

SUPERCOMNET TECHNOLOGIES BERHAD

[Registration No. 199001005958 (197527-H)]

(Incorporated in Malaysia)

Summary of Key Matters Discussed at the Thirty-First Annual General Meeting (“31st AGM”) of Supercomnet Technologies Berhad (“STB” or “the Company”) conducted on a fully virtual basis vide Online Meeting Platform on Wednesday, September 1, 2021 at 10.00 a.m.

All resolutions tabled at the 31st AGM were passed by members as follows: -

Ordinary Resolution No. 3	Approval of Directors’ Fees of up to RM304,500.00 from this Annual General Meeting (AGM) until the date of next AGM of the Company
Ordinary Resolution No. 4	Approval of the Directors’ Benefits payable (excluding Directors’ Fees) of up to RM83,800.00 from this AGM until the date of next AGM of the Company
Ordinary Resolution No. 5	Re-election of Mr. Hsueh, Chih-Yu as Director of the Company in accordance with Paragraph 102(1) of the Constitution of the Company
Ordinary Resolution No. 6	Re-election of Mr. Goh Chooi Eam as Director of the Company in accordance with Paragraph 102(1) of the Constitution of the Company
Ordinary Resolution No. 7	Appointment of Messrs. Deloitte PLT as Auditors of the Company for the ensuing year
Ordinary Resolution No. 8	Authority to allot and issue shares pursuant to section 76 of the Companies Act 2016
Ordinary Resolution No. 9	Approval for Mr. Ng Ngoon Weng to continue to act as Independent Non-Executive Director of the Company
Ordinary Resolution No. 10	Approval for Mr. Goh Chooi Eam to continue to act as Independent Non-Executive Director of the Company

Pursuant to Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions were voted by poll.

All Board Members were present at the 31st AGM except Mr. Wu, Chung-Jung.

Key Matters raised by Members

Members/Proxies raised the following key matters which were duly answered by the Board of the Directors:

Business Environment & Development

Shareholders noted that the revenue contribution from key customers in year 2020 were about 65% and they hope to see continuous growth in future.

Mr. Goh clarified that Supercomal Medical Products Sdn. Bhd. (SMP) has been a major supplier to those companies which are leaders in producing single-use endoscopy. The Group has also been actively sourcing for new customers especially for its medical products.

Company Performance

Mr. Goh informed that the revenue in Q1 2021 was affected by huge shipping costs, but this issue was resolved in Q2 2021 as the Customers agreed to bear their own allocation of cost.

Furthermore, the increase in price of copper had caused an increase in operating cost in Q1 2021. In order to overcome this, the Company had managed to have quarterly or monthly agreement(s) with customers to hedge the copper price in order to mitigate material costs.

Outlook for FY2021

Barring any unforeseen circumstances, the prospect of the Group is expected to improve in FY2021. The Group is expecting to see contribution from the strong demand in medical device business as well as the recovery of the non-medical device business.

Despite the Covid-19 pandemic, the Company had kicked off the year 2021 positively. 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.

Key Matters raised by Members (Continued...)

Company's Products

As mentioned in the Annual Report 2020, the Group was expected to deliver new products in FY2021, ie. Insertion Tube and Plass Rescue Occluder from SMP and the Fuel Tank from Supercomal Advanced Cables Sdn. Bhd. (SAC). However, a lot of such projections had been revised and delayed due to the pandemic where some of the customers had to stop their operations or delay their operations in their respective countries thus affecting their orders with our Group.

Furthermore Mr. Goh highlighted that the following types of wires could generate higher margin for the Group:-

- (i) Civus cable
The wires used in low voltage circuits for automobiles such as vehicles and motorcycles.
- (ii) Wiring harness
Is an organized set of wires, terminals and connectors that run throughout the entire vehicle and relay information and electric power, thereby playing a critical role in “connecting” a variety of components.

The production of single-use endoscope products would be dedicated to SMP.

Mr. Goh also updated that the new block buster products are in the process and had obtained the approval from FDA and CE Certification.

Mr. Goh added that the Company has often updated the latest products to members from time to time in its website. Alternatively, members could contact the Company's IRPR to get more information and details on the products.

Food and Drug Administration (FDA) certification/ CE Marking certification

It has been rather difficult to get approval for FDA and CE mark for medical devices as bringing a medical device to market was not a fast process. Furthermore, FDA approval process would take some time depending on whether its self-register, submit a 510(k) application or submit a Premarket Approval (PMA) application. On the other hand, CE Mark is a symbol affixed to products before can be sold in the European market and the requirements of the relevant recognized European harmonized performance and safety standards must be complied with. The Company has been working together with the counterpart in Europe/United States in order to comply with the requirements.

Key Matters raised by Members (Continued...)

Proposed Transfer Listing

It has been a plan for the Group to transfer listing from the ACE Market to the Main Market of Bursa Securities and the Board would look into this plan when the time is right as the Group have been focusing on overcoming the issues caused by the Covid pandemic.

Expansion of 5-Storey factory by SMP

The expansion of factory is an organic growth for SMP especially for the new product lines. It was supposed to be completed by this year but delayed to next year due to pandemic.

For members' information, the Company had allocated RM10 million for the construction and fittings of the 5-storey factory building.

Electrical Vehicle (EV) Business

The Company was not involved in or benefitted from the EV business in the current market.

Reclassification of sector

STB had reclassified its sector in Bursa Securities from Industrial Products & Services to Healthcare as the Company has been more focused on the medical device segment rather than the automotive segment.

Dividend / Bonus issue or Share split

In light of some members' request for additional returns like dividends, bonus issue or even share split, Mr. Goh informed that the Company would need to retain sufficient reserves for the Company's expansion and growth thus there were no tentative plans on this.

Covid-19 Pandemic

The Group had taken proactive actions and participated in the government initiative – The Public-Private Partnership Industrial Covid-19 Immunisation Programme (Pikas) to get all employees vaccinated. The first dose was administered on August 5, 2021 and the second dose was completed on 26 August 2021. Since about 90% of the employees had completed the two doses of vaccination, the Group could start implementing 100% workforce based on MITI regulation.

The revenue of the Company would be affected although the Company tried to achieve at least 80-90% capacity output despite the constraints of only having 60% manpower workforce during MCO.