	(3)	-	(3)
	<hr/>	<hr/>	<hr/>	<hr/>
	14	57	14	11

20. Corporate Proposals

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

21. Borrowings and Debts Securities

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

22. Changes in Material Litigation

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

23. Dividend

No dividend was proposed and declared by the Company in the current quarter under review.

24. Earnings Per Share (EPS)

(a) Basic EPS

	Individual Quarter		Cumulative Quarter	
	31.12.16	31.12.15	31.12.16	31.12.15
Profit attributable to shareholder (RM '000)	206	1,392	2,346	2,982
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000

Basic EPS (sen)	0.08	0.57	0.97	1.23
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(b) Fully Diluted EPS

Not applicable. - - - -

25. Realised and Unrealised Profits

	As At End Of Current Quarter 31.12.2016 RM '000	As At End Of Previous Financial Year 31.12.2015 RM '000
Total retained profit / (accumulated losses) of the Company and its subsidiary		
- Realised	(21,933)	(21,697)
- Unrealised	1,515	1,603
	<u>(20,418)</u>	<u>(20,094)</u>
Total share of retained profit / (accumulated losses) from associated company:		
- Realised	9,254	7,892
- Unrealised	(55)	63
	<u>9,199</u>	<u>7,955</u>
	(11,219)	(12,139)
Less : Consolidation adjustments	23,259	22,805
Total Group retained profit as per consolidated accounts	<u>12,040</u>	<u>10,666</u>

26. Profit for the Period

	(Unaudited)		(Unaudited)	
	Fourth Quarter Ended		Cumulative Quarter Ended	
	31.12.16	31.12.15	31.12.16	31.12.15
	RM ' 000	RM ' 000	RM ' 000	RM ' 000

Profit for the period is arrived at after

crediting/(charging) :

Interest income	176	161	371	214
Rental income	109	43	372	172
Depreciation and amortisation	(190)	(185)	(746)	(743)
Property, plant and equipment written off	(1)	(1)	(1)	(1)
Impairment of property, plant and equipment	(309)	-	(309)	-
Provision for slow moving inventories	(523)	(286)	(976)	(286)
Gain from disposal of :-				
Property, plant and equipment	22	-	22	-
Net foreign exchange gain/(loss)	26	(13)	47	105

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 27th February 2017.