



Supercomnet Technologies Berhad

(Formerly known as Supercomal Technologies Berhad)

(197527-H)



Annual Report

2009



CONTENTS

- 02 Notice of Annual General Meeting
- 04 Notification - Launch of Edividend for Shareholders
- 05 Corporate Information
- 06 Corporate Structure of the Group
- 07 Profile of Directors
- 09 Chairman's Statement
- 10 Corporate Governance Statement
- 14 Statement on Internal Control
- 15 Audit Committee Report
- 18 Additional Compliance Information
- 20 Statement of Directors' Responsibilities

Financial Statements

- 21 Directors' report
- 24 Independent auditors' report
- 26 Income statements
- 27 Balance sheets
- 28 Statements of changes in equity
- 29 Cash flow statements
- 30 Notes to the financial statements
- 52 Statement by directors
- 52 Declaration by the director primarily responsible for the financial management of the Company
- 53 Group Properties
- 54 Statistics of Shareholdings
- 59 Proxy Form





NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the Company will be held at Kelawai Room, Evergreen Laurel Hotel, 53 Persiaran Gurney, 10250 Penang on Tuesday, June 29, 2010 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the year ended December 31, 2009 together with the reports of the Directors and Auditors thereon. (Please refer to Note A)
2. To approve the payment of Directors' Fees of RM153,600 for the financial year ended December 31, 2009. (Resolution 1)
3. To re-elect the following Directors who are retiring under the provision of Article 99 (1) of the Articles of Association of the Company, and who, being eligible offered themselves for re-election:
 - a) Dato' Seri Dr. Haji Arshad Bin Haji Hashim (Resolution 2)
 - b) En. Ismail Bin Ahmad (Resolution 3)
4. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 4)

5. AS SPECIAL BUSINESSES

To consider and, if thought fit, to pass the following as Ordinary Resolution:-

Authority to Issue Shares

(Resolution 5)

"That pursuant to Section 132D of the Companies Act, 1965 and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the issued share capital of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities."

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board
HOW WEE LING (MAICSA 7033850)
OOI EAN HOON (MAICSA 7057078)
Secretaries

Penang
Date : 4 June 2010

NOTES:

- A. This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association do not require a formal approval of the shareholders and hence, is not put forward for voting.



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Proxy

A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

To be valid, the duly completed proxy form must be deposited at the registered office of the Company at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang not less than forty-eight (48) hours before the time for holding the meeting.

A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation, the proxy form must be executed under its Common Seal.

Explanatory Note On Special Business:

1. Resolution pursuant to the Authority to issue Shares

The proposed Resolution No. 5 [Item 5], if passed, will grant a renewed general mandate (Mandate 2010) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.

The Mandate 2010 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Nineteenth Annual General Meeting. The Company did not issue any share pursuant to the mandate granted because there was no investment, acquisition or working capital that required fund raising activity.



NOTIFICATION - LAUNCH OF EDIVIDEND FOR SHAREHOLDERS



SUPERCOMNET TECHNOLOGIES BERHAD
(Formerly Known As Supercomal Technologies Berhad)
(Incorporated in Malaysia)

To: All Shareholders of Supercomnet Technologies Berhad

Dear Sir/Madam,

NOTIFICATION - Launch of eDividend for Shareholders

SUPERCOMNET TECHNOLOGIES BERHAD (SCOMNET or the Company) wishes to inform you that Bursa Malaysia Securities Berhad (Bursa Securities) had via its letter dated 16 March 2010 announced that eDividend will be launched on 19 April 2010. This move is geared towards creating an electronic, efficient and convenient cash dividend distribution system for shareholders.

Background

In tabling the Federal Budget 2010, the Prime Minister announced that all listed issuers are required to offer eDividend services to their shareholders. The Securities Commission's subsequent press release stated that shareholders are given a one-year grace period to provide their bank account information to Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") (as the repository of such information) and that eDividend will be implemented in the third quarter 2010.

What is eDividend?

Electronic Dividend Payment or eDividend which allows an issuer to electronically pay your cash dividend entitlements directly into your bank account instead of making payment via bank cheques. One of the main objectives of implementing eDividend is to promote greater efficiency of the payment system which is aligned to the national agenda of migrating to electronic payment.

The main objectives of implementing eDividend are, amongst others, to promote greater efficiency of the dividend payment system and to put the Malaysian market on par with practices in other regional markets in relation to receipt of dividend proceeds by shareholders. At the same time, the move towards eDividend is a further step towards the national agenda of migrating to electronic payments as well as adherence to G-30's recommendation on best practices of a paperless environment and zero-intervention process. Further, the benefits of having such eDividend are:-

- Faster access to dividends which are credited directly into your bank account
- Convenience – eliminates the need to go to a bank
- One-off provision of bank account details for all listed issuers on Bursa Securities
- Better account management with the option to consolidate the dividends from all your CDS accounts into one bank account
- Misplaced, lost or expired cheques will no longer be an issue

ACTION TO BE TAKEN

As the eDividend has been launched on 19 April 2010, please seek the advice from your Authorised Depository Agent (ADA)/stock broker on the registration of eDividend as soon as possible and you have a grace period of one year, until 18 April 2011 to provide such information. The sooner you provide your bank account information, the sooner you will be able to benefit from the advantages of eDividend.

In order to facilitate this and for more information, you may visit Bursa Securities's website:
www.bursamalaysia.com/website/bm/trading/edividend.html.

Thank you.

SUPERCOMNET TECHNOLOGIES BERHAD
4 June 2010



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Dr. Haji Arshad Bin Haji Hashim
Chairman (Independent Non-Executive Director)

Shiue, Jong-Zone
Managing Director

Wu, Huei-Chung
Executive Director

Ismail Bin Ahmad
Executive Director

Ang Ah Soon @ Ang Weng Joo
Senior Independent Non-Executive Director

Wu, Chung-Jung
Non-Independent Non-Executive Director

COMPANY SECRETARY

How Wee Ling (MAICSA 7033850)
(Appointed on November 19, 2009)

Ooi Ean Hoon (MAICSA 7057078)
(Appointed on November 19, 2009)

Khoo Lay Tatt (MAICSA 7029262)
(Resigned on November 19, 2009)

Angelina Cheah Gaik Suan (MAICSA 7035272)
(Resigned on December 28, 2009)

AUDIT COMMITTEE

Ang Ah Soon @ Ang Weng Joo
Chairman (Senior Independent Non-Executive Director)

Dato' Seri Dr. Haji Arshad Bin Haji Hashim
Member (Independent Non-Executive Director)

Wu, Chung-Jung
Member (Non-Independent Non-Executive Director)

NOMINATION COMMITTEE

Ang Ah Soon @ Ang Weng Joo
Chairman (Senior Independent Non-Executive Director)

Dato' Seri Dr. Haji Arshad Bin Haji Hashim
Member (Independent Non-Executive Director)

Wu, Chung-Jung
Member (Non-Independent Non-Executive Director)

REMUNERATION COMMITTEE

Shiue, Jong-Zone
Chairman (Managing Director)

Ang Ah Soon @ Ang Weng Joo
Member (Senior Independent Non-Executive Director)

Dato' Seri Dr. Haji Arshad Bin Haji Hashim
Member (Independent Non-Executive Director)

AUDITORS

Messrs. Deloitte KassimChan
Chartered Accountants
4th Floor, Wisma Wang
251-A Jalan Burma
10350 Penang

REGISTERED OFFICE

57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Penang
Tel : 04-640 8933
Fax : 04-643 8911

SOLICITORS

Syarikat Ng & Anuar
No. 65-A, 2nd Floor, Jalan Pengkalan
Taman Pekan Baru
08000 Sungai Petani, Kedah
Tel : 04-4211880
Fax : 04-4216535

PRINCIPAL BANKER

Malayan Banking Berhad

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 603 2084 9000
Fax : 603 2094 9940

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : SCOMAL
Stock Code : 0001



CORPORATE STRUCTURE OF THE GROUP

INFORMATION OF SUBSIDIARY AND ASSOCIATED COMPANIES

NAME	SHAREHOLDING	DATE OF INCORPORATION	PRINCIPAL ACTIVITIES
SUPERCOMAL ADVANCED CABLES SDN. BHD.	100%	10.10.1996	The company is principally involved in the manufacture of wires and cables for automotive industries.
SUPERCOMAL MEDICAL PRODUCTS SDN. BHD.	20%	23.09.2004	The company involved in the manufacture of DPT cable assembly for medical use and trading of mould and tool.



PROFILE OF DIRECTORS

Dato' Seri Dr. Haji Arshad Bin Haji Hashim

Malaysian, aged 62

Independent Non-Executive Chairman

Dato' Seri Dr. Haji Arshad Bin Haji Hashim was appointed to the Board of Directors on February 25, 2008. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company since his appointment. He was subsequently appointed as Chairman of the Company on April 22, 2008. He served for over 30 years in the Malaysian Civil Service starting as the Assistant Secretary of the Economic division in the Ministry of Finance and rising to the position of State Financial Officer of Penang in 1993. Amongst other positions held, was as Director of Bumiputera Participation Division, Prime Minister's Department, Penang. Director General of Tourism Malaysia and Deputy Secretary General (Finance and Development) Ministry of Education. He retired in the year 2005 as the Secretary General, Ministry of Information, Malaysia.

He holds a Doctor of Philosophy from University Pertanian Malaysia, a Master in Economics from University of Vanderbilt, USA and Bachelor of Arts (Econs)(Honours) degree from University of Malaya. He currently sits on the Board of Bintulu Port Holdings Berhad and NCB Holdings Berhad.

Shiue, Jong-Zone

Taiwanese, aged 64

Managing Director

Shiue, Jong-Zone was appointed to the Board of Directors on September 25, 1991. He holds a Certificate in Industrial Engineering from Taipei Institute of Industry, which he received in 1969. He started his career as Marketing Planner at Matsushita Co. Ltd from 1969 to 1970. He then joined Sanyo Electrical Co. Ltd. from 1970 to 1983, his last post there being the Manufacturing Technical Chief. In 1983, he started his own company, King Royal Electrical Inc., a company involved in the wire harnessing, cable moulding assembly, manufacturing of SCSI control modules, and other electrical/electronic products. He joined Supercomal Wire & Cable Co. Ltd. as the General Manager from 1993 to 1995 and presently is the Managing Director of the Company. He is the Chairman of the Remuneration Committee.

He is the husband of Wu, Huei-Chung who is an Executive Director of the Company and also the brother-in-law of Wu, Chung-Jung who is a Non-Independent Non-Executive Director of the Company.

Wu, Huei-Chung

Taiwanese, aged 62

Executive Director

Wu, Huei-Chung was appointed to the Board of Directors on August 10, 1998. She holds a Certificate in Chemistry from Cheah Yi District Vocational School, Taiwan. She worked in various factories in Taiwan as Chemist, Production Supervisor and Technician after she graduated. She joined King Royal Electrical Inc. in 1984 as General Manager. She resigned from her post in King Royal Electrical in 1998 to become a Director of the Company. She currently sits on the Board of several other private limited companies in Taiwan.

She is the spouse of Shiue, Jong-Zone, the Managing Director of the Company and is also the sister of Wu, Chung-Jung, who is a Non-Independent Non-Executive Director of the Company.

Ismail Bin Ahmad

Malaysian, aged 58

Executive Director

Ismail Bin Ahmad was appointed to the Board of Directors on February 26, 2007. He graduated with a Diploma in Management with Distinction, and Master In Business from AIM Manila, LLB Hons from University of Wolverhampton United Kingdom, and Master of Laws from University of London, Post Grad Diploma in Syariah Law and Practice from Universiti Islam Antarabangsa and Certificate in Legal Practice.

