

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2017
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	(Unaudited) Second Quarter Ended 30.06.2017 RM ' 000	(Unaudited) 30.06.2016 RM ' 000	(Unaudited) Cumulative Quarter Ended 30.06.2017 RM ' 000	(Unaudited) 30.06.2016 RM ' 000
Revenue		6,886	6,805	15,183	13,265
Cost of Goods Sold		(6,687)	(6,363)	(14,540)	(12,446)
Gross Profit		199	442	643	819
Other Operating Income (Net)	#	329	514	713	846
Administrative Expenses		(774)	(743)	(1,580)	(1,860)
Selling and Marketing Expenses		(23)	(34)	(47)	(64)
Other Operating Expenses		(49)	(53)	(104)	(92)
(Loss) /Profit from operation		(318)	126	(375)	(351)
Finance Costs, net		-	-	-	-
Share of profit of associated company		754	840	1,742	1,559
Profit before tax		436	966	1,367	1,208
Taxation	19	-	-	-	-
Profit after tax		436	966	1,367	1,208
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		436	966	1,367	1,208
Attributable to :					
Equity holders of the parent		436	966	1,367	1,208
Non-controlling interest		-	-	-	-
		436	966	1,367	1,208
Gross Profit margin (%)		2.89	6.50	4.23	6.17
Profit after tax margin (%)		6.33	14.20	9.01	9.11
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	0.18	0.40	0.56	0.50
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Insurance claim		8	-	8	-
Gain on disposal of property, plant and equipment		3	-	17	-
Gain from scrap sales and other disposal		230	277	450	551
Rental Income		110	110	220	153
Interest Income		19	72	45	125
Unrealised (loss) / gain on foreign exchange		(31)	40	(13)	(8)
Realised (loss) / gain on foreign exchange		(10)	15	(14)	25
		329	514	713	846

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

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UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	(Unaudited) As At End Of Current Quarter 30.06.2017 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2016 RM ' 000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		6,584	6,823
Prepaid Lease Payments on Leasehold Land		2,049	2,076
Investment in associated company		10,941	11,199
		19,574	20,098
Current Assets			
Inventories		7,848	7,522
Trade and Other Receivables		6,652	8,018
Tax (Prepaid)		352	544
Short-term deposits with licensed bank		9,002	8,002
Cash and Bank Balances		2,870	2,429
		26,724	26,515
Total Assets		46,298	46,613
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		30,237	30,237
Retained Profits		13,407	12,040
		43,644	42,277
Non-Current Liability			
Deferred Taxation		396	396
		396	396
Current Liabilities			
Trade Payables		1,382	3,006
Other Payables		209	264
Accrued expenses		667	670
		2,258	3,940
Total Liabilities		2,654	4,336
TOTAL EQUITY AND LIABILITIES		46,298	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.

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

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**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 JUNE 20
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	(Unaudited) (Unaudited)	
	2017	2016
	6 months	6 months
	ended	ended
	30.06.2017	30.06.2016
	RM ' 000	RM ' 000
Profit for the period	1,367	1,208
Adjustments for :-		
Depreciation and amortisation of non-current assets	370	371
Gain on disposal of property, plant and equipment	(17)	-
Unrealised loss on foreign exchange	12	8
Interest income	(45)	(125)
Share of profit of an associated company	(1,742)	(1,559)
Operating loss before changes in working capital	<u>(55)</u>	<u>(97)</u>
Changes in Working Capital :-		
Net Change in Inventories : (Increase)	(326)	(296)
Net Change in other current assets : Decrease	1,366	513
Net Change in current liabilities : (Decrease) /Increase	<u>(1,682)</u>	<u>1,059</u>
Cash (used in)/ generated from operation	(697)	1,179
Income tax paid	(113)	(132)
Income tax refunded	308	327
Net cash (used in)/ generated from operation	<u>(502)</u>	<u>1,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	45	125
Purchase of property, plant and equipment	(145)	(145)
Proceeds from disposal of property, plant and equipment	58	-
Dividend received from associated company	2,000	1,000
Net cash generated from investing activities	<u>1,958</u>	<u>980</u>
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Dividend paid	-	-
Advances from associated company	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net change in Cash & Cash Equivalents	1,456	2,354
Cash & Cash Equivalents at beginning of period	10,429	10,051
Effects of foreign exchange rate changes	(15)	(6)
Cash & Cash Equivalents at end of period	<u>11,870</u>	<u>12,399</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	9,002	9,502
Cash and bank balances	2,870	2,897
	<u>11,872</u>	<u>12,399</u>
Less : Short- term deposit held as security	(2)	0
	<u>11,870</u>	<u>12,399</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

