

**SUPERCOMNET TECHNOLOGIES BERHAD**  
( Company No. : 199001005958 (197527-H) )  
( Incorporated in Malaysia )

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		Note ( Unaudited ) ( Unaudited )		( Unaudited ) ( Unaudited )	
		First Quarter Ended		Cumulative Quarter Ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue		37,567	28,148	37,567	28,148
Cost of Goods Sold		(28,268)	(20,449)	(28,268)	(20,449)
Gross Profit		9,299	7,699	9,299	7,699
Other Operating Income (Net)	#	1,283	1,122	1,283	1,122
Administrative Expenses		(2,118)	(1,745)	(2,118)	(1,745)
Selling and Marketing Expenses		(452)	(396)	(452)	(396)
Other Operating Expenses		(1,322)	(1,186)	(1,322)	(1,186)
Profit / (loss) from operation		6,690	5,494	6,690	5,494
Finance Cost, net		-	-	-	-
Profit before tax		6,690	5,494	6,690	5,494
Taxation	19	(1,805)	(1,397)	(1,805)	(1,397)
Profit after tax		4,885	4,097	4,885	4,097
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		4,885	4,097	4,885	4,097
Attributable to :					
Equity holders of the parent		4,885	4,097	4,885	4,097
Non-controlling interest		-	-	-	-
		4,885	4,097	4,885	4,097
Gross Profit margin (%)		24.75	27.35	24.75	27.35
Profit after tax margin (%)		13.00	14.55	13.00	14.55
Weighted average number of shares ('000)		684,977	643,000	684,977	643,000
Earnings per share attributable to equity holders of the parent in sen					
EPS - Basic (sen)	24a	0.71	0.64	0.71	0.64
- Diluted	24b	0.61	0.64	0.61	0.64
Note # : Net Other Operating Income					
Investment income		136	109	136	109
Fair value gain / (loss) on other financial asset		99	(21)	99	(21)
Property , plant and equipment written off		(2)	-	(2)	-
Gain on disposal of property, plant and equipment		31	-	31	-
Gain from scrap sales and other disposal		297	176	297	176
Rental Income		7	12	7	12
Interest Income		53	152	53	152
Unrealised gain on foreign exchange		580	627	580	627
Realised gain on foreign exchange		82	67	82	67
		1,283	1,122	1,283	1,122

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2020.

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**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	(Unaudited) As At End Of Current Quarter 31.03.2021	(Audited) As At Preceding Financial Year End 31.12.2020 RM ' 000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible Asset		19,914	20,862
Goodwill		87,478	87,478
Property, Plant and Equipment		17,242	15,926
Right-of-use assets		1,846	1,860
Deferred tax assets		1,381	1,381
Term deposits with licensed banks		187	187
		128,048	127,694
<b>Current Assets</b>			
Inventories		27,308	28,772
Other financial asset		41,105	38,070
Trade and Other Receivables		23,388	29,400
Term deposits with licensed bank		26,730	24,190
Cash and Bank Balances		24,863	18,309
		143,394	138,741
Total Assets		271,442	266,435
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent			
Share Capital		197,522	192,362
Retained Profits		54,273	49,388
		251,795	241,750
<b>Non-Current Liability</b>			
Deferred Taxation		5,964	5,964
		5,964	5,964
<b>Current Liabilities</b>			
Trade Payables		6,525	9,378
Other Payables		1,742	3,413
Current tax payable		3,053	2,898
Accrued expenses		2,363	3,032
		13,683	18,721
Total Liabilities		19,647	24,685
<b>TOTAL EQUITY AND LIABILITIES</b>		271,442	266,435
Net asset per share (RM)		0.37	0.36

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2020.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	( Unaudited )		
	<--- Attributable to equity holders of the parent ---->		
	Share Capital	Retained Profit	Total
	RM ' 000	RM ' 000	RM ' 000
<b><u>Current Year's 3 months ended 31.03.2021</u></b>			
Balance as of 1st January , 2021	192,362	49,388	241,750
Total comprehensive income for the period	-	4,885	4,885
Exercise of warrants	5,160		5,160
Payment of dividends		-	-
Balance as of 31st March, 2021	197,522	54,273	251,795
<b><u>Preceding Year's 3 months ended 31.03.2020</u></b>			
Balance as of 1st January , 2020	170,237	35,532	205,769
Total comprehensive income for the period	-	4,097	4,097
Payment of dividends	-	-	-
Balance as of 31st March, 2020	170,237	39,629	209,866