He served in the Malaysian Army for 17 years and attended courses both local and overseas. In 1983, he joined Perwira Niaga Malaysia (Pernama), a wholly-owned subsidiary of Lembaga Tabung Angkatan Tentera (LTAT), a wholesale and international trading company. His last position in Pernama was Deputy General Manager before he left in 1999. He was the CEO of Odasaja Sdn. Bhd. in its formative year and later became the Group Executive Director of the same. He left Odasaja Sdn. Bhd. in December 2002.

He currently sits on the Board of Mlabs Systems Berhad, a company listed on the ACE Market of Bursa Securities.



PROFILE OF DIRECTORS (cont'd)

Ang Ah Soon @ Ang Weng Joo

Malaysian, aged 68

Senior Independent Non-Executive Director

Ang Ah Soon @ Ang Weng Joo was appointed to the Board of Directors on August 19, 2005. He graduated from the University of New South Wales with a Bachelor of Commerce Degree and currently is a member of Institute of Chartered Accountants in Australia, Malaysian Institute of Accountants as well as Malaysian Institute of Certified Public Accountants. After graduation, he worked for 6 years in Chartered Accountants/International Accounting Firms in Australia and Malaysia, gaining wide ranging experience in financial accounting, costing, taxation and auditing as well as good exposure in different businesses, industries, academic and cultural practices. Thereafter, he joined the Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (formerly known as PBA) as the Head of the Account/Finance Department during its inception in 1973 until 2001. After the formation of PBA Holdings Bhd as a public limited company, he was appointed in 2001 as the Chief Financial Officer primarily responsible for the corporation's overall financial management and retired in August 2003 after its successful listing on the then Main Board of Bursa Securities.

He currently sits on the Board of IQ Holdings Berhad.

He is the Chairman of Audit Committee and members of Nomination Committee and Remuneration Committee of the Company.

Wu, Chung-Jung

Taiwanese, aged 65

Non-Independent Non-Executive Director

Wu, Chung-Jung was re-appointed into the Board on May 26, 2006. He joined Royal Navy in 1969 after graduating from the Republic of China Navy Academy. In 1978, he left Royal Navy and joined King Royal Electrical Inc. until 1983 as a General Manager. He then joined Three Talents Co. Ltd as General Manager from 1983 to 1992. He held the same position in Ming Chau Construction Co. Ltd from 1992 to 1995 before being appointed as Chairman of Supercomal Wire and Cable Co Ltd. from 1993 to 1995. He is a member of the Audit Committee and Nomination Committee of the Company.

He is the brother-in-law of Shiue, Jong-Zone, the Managing Director of the Company and is also the brother of Wu, Huei-Chung who is an Executive Director of the Company.

Other Information on Directors


None of the directors have any conflict of interest with the Company.

There were no material contracts involving Directors during the financial year.

The securities held in the Company by the Directors are as disclosed on page 56 of this Annual Report.

Save for Dato' Seri Dr. Haji Arshad Bin Haji Hashim and Ang Ah Soon@ Ang Weng Joo (as disclosed in their profiles above), none of the Directors have any directorship in other public company in Malaysia.

None of the Directors of the Company has been convicted any offences within the past 10 years other than traffic offences, if any.



CHAIRMAN'S STATEMENT

On behalf of the Board of Director of Supercomnet Technologies Berhad (STB), I present herewith the annual report and financial statement of the Group for the year ended December 31,2009.

Due to price increase of commodity of copper for the year of 2009 from January U\$3,000/metric ton to as high as US \$ 7,300/metric ton by December 2009 and the world economic and financial crisis situation, the demand for cable on electronic sector was low and the total revenue for year of 2009 was only at RM 21,744,791.

DIVIDENDS

As the company experienced losses during this year, the board of directors of STB was unanimous for not recommending any dividend for the period under review.

INDUSTRY OUTLOOK IN 2010

The global economic slowdown will affect our company's performance in the current year. However the company's products diversification may help to minimize the effects. The signal of improving sales in the national car due to new model and design has a positive impact on our business performance.

The relocation of some American medical products company from European to South East Asia has open the opportunity for the company to provide sales of wire and cable for medical usage.

We also see more opportunity in the LED industries and solar power industries in this year.

STRATEGIES

Despite the sluggish electronic industry market, our company will focus on the wire and cable produced for the medical usage purpose.

We also plan to involve supplying wire and cable for GREEN technologies usage.

Our company also plans to participate in several Exhibition in 2010 to stay closer with potential buyers and customers.

CONCLUSION

The year of 2009 was a difficult year for the company. In year 2010 as world economic situation is getting better, we anticipate to see a positive performance this year.

Chairman

Dato' Seri Dr. Haji Arshad Bin Haji Hashim



CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the Board) recognizes the importance of corporate governance as recommended by the Malaysian Code on Corporate Governance (“the Code”). The Board is committed to ensure high standards of corporate governance are in place and practiced throughout the Group. Since listing, the Company has progressively implemented the principles and best practices as recommended by the Code.

The Board has assessed the level of corporate governance practiced in the Group and confirms that unless otherwise stated in this statement, the Group has complied with all the Principles, and recommended best practices throughout the financial year ended December 31, 2009.

1. DIRECTORS

1.1 Composition and Balance

As at the date of this statement, the Board consists of six (6) members, comprising three (3) Executive Directors, one (1) Senior Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and one (1) Independent Non-Executive Director. With this Board composition, the Company complies with Rule 15.02 (1) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (‘ACE LR’) where at least two (2) Directors or 1/3 of the board of directors of a listed company, whichever is higher, are Independent Directors.

There is also a clearly accepted division of responsibilities at the head of the Company where the roles of the Chairman and Managing Director are separated to ensure a balance of power and authority such that no one individual has unfettered powers of decision. The Board which comprises professionals from various backgrounds is capable of bringing in-depth and diverse experience and perspective to the Group’s business operations. The Board of Directors profiles are set out in this Annual Report 2009 on pages 7 and 8.

1.2 Supply of Information

The Board has unrestricted access to timely and accurate information necessary in carrying out their duties. All Directors are furnished with the meeting agenda and other documents on matters requiring their consideration prior to each meeting. The documents are comprehensive and include information to enable the Board members to make an informed decision. Senior management is invited to attend these meetings to explain and clarify matters being tabled.

During the financial year ended December 31, 2009, the Board met five (5) times where it deliberated on and considered matters relating to the Group’s financial performance, corporate development and strategic issues.

Details of each Directors’ attendance at Board Meetings are set out as below :

Name of Director	Attendance
Dato’ Seri Dr Haji Arshad Bin Haji Hashim	5/5
Shiue, Jong-Zone	5/5
Wu, Huei-Chung	5/5
Ismail Bin Ahmad	3/5
Ang Ah Soon @ Ang Weng Joo	5/5
Wu, Chung-Jung	3/5

All the Directors have access to the advice and services of the Company Secretary and to obtain independent professional advice, whenever necessary at the expense of the Company.

1.3 Appointment and Re-election of Directors

The appointment of Directors are made upon the recommendation of the Nomination Committee which would review the required mix of skills and experience as well as other qualities of candidates for the approval of the Board.

In accordance with the Company’s Articles of Association , one-third or a number nearest to one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting. The Directors to retire each year are the Directors who have been longest in office since their appointment or re-election.

The Articles of Association further provide that a managing director can be appointed for a fixed term which shall not exceed three (3) years.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

The profiles of all directors including their personal profile, meeting attendance and their shareholdings in the Company have been furnished in this Annual Report 2009.

CORPORATE GOVERNANCE STATEMENT (cont'd)

1. DIRECTORS (cont'd)

1.4 Directors' Training

All Directors have attended the Mandatory Accreditation Training programme ("MAP").

Save for Dato' Seri Dr. Haji Arshad Bin Haji Hashim and Mr. Ang Ah Soon @ Ang Weng Joo who have attended the Directors' Training as stated below, the other Directors have not attended any training during the financial year 2009 due to their respective tight schedule and travel commitments:-

Director	Date	Description
Ang Ah Soon @ Ang Weng Joo	21 July 2009	• KPMG's Audit Committee Roundtable Discussion titled: "Economic Downturn and Risk Oversight: Reassessing Risk in the Wake of Market Turmoil"
	21 October 2009	• Deloitte Forensic Seminar
Dato' Seri Dr. Haji Arshad Bin Haji Hashim	10 September 2009	• Briefing for Financial Instruments: Recognition Measurement, Presentation and Disclosure
	9 October 2009	• Audit Committee Role and the Internal Audit Challenges
	4 November 2009	• Board Effectiveness: Redefining the Roles and Functions of an Independent Director
	5 November 2009	• Risk Management Best Practice
	13 December 2009	• Directors Duties and Governance Conference 2010 "Towards Boardroom Excellence & Corporate Governance Best Practice"

The Board of Directors will assume the onus of determining or overseeing the training needs for Directors. In this respect, the Directors are encouraged to attend various external professional programmes deemed necessary in order to keep abreast with the latest developments in the market place, advances in corporate governance and to further enhance their skill and knowledge to enable them to discharge their duties as Directors in an effective manner.

2. BOARD COMMITTEES

The Board, in discharging its fiduciary duties, is assisted by the following Board Committees which have been set up to perform specific tasks. The terms of reference of each committee have been approved by the Board and comply with the best practices recommended by the Code:-

Board Committee	Date established
Audit Committee	June 2, 1999
Nomination Committee	August 27, 2005
Remuneration Committee	August 27, 2005

All Board Committees are assisted by the Company Secretary.

2.1 Audit Committee

The terms of reference and the function of the Audit Committee are discussed from Pages 15 to 17 of the Annual Report 2009.

2.2 Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors, majority of whom are Independent as follows:

Chairman : Ang Ah Soon @ Ang Weng Joo

Members : Dato' Seri Dr Haji Arshad Bin Haji Hashim
Wu, Chung-Jung

CORPORATE GOVERNANCE STATEMENT (cont'd)

2. BOARD COMMITTEES (cont'd)

2.2 Nomination Committee (cont'd)

The Nomination Committee is set up mainly:

- To review the structure, size and composition of the Board and make recommendation to the Board with regard to any adjustments that are deemed necessary.
- To recommend to the Board, the minimum requirements for the Board, ie. required mixed of skills, experience, qualification and other core competencies required of a Director inclusive of Managing Director.
- To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of the Board's various committees and the performance of the Managing Director and other key Senior Key Management Officers. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board.
- To satisfy itself with regard to succession planning, that the processes and plans are in place with regard to the Board and senior management.

2.3 Remuneration Committee

The Remuneration Committee comprises at one(1) Executive Director and two(2) mainly of Non-Executive Directors as follows:

Chairman : Shiue, Jong-Zone

Committee : Ang Ah Soon @ Ang Weng Joo
Dato' Seri Dr Haji Arshad Bin Haji Hashim

The Remuneration Committee is set up with the terms of reference, amongst others:

- To establish and recommend to the Board the remuneration policy for, including the establishment of a formal and transparent methodology in determining the remuneration of Executive Directors, Non- Executive Directors and Senior Management and to review changes to the policy and methodology as necessary.
- To review the existing level of remuneration of Executive Directors and to recommend their remuneration to the Board based on the Company's and their individual performance to ensure they commensurate with the scope of responsibilities held.
- To ensure the level of remuneration for Non- Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

The remuneration packages for Executive Directors are determined by the Board as a whole and the respective Executive Directors play no part in determining their own remuneration. It is the Company's policy to remunerate Directors adequately to attract and retain the Directors of the necessary calibre to manage its business. The Articles of Association of the Company provides that the remuneration of Directors shall not include a commission or percentage of turnover.

