



SNS NETWORK TECHNOLOGY BERHAD

Registration No: 201601002835 (1173761-W)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 APRIL 2025

SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|--|--|
| | Current Quarter 30.04.2025 Unaudited RM'000 | Corresponding Quarter 30.04.2024 Unaudited RM'000 | Current Period-to-date 30.04.2025 Unaudited RM'000 | Corresponding Period-to-date 30.04.2024 Unaudited RM'000 |
| Revenue | 822,753 | 213,585 | 822,753 | 213,585 |
| Cost of sales | (787,669) | (193,710) | (787,669) | (193,710) |
| Gross profit | 35,084 | 19,875 | 35,084 | 19,875 |
| Other operating income | 3,044 | 2,542 | 3,044 | 2,542 |
| Other gains and losses | (1,344) | 395 | (1,344) | 395 |
| Investment revenue | 46 | 172 | 46 | 172 |
| Impairment gain on financial assets - net | 39 | 262 | 39 | 262 |
| Selling and distribution expenses | (15,458) | (11,256) | (15,458) | (11,256) |
| General and administrative expenses | (6,080) | (5,755) | (6,080) | (5,755) |
| Profit from operations | 15,331 | 6,235 | 15,331 | 6,235 |
| Finance costs | (1,892) | (1,128) | (1,892) | (1,128) |
| Profit before tax | 13,439 | 5,107 | 13,439 | 5,107 |
| Tax expenses | (3,196) | (1,365) | (3,196) | (1,365) |
| Profit and total comprehensive income for the financial period attributable to equity holders of the Group | 10,243 | 3,742 | 10,243 | 3,742 |
| Earning per share attributable to equity holders of the Group: | | | | |
| Basic ⁽²⁾ (sen) | 0.61 | 0.23 | 0.61 | 0.23 |
| Diluted ⁽³⁾ (sen) | 0.60 | 0.23 | 0.60 | 0.23 |



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Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of SNS Network Technology Berhad ("**SNS**" or the "**Company**") and its subsidiaries ("**SNS Group**" or the "**Group**") for the financial year ended ("**FYE**") 31 January 2025 and the accompanying explanatory notes attached to this condensed interim financial report.*
- (2) *Basic earnings per share ("**EPS**") is calculated by dividing profit after tax attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective current and preceding financial quarters and financial period-to-date under review.*
- (3) *The diluted EPS has been adjusted for the dilutive effects of the potential ordinary shares, i.e., share options granted to the eligible employees.*

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

| | As at 30.04.2025 RM'000 Unaudited | As at 31.01.2025 RM'000 Audited |
|--|--|--|
| <u>ASSETS</u> | | |
| Non-current assets | | |
| Property, plant and equipment | 72,495 | 70,873 |
| Right-of-use assets | 14,106 | 15,120 |
| Finance lease receivables | 28,730 | 31,229 |
| Trade receivables | 3,125 | 3,241 |
| Total non-current assets | 118,456 | 120,463 |
| Current assets | | |
| Inventories | 128,422 | 126,287 |
| Trade and other receivables | 396,434 | 207,805 |
| Finance lease receivables | 15,260 | 14,960 |
| Current tax assets | 2,244 | 2,494 |
| Fixed deposits, cash and bank balances | 208,616 | 88,397 |
| Total current assets | 750,976 | 439,943 |
| TOTAL ASSETS | 869,432 | 560,406 |
| <u>EQUITY AND LIABILITIES</u> | | |
| Capital and reserves | | |
| Share capital | 172,669 | 172,669 |
| Capital reserve | (55,329) | (55,329) |
| Share-based payment reserve | 131 | 131 |
| Retained earnings | 167,064 | 158,916 |
| TOTAL EQUITY | 284,535 | 276,387 |
| Non-current liabilities | | |
| Borrowings | 33,314 | 19,384 |
| Lease liabilities | 4,653 | 5,107 |
| Deferred tax liabilities | 4,795 | 4,795 |
| Total non-current liabilities | 42,762 | 29,286 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

| | As at 30.04.2025 RM'000 Unaudited | As at 31.01.2025 RM'000 Audited |
|---|--|--|
| Current liabilities | | |
| Trade and other payables | 423,686 | 183,198 |
| Contract liabilities | 92 | 147 |
| Dividends payable | 2,095 | - |
| Borrowings | 103,657 | 59,313 |
| Lease liabilities | 9,794 | 10,324 |
| Current tax liabilities | 2,811 | 1,751 |
| Total current liabilities | 542,135 | 254,733 |
| TOTAL LIABILITIES | 584,897 | 284,019 |
| TOTAL EQUITY AND LIABILITIES | 869,432 | 560,406 |
| Net assets per ordinary share attributable to Equity holders of SNS Group (RM)⁽²⁾ | 0.17 | 0.16 |

Notes:

⁽¹⁾ The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the FYE 31 January 2025 and the accompanying explanatory notes attached to this condensed interim financial report.

