

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2017 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	(Unaudited) First Quarter Ended 31.03.2017 RM ' 000	(Unaudited) 31.03.2016 RM ' 000	(Unaudited) Cumulative Quarter Ended 31.03.2017 RM ' 000	(Unaudited) 31.03.2016 RM ' 000
Revenue		8,297	6,460	8,297	6,460
Cost of Goods Sold		(7,853)	(6,083)	(7,853)	(6,083)
Gross Profit		444	377	444	377
Other Operating Income (Net)	#	384	332	384	332
Administrative Expenses		(805)	(1,117)	(805)	(1,117)
Selling and Marketing Expenses		(24)	(30)	(24)	(30)
Other Operating Expenses		(55)	(39)	(55)	(39)
Profit / (loss) from operation		(56)	(477)	(56)	(477)
Finance Costs, net		-	-	-	-
Share of profit of associated company		988	719	988	719
Profit before tax		932	242	932	242
Taxation	19	-	-	-	-
Profit after tax		932	242	932	242
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		932	242	932	242
Attributable to :					
Equity holders of the parent		932	242	932	242
Non-controlling interest		-	-	-	-
		932	242	932	242
Gross Profit margin (%)		5.35	5.84	5.35	5.84
Profit after tax margin (%)		11.23	3.75	11.23	3.75
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	0.38	0.10	0.38	0.10
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Gain on disposal of property, plant and equipment		14	-	14	-
Gain from scrap sales and other disposal		220	274	220	274
Rental Income		110	43	110	43
Interest Income		26	53	26	53
Unrealised gain / (loss) on foreign exchange		18	(48)	18	(48)
Realised (loss) / gain on foreign exchange		(4)	10	(4)	10
		384	332	384	332

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 2016.

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2017 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	(Unaudited) As At End Of Current Quarter 31.03.2017 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2016 RM ' 000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		6,644	6,823
Prepaid Lease Payments on Leasehold Land		2,063	2,076
Investment in associated company		12,187	11,199
		20,894	20,098
Current Assets			
Inventories		8,187	7,522
Trade and Other Receivables		7,942	8,018
Tax (Prepaid)		603	544
Short-term deposits with licensed bank		8,002	8,002
Cash and Bank Balances		1,712	2,429
		26,446	26,515
Total Assets		47,340	46,613
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		30,237	30,237
Retained Profits		12,972	12,040
		43,209	42,277
Non-Current Liability			
Deferred Taxation		396	396
		396	396
Current Liabilities			
Trade Payables		2,945	3,006
Other Payables		316	264
Accrued expenses		474	670
		3,735	3,940
Total Liabilities		4,131	4,336
TOTAL EQUITY AND LIABILITIES		47,340	46,613
Net asset per share (RM)		0.18	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 2016.

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2017 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 2017 3 months ended 31.03.2017 RM ' 000	(Unaudited) 2016 3 months ended 31.03.2016 RM ' 000
Profit for the period	932	242
Adjustments for :-		
Depreciation and amortisation of non-current assets	186	186
Gain on disposal of property, plant and equipment	(14)	-
Unrealised (gain) /loss on foreign exchange	(18)	48
Interest income	(26)	(53)
Share of profit of an associated company	(988)	(719)
Operating profit / (loss) before changes in working capital	72	(296)
Changes in Working Capital :-		
Net Change in Inventories : (Increase) /Decrease	(665)	15
Net Change in other current assets : Decrease	76	154
Net Change in current liabilities : (Decrease) /Increase	(203)	45
Cash used in operation	(720)	(82)
Income tax paid	(59)	(69)
Income tax refunded	-	327
Net cash (used in) / generated from operating activities	(779)	176
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	26	53
Purchase of property, plant and equipment	(35)	(116)
Proceeds from disposal of property, plant and equipment	55	-
Net cash generated from / (used in) investing activities	46	(63)
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Dividend paid	-	-
Advances from associated company	-	-
Net cash generated from financing activities	-	-
Net change in Cash & Cash Equivalents	(733)	112
Cash & Cash Equivalents at beginning of period	10,429	10,051
Effects of foreign exchange rate changes	16	(14)
Cash & Cash Equivalents at end of period	9,712	10,149
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	8,002	8,501
Cash and bank balances	1,712	1,648
	9,714	10,149
Less : Short-term deposit held as security	(2)	0
	9,712	10,149

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 2016.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2017 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)		
	<--- Attributable to equity holders of the parent ---->		
	Share Capital	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 3 months ended 31.03.2017</u>			
Balance as of 1st January , 2017	30,237	12,040	42,277
Total comprehensive income for the period	-	932	932
Balance as of 31st March 2017	<u>30,237</u>	<u>12,972</u>	<u>43,209</u>
<u>Preceding Year's 3 months ended 31.03.2016</u>			
Balance as of 1st January 2016	30,237	10,666	40,903
Total comprehensive income for the period	-	242	242
Balance as of 31st March 2016	<u>30,237</u>	<u>10,908</u>	<u>41,145</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 2016.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

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 2016.

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 2016.

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 (b)
IC Int. 22	Foreign Currency Transactions and Advance Consideration (a)

Amendments to MFRSs . Annual Improvements to MFRSs 2014-2016 Cycle (a)

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

(b) Effective for annual periods on or after 1 January 2019 with earlier application is 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

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. Significant Event

There were no significant event occurred during the quarter.

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 March 2017.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

For the quarter under review, total Group revenue for the three month period ended 31 March 2017 increased by 28% (or RM 1.80 million) from RM 6.50 million to RM 8.30 million due to increase in sales order from our existing customers.

The Group making an operational profit of RM 932,000 after the contribution of RM 988,000 from the associated company as compared to RM 242,000 for the same quarter of preceding year.

16. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a profit after tax of RM 932,000 as compared to a profit after tax of RM 206,000 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 31.03.17 RM ' 000	Individual Quarter 31.03.16 RM ' 000	Cumulative Quarter	
			31.03.17 RM ' 000	31.03.16 RM ' 000
Taxation charge	-	-	-	-
	-	-	-	-

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	
	31.03.17	31.03.16	31.03.17	31.03.16
Profit attributable to shareholder (RM '000)	932	242	932	242
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.38	0.10	0.38	0.10

(b) Fully Diluted EPS

Not applicable.

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25. Realised and Unrealised Profits

	As At End Of	As At End Of
	Current Quarter	Previous Financial Year
	31.03.2017	31.12.2016
	RM '000	RM '000
Total retained profit / (accumulated losses) of the Company and its subsidiary		
- Realised	(22,006)	(21,933)
- Unrealised	1,533	1,515
	<u>(20,473)</u>	<u>(20,418)</u>
Total share of retained profit / (accumulated losses) from associated company:		
- Realised	10,248	9,254
- Unrealised	(61)	(55)
	<u>10,187</u>	<u>9,199</u>
	(10,286)	(11,219)
Less : Consolidation adjustments	<u>23,258</u>	<u>23,259</u>
Total Group retained profit as per consolidated accounts	<u>12,972</u>	<u>12,040</u>

26. Profit for the Period

	(Unaudited)		(Unaudited)	
	First Quarter Ended		Cumulative Quarter Ended	
	31.03.17	31.03.16	31.03.17	31.03.16
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	26	53	26	53
Rental income	110	43	110	43
Depreciation and amortisation	(186)	(186)	(186)	(186)
Gain on disposal of :-				
Property , plant and equipment	14	-	14	-
Net foreign exchange gain/(loss)	14	(38)	14	(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.

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 26th May 2017.