Details of the Directors' remuneration for the year ended December 31, 2009 were as follows:

Category	Salaries Bonuses Employee				Total RM
	Fees RM	Provident Fund RM	Allowances RM	Benefits-in-kind RM	
Executive	72,000	358,116	-	-	430,116
Non-Executive	81,600	-	-	-	81,600
Total	153,600	358,116	-	-	511,716

The remuneration bands of the Directors are as follows:

Range	Executive	Non Executive
Below RM 50,000	1	3
RM100,001- RM150,000	1	-
RM200,001- RM250,000	1	-

3. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Company acknowledges the importance of communicating with its shareholders. The Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) provide a forum of discussion for the public shareholders. Besides, the shareholders can also communicate with the Company directly through an email address specifically created for this purpose :-

relations@supercomnet.com

In line with the recommendations by the ACE LR and the Code, material information are disseminated to shareholders, investors and public at large on a timely basis. These information, which could be accessed through Bursa Securities website at www.bursamalaysia.com, include :

1. Quarterly announcements
2. Annual reports
3. Circular to shareholders
4. Other important announcements

In compliance with the recommended best practice by the Code, the Board has appointed Mr. Ang Ah Soon @ Ang Weng Joo as a Senior Independent Non-Executive Director to whom minority shareholders could convey their concern over the operations of the Group. His contact information is as follows:

Mr. Ang Ah Soon @ Ang Weng Joo
Supercomnet Technologies Berhad
(F.K.A. Supercomal Technologies Berhad)
Lot 172, Jalan PKNK 3/8
Kawasan Perusahaan Sungai Petani
08000 Sungai Petani, KEDAH
Tel: 04-4411822 Fax: 04-4411755

4. ACCOUNTABILITY AND AUDIT

The Board is fully aware of its responsibility to safeguard and enhance the value of shareholders in the Company. During the financial year ended December 31, 2009, the Board has engaged an external professional firm to carry out the internal audit function for the Group. The functions of the internal auditors are to ensure that adequate system of internal controls exist to assist the administration to manage operational, regulatory and financial risks.

The Company, through the Audit Committee, maintains an appropriate and transparent relationship with the external auditors. It is intended that Independent members of the Audit Committee will meet the external auditors at least twice a year to discuss the conduct and concerns arising from their audit without the presence of the Executive Directors and management.

The Board, with the recommendations by the Audit Committee, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect.

The Board is also required by the Companies Act, 1965 to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results of the Group and of the Company for the financial year. A Statement by the Board of its responsibilities for preparing the financial statements is set out on page 20 of this Annual Report 2009.

This statement was made in accordance with a Board of Directors' resolution passed during a meeting held on May 24, 2010.



STATEMENT OF INTERNAL CONTROL

The Board of Directors of Supercomnet Technologies Berhad (F.K.A. Supercomal Technologies Berhad) has made the following statement on the state of internal control of the Group which has been prepared in accordance with the “Statement on Internal Control- Guidance for Directors of Public Listed Companies” issued by the Internal Auditors Malaysia.

Risk Management

The Board recognizes its responsibilities with regard to identifying and managing principal risks.

The Group has formalized its risk management framework in which the existence of significant risks of the Group have been identified and quantified. The corresponding controls to manage the risks have also been documented. The framework also sets out the management action plan to improve on the system of controls in order to manage the risks more effectively. The risk profile of the Group has been compiled to help the Board and management to prioritize their focus on areas of high risks.

The senior management is responsible for identifying, managing and reporting on significant risks on an ongoing basis. Significant risk matters are brought to the attention of the Executive Directors, and if necessary, are also discussed at Board meetings.

Internal Control Objectives

The Board of Directors recognizes the importance of maintaining a sound system of internal control to achieve the following objectives:

1. Safeguard the shareholders’ investments and assets of the Group
2. Identify and manage risks affecting the business of the Group
3. Ensure compliance with regulatory requirements
4. Ensure the effectiveness and efficiency of operations to achieve business objectives of the Group
5. Ensure the integrity and reliability of financial information

In consultation with the Executive Directors of the Company who are also managing the Company’s subsidiary , the Board is satisfied that throughout the year, there is an ongoing process for identifying, evaluation and managing the significant risks affecting the Group through the system of internal control.

Key Elements of Internal Control System

The important elements of the system of internal control of the Group are as follows:

1. Organizational structure of each business unit clearly defines operational and financial responsibilities
2. Key responsibilities are clearly defined and properly segregated
3. Authority level is properly defined.
4. Key management personnel including Executive Directors meet regularly to address key business risks and operational issues
5. Operational procedures are governed by standard operating manuals which are reviewed and updated regularly

The Audit Committee, on behalf of the Board, reviews internal control issues identified by the external auditors and management and evaluates the adequacy and effectiveness of the Group’s risk management and internal control system.

The Board of Directors is ultimately responsible to ensure that the Group maintains a sound system of internal control. However, the Board wishes to draw attention that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or losses.

Internal Audit Function

The Board is satisfied that for the financial year under review, there were no material losses, deficiencies or errors arising as a result of weakness in the internal control that would require disclosure in this annual report. The management continues to take measures to strengthen the control environment.

The Board has outsourced internal audit functions to an independent professional firm to provide independent review on the operations of the Company. The internal audit plan was circulated to the members of the Audit Committee prior to the execution of the assignment. The internal auditors report directly to the Audit Committee. The internal audit fees incurred for financial year 2009 was RM 13,000.

This statement was made in accordance with a Board of Directors’ resolution passed during a meeting held on May 24, 2010.



AUDIT COMMITTEE REPORT

The purpose of the setting up of the Audit Committee is to assist the Board in discharging its duties to identify principal risks, ensuring the implementation of appropriate systems of internal controls to manage such risks, and that such systems are working effectively to safeguard shareholders' investment and the long term viability of the Group.

AUDIT COMMITTEE

Mr. Ang Ah Soon @ Ang Weng Joo
Chairman
Senior Independent Non-Executive Director

Dato' Seri Dr. Haji Arshad Bin Haji Hashim
Member
Independent Non-Executive Director

Mr. Wu, Chung-Jung
Member
Non-Independent Non-Executive Director

The Terms of Reference of the Audit Committee (AC) are as follows:

1. Membership

The AC shall be appointed by the Board of Directors from amongst the Directors of Supercomnet Technologies Berhad (the Company) and consist of not less than three members. All the AC members must be Non-Executive Directors, with a majority of whom must be independent. The members of the AC shall elect the Chairman from among their number who shall be an Independent Non-Executive Director. No Alternate Director shall be appointed as a member of the AC.

If the number of members is reduced below three, due to whatsoever reasons, the Directors of the Company shall within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Meetings

Meetings will be held not less than two times a year.

A quorum of two independent members shall constitute a valid meeting.

The internal and /or external auditors(s) have the rights to appear and be heard at any meeting of the AC and shall appear before the Committee when required by the Company. Upon the request of the auditor(s), the Chairman of the AC shall convene a meeting of the Committee to consider any matters the auditor(s) believes should be brought to the attention of the Board of directors or shareholders.

The Company Secretary shall be the secretary of the AC.

The External Auditors may request a meeting if they consider that one is necessary.

3. Authority

The AC is authorized by the Directors of the Company to investigate any activity within its terms of reference and shall have the resources required to perform its duties. The AC has full and unrestricted access to all information and documents relevant to its activities as well as to the internal and external auditors and employees of the Group.



AUDIT COMMITTEE REPORT (cont'd)

4. Duties and Responsibilities

The duties and responsibilities of the AC shall include:

- a) to recommend to the Board of Directors of the Company the appointment of the External Auditors and Internal Auditors, their audit fees and any question of their resignation or ;
- b) to discuss the nature and scope of the audit with the External Auditors before the audit commences;
- c) to review the financial statements of the Company and the Group before submission to the Board of Directors, focusing particularly on:
 - public announcements of results and dividend payment;
 - any changes in accounting policies and practices;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going-concern assumptions;
 - compliance with accounting standards; and
 - compliance with stock exchange and legal requirements.
- d) to discuss problems and reservations arising from the interim and final audits and any matters the external/internal auditors may wish to discuss (excluding the attendance of other directors and employees of the Company) ;
- e) to review the internal audit programme, consider the major findings of internal audit investigations and management's response and ensure co-ordination between the Internal and External Auditors;
- f) to review the adequacy of the scope, functions, competency and resources of the internal audit function and to ensure that it has the necessary authority to carry out its works;
- g) to review and evaluate the adequacy and effectiveness of the Group's accounting policies, procedures and internal controls;
- h) to review the appraisal or assessment of the performance of the staff of the internal audit function; to approve any appointment or termination of senior staff of the internal audit function;
- i) to keep under review the effectiveness of internal control system and in particular, review External Auditors' management letter and management's response;
- j) to review any related party transactions and conflict of interest situation that may arise within the Company or Group and to monitor any inter-company transaction or any transaction between the Company and any related parties outside the Group;
- k) to carry out such other functions and consider other topics, as may be agreed upon by the Board of Directors.

5. Reporting Procedures

The AC is authorized to regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The Company Secretary shall circulate the minutes of meetings of the AC to all members of the Board of Directors.



6. Attendance at Meetings

Details of each Committees' attendance at Audit Committee Meetings are set out as below :

Name of Director	Attendance
Mr. Ang Ah Soon @ Ang Weng Joo (Chairman)	5/5
Dato' Seri Dr. Haji Arshad Bin Haji Hashim (Member)	5/5
Mr. Wu, Chung-Jung (Member)	3/5

7. Activities of the Audit Committee

The main activities carried out by the Committee during the financial year ended 2009 in discharge of its duties and responsibilities were as follows :-

- considered and approved the internal audit plan for the Company and Group for the financial year ended December 31, 2009
- reviewed the unaudited quarterly financial reports before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- reviewed with the External Auditors on the Group's financial year end statements and issues and findings arising from the audit and their resolutions; and
- recommend to the Board of Directors on the re-appointment of the external auditors.

8. Internal Audit Function

The Company has outsourced the internal audit function to an external third party. The internal auditors have designed a programme to discharge their duties which has been agreed by the Audit Committee. The activities carried out during the financial year ended 2009 by the internal auditors were on the treasury, risk management, account receivable, credit evaluation, pricing control and costing system. The results of findings have been tabled during the Audit Committee meetings held in 2009. The internal audit fee incurred for the financial year 2009 is RM 13,000.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Bursa Malaysia Securities Berhad ACE Market Listing Requirements (ACE LR)

1. Utilization of Proceeds

There were no proceeds raised by the Company from any corporate proposals during the financial year.

2. Share Buy-back

The Company did not enter into any share buyback transactions during the financial year.

3. Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued by the Company during the financial year.

4. American Depository Receipt ("ADR") or the Global Depository Receipt ("GDR") Programme

The Company did not sponsor any of such programmes during the financial year.

5. Imposition of Sanctions and/ or Penalties

There were no material sanctions and/ or penalties imposed on the Company and its subsidiary company, Directors or management by the relevant regulatory authorities during the financial year.

6. Non- Audit Fees

Except for the total amount of RM 6,500 incurred for the taxation services rendered by a corporation affiliated to the Company's auditors, there was no other Non-Audit fees incurred for services rendered to the Company or its subsidiary by the external auditors or company affiliated to the auditors' firm.

7. Profit Estimate, Forecast or Projection and Unaudited Results Deviation

There was no profit estimate, forecast or projection announced for the financial year. There is no significant variance between the results for the financial year and the unaudited results previously released by the Company.

8. Profit Guarantee

There was no profit guarantee issued by the Group during the financial year.