⁽²⁾ Net assets per ordinary share is calculated based on total equity as at the end of each financial period/year divided by 1,675,757,966 ordinary shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

| | ← Attributable to Equity Holders of SNS Group → | | | | |
|--------------------------------------|---|---|---|---|---------------------------|
| | Share capital RM'000 | Non-distributable Capital reserve RM'000 | Non-distributable Share-based payment reserve RM'000 | Distributable Retained earnings RM'000 | Total Equity RM'000 |
| Balance as of 1 February 2025 | 172,669 | (55,329) | 131 | 158,916 | 276,387 |
| Profit for the financial period | - | - | - | 10,243 | 10,243 |
| Dividends | - | - | - | (2,095) | (2,095) |
| Balance as of 30 April 2025 | 172,669 | (55,329) | 131 | 167,064 | 284,535 |
| Balance as of 1 February 2024 | 151,420 | (55,329) | 2,783 | 144,779 | 243,653 |
| Profit for the financial period | - | - | - | 3,742 | 3,742 |
| Dividends | - | - | - | (4,032) | (4,032) |
| Share-based payment relating to ESOS | - | - | 46 | - | 46 |
| Balance as of 30 April 2024 | 151,420 | (55,329) | 2,829 | 144,489 | 243,409 |

Note:

- ⁽¹⁾ The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the FYE 31 January 2025 and the accompanying explanatory notes attached to this condensed interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

| | CUMULATIVE QUARTER | |
|--|---------------------------|-----------------------|
| | Current | Corresponding |
| | Period-to-date | Period-to-date |
| | 30.04.2025 | 30.04.2024 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 13,439 | 5,107 |
| Adjustments for: | | |
| Depreciation of right-of-use assets | 3,023 | 3,129 |
| Finance costs | 1,892 | 1,128 |
| Write down in values of inventories to net realisable values | 390 | 334 |
| Depreciation of property, plant and equipment | 685 | 521 |
| Reversal of loss allowances recognised in profit or loss | (39) | (262) |
| Bad debts written off | 86 | - |
| Interest income from finance lease receivables | (893) | (694) |
| Interest income from long term trade receivable | (35) | (45) |
| Investment revenue | (46) | (172) |
| Interest income from cash and bank balances | (73) | (26) |
| Interest income from refundable performance bond | - | (200) |
| Late payment charges to customers | (296) | (4) |
| Unrealised loss/(gain) on foreign exchange | 1,605 | (124) |
| Deposit written off | 2 | - |
| Share-based payment expenses | - | 46 |
| Operating profit before working capital changes | 19,741 | 8,738 |
| Movements in working capital: | | |
| (Increase)/Decrease in: | | |
| Inventories | (2,525) | (15,359) |
| Trade and other receivables | (188,562) | (16,150) |
| Finance lease receivables | 2,199 | 708 |
| (Decrease)/Increase in: | | |
| Trade and other payables | 240,488 | (21,613) |
| Contract liabilities | (55) | 9 |
| Cash from/(used in) operating activities | 71,286 | (43,667) |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (CONT'D)

| | CUMULATIVE QUARTER | |
|---|---------------------------|-----------------------|
| | Current | Corresponding |
| | Period-to-date | Period-to-date |
| | 30.04.2025 | 30.04.2024 |
| | RM'000 | RM'000 |
| Interests received | 1,297 | 969 |
| Finance costs paid | (296) | (100) |
| Income tax refunded | 120 | - |
| Income tax paid | (2,006) | (1,836) |
| Net cash from/(used in) operating activities | 70,401 | (44,634) |
| Cash flows used in investing activities | | |
| Proceeds from disposal of property, plant and equipment | 2 | - |
| Interest received on fixed deposits | 46 | 172 |
| Purchase of property, plant and equipment | (2,310) | (807) |
| Placement of fixed deposits | (3,388) | (38) |
| Net cash used in investing activities | (5,650) | (673) |
| Cash flows from financing activities | | |
| Drawdown of term loans and financing | 15,000 | - |
| Proceeds from bankers' acceptances - net | 40,357 | 9,662 |
| Proceeds from other financing | 4,475 | - |
| Repayment of lease liabilities | (2,993) | (3,172) |
| Repayment of term loans | (228) | (220) |
| Repayment of other financing | (1,244) | (973) |
| Finance costs paid | (1,596) | (1,028) |
| Repayment of hire-purchase payables | (86) | (111) |
| Net cash from financing activities | 53,685 | 4,158 |
| Net increase/(decrease) in cash and cash equivalents | 118,436 | (41,149) |
| Cash and cash equivalents at the beginning of the financial period | 84,603 | 118,768 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | (1,605) | 124 |
| Cash and cash equivalents at the end of the financial period | 201,434 | 77,743 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (CONT'D)

