

SUPERCOMNET TECHNOLOGIES BERHAD
(Company No. : 197527-H)
(Incorporated in Malaysia)

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

	Note	Unaudited Third Quarter Ended 30.09.2017 RM ' 000	Unaudited) 30.09.2016 RM ' 000	(Unaudited Cumulative 30.09.2017 RM ' 000	Unaudited) Quarter Ended 30.09.2016 RM ' 000
Revenue		8,567	8,244	23,750	21,509
Cost of Goods Sold		(8,130)	(7,589)	(22,670)	(20,035)
Gross Profit		437	655	1,080	1,474
Other Operating Income (Net)	#	299	318	1,012	1,164
Administrative Expenses		(754)	(827)	(2,334)	(2,687)
Selling and Marketing Expenses		(40)	(33)	(87)	(97)
Other Operating Expenses		(47)	(54)	(151)	(146)
Profit / (loss) from operation		(105)	59	(480)	(292)
Finance Costs, net		-	-	-	-
Share of profit of associated company		978	873	2,720	2,432
Profit before tax		873	932	2,240	2,140
Taxation	19	-	-	-	-
Profit after tax		873	932	2,240	2,140
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		873	932	2,240	2,140
Attributable to :					
Equity holders of the parent		873	932	2,240	2,140
Non-controlling interest		-	-	-	-
		873	932	2,240	2,140
Gross Profit margin (%)		5.10	7.95	4.55	6.85
Profit after tax margin (%)		10.19	11.31	9.43	9.95
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	0.36	0.38	0.92	0.88
- Diluted	24b	-	-	-	-
Note # : Net Other Operating Income					
Insurance claim		-	-	8	-
Gain on disposal of property, plant and equipment		-	-	17	-
Gain from scrap sales and other disposal		165	134	615	685
Rental Income		109	110	329	263
Interest Income		16	70	61	195
Unrealised gain / (loss) on foreign exchange		12	6	(1)	(2)
Realised (loss) / gain on foreign exchange		(3)	(2)	(17)	23
		299	318	1,012	1,164

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2016.

SUPERCOMNET TECHNOLOGIES BERHAD**(Company No. : 197527-H)****(Incorporated in Malaysia)****UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	(Unaudited) As At End Of Current Quarter 30.09.2017 RM ' 000	(Audited) As At Preceding Financial Year End 31.12.2016 RM ' 000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		6,520	6,823
Prepaid Lease Payments on Leasehold Land		2,036	2,076
Investment in associated company		11,919	11,199
		20,475	20,098
Current Assets			
Inventories		6,027	7,522
Trade and Other Receivables		8,528	8,018
Tax (Prepaid)		424	544
Short-term deposits with licensed bank		10,002	8,002
Cash and Bank Balances		2,223	2,429
		27,204	26,515
Total Assets		47,679	46,613
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		30,237	30,237
Retained Profits		14,280	12,040
		44,517	42,277
Non-Current Liability			
Deferred Taxation		396	396
		396	396
Current Liabilities			
Trade Payables		1,202	3,006
Other Payables		197	264
Accrued expenses		1,367	670
		2,766	3,940
Total Liabilities		3,162	4,336
TOTAL EQUITY AND LIABILITIES		47,679	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 31 December 2016.

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

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

	(Unaudited) 2017 9 months ended 30.09.2017 RM ' 000	(Unaudited) 2016 9 months ended 30.09.2016 RM ' 000
Profit for the period	2,240	2,140
Adjustments for :-		
Depreciation and amortisation of non-current assets	554	556
Gain on disposal of property, plant and equipment	(17)	2
Unrealised (gain) /loss on foreign exchange	1	-
Interest income	(61)	(195)
Share of profit of an associated company	(2,720)	(2,432)
Operating (loss) / profit before changes in working capital	(3)	71
Changes in Working Capital :-		
Net Change in Inventories : Decrease /(Increase)	1,495	(172)
Net Change in other current assets: (Increase) /(Increase)	(510)	(853)
Net Change in current liabilities : (Decrease) /Increase	(1,174)	1,128
Cash (used in)/ generated from operation	(192)	174
Income tax paid	(169)	(199)
Income tax refunded	306	329
Net cash (used in)/ generated from operation	(55)	304
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Interest received	61	195
Purchase of property, plant and equipment	(252)	(229)
Proceeds from disposal of property, plant and equipment	58	-
Dividend received from associated company	2,000	2,000
Net cash generated from investing activities	1,867	1,966
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Dividend paid	-	(972)
Net cash generated from financing activities	-	(972)
Net change in Cash & Cash Equivalents	1,812	1,298
Cash & Cash Equivalents at beginning of period	10,429	10,051
Effects of foreign exchange rate changes	(18)	(4)
Cash & Cash Equivalents at end of period	<u>12,223</u>	<u>11,345</u>
Cash and cash equivalents comprise the following:		
Short-term deposits with licensed bank	10,002	9,802
Cash and bank balances	2,223	1,545
	<u>12,225</u>	<u>11,347</u>
Less : Short-term deposit held as security	(2)	(2)
	<u>12,223</u>	<u>11,345</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 31 December 2016.

SUPERCOMNET TECHNOLOGIES BERHAD**(Company No. : 197527-H)****(Incorporated in Malaysia)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 20
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	(Unaudited)		
	<--Attributable to equity holders of the paren		
	Share Capital	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000
<u>Current Year's 9 months ended 30.09.2017</u>			
Balance as of 1st January , 2017	30,237	12,040	42,277
Total comprehensive income for the period	-	2,240	2,240
Balance as of 30th September 2017	<u>30,237</u>	<u>14,280</u>	<u>44,517</u>
<u>Preceding Year's 9 months ended 30.09.2016</u>			
Balance as of 1st January 2016	30,237	10,666	40,903
Total comprehensive income for the period	-	2,140	2,140
Dividend		(972)	(972)
Balance as of 30th September 2016	<u>30,237</u>	<u>11,834</u>	<u>42,071</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 31 December 2016.