9. Recurrent Related Party Transactions (RRPT) of a Revenue or Trading nature

Details of the RRPT of a revenue and trading nature entered into during the financial year ended December 31, 2009, in accordance with the shareholders' mandate obtained at the Extraordinary General Meeting of the Company held on June 29, 2009, were as follows:-

No.	Related Parties		Nature of Transactions	Actual amount (RM)	Interested Related Party
1.	STB (Seller)	SMP (Buyer)	Sales of raw materials by STB to SMP	2,976	Mr. Shiue, Jong-Zone (SJZ) and Mdm. Wu, Huei-Chung (WHC) are Directors and major shareholders of both STB and SMP. Mr. Wu, Chung-Jung (WCJ), the brother-in-law of SJZ and brother of WHC, being a related party, is a Director and substantial shareholder of STB and major shareholder of SMP. Mr. Hsueh, Chih-Yu @ Shiue, Jyh-Yeu, the son of SJZ and WHC and nephew of WCJ, being a related party, is a Director and major shareholder of SMP as well as a substantial shareholder in STB. Mr. Shiue, Jyh-Jeh, the son of SJZ and WHC and nephew of WCJ, being a related party, is a major shareholder of SMP as well as a substantial shareholder in STB.
2.	STB (Landlord)	SMP (Tenant)	Monthly Rental of factory space at Lot 172, Jalan PKNK 3/8, Kawasan Perusanaan Sungai Petani, 08000 Sungai Petani, Kedah	67,971	Same as above

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

Pursuant to the Bursa Malaysia Securities Berhad ACE Market Listing Requirements (ACE LR)



9. Recurrent Related Party Transactions (RRPT) of a Revenue or Trading nature (cont'd)

The Company would be seeking a mandate from its shareholders on RRPT pursuant to Rule 10.09 and Guidance Note No. 8 of the ACE LR at the upcoming Extraordinary General Meeting to be held on June 29, 2010 (The Proposal). Details of the Proposal are being disclosed in the Circular to Shareholders dated June 4, 2010.

10. Revaluation Policy

It is the Group's policy that landed properties shall be stated at cost and consistent with this, the Group did not revalue any of its landed properties during the financial year.

11. Material Contracts

There were no material contract entered into by the Company and its subsidiary companies involving directors' and substantial shareholders' interest other than those entered into in the ordinary course of business as disclosed in the financial statements.

12. Corporate Social Responsibility (CSR)

The Group subscribes to the belief that pursuit of business objectives needs to be balanced with social and environmental responsibilities for any business to remain sustainable. As such, the Group uses its best endeavour on ongoing basis to integrate CSR practices into its day to day business operations. These include providing a healthy and safe working environment for staff, using materials free from toxic components which are in line with the Sony Green partner guideline especially in the assembly department and safety training like handling fire hazards. The Board is highly aware of its responsibilities towards the society and the environment.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Pursuant to Rule 15.26 (a) of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements

The Directors are required to prepare audited financial statements that give a true and fair view of the state of affairs, including the cashflows and results, of the Group and of the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:

- That the Group and the Company have used appropriate accounting policies, and these are consistently applied;
- That reasonable and prudent judgments and estimates were made;
- That the approved accounting standards in Malaysia have been adopted ; and
- That the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and subsidiary company maintain proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

This statement was made in accordance with a Board of Directors' resolution passed during a meeting held on May 24, 2010.



DIRECTORS' REPORT

The directors of **SUPERCOMNET TECHNOLOGIES BERHAD** (formerly known as Supercomal Technologies Berhad) have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2009.

PRINCIPAL ACTIVITIES

The Company is principally involved in the manufacture of PVC Compound and cables/wires for electronic devices and data control switches. The subsidiary company is principally involved in the manufacture of wires and cables for automotive industries. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS OF OPERATIONS

	The Group RM	The Company RM
Loss for the year	2,229,743	3,115,927

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS


No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.



DIRECTORS' REPORT (cont'd)

OTHER FINANCIAL INFORMATION (cont'd)

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for the doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Seri Dr. Haji Arshad Bin Haji Hashim
Shiue, Jong-Zone
Wu, Chung-Jung
Wu, Huei-Chung
Ismail Bin Ahmad
Ang Ah Soon @ Ang Weng Joo

DIRECTORS' INTEREST

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM0.10 each			Balance as of 31.12.2009
	Balance as of 1.1.2009	Bought	Sold	
Direct interest:				
Shiue, Jong-Zone	46,393,600	-	-	46,393,600
Wu, Chung-Jung	26,837,200	-	-	26,837,200
Wu, Huei-Chung	3,552,000	-	-	3,552,000
Indirect interest:				
Shiue, Jong-Zone*	33,090,600	-	-	33,090,600
Wu, Chung-Jung#	52,647,000	-	-	52,647,000
Wu, Huei-Chung^	75,932,200	-	-	75,932,200

DIRECTORS' INTEREST (cont'd)

- * Deemed interest through Mr. Wu, Chung-Jung, Madam Wu, Huei-Chung and his sons.
- # Deemed interest through Mr. Shiue, Jong-Zone, Madam Wu, Huei-Chung and his nephews.
- ^ Deemed interest through Mr. Shiue, Jong-Zone, Mr. Wu Chung-Jung and his sons.

By virtue of their interest in the shares of the Company, Mr. Shiue, Jong-Zone, Mr. Wu, Chung-Jung and Madam Wu, Huei-Chung are also deemed to have interest in the shares of the subsidiary company to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

SHIUE, JONG-ZONE

WU, HUEI-CHUNG

Penang,

April 20, 2010



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF SUPERCOMNET TECHNOLOGIES BERHAD

(Formerly known as Supercomal Technologies Berhad)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Supercomnet Technologies Berhad (formerly known as Supercomal Tehnologies Berhad), which comprise the balance sheets as of December 31, 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 51.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2009 and their financial performance and cash flows for the year then ended.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (cont'd)
OF SUPERCOMNET TECHNOLOGIES BERHAD
(Formerly known as Supercomal Technologies Berhad)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary company have been properly kept in accordance with the provisions of the Act;
- (b) We are satisfied that the financial statements of the subsidiary company that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations as required by us for these purposes; and
- (c) The auditors' report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

TAN BOON HOE
Partner – 1836/07/11(J)
Chartered Accountant

April 20, 2010

Penang

INCOME STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue		21,744,791	32,925,483	21,078,128	30,337,308
Investment revenue		96,450	63,132	94,274	39,369
Other gains and losses	5	418,650	804,859	464,681	662,959
Impairment loss on investment in subsidiary company		-	-	(1,973,528)	(2,612,000)
Share of profit in associated company		908,226	78,473	-	-
Changes in inventories of finished goods and work in progress		374,880	(2,083,833)	539,460	(1,573,775)
Raw materials and consumables used		(16,159,198)	(21,933,320)	(15,753,421)	(20,410,689)
Directors' remuneration	6	(529,716)	(558,134)	(511,716)	(540,134)
Employee benefits expense	6	(4,743,550)	(6,064,657)	(3,637,794)	(4,210,174)
Depreciation of property, plant and equipment		(1,709,371)	(2,108,828)	(1,216,297)	(1,603,340)
Amortisation/ write-off of development costs		-	(367,239)	-	-
Amortisation of prepaid lease payments		(53,998)	(53,998)	(24,827)	(24,827)
Finance costs		(9,281)	(68,844)	-	(5,503)
Other expenses		(2,979,924)	(2,937,337)	(2,587,185)	(2,397,328)
Loss before tax	7	(2,642,041)	(2,304,243)	(3,528,225)	(2,338,134)
Income tax benefit/ (expense)	8	412,298	(37,098)	412,298	(37,098)
Loss for the year		(2,229,743)	(2,341,341)	(3,115,927)	(2,375,232)
Basic loss per share	9	(0.92 sen)	(0.96 sen)		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS OF DECEMBER 31, 2009



	Note	The Group		The Company	
		2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	9,261,321	10,804,048	7,119,419	8,173,652
Prepaid lease payments	11	2,454,142	2,508,140	1,131,725	1,156,552
Investment in a subsidiary company	13	-	-	3,456,472	5,430,000
Investment in an associated company	14	1,320,814	162,588	450,000	200,000
Total non-current assets		13,036,277	13,474,776	12,157,616	14,960,204
Current assets					
Inventories	15	10,595,211	11,440,218	7,750,568	7,470,773
Trade and other receivables	16	8,075,346	7,970,925	11,141,512	10,393,020
Other assets	17	378,514	664,050	218,708	347,877
Current tax assets		738,646	371,422	733,147	280,699
Short-term deposits with licensed bank	18	1,500	268,763	-	-
Cash and bank balances	18	2,739,134	3,679,578	2,602,116	3,525,521
Total current assets		22,528,351	24,394,956	22,446,051	22,017,890
Total assets		35,564,628	37,869,732	34,603,667	36,978,094
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	24,300,000	24,300,000	24,300,000	24,300,000
Reserves	20	7,842,429	9,993,310	7,076,195	10,113,260
Total equity		32,142,429	34,293,310	31,376,195	34,413,260
Non-current liabilities					
Deferred tax liabilities	21	678,122	1,128,739	678,122	1,128,739
Current liabilities					
Trade and other payables	22	2,744,077	1,629,629	2,549,350	1,436,095
Bank borrowings	23	-	818,054	-	-
Total current liabilities		2,744,077	2,447,683	2,549,350	1,436,095
Total liabilities		3,422,199	3,576,422	3,227,472	2,564,834
Total equity and liabilities		35,564,628	37,869,732	34,603,667	36,978,094

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2009

The Group	Non-distributable reserves			Distributable reserve	Total RM
	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Retained Earnings/ (Accumulated Loss) RM	
Balance as of January 1, 2008	24,300,000	5,936,954	1,538,979	4,858,718	36,634,651
Transfer of revaluation surplus	-	-	(35,371)	35,371	-
Loss for the year	-	-	-	(2,341,341)	(2,341,341)
Total recognised income and expense	-	-	(35,371)	(2,305,970)	(2,341,341)
Balance as of December 31, 2008	24,300,000	5,936,954	1,503,608	2,552,748	34,293,310
Balance as of January 1, 2009	24,300,000	5,936,954	1,503,608	2,552,748	34,293,310
Transfer of revaluation surplus	-	-	(35,371)	35,371	-
Reduction in deferred tax on revaluation surplus resulting from the change in tax rates	-	-	78,862	-	78,862
Loss for the year	-	-	-	(2,229,743)	(2,229,743)
Total recognised income and expense	-	-	43,491	(2,194,372)	(2,150,881)
Balance as of December 31, 2009	24,300,000	5,936,954	1,547,099	358,376	32,142,429
The Company					
Balance as of January 1, 2008	24,300,000	5,936,954	1,538,979	5,012,559	36,788,492
Transfer of revaluation surplus	-	-	(35,371)	35,371	-
Loss for the year	-	-	-	(2,375,232)	(2,375,232)
Total recognised income and expense	-	-	(35,371)	(2,339,861)	(2,375,232)
Balance as of December 31, 2008	24,300,000	5,936,954	1,503,608	2,672,698	34,413,260
Balance as of January 1, 2009	24,300,000	5,936,954	1,503,608	2,672,698	34,413,260
Transfer of revaluation surplus	-	-	(35,371)	35,371	-
Reduction in deferred tax on revaluation surplus resulting from the change in tax rates	-	-	78,862	-	78,862
Loss for the year	-	-	-	(3,115,927)	(3,115,927)
Total recognised income and expense	-	-	43,491	(3,080,556)	(3,037,065)
Balance as of December 31, 2009	24,300,000	5,936,954	1,547,099	(407,858)	31,376,195