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2020**

**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE PERIOD ENDED 31 MARCH 2021  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	( Unaudited )	( Unaudited )
	2021	2020
	3 months	3 months
	ended	ended
	31.03.2021	31.03.2020
	RM ' 000	RM ' 000
Profit for the period	4,885	4,097
<b>Adjustments for :-</b>		
Depreciation and amortisation of non-current assets	1,593	1,422
(Gain) on disposal of property, plant and equipment	(31)	-
Unrealised (gain) on foreign exchange	(580)	(627)
Fair value (gain) / loss on financial asset carried at fair value through profit or loss	(99)	21
Property, plant and equipment written off	2	-
Investment income	(136)	(109)
Interest income	(53)	(152)
Tax expense recognised in profit or loss	1,805	1,397
	<hr/>	<hr/>
Operating profit before changes in working capital	7,386	6,049
<b>Changes in Working Capital :-</b>		
Net Change in Inventories : Decrease	1,464	597
Net Change in other current assets : Decrease	6,011	2,704
Net Change in current liabilities : (Increase)	(5,192)	(704)
	<hr/>	<hr/>
Cash generated from operation	9,669	8,646
Income tax paid	(1,650)	(1,105)
<b>Net cash generated from operation</b>	<hr/> <b>8,019</b>	<hr/> <b>7,541</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :-</b>		
Investment income	136	109
Interest received	53	152
Increase in term deposits	(2,540)	-
Increase in other financial asset	(2,800)	(4,000)
Purchase of property, plant and equipment	(1,949)	-
Proceeds from disposal of property, plant and equipment	31	(470)
<b>Net cash (used in) investing activities</b>	<hr/> <b>(7,069)</b>	<hr/> <b>(4,209)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :-</b>		
Conversion of warrants to ordinary shares	5,160	-
<b>Net cash generated from financing activities</b>	<hr/> <b>5,160</b>	<hr/> <b>-</b>
Net change in Cash & Cash Equivalents	6,110	3,332
Cash & Cash Equivalents at beginning of period	32,609	21,176
Effects of foreign exchange rate changes	584	497
Cash & Cash Equivalents at end of period	<hr/> <b>39,303</b>	<hr/> <b>25,005</b>
Cash and cash equivalents comprise the following:		
Term deposits with licensed bank	26,917	38,372
Cash and bank balances	24,863	11,810
	<hr/> 51,780	<hr/> 50,182
Less : Term deposit held as security	(187)	(187)
Less : Deposits not recognised as cash and cash equivalent	(12,290)	-24,990
	<hr/> <b>39,303</b>	<hr/> <b>25,005</b>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31st December 2020.**

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

**NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis Of Preparation**

This interim financial report is unaudited and has been prepared in accordance with the requirements of Chapter 9, Continuing Disclosure, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (" Bursa Securities ") for the ACE Market ("AMLR") and in compliance with Malaysian Financial Reporting Standards ("MFRSs") 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB) and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2020.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

**New MFRS adopted during the financial year**

The Group and the Company adopted the following Standards of the MFRS Framework that are issued by the Malaysian Accounting Standards Board (MASB) during the financial year.

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 16 Covid-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 , MFRS 7,MFRS 4, and MFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021

**2. Audit Report of Preceding Annual Financial Statements**

The auditors' report on the preceding annual financial statements was not subject to any qualification.

**3. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

**4. Unusual Material Event**

There was no unusual material event during the quarter.

**5. Material Changes In Estimates**

There were no changes in estimates which materially affect the current interim period.

**6. Changes in Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review except the issuance of 7,938,700 new ordinary shares at an issue price of RM 0.65 per share on each warrant exercised.

**7. Dividend Paid**

There was no dividend paid during the quarter under review.

