



PRESS RELEASE

IMMEDIATE RELEASE

Scomnet to post strong performance for FY2021 driven by increasing demand from the medical industry globally

Its registered a 33.46% and 19.24% increase for its revenue and PAT for the 1QFY2021

KUALA LUMPUR, 28 MAY 2021 – Supercomnet Technologies Berhad (“Scomnet” or the “Company”) expects to register double-digit growth for its profit in the current financial year ending December 31, 2021 (“FY2021”) with encouraging demand from its medical segment, thanks to a combination of securing new established European clients, the launch of specialised new medical devices products as well as the recovery of the non-medical device business supported by national vaccination programme.

An ACE Market-listed company on Bursa Malaysia, Scomnet is principally involved in manufacturing and assembling advanced high technology wires and cables for various segments such as medical, electrical appliances, consumer electronics and products. With a share price of RM1.76 as of 27 May, the Sungai Petani-based company has a market capitalisation of RM1.23 billion.

For the first quarter result ended 31 March 2021 (1QFY2021) that was announced today, Scomnet registered a revenue of RM37.57 million, an increase of **33.46%** from RM28.15 million a year ago. In tandem with the higher revenue, its profit after tax (“PAT”) for the period under review showed an increase of **19.24%** to RM4.89 million, as compared to RM4.10 million recorded in the same corresponding period.

The management of Scomnet said: “Despite the Covid-19 pandemic, the Company kicked off the year 2021 positively, contributed by strong orders from the medical segment and improved performance from the non-medical segment. Moving forward, the medical segment is expected to play an even bigger role supported by the increasing demand from not only cardiovascular, stroke and respiratory devices, but also new segments such as tactical military medical devices.”

Among the growth catalysts for FY2021 will be the commencement of production for one of its new products, namely Rotational Thrombectomy Device for a European company, which has started in the second quarter of 2021. This new contract shall act as a new stream of growth for the Company and provide long-term earnings visibility.

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“We are also in the midst of securing the US Food & Drug Administration (“FDA”) approvals for another product from a European client, which we expect to kick off production in the third quarter this year. As most of Scomnet’s medical devices are specialised products that require either an FDA or CE Mark approval, Research and Development will continue to be our strong priority and focus,” the Company said.

Currently, Scomnet has clients globally, which include the New York-listed Edward Lifesciences and Denmark-based Ambu A/S. Based in California, Edward Lifesciences specializes in artificial heart valves and hemodynamic monitoring. Meanwhile, Ambu A/S develops, produces and markets single-use endoscopy solutions, diagnostic and life supporting equipment to hospitals, private practices and rescue services.

Meanwhile, on the recent announcement by the Malaysian Government to impose Movement Control Order 3 starting from 12th May 2021 to 7th June 2021, Scomnet opines that this shall not have any material impact on the financial performance of the Company as its business is considered essential as part of the medical industry.

Scomnet recorded a revenue of RM128.4 million in FY2020, about 4.4% higher as compared to RM123.0 million in the preceding year. Meanwhile, PAT increased by 21% to RM23.5 million from the RM19.4 million during the same period.

In the view of the increasing contribution from its medical segment, Scomnet had on 11 January 2021 reclassified its sector from Industrial Products & Services to Healthcare after receiving approval from the authority, to better reflect its current business. The medical device segment had in FY2020 contributed 64% to the group, overtaking the non-medical segment as the main contribution to the group’s revenue.

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