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009



	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	(2,229,743)	(2,341,341)	(3,115,927)	(2,375,232)
Adjustments for:				
Depreciation of property, plant and equipment	1,709,371	2,108,828	1,216,297	1,603,340
Write-down of slow moving inventories	710,241	250,069	78,058	250,069
Allowance for doubtful debts	376,013	116,225	373,493	94,495
Amortisation of prepaid lease payments	53,998	53,998	24,827	24,827
Interest expense	9,281	68,844	-	5,503
Property, plant and equipment written off	8,166	25,675	8,166	25,675
Share of profit in associated company	(908,226)	(78,473)	-	-
Income tax (benefit)/ expense	(412,298)	37,098	(412,298)	37,098
Gain on disposal of property, plant and equipment	(62,000)	(3,200)	-	(3,200)
Interest income	(28,479)	(27,132)	(26,303)	(3,369)
Unrealised gain on foreign exchange	(8,627)	(4,677)	(8,627)	(4,677)
Amortisation/ write-off of development costs	-	367,239	-	-
Impairment loss on investment in a subsidiary company	-	-	1,973,528	2,612,000
	(782,303)	573,153	111,214	2,266,529
Movement in working capital:				
Decrease/ (increase) in:				
Inventories	134,766	4,421,094	(357,853)	2,640,427
Trade and other receivables	(470,943)	(525,305)	(1,112,494)	(933,001)
Other assets	285,536	113,002	129,169	4,294
Increase/ (decrease) in trade and other payables	1,113,584	(1,134,511)	1,112,391	(638,601)
Cash generated from/ (used in) operations	280,640	3,447,433	(117,573)	3,339,648
Tax refunded	85,224	96,000	-	-
Tax paid	(411,905)	(791,315)	(411,905)	(760,492)
Net cash (used in)/ generated from operating activities	(46,041)	2,752,118	(529,478)	2,579,156
CASH FLOWS FROM INVESTING ACTIVITIES				
Short-term deposits released as security	243,500	-	-	-
Proceeds from disposal of property, plant and equipment	62,000	3,200	-	3,200
Interest received	28,479	27,132	26,303	3,369
Purchase of additional shares in associated company	(250,000)	-	(250,000)	-
Purchase of property, plant and equipment	(174,810)	(150,220)	(170,230)	(150,220)
Net cash used in investing activities	(90,831)	(119,888)	(393,927)	(143,651)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank borrowings	-	(1,069,000)	-	(1,069,000)
Interest paid	(9,281)	(68,844)	-	(5,503)
Net cash used in financing activities	(9,281)	(1,137,844)	-	(1,074,503)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(146,153)	1,494,386	(923,405)	1,361,002
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,885,287	1,390,901	3,525,521	2,164,519
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 18)	2,739,134	2,885,287	2,602,116	3,525,521

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. GENERAL INFORMATION

The Company is principally involved in the manufacture of PVC Compound and cables/wires for electronic devices and data control switches. The subsidiary company is principally involved in the manufacture of wires and cables for automotive industries. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office and principal place of business are at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang, Malaysia and Lot 172, Jalan PKNK 3/8, Kawasan Perusahaan Sungai Petani, 08000 Sungai Petani, Kedah, Malaysia respectively.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on April 20, 2010.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Group and of the Company, expressed in Ringgit Malaysia ("RM"), have been prepared under the historical cost convention unless stated otherwise in the accounting policies mentioned below.

At the date of authorisation of issue of these financial statements, the FRSs, IC Interpretations and amendments to FRSs and IC Interpretations which were in issue but not yet effective are as listed below.

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ^(a)
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) ^(b)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters) ^(d)
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations) ^(a)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) ^(b)
FRS 3	Business Combinations (Revised in 2010) ^(b)
FRS 4	Insurance Contracts ^(a)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) ^(b)
FRS 7	Financial Instruments: Disclosures ^(a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition) ^(a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) ^(d)
FRS 8	Operating Segments ^(c)
FRS 101	Presentation of Financial Statements (Revised in 2009) ^(a)
FRS 123	Borrowing Costs (Revised) ^(a)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ^(a)
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010) ^(b)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments) ^(a)
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue) ^(e)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of accounting (cont'd)

FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3) ^(b)
FRS 139	Financial Instruments: Recognition and Measurement ^(a)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets – effective date and transition and embedded derivatives and revised FRS 3 and revised FRS 127) ^(a)
Improvements to FRSs (2009) ^(a)	
IC Interpretation 9	Reassessment of Embedded Derivatives ^(a)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives) ^(a)
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) ^(b)
IC Interpretation 10	Interim Financial Reporting and Impairment ^(a)
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions ^(a)
IC Interpretation 12	Service Concession Arrangements ^(b)
IC Interpretation 13	Customer Loyalty Programmes ^(a)
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction ^(a)
IC Interpretation 15	Agreements for the Construction of Real Estate ^(b)
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation ^(b)
IC Interpretation 17	Distributions of Non-cash Assets to Owners ^(b)

(a) Effective for annual periods beginning on or after January 1, 2010.

(b) Effective for annual periods beginning on or after July 1, 2010.

(c) Effective for annual periods beginning on or after July 1, 2009.

(d) Effective for annual periods beginning on or after January 1, 2011.

(e) Effective for annual periods beginning on or after March 1, 2010

Consequential amendments were also made to various FRSs as a result of these new/ revised FRSs.

The directors anticipate that the abovementioned Standards and Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Company in the period of initial application except for the changes arising from the adoption of FRS 7 and FRS 139.

By virtue of the exemption provided in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements of the Group and of the Company upon initial application of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary companies). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the purchase method of accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured at fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of consolidation (cont'd)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statements.

All intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Revenue and revenue recognition

Revenue of the Group represents gross invoiced values of sales less return and discounts.

Revenue from the sale of goods are recognised when all the following conditions have been satisfied:

- (i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised on a time proportion basis that takes into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Rental income is recognised on a straight-line basis over the term of the relevant lease. Other operating income are recognised on an accrual basis.

Foreign currency conversion

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

Transactions in foreign currencies are recorded at rates of exchange prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at balance sheet date. Foreign exchange gains and losses are recognised in the income statements as they arise.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that all future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax assets and liabilities are not recognised on temporary differences arising from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred.

Employee benefit costs

i. Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the employees' provident fund. Such contributions are recognised as expenses in the income statements as incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. All property, plant and equipment are depreciated on a straight-line method in order to write off the cost of each asset to its residual value over its estimated useful life.

The annual depreciation rates are as follows:

Factory buildings	2%
Plant and machinery	10% & 15%
Furniture and fittings	10%
Office equipment	10%
Tools and equipment	10%
Motor vehicles	20%
Electrical installation	10%
Moulds and dies	20%

The Group carried certain of its property, plant and equipment at revalued amounts and placed reliance on the transitional provisions of International Accounting Standards 16 (Revised) as adopted by the Malaysian Accounting Standards Board which provides exemption from the need to make regular revaluations for such assets. Effective from December 31, 1997, no further revaluations were carried out. The aggregate carrying value of such assets will be depreciated over the remaining useful lives of the relevant assets.



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment (cont'd)

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in the carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to the income statements to the extent that it offsets the previously recorded decrease.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets or crystallisation of deferred tax liabilities on revaluation surplus, the amounts in revaluation reserve account relating to the relevant assets are transferred to the retained earnings account.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statements unless it reverses a previous revaluation in which case it is treated as a revaluation decrease.

At each balance sheet date, the residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire-purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

(ii) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the building elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment in a subsidiary company

A subsidiary company is a company in which the Group has power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary company, which is eliminated on consolidation, is stated in the Company's financial statements at cost less accumulated impairment loss.

When there is an indication of impairment in the value of the investment, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investment in an associated company

An associated company is a non-subsiary company in which the Group holds not less than 20% of the equity voting rights as long-term investment and in which the Group is in a position to exercise significant influence in its management.

Investment in an associated company is stated at cost in the Company's financial statements. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The Group's investment in associated company is accounted for under the equity method of accounting based on the latest financial statements of the associated company made up to December 31, 2009. Under this method of accounting, the Group's interest in the post-acquisition profit and reserves of the associated company is included in the consolidated results while dividend received is reflected as a reduction of the investment in the balance sheet.

Unrealised profit and losses arising on transactions between the Group and its associated company are eliminated to the extent of the Group's equity interest in the relevant associated company except where unrealised losses provide evidence of an impairment of the asset transferred.

Research and development costs

All research costs are recognised in the income statements as an expense when incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products over a period not exceeding three years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each balance sheet date.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion. Cost is determined on the first-in, first-out method.

Cost of raw materials and spare parts consists of the purchase price plus the cost of bringing the inventories to their present location. The cost of work-in-progress and finished goods consists of cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

Receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Borrowings

Borrowings are stated at their nominal values and recorded at the proceeds received net of direct issue costs.

Payables

Payables are stated at their nominal values.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instrument issued by the Company is recorded at the proceeds received, net of direct issue costs.

Cash flow statement

The Company adopts the indirect method in the preparation of the cash flow statement.

Cash and cash equivalents consist of cash and bank balances, bank overdraft, demand deposits and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and the Company have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Contingent liabilities

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is assessed to be remote except for cases where the amount involved is material, and the directors are of the opinion that disclosure is appropriate.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

There are no key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. OTHER GAINS AND LOSSES

An analysis of other gains and losses is as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sub-contract income	820,750	132,846	457,543	-
Scrap sales	440,135	1,080,900	440,135	1,080,900
Bad debts recovered	163,381	-	-	-
Gain on disposal of property, plant and equipment	62,000	3,200	-	3,200
Realised gain/ (loss) on foreign exchange	18,177	(29,612)	18,093	(60,396)
Unrealised gain on foreign exchange	8,627	4,677	8,627	4,677
Write-down of slow moving inventories	(710,241)	(250,069)	(78,058)	(250,069)
Allowance for doubtful debts	(376,013)	(116,225)	(373,493)	(94,495)
Property, plant and equipment written off	(8,166)	(25,675)	(8,166)	(25,675)
Miscellaneous	-	4,817	-	4,817
	418,650	804,859	464,681	662,959

6. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Employee benefits expense:				
Contributions to employees' provident fund	363,403	435,367	272,978	291,784
Other employee benefits	4,380,147	5,629,290	3,364,816	3,918,390
	4,743,550	6,064,657	3,637,794	4,210,174

Employee benefits expense includes salaries, bonuses, contributions to employees' provident fund and all other staff related expenses.

Details of remuneration of directors of the Group and of the Company are as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive:				
Directors of the Company:				
Fee	72,000	72,000	72,000	72,000
Contributions to employees' provident fund	21,366	24,834	21,366	24,834
Other emoluments	336,750	356,000	336,750	356,000
	430,116	452,834	430,116	452,834

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

6. EMPLOYEE BENEFITS EXPENSE (cont'd)

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-executive:				
Directors of the Company:				
Fee	81,600	87,300	81,600	87,300
Directors of the subsidiary:				
Fee	18,000	18,000	-	-
	99,600	105,300	81,600	87,300
Total directors' remuneration	529,716	558,134	511,716	540,134

The directors are the key management personnel of the Group and the Company and their remunerations are as disclosed above.

7. LOSS BEFORE TAX

Loss before tax is arrived at:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
After charging:				
Hostel rental	83,104	123,088	56,448	72,912
Audit fee	52,500	55,000	33,000	34,000
Interest on:				
Bank overdraft	9,281	63,341	-	-
Bankers' acceptances	-	5,503	-	5,503
And crediting:				
Rental income	67,971	36,000	67,971	36,000
Interest income	28,479	27,132	26,303	3,369

8. INCOME TAX (BENEFIT)/ EXPENSE

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current year:				
Current tax expense	-	250,000	-	250,000
Deferred tax (Note 21):				
Relating to the origination and reversal of temporary differences in current year	(340,031)	(267,755)	(340,031)	(267,755)
	(340,031)	(17,755)	(340,031)	(17,755)
(Over)/ Underprovision in prior years:				
Current tax	(40,543)	54,853	(40,543)	54,853
Deferred tax	(31,724)	-	(31,724)	-
Income tax (benefit)/ expense	(412,298)	37,098	(412,298)	37,098

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



8. INCOME TAX (BENEFIT)/ EXPENSE (cont'd)

The corporate income tax rate is 25% for the year of assessment 2009 (2008: 26%).