**8. Segmental Reporting**

The Group is primarily involved in the business of manufacturing wires and cables for its traditional business, which also includes harnessing and electronic devices. The Group has since April 16,2018 started to manufacture and assemble cables used to connect various medical devices through its wholly-owned subsidiary, Supercomal Medical Products Sdn. Bhd.

The medical segment had for the first time overtaken the non-medical segment as the main contribution to the Group's revenue in FY2020.

For the quarter under review, the medical device segment continues to be the driver of growth for the Group with a revenue contribution of 64% as compared to 59% in the last corresponding period. Part of the reason was due to the new orders related to COVID-19 as well as the demand from the cardiovascular devices market in Europe.

Meanwhile, the non-medical related business, contributed 36% of revenue for the quarter under review.

**9. Valuations of Property, Plant and Equipment**

Not applicable as the Group did not revalue its property, plant and equipment during the current financial period.

**10. Material Subsequent Events**

Due to the resurgence of the pandemic Covid-19 in the country, the Malaysian Government has made announcement on 10 May 2021 to impose MCO 3 starting from 12th May 2021 to 7th June 2021. The MCO 3 does not have any material impact on the financial performance of the Group.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

**NOTES TO THE INTERIM FINANCIAL REPORT**

**11. Significant Event**

There is no significant event during the financial period under review.

**12. Changes in the Composition of The Group**

The Group had two subsidiaries at the reporting date.

**13. Contingent Liabilities and Contingent Assets**

There was no Contingent liabilities / assets during the financial period under review.

**14. Capital Commitments**

There were no commitment for the purchase of property, plant and equipment as at 31st March 2021.

**15. Review of Performance**

	First Quarter Ended		Variance	Cumulative Quarter Ended		Variance
	31.03.2021	31.03.2020		31.03.2021	31.03.2020	
	RM ' 000	RM ' 000	%	RM ' 000	RM ' 000	%
Revenue	37,567	28,148	33.46	37,567	28,148	33.46
Operating Profit/(loss)	6,690	5,494	21.77	6,690	5,494	21.77
Profit/(loss)before Interest and Tax	6,690	5,494	21.77	6,690	5,494	21.77
Profit/(loss)before Tax	6,690	5,494	21.77	6,690	5,494	21.77
Profit After Tax	4,885	4,097	19.24	4,885	4,097	19.24
Profit Attributable to Ordinary Equity Holders of the Parent	4,885	4,097		4,885	4,097	

For the quarter under review, the Group recorded a growth in revenue of RM 9.419 million (or 33.46%) from RM 28.148 million (March 2020) to RM 37.567 million (March 2021) due to increase order from existing customers. The profit after tax of the group has increased by RM 0.788 million (or 19.24%) from RM 4.097 million to RM 4.885 million in tandem with the higher revenue recorded.

**16. Comparison with Immediate Preceding Quarter's Result**

	Current Qtr 31.03.2021	Immediate preceding Quarter	Variance
	RM ' 000	RM ' 000	%
Revenue	37,567	38,344	(2.03)
Operating Profit/(loss)	6,690	9,916	(32.53)
Profit Before Interest and Tax	6,690	9,916	(32.53)
Profit Before Tax	6,690	9,916	(32.53)
Profit After Tax	4,885	7,380	(33.80)
Profit Attributable to Ordinary Equity Holders of the Parent	4,885	7,380	(33.80)

As compared to the immediate preceding quarter, the Group's revenue has slightly decreased by RM0.777 million (or 2.03%) from RM 38.344 million (December 2020) to RM 37.567 million (March 2021) due to a shorter working days as well as Chinese New Year. The profit after tax decreased by RM 2.495 million (or 33.80%) from RM 7.380 million (December 2020) to RM 4.885 million (March 2021).

There are various factors which have led to a decline in revenue and operating profit. First, there is a lower revenue recorded in the current quarter due to shorter working days.

Secondly, copper, which is a raw material used in Supercomnet's devices where the price have been increased significantly as compared to its fourth quarter 2020. To mitigate future losses on copper price increases, the group have made a proposal with client for a monthly agreement on the increase of copper price.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

**NOTES TO THE INTERIM FINANCIAL REPORT**

**17. Prospects For The Financial Year**

Despite the world still raging with the Covid-19 pandemic, the Group kicked off 2021 positively, contributed by strong orders from its medical segment, while the automotive segment also improved.