SUPERCOMNET TECHNOLOGIES BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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 6 months ended 30.06.2017</u>			
Balance as of 1st January , 2017	30,237	12,040	42,277
Total comprehensive income for the period	-	1,367	1,367
Balance as of 30th June 2017	<u>30,237</u>	<u>13,407</u>	<u>43,644</u>
<u>Preceding Year's 6 months ended 30.06.2016</u>			
Balance as of 1st January 2016	30,237	10,666	40,903
Total comprehensive income for the period	-	1,208	1,208
Balance as of 30th June 2016	<u>30,237</u>	<u>11,874</u>	<u>42,111</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 30 JUNE 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 transaction 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 the Standards and IC Interpretations (IC Int.) is not expected to have a material impact on the financial statement 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 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 30th June 2017.

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

For the quarter under review, total Group revenue for the six month period ended 30 June 2017 increased by 14% (or RM 1.91 million) from RM 13.27 million to RM 15.18 million due to increase in sales order from our existing customers.

The Group making an operational profit of RM 436,000 after the contribution from the associated company as compared to RM 966,000 for the same quarter of preceding year. The decreased in operational profit is mainly due to the dropped in profit margin from certain major customers and contribution from associated Company.

16. Comparison with Immediate Preceding Quarter's Result

On a quarter to quarter basis, the Group posted a profit after tax of RM 436,000 as compared to a profit after tax of RM 932,000 for the immediate preceding quarter. The reason for the decreased in profit are stated in note 15 above.

17. Prospects For The Financial Year

The prospect of the group performance for automotive industry remain challenging but medical industry are expected to improve. The management is taken various strategy to enhance the performance of the Company.

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 30.06.17 RM ' 000	Individual Quarter 30.06.16 RM ' 000	Cumulative Quarter	
			30.06.17 RM ' 000	30.06.16 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	
	30.06.17	30.06.16	30.06.17	30.06.16
Profit attributable to shareholder (RM '000)	436	966	1,367	1,208
Weighted average number of ordinary shares ('000)	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.18	0.40	0.56	0.50

(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
	30.06.2017	31.12.2016
	RM '000	RM '000
Total retained profit / (accumulated losses) of the Company and its subsidiary		
- Realised	(22,308)	(21,933)
- Unrealised	1,503	1,515
	<u>(20,805)</u>	<u>(20,418)</u>
Total share of retained profit / (accumulated losses) from associated company:		
- Realised	9,079	9,254
- Unrealised	(138)	(55)
	<u>8,941</u>	<u>9,199</u>
	(11,864)	(11,219)
Less : Consolidation adjustments	<u>25,271</u>	<u>23,259</u>
Total Group retained profit as per consolidated accounts	<u>13,407</u>	<u>12,040</u>

26. Profit for the Period

	(Unaudited)		(Unaudited)	
	Second Quarter Ended	Cumulative Quarter Ended	Second Quarter Ended	Cumulative Quarter Ended
	30.06.17	30.06.16	30.06.17	30.06.16
	RM '000	RM '000	RM '000	RM '000

Profit for the period is arrived at after crediting/(charging) :

Interest income	19	72	45	125
Rental income	110	110	220	153
Depreciation and amortisation	(184)	(185)	(370)	(371)
Gain on disposal of :-				
Property, plant and equipment	3	-	17	-
Net foreign exchange gain/(loss)	(41)	55	(27)	17

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 23rd August 2017. Page 8 of 8