As of December 31, 2009, the estimated amount of carryforward tax losses and unabsorbed capital allowances of the Group and of the Company, which are subject to agreement by the tax authority, are as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Carryforward tax losses	11,264,000	9,899,000	474,000	-
Unabsorbed capital allowances	3,734,000	2,952,000	522,000	-

The numerical reconciliations between the income tax applicable to loss before tax at the statutory tax rate and the income tax at the effective tax rate is as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Loss before tax	(2,642,041)	(2,304,243)	(3,528,225)	(2,338,134)
Tax amount at the statutory income tax rate of 25% (2008: 26%)	(660,000)	(599,000)	(882,000)	(608,000)
Tax effect of non-deductible expenses	(142,031)	128,245	541,969	815,245
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other temporary differences	462,000	453,000	-	-
Tax savings on utilisation of current year's tax losses of subsidiary company	-	-	-	(225,000)
	(340,031)	(17,755)	(340,031)	(17,755)
Under/ (Over)provision in prior years:				
Current tax	(40,543)	54,853	(40,543)	54,853
Deferred tax	(31,724)	-	(31,724)	-
Income tax (benefit)/ expense	(412,298)	37,098	(412,298)	37,098

9. BASIC LOSS PER SHARE

	The Group	
	2009 RM	2008 RM
Net loss attributable to ordinary equity holders of the Company	(2,229,743)	(2,341,341)
	2009 Units	2008 Units
Weighted average number of ordinary shares in issue	243,000,000	243,000,000
Basic loss per share (sen)	(0.92)	(0.96)

Basic loss per share is calculated by dividing loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

10. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write-off RM	Transfers RM	End of year RM
2009:					
Factory buildings					
- at 1997 valuation	4,890,000	-	-	-	4,890,000
- at cost	3,160,010	-	-	-	3,160,010
Plant and machinery	28,531,226	-	(488,328)	-	28,042,898
Furniture and fittings	1,631,264	-	(160,050)	28,281	1,499,495
Office equipment	1,145,943	106,401	(344,229)	(52,320)	855,795
Tools and equipment	4,976,388	40,393	-	24,039	5,040,820
Motor vehicles	890,951	-	(145,466)	-	745,485
Electrical installation	1,251,717	-	-	-	1,251,717
Moulds and dies	4,916,585	28,016	-	-	4,944,601
	51,394,084	174,810	(1,138,073)	-	50,430,821

2008:

Factory buildings					
- at 1997 valuation	4,890,000	-	-	-	4,890,000
- at cost	3,160,010	-	-	-	3,160,010
Plant and machinery	28,570,994	91,585	(131,353)	-	28,531,226
Furniture and fittings	1,631,264	-	-	-	1,631,264
Office equipment	1,180,047	27,922	(62,026)	-	1,145,943
Tools and equipment	4,959,100	17,288	-	-	4,976,388
Motor vehicles	890,951	-	-	-	890,951
Electrical installation	1,251,717	-	-	-	1,251,717
Moulds and dies	4,935,275	13,425	(32,115)	-	4,916,585
	51,469,358	150,220	(225,494)	-	51,394,084

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Transfers RM	End of year RM
2009:					
Factory buildings					
- at 1997 valuation	1,116,550	97,800	-	-	1,214,350
- at cost	486,924	63,200	-	-	550,124
Plant and machinery	26,771,593	727,618	(485,907)	-	27,013,304
Furniture and fittings	1,178,478	93,221	(159,304)	22,495	1,134,890
Office equipment	947,891	56,669	(339,230)	(45,884)	619,446
Tools and equipment	3,688,100	373,920	-	23,389	4,085,409
Motor vehicles	842,461	14,192	(145,466)	-	711,187
Electrical installation	1,089,680	63,752	-	-	1,153,432
Moulds and dies	4,468,359	218,999	-	-	4,687,358
	40,590,036	1,709,371	(1,129,907)	-	41,169,500

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Transfers RM	End of year RM
2008:					
Factory buildings					
- at 1997 valuation	1,018,750	97,800	-	-	1,116,550
- at cost	423,724	63,200	-	-	486,924
Plant and machinery	25,910,801	985,145	(124,353)	-	26,771,593
Furniture and fittings	1,061,179	117,299	-	-	1,178,478
Office equipment	927,737	70,487	(50,333)	-	947,891
Tools and equipment	3,274,741	413,359	-	-	3,688,100
Motor vehicles	808,874	33,587	-	-	842,461
Electrical installation	1,024,129	65,551	-	-	1,089,680
Moulds and dies	4,231,092	262,400	(25,133)	-	4,468,359
	38,681,027	2,108,828	(199,819)	-	40,590,036

The Company

Cost unless stated otherwise	Beginning of year RM	Additions RM	Disposals/ write-off RM	Transfers RM	End of year RM
2009:					
Factory buildings					
- at 1997 valuation	4,890,000	-	-	-	4,890,000
- at cost	1,707,000	-	-	-	1,707,000
Plant and machinery	20,887,855	-	(488,328)	-	20,399,527
Furniture and fittings	1,214,792	-	(160,050)	28,281	1,083,023
Office equipment	1,081,314	87,921	(344,229)	(52,320)	772,686
Tools and equipment	4,018,483	31,293	-	24,039	4,073,815
Motor vehicles	687,371	23,000	-	-	710,371
Electrical installation	962,156	-	-	-	962,156
Moulds and dies	3,721,662	28,016	-	-	3,749,678
	39,170,633	170,230	(992,607)	-	38,348,256

2008:

Factory buildings					
- at 1997 valuation	4,890,000	-	-	-	4,890,000
- at cost	1,707,000	-	-	-	1,707,000
Plant and machinery	20,927,623	91,585	(131,353)	-	20,887,855
Furniture and fittings	1,214,792	-	-	-	1,214,792
Office equipment	1,115,418	27,922	(62,026)	-	1,081,314
Tools and equipment	4,001,195	17,288	-	-	4,018,483
Motor vehicles	687,371	-	-	-	687,371
Electrical installation	962,156	-	-	-	962,156
Moulds and dies	3,740,352	13,425	(32,115)	-	3,721,662
	39,245,907	150,220	(225,494)	-	39,170,633

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company

Accumulated depreciation	Beginning of year RM	Charge for the year RM	Disposals/ write-off RM	Transfers RM	End of year RM
2009:					
Factory buildings					
- at 1997 valuation	1,116,550	97,800	-	-	1,214,350
- at cost	242,334	34,140	-	-	276,474
Plant and machinery	19,579,888	558,219	(485,907)	-	19,652,200
Furniture and fittings	971,445	52,256	(159,304)	22,495	886,892
Office equipment	915,286	48,916	(339,230)	(45,884)	579,088
Tools and equipment	3,046,394	320,574	-	23,389	3,390,357
Motor vehicles	638,881	15,150	-	-	654,031
Electrical installation	846,883	34,795	-	-	881,678
Moulds and dies	3,639,320	54,447	-	-	3,693,767
	30,996,981	1,216,297	(984,441)	-	31,228,837
2008:					
Factory buildings					
- at 1997 valuation	1,018,750	97,800	-	-	1,116,550
- at cost	208,194	34,140	-	-	242,334
Plant and machinery	18,889,720	814,521	(124,353)	-	19,579,888
Furniture and fittings	895,111	76,334	-	-	971,445
Office equipment	901,191	64,428	(50,333)	-	915,286
Tools and equipment	2,685,928	360,466	-	-	3,046,394
Motor vehicles	614,992	23,889	-	-	638,881
Electrical installation	810,288	36,595	-	-	846,883
Moulds and dies	3,569,286	95,167	(25,133)	-	3,639,320
	29,593,460	1,603,340	(199,819)	-	30,996,981

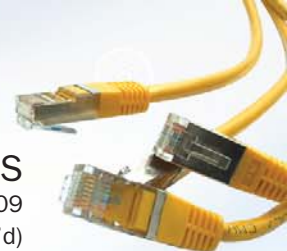
Net Book Value	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Factory buildings				
- at 1997 valuation	3,675,650	3,773,450	3,675,650	3,773,450
- at cost	2,609,886	2,673,086	1,430,526	1,464,666
Plant and machinery	1,029,594	1,759,633	747,327	1,307,967
Furniture and fittings	364,605	452,786	196,131	243,347
Office equipment	236,349	198,052	193,598	166,028
Tools and equipment	955,411	1,288,288	683,458	972,089
Motor vehicles	34,298	48,490	56,340	48,490
Electrical installation	98,285	162,037	80,478	115,273
Moulds and dies	257,243	448,226	55,911	82,342
	9,261,321	10,804,048	7,119,419	8,173,652

Certain of the factory buildings were revalued in 1997 based on the reports by independent firms of professional valuers using open market values on existing use basis. The resulting revaluation surplus net of related deferred tax liabilities has been credited to revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Had these assets been carried at historical costs, the carrying amounts of the revalued factory buildings will be as follows:

	The Group and the Company	
	2009 RM	2008 RM
Cost	3,853,814	3,853,814
Accumulated depreciation:	(1,299,227)	(1,222,151)
Carrying amounts	2,554,587	2,631,663

Certain property, plant and equipment of the Group and of the Company with total carrying values of RM3,675,650 (2008: RM6,403,846) and RM3,675,650 (2008: RM3,773,450) respectively are charged to certain local licensed banks as securities for banking facilities granted to the Group and the Company as disclosed in Note 23.

11. PREPAID LEASE PAYMENTS

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short leasehold land:				
At beginning of year	2,508,140	2,562,138	1,156,552	1,181,379
Amortisation during the year	(53,998)	(53,998)	(24,827)	(24,827)
At end of year	2,454,142	2,508,140	1,131,725	1,156,552

Prepaid lease payments on short leasehold land of the Group and of the Company with total carrying values of RM1,131,725 (2008: RM2,508,140) and RM1,131,725 (2008: RM1,156,552) are charged to a local bank as securities for banking facilities granted to the Group and the Company as disclosed in Note 23.

The Company's short leasehold land was revalued in 1997 based on the reports by independent firm of professional valuers, using open market value on existing use basis. As allowed by transitional provisions, the Company retained the unamortised revalued amount as surrogate carrying amount of prepaid lease payments. Such prepaid lease payments shall be amortised over the lease term. As of December 31, 2009, the unexpired lease period of the Group's and the Company's short leasehold land is 46 years.

12. DEVELOPMENT COSTS

	The Group	
	2009 RM	2008 RM
At cost:		
At beginning of year	-	847,700
Less: Amortisation/ write-off of development costs		
At beginning of year	-	480,461
Amortisation during the year	-	282,567
Write off during the year	-	84,672
At end of year	-	847,700
	-	-



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

13. INVESTMENT IN A SUBSIDIARY COMPANY

	The Company	
	2009 RM	2008 RM
Unquoted shares, at cost	20,000,000	20,000,000
Less: Accumulated impairment loss	(16,543,528)	(14,570,000)
	<u>3,456,472</u>	<u>5,430,000</u>

The Company has 100% (2008: 100%) of the equity interest in Supercomal Advanced Cables Sdn. Bhd., a company incorporated in Malaysia. The subsidiary company is principally involved in the manufacture of wires and cables for automotive industries.

14. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares - at cost	450,000	200,000	450,000	200,000
Share of post-acquisition results	870,814	(37,412)	-	-
	<u>1,320,814</u>	<u>162,588</u>	<u>450,000</u>	<u>200,000</u>

The Company has 20% (2008: 20%) of the equity interest in Supercomal Medical Products Sdn. Bhd., a company incorporated in Malaysia. The associated company is principally involved in the manufacture of DPT cable assembly for medical use and trading of mould and tool.

The summarised financial information of the associated company is as follows:

	2009 RM	2008 RM
Total assets	11,621,282	2,670,271
Total liabilities	(5,017,212)	(1,857,330)
Net assets	<u>6,604,070</u>	<u>812,941</u>
Group's share of associated company's net assets	<u>1,320,814</u>	<u>162,588</u>
Revenue	<u>11,379,860</u>	<u>1,785,800</u>
Profit for the year	<u>4,541,129</u>	<u>392,365</u>
Share of associated company's profit for the year	<u>908,226</u>	<u>78,473</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



15. INVENTORIES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Raw materials	6,561,722	7,782,718	4,391,257	4,652,031
Work-in-progress	1,285,176	1,406,832	945,815	1,129,775
Finished goods	2,674,740	2,178,204	2,339,923	1,616,503
Spare parts	73,573	72,464	73,573	72,464
	<u>10,595,211</u>	<u>11,440,218</u>	<u>7,750,568</u>	<u>7,470,773</u>

The cost of inventories of the Group and of the Company recognised as an expense during the financial year was RM22,550,293 (2008: RM32,622,768) and RM20,569,912 (2008: RM28,176,508) respectively.

The cost of inventories of the Group and of the Company recognised as an expense included an amount of RM710,241 (2008: RM250,069) and RM78,058 (2008: RM250,069) in respect of write-down of inventories to net realisable value respectively.

16. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	7,511,867	7,725,716	6,314,362	6,029,695
Less: Allowance for doubtful debts	(487,288)	(116,225)	(463,038)	(94,495)
	<u>7,024,579</u>	<u>7,609,491</u>	<u>5,851,324</u>	<u>5,935,200</u>
Amount owing by a subsidiary company - trade	-	-	4,239,421	4,096,386
Amount owing by an associated company - trade	1,050,767	361,434	1,050,767	361,434
	<u>8,075,346</u>	<u>7,970,925</u>	<u>11,141,512</u>	<u>10,393,020</u>

Analysis of trade and other receivables by currencies:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	7,263,361	7,233,619	10,329,527	9,655,714
United States Dollar	625,293	625,185	625,293	625,185
Singapore Dollar	186,692	112,121	186,692	112,121
	<u>8,075,346</u>	<u>7,970,925</u>	<u>11,141,512</u>	<u>10,393,020</u>

Trade receivables comprise amounts receivable for the sale of goods. The credit periods granted on sale of goods range from 30 to 90 days (2008: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

17. OTHER ASSETS

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Prepaid expenses	295,589	564,115	182,043	311,212
Refundable deposits	82,925	99,935	36,665	36,665
	<u>378,514</u>	<u>664,050</u>	<u>218,708</u>	<u>347,877</u>

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements consist of the following balance sheet items:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	2,739,134	3,679,578	2,602,116	3,525,521
Short-term deposits with a licensed bank	1,500	268,763	-	-
Bank overdraft (Note 23)	-	(818,054)	-	-
	<u>2,740,634</u>	<u>3,130,287</u>	<u>2,602,116</u>	<u>3,525,521</u>
Less: Short-term deposits held as security	(1,500)	(245,000)	-	-
	<u>2,739,134</u>	<u>2,885,287</u>	<u>2,602,116</u>	<u>3,525,521</u>

The short-term deposits of the Group bear interest at a rate of 3.0% per annum (2008: 3.0%) and are maturing in January 2010 (2008: January 2009).

Analysis of cash and cash equivalents by currencies:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	2,655,276	2,829,052	2,516,949	3,224,482
United States Dollar	85,358	301,235	85,167	301,039
	<u>2,740,634</u>	<u>3,130,287</u>	<u>2,602,116</u>	<u>3,525,521</u>

19. SHARE CAPITAL

	The Group and the Company	
	2009 RM	2008 RM
Authorised:		
1,000,000,000 ordinary shares of RM0.10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
243,000,000 ordinary shares of RM0.10 each	<u>24,300,000</u>	<u>24,300,000</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



20. RESERVES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Distributable:				
Retained earnings/ (Accumulated loss)	358,376	2,552,748	(407,858)	2,672,698
Non-distributable:				
Share premium	5,936,954	5,936,954	5,936,954	5,936,954
Revaluation reserve	1,547,099	1,503,608	1,547,099	1,503,608
	<u>7,842,429</u>	<u>9,993,310</u>	<u>7,076,195</u>	<u>10,113,260</u>

The share premium arose from the issue of shares at premium, net of share issue expenses.

The revaluation reserve is used to record increase and decrease in revaluation of non-current assets, as described in the accounting policies. This amount arose from the revaluation of the Company's leasehold land and factory building, net of the related deferred tax liabilities.

21. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Balance at beginning of year	1,128,739	1,396,494	1,128,739	1,396,494
Reduction in deferred tax on revaluation surplus resulting from the change in tax rates	(78,862)	-	(78,862)	-
Transfer to income statements (Note 8)	(371,755)	(267,755)	(371,755)	(267,755)
Balance at end of year	<u>678,122</u>	<u>1,128,739</u>	<u>678,122</u>	<u>1,128,739</u>

A deferred tax income of RM13,755 (2008: RM13,755) for the Group and the Company was recognised by a transfer from the deferred tax liabilities to the income statements. In addition, an amount of RM35,371 (2008: RM35,371) was transferred from revaluation reserve to retained earnings. These relate to the difference between the actual depreciation on the revalued properties and equivalent depreciation based on the cost of the properties.

The deferred tax liabilities are in respect of the following:

	Deferred tax assets/(liability)			
	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Tax effect of revaluation surplus	492,122	584,739	492,122	584,739
Tax effect of temporary differences in respect of: Property, plant and Equipment	446,000	610,000	446,000	610,000
Tax effect of:				
Carryforward tax losses	(119,000)	-	(119,000)	-
Unabsorbed capital allowances	(130,000)	-	(130,000)	-
Others	(11,000)	(66,000)	(11,000)	(66,000)
	<u>678,122</u>	<u>1,128,739</u>	<u>678,122</u>	<u>1,128,739</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

21. DEFERRED TAX LIABILITIES (cont'd)

As mentioned in Note 3, the tax effects of temporary differences which would give rise to net deferred tax assets are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. As of December 31, 2009, the amount of deferred tax assets, which is not recognised in the financial statements, is as follows:

	Deferred tax assets/ (liabilities) The Group	
	2009 RM	2008 RM
Tax effect of temporary differences in respect of :		
Allowance for slow moving inventories	285,000	127,000
Property, plant and equipment	(159,000)	(176,000)
Tax effect in respect of:		
Carryforward tax losses	2,698,000	2,475,000
Unabsorbed capital allowances	803,000	738,000
	<u>3,627,000</u>	<u>3,164,000</u>

22. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables	1,865,641	798,339	1,844,724	792,785
Other payables	288,987	298,535	269,127	280,068
Accrued expenses	589,449	532,755	435,499	363,242
	<u>2,744,077</u>	<u>1,629,629</u>	<u>2,549,350</u>	<u>1,436,095</u>

Analysis of trade and other payables by currencies:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Ringgit Malaysia	2,391,779	1,346,816	2,215,453	1,158,675
United States Dollar	351,261	253,805	332,860	248,412
Singapore Dollar	1,037	29,008	1,037	29,008
	<u>2,744,077</u>	<u>1,629,629</u>	<u>2,549,350</u>	<u>1,436,095</u>

Trade payables comprise amounts outstanding for trade purchases. The credit periods granted for trade purchases range from 14 to 60 days (2008: 14 to 60 days).

Other payables and accrued expenses comprise mainly amounts outstanding for ongoing costs.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



23. BANK BORROWINGS

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Secured:				
Bank overdraft	-	818,054	-	-

The bank borrowings of the Group and of the Company are generally secured as follows:

- Lien holders caveat over the Company's leasehold land and buildings;
- A negative pledge over all the Company's assets;
- A first legal charge over the subsidiary company's leasehold land and buildings;
- Fixed and floating charges over all assets of the subsidiary company; and
- A corporate guarantee from the Company for the banking facilities obtained by the subsidiary company.

The Group and the Company banking facilities bear interest at rates ranging from 1.0% to 2.0% per annum above the lending banks' base lending rates. The effective interest rates are as follows:

	The Group		The Company	
	2009 %	2008 %	2009 %	2008 %
Bank overdraft	7.55	8.25	Not applicable	Not applicable

24. LEASE COMMITMENTS

As of December 31, 2009, non-cancellable long-term lease commitments pertaining to the Group and the Company in respect of rental of premises are as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Not later than 1 year	44,688	47,040	27,440	47,040

25. CONTINGENT LIABILITIES - Unsecured

	The Company	
	2009 RM	2008 RM
In respect of corporate guarantee given to a local bank on banking facilities granted to and utilised by the subsidiary company	-	818,054

26. FINANCIAL INSTRUMENTS

a. Financial risk management objectives and policies

The operations of the Group are subject to a variety of financial risks, including foreign exchange risk, interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/ or costs associated with the financing, investing and operating activities of the Group.



NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)

26. FINANCIAL INSTRUMENTS (cont'd)

a. Financial risk management objectives and policies (cont'd)

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

i. Foreign exchange risk

The Group has exposure to foreign exchange risk as a result of transactions and receivables and payables in foreign currencies arising from normal operating activities. The Group does not speculate in foreign currencies.

ii. Interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to the Group's short-term deposits with a licensed bank and financing through bank borrowings. The short-term deposits are placed with a reputable bank. The Group does not use derivative financial instruments to hedge its risk.

iii. Market risk

The Group has in place policies to manage the Group's exposures to fluctuation in the prices of the key raw materials used in the operations.

iv. Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customers' financial conditions and credit history. The Group has no significant concentration of credit risk with exposure spread over a large number of customers.

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

v. Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

vi. Cash flow risk

The Group review its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

b. Fair Values

The fair values of financial assets and financial liabilities approximate their carrying amounts because of the short maturity of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

(cont'd)



27. RELATED PARTY TRANSACTIONS

Significant transactions between the Group and the Company with related parties during the financial year were as follows:

	The Group		The Company	
	2009 RM	2008 RM	2009 RM	2008 RM
With wholly-owned subsidiary company				
Sales of finished goods	-	-	98,614	517,159
Purchase of property, plant and equipment	-	-	23,000	-
Sales of raw materials, indirect and packing materials	-	-	688	1,678
Purchase of raw materials, and packing materials	-	-	50	-
<hr/>				
With associated company				
Sales of goods	1,076,989	202,136	1,076,989	202,136
Sub-contract income	782,016	197,373	457,543	-
Rental receivable	67,971	36,000	67,971	36,000
Purchase of raw materials, indirect and packing materials	14,307	1,904	14,307	1,904
Purchase of property, plant and equipment	-	900	-	3,200
Sale of raw materials, indirect and packing materials	3,599	-	3,599	-
<hr/>				

28. SEGMENTAL INFORMATION

The Group operates in a single business segment, namely sale of manufactured products. Accordingly, no industry segment information of the Group has been presented. Information on geographical segments is also not presented as the Group operates predominantly in Malaysia.