SUPERCOMNET TECHNOLOGIES BERHAD

(Company No. : 197527-H)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 that 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 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 performance 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 events subsequent to 30 September 2017 that have not been reflected in this interim financial report.

11. Significant Event

There were no significant event occurred during the quarter except note 10 above.

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 30 September 201

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

ADDITIONAL INFORMATION REQUIRED BY BM LISTING REQUIREMENTS

15. Review of Performance

	Third Quarter Ended		Variance %	Cumulative Quarter Ended		Variance %
	30.09.2017 RM ' 000	30.09.2016 RM ' 000		30.09.2017 RM ' 000	30.09.2016 RM ' 000	
Revenue	8,567	8,244	4	23,750	21,509	10
Operating Profit/(loss)	(105)	59	(278)	(480)	(292)	64
Profit Before Interest and Tax	(105)	59	(278)	(480)	(292)	64
Profit Before Tax	873	932	(6)	2,240	2,140	5
Profit After Tax	873	932	(6)	2,240	2,140	5
Profit Attributable to Ordinary Equity Holders of the Parent	873	932	(6)	2,240	2,140	5

For the quarter under review, total Group revenue for the nine month period ended 30 September increased by 10% (or RM 2.24 million) from RM 21.51 million to RM 23.75 million due to increase in order from our existing customers.

The Group making an operational loss of RM 480,000 due to the higher material cost of copper because of the contribution from the associated company which makes up the Group profit of RM 2.24 million to RM 2.14 million for the same quarter of preceding year.

16. Comparison with Immediate Preceding Quarter's Result

	Current Quarter 30.09.2017	Immediate preceding Quarter 30.06.2017	Changes %
Revenue	8,567	6,886	24
Operating Profit/(loss)	(105)	(318)	(67)
Profit Before Interest and Tax	(105)	(318)	(67)
Profit Before Tax	873	436	100
Profit After Tax	873	436	100
Profit Attributable to Ordinary	873	436	100

On a quarter to quarter basis, the Group posted a profit after tax of RM 873,000 as compared to a profit after tax of RM 436,000 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 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 30.09.17 RM ' 000	Individual Quarter 30.09.16 RM ' 000	Cumulative Quarter	
			30.09.17 RM ' 000	30.09.16 RM ' 000
Taxation charge	-	-	-	-
	-	-	-	-

20. Corporate Proposals

On 13 October 2017, Affin Hwang Investment Bank Berhad had, on behalf of Supercomnet Technologies Berhad (“STB”) announced that the Company proposed to undertake the following:-

- (I) Proposed Acquisition of 8,000,000 Ordinary Shares In Supercomal Medical Products Sdn. Bhd. (“SMP”), representing the remaining 80.00% equity interest in SMP not owned by STB, for a total consideration of RM80,000,000 to be satisfied via the issuance of 400,000,000 new Ordinary Shares in STB (“STB Share(s)”) at an issue price of RM0.19 per STB Share and cash of RM4,000,000 (“Proposed Acquisition”); and
- (II) Proposed Exemption under Paragraph 4.08(1)(A) of the Rules On Take-Overs, Mergers And Compulsory Acquisitions for Shiue, Jong-Zone and Persons Acting In Concert with him, from the obligation to undertake a Mandatory Take-Over Offer to acquire the remaining STB Shares not already owned by them after the Proposed Acquisition.

[Collectively referred to as, the “Proposals”]

The listing application in relation to the Proposed Acquisition has been submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) on 3 November 2017 and pending the approval from Bursa Securities as at the date of this report.

Save for the above, there are no other corporate proposals announced but not yet completed as 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	
	30.09.17	30.09.16	30.09.17	30.09.16
Profit attributable to shareholder (RM '00	873	932	2,240	2,140
Weighted average number of ordinary sh	243,000	243,000	243,000	243,000
Basic EPS (sen)	0.36	0.38	0.92	0.88

(b) Fully Diluted EPS

Not applicable. - - - -

25. Realised and Unrealised Profits

	As At End Of Current Quarter 30.09.2017 RM '000	As At End Of Previous Financial Year 31.12.2016 RM '000
Total retained profit / (accumulated losses) of the Company and its subsidiary		
- Realised	(20,412)	(21,933)
- Unrealised	<u>1,514</u>	<u>1,515</u>
	(18,898)	(20,418)
Total share of retained profit / (accumulated losses) from associated company:		
- Realised	10,124	9,254
- Unrealised	<u>(205)</u>	<u>(55)</u>
	9,919	9,199
	(8,979)	(11,219)
Less : Consolidation adjustments	<u>23,259</u>	<u>23,259</u>
Total Group retained profit as per consolidated accounts	<u>14,280</u>	<u>12,040</u>

26. Profit for the Period (Unaudited) (Unaudited)
 Third Quarter Ended Cumulative Quarter Ended
 30.09.17 30.09.16 30.09.17 30.09.16
 RM ' 000 RM ' 000 RM ' 000 RM ' 000

Profit for the period is arrived at after crediting/(charging) :				
Interest income	16	70	61	195
Rental income	109	110	329	263
Depreciation and amorti	(184)	(185)	(554)	(556)
Gain on disposal of :-				
Property , plant and eqi	-	-	17	-
Net foreign exchange ga	9	4	(18)	21
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 resolution of the directors on 24 November 2017.