The medical segment has been Supercomnet's jewel, and this was already seen in its earnings over the last eight quarters.

Moving forward, the medical segment is expected to play an even bigger role, thanks to a combination of securing new blue chip clients and the launch of specialised new medical devices products.

One of the catalysts for the medical segment this year, will be the commencement of production for one of its new products (Rotational Thrombectomy Device) from a European company. Production of this medical device has started in the second quarter of 2021. While the orders to be produced during this period are relatively small, this will be a new stream of growth for the Group. There is a long term commitment for this product.

Besides this, the Group will also start production of Product B, from another European client in the 3rd Quarter of the year. At the moment, the Group is in the midst of securing the FDA approvals.

These are just some of the new products and commitments that Supercomnet has received from its clients, notwithstanding its needs to continue delivering orders for its existing products.

Hence, orderbook visibility over the next few years is very clear.

As most of Supercomnet's medical devices are specialised products that require either an FDA or CE Mark approval, R&D and product development will continue to be its strong priority and focus.

There is now more demand from clients not just for cardiovascular, stroke and respiratory devices, but also tactical military medical devices.

The Group will continue to place emphasis and invest a significant amount into R&D. This is to ensure it will be able to produce quality medical devices that fulfils the increasingly sophisticated needs of its clients.

No matter the economic environment, the health sector will never run out of favour. Thus, barring unforeseen circumstances, the group is positive on its FY2021 prospects, and hopes to achieve better financial performance this year.

**18. Profit Forecast or Guarantee**

The Group has not given any profit forecast nor guarantee in respect of any corporate proposals.

**19. Taxation**

Taxation comprises the following :-

	<b>Individual Quarter 31.03.2021 RM ' 000</b>	<b>Individual Quarter 31.03.2020 RM ' 000</b>	<b>Cumulative Quarter 31.03.2021 RM ' 000</b>	<b>Cumulative Quarter 31.03.2020 RM ' 000</b>
Taxation charge	(1,805)	(1,397)	(1,805)	(1,397)
	<u>(1,805)</u>	<u>(1,397)</u>	<u>(1,805)</u>	<u>(1,397)</u>

**20. Corporate Proposals**

There was no corporate proposals exercised during the period ended 31st March 2021.

**21. Borrowings and Debts Securities**

There was no Group borrowings and Debts Securities at the end of the reporting period.

**22. Changes in Material Litigation**

There was no material litigation pending on the date of this announcement.

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QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

**NOTES TO THE INTERIM FINANCIAL REPORT**

**23. Dividend**

There was no dividend paid during the financial quarter under review.

**24. Earnings Per Share (EPS)**

(a) Basic EPS

	Individual Quarter		Cumulative Quarter	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit attributable to shareholder (RM '000)	4,885	4,097	4,885	4,097
Weighted average number of ordinary shares ('000)	684,977	643,000	684,977	643,000
Basic EPS (sen)	0.71	0.64	0.71	0.64

(b) Fully Diluted EPS

	Individual Quarter		Cumulative Quarter	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit attributable to shareholder (RM '000)	4,885	4,097	4,885	4,097
Weighted average number of ordinary shares ('000)	684,977	643,000	684,977	643,000
Warrant shares deemed to be issued for no consideration	121,901	-	121,901	-
	806,878	643,000	806,878	643,000
Diluted EPS (sen)	0.61	0.64	0.61	0.64

**25. Profit for the Period**

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	First Quarter Ended	Cumulative Quarter Ended	Cumulative Quarter Ended	Cumulative Quarter Ended
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Profit for the period is arrived at after crediting/(charging) :				
Interest income	53	152	53	152
Rental income	7	12	7	12
Depreciation and amortisation	(1,593)	(1,422)	(1,593)	(1,422)
Gain / (Loss) on disposal of :-				
Property, plant and equipment	31	-	31	-
Property, plant and equipment written off	(2)	-	(2)	-
Net foreign exchange (loss) / gain	662	694	662	694

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Securities Ace Market Listing Requirements are not applicable.

**26. Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 25th May 2021