STATEMENT BY DIRECTORS

The directors of **SUPERCOMNET TECHNOLOGIES BERHAD** (formerly known as Supercomal Technologies Berhad) state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows, are drawn up in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia, so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2009 and of their results and cash flows for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

SHIUE, JONG-ZONE

WU, HUEI-CHUNG

Penang,

April 20, 2010

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **SHIUE, JONG-ZONE**, the director primarily responsible for the financial management of **SUPERCOMNET TECHNOLOGIES BERHAD** (formerly known as Supercomal Technologies Berhad), do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, changes in equity and cash flows, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **SHIUE, JONG-ZONE** at
GEORGETOWN in the State of **PENANG**
on April 20, 2010

Before me,

COMMISSIONER FOR OATHS
KARUPAYEE KAMALAM A/P R. MOTTAI

GROUP PROPERTIES

AS AT DECEMBER 31, 2009

The details of the landed properties owned by the STB Group as at December 31, 2009 are set out below:-

Title / Location	Description	Land area/ Existing use	Built-up area sq. meters	Tenure	Approximate age years	Net book value as at December 31, 2009 RM
Lot P.T. 30512 H.S.(D) 2808/95 Mukim of Sungai Petani	Two storey factory buildings situated on a 60 years leasehold land with the option to extend lease for a further 30 years	12,158 sq meters; wire and cable manufacturing plant	9,566*	Leasehold expiring on 05/05/2064	Building 1 is approx. 17 years and Building 2 is approx. 13 years	4,807,375 [^]
Lot P.T. 30511 H.S.(D) 2807/95 Mukim of Sungai Petani	Two storey factory buildings situated on a 60 years leasehold land with the option to extend lease for a further 30 years	20,234.3 sq meters; wire and cable manufacturing, cable assembly plant	8,470**	Leasehold expiring on 05/05/2064	Building 3 is approx. 8 years and Building 4 is approx. 7 years	3,932,303 ^{^^}

Notes:-

- * There are two main buildings on the land. Building 1 measures 3,350 sq. meters whilst Building 2 measures 5,788 sq. meters. Other structures such as the guard house, pump house, canteen, etc., measure approximately 428 sq. meters
- [^] Of the total, the net book value for the land as at December 31, 2009 was RM1,131,725 whilst the net book value of the buildings was RM3,675,650
- ** There are two main buildings on the land. Building 3 measures 3,330 sq. meters whilst Building 4 measures 4,840 sq. meters. Other structures such as the guard house, parking, canteen, etc., measure approximately 300 sq. meters
- ^{^^} Of the total, the net book value for the land as at December 31, 2009 was RM1,322,417 whilst the net book value of the buildings was RM2,609,886

STATISTICS OF SHAREHOLDINGS

SHARE CAPITAL AS AT MAY 4, 2010

Authorised Capital	: RM100,000,000.00
Issued and Paid-up Capital	: RM24,300,000.00
Class of Shares	: Ordinary Shares of RM0.10 each
Voting Rights	: One voting right for one ordinary share

DISTRIBUTION OF SHAREHOLDERS AS AT MAY 4, 2010

Size of Holdings	No. of Holders	No. of Shares	%
1 – 99	2	90	0.00
100 – 1,000	48	28,710	0.01
1,001 – 10,000	608	3,659,700	1.51
10,001 – 100,000	536	19,518,800	8.03
100,001 – 12,149,999	85	82,601,900	33.99
12,150,000 and above	4	137,190,800	56.46
Total	1,283	243,000,000	100.00

THIRTY LARGEST SECURITIES HOLDERS AS AT MAY 4, 2010

No.	Name	Shareholdings	%
1	OSK Nominees (Asing) Sdn Berhad <i>Qualifier: Pledged Securities Account for Wencastle Holdings Limited</i>	48,312,000	19.88
2	Shiue, Jong-Zone	46,393,600	19.09
3	Wu Chung-Jung	26,837,200	11.04
4	Liu Kuo, Ling-Miao	15,648,000	6.44
5	Kong Kok Keong	11,821,000	4.86
6	AMSEC Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Kong Kok Keong</i>	7,000,000	2.88
7	Pacific Rotary Sdn. Bhd.	5,432,800	2.24
8	Lee Boon Han	4,538,100	1.87
9	Data Gold Systems Sdn Bhd	3,611,500	1.49
10	CIMSEC Nominees (Tempatan) Sdn Bhd <i>Qualifier: CIMB Bank for Md Zin Bin Baharom (MY0490)</i>	3,610,100	1.49
11	Wu Huei Chung	3,552,000	1.46
12	Lin Ho, Shu-Li	3,408,000	1.40
13	Chen Cheng-Chun	3,036,000	1.25
14	Lo, Chin-Song	2,844,000	1.17
15	CIMSEC Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Kong Kok Keong</i>	2,500,000	1.03
16	Lee, Chao-Chih	2,280,000	0.94
17	Lo, Fu-Yuan	2,280,000	0.94
18	Saw Siam Yeng	2,054,200	0.85
19	ECML Nominees (Tempatan) Sdn. Bhd <i>Qualifier: Gui Boon Huat (PCS)</i>	1,927,000	0.79
20	Kenanga Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for David Ee</i>	1,400,100	0.58
21	Shiue, Jyh-Jeh	1,356,700	0.56
22	Hsueh, Chih-Yu	1,344,700	0.55
23	Ke-Zan Nominees (Asing) Sdn. Bhd. <i>Qualifier: Kim Eng Securities Pte. Ltd. for Cube Capital Group Limited</i>	930,200	0.38
24	Wang Yu-Chuan	918,600	0.38
25	Lee Kwee Moy	735,900	0.30

STATISTICS OF SHAREHOLDINGS (cont'd)



THIRTY LARGEST SECURITIES HOLDERS AS AT MAY 4, 2010

No.	Name	Shareholdings	%
26	Affin Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Cheng Mun Leong (CHE0525C)</i>	608,400	0.25
27	Chin Mong Kong	600,000	0.25
28	Ng Bok Wah	600,000	0.25
29	Lim Chueen Huat	570,000	0.23
30	OSK Nominees (Asing) Sdn Berhad <i>Qualifier: DMG & Partners Securities Pte Ltd for Cube Capital Group Limited (1Z/163494)</i>	550,000	0.23
TOTAL		206,700,100	85.07

SUBSTANTIAL SHAREHOLDERS AS AT MAY 4, 2010

Name	Direct Shareholding	%	Indirect Shareholding	%
Shiue, Jong Zone	46,393,600	19.09	33,090,600 (a)	13.62
Wu Chung-Jung	26,837,200	11.04	52,647,000 (b)	21.67
Wu, Huei-Chung	3,552,000	1.46	75,932,200 (c)	31.25
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700	0.55	78,139,500 (d)	32.16
Shiue, Jyh-Jeh	1,356,700	0.56	78,127,500 (e)	32.15
Kong Kok Keong	21,321,000	8.77	-	-
Wencastle Holdings Limited	48,312,000	19.88	-	-
Liu Kuo, Ling-Miao	15,648,000	6.44	-	-

Notes:-

(a) Deemed interest held through:-

Wu, Huei-Chung	3,552,000
Wu, Chung-Jung	26,837,200
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700
Shiue, Jyh-Jeh	1,356,700

(b) Deemed interest held through:-

Shiue, Jong-Zone	46,393,600
Wu, Huei-Chung	3,552,000
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700
Shiue, Jyh-Jeh	1,356,700

(c) Deemed interest held through:-

Shiue, Jong-Zone	46,393,600
Wu, Chung-Jung	26,837,200
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700
Shiue, Jyh-Jeh	1,356,700

(d) Deemed interest held through:-

Wu, Huei-Chung	3,552,000
Wu, Chung-Jung	26,837,200
Shiue, Jong-Zone	46,393,600
Shiue, Jyh-Jeh	1,356,700

(e) Deemed interest held through:-

Wu, Huei-Chung	3,552,000
Wu, Chung-Jung	26,837,200
Shiue, Jong-Zone	46,393,600
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700

STATISTICS OF SHAREHOLDINGS (cont'd)

DIRECTORS' SHAREHOLDING AS AT MAY 4, 2010

Name	Direct Shareholding	%	Indirect Shareholding	%
Shiue, Jong-Zone	46,393,600	19.09	33,090,600 ^(a)	13.62
Wu, Huei-Chung	3,552,000	1.46	75,932,200 ^(b)	31.25
Wu, Chung-Jung	26,837,200	11.04	52,647,000 ^(c)	21.67
Ang Ah Soon @ Ang Weng Joo	-	-	-	-
Ismail Bin Ahmad	-	-	-	-
Dato' Seri Dr. Haji Arshad Bin Haji Hashim	-	-	-	-

Notes:-

(a) Deemed interest held through:-

Wu, Huei-Chung	3,552,000
Wu, Chung-Jung	26,837,200
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700
Shiue, Jyh-Jeh	1,356,700

(b) Deemed interest held through:-

Shiue, Jong-Zone	46,393,600
Wu, Chung-Jung	26,837,200
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700
Shiue, Jyh-Jeh	1,356,700

(c) Deemed interest held through:-

Shiue, Jong-Zone	46,393,600
Wu, Huei-Chung	3,552,000
Hsueh, Chih-Yu @ Shiue, Jyh-Yeu	1,344,700
Shiue, Jyh-Jeh	1,356,700



This page is intentionally left blank



This page is intentionally left blank

PROXY FORM

No of ordinary shares held

I/We, _____
 of _____
 being a Member of the above Company hereby appoint (Proxy 1) _____
 of _____
 and*/or failing him* (Proxy 2), _____
 of _____

and*/or failing him*, the Chairman of the Meeting, as my/our proxy(ies), to vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at the Kelawai Room, Evergreen Laurel Hotel, 53 Persiaran Gurney, 10250 Penang on Tuesday, June 29, 2010 at 11.00 a.m. and at any adjournment thereof as indicated below:-

The proportions of my/our holdings to be represented by my/our proxy(ies) are as follows:-

Proxy 1 - _____ % In case of a vote by show of hands, Proxy 1*/Proxy 2* shall vote on my/our behalf.
 Proxy 2 - _____ %
 _____ 100%

* Strike out whichever is inapplicable

I/We hereby indicate with an "X" in the spaces provided how I/we wish my/our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

Resolutions	For	Against
1. To approve the payment of Directors' Fees of RM153,600 for the financial year ended December 31, 2009.		
To re-elect the following Directors who are retiring under the provision of Article 99 (1) of the Articles of Association of the Company, and who, being eligible offer themselves for re-election:-		
2. Dato' Seri Dr. Haji Arshad Bin Haji Hashim		
3. En. Ismail Bin Ahmad		
4. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Special Business Ordinary Resolution		
5. To approve the resolution pursuant to Section 132D of the Companies Act, 1965.		

Signature of Member: _____

Signed this: _____

Notes: -

A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

To be valid, the duly completed proxy form must be deposited at the registered office of the Company at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang not less than forty-eight (48) hours before the time for holding the meeting.

A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation, the proxy form must be executed under its Common Seal.



Please fold here to seal

Affix Stamp
Here

The Company Secretaries
Supercomnet Technologies Berhad (197527-H)
(Formerly Known As Supercomal Technologies Berhad)
57-G Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Penang, Malaysia

Please fold here to seal

Cable Harness

Medical Device
Products



ISO 9001: 2000
ISO 13485: 2003
FDA Reg. No.:
3004832480



Automotive
Harness



Supercomnet Technologies Berhad (197527-H)

(Formerly known as Supercomal Technologies Berhad)

(ACE Market of Bursa Malaysia Securities Berhad)
Lot 172, Jalan PKNK 3/8, Kawasan Perusahaan Sungai Petani,
08000 Sungai Petani, Kedah D.A., Malaysia
Tel: (60-4) 441-1822 (hunting line) Fax: (60-4) 441-1755
Homepage: www.supercomnet.com
E-Mail: sales@supercomnet.com

Designed by: Jerry