Notes:

- ⁽¹⁾ *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the FYE 31 January 2025 and the accompanying explanatory notes attached to this condensed interim financial report.*
- ⁽²⁾ *Cash and cash equivalents at the end of the financial period comprise:*

| | CUMULATIVE QUARTER | |
|---|---|---|
| | Current Period-to-date 30.04.2025 RM'000 | Corresponding Period-to-date 30.04.2024 RM'000 |
| CASH AND CASH EQUIVALENTS | | |
| Fixed deposits with licensed banks | 40,033 | 14,326 |
| Income fund with a licensed financial institution (redeemable upon 1 day notice) | 29,448 | 30,614 |
| Cash and bank balances | 139,135 | 35,547 |
| | <hr/> 208,616 | <hr/> 80,487 |
| Less: | | |
| Fixed deposits pledged to licensed banks | (7,182) | (2,744) |
| | <hr/> 201,434 | <hr/> 77,743 |

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2025

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES ON TO THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRS**") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**"), International Financial Reporting Standard, requirements of the Companies Act, 2016 in Malaysia, and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 31 January 2025.

A2. Significant accounting policies

The accounting policies adopted by the Group in the preparation of this condensed interim financial report are consistent with those adopted as disclosed in the Group's audited financial statements for the financial year ended 31 January 2025 in the Annual Report of the Company, except for the adoption of amended MFRSs and IC Interpretations which are relevant to its operations and effective for the financial period beginning on or after 1 February 2025. The adoptions of these amended MFRSs and IC Interpretations have no material impact on the condensed interim financial report of the Group.

At the date of authorisation for the issuance of this condensed interim financial report, MASB has approved certain new standards, amendments and interpretations to existing standards, which are not yet effective and have not been early adopted by the Group. The management anticipates that all the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. New standards, amendments, and interpretations to existing standards are not expected to have a material impact on the Group's condensed interim financial report.

A3. Audited Report of Preceding Annual Financial Statements

The audited consolidated financial statements for the FYE 31 January 2025 was not subject to any qualification.



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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A4. Seasonal or Cyclical Factors

The Group does not experience significant fluctuation in operations due to seasonal factors during the current financial quarter and period-to-date under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature in size or incidence during the current financial quarter under review.

A6. Material Changes in Estimates

There were no material changes in the estimates of amounts reported that have material effect on the results for the current financial quarter under review.

A7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

A8. Dividend Paid

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

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting

a) Revenue by Business Activities:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|---|---|
| | Current Quarter 30.04.2025 RM'000 | Corresponding Quarter 30.04.2024 RM'000 | Current Period-to-date 30.04.2025 RM'000 | Corresponding Period-to-date 30.04.2024 RM'000 |
| Sale of ICT products | 820,484 | 211,424 | 820,484 | 211,424 |
| Provision of device repair and related services, as well as sale of broadband services | 2,269 | 2,161 | 2,269 | 2,161 |
| | <u>822,753</u> | <u>213,585</u> | <u>822,753</u> | <u>213,585</u> |

b) Revenue by Geographical Market:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------|--|--|---|---|
| | Current Quarter 30.04.2025 RM'000 | Corresponding Quarter 30.04.2024 RM'000 | Current Period-to-date 30.04.2025 RM'000 | Corresponding Period-to-date 30.04.2024 RM'000 |
| Malaysia | 795,072 | 204,878 | 795,072 | 204,878 |
| Overseas | | | | |
| - Hong Kong | 12,828 | - | 12,828 | - |
| - Singapore | 11,192 | 5,376 | 11,192 | 5,376 |
| - Others ⁽¹⁾ | 3,661 | 3,331 | 3,661 | 3,331 |
| | <u>822,753</u> | <u>213,585</u> | <u>822,753</u> | <u>213,585</u> |

Note:

⁽¹⁾ Comprise mainly Indonesia, Maldives, Thailand and Vietnam.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A10. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in The Composition of The Group

There were no material changes in the composition of the Group during the current financial quarter under review.

A12. Contingent Liabilities and Contingent Assets

There were no other material contingent liabilities and contingent assets of the Group as at the end of the current financial quarter under review.

A13. Significant Related Party Transactions

Significant transactions between the Group and a related party are as follows:

| Type of transactions | Current Quarter 30.04.2025 RM'000 | Current Period-to-date 30.04.2025 RM'000 |
|--------------------------------------|--|---|
| Rental of offices paid to a director | 26 | 26 |

A14. Capital Commitments

There were no other material capital commitments as at the end of the current financial quarter under review.

A15. Valuation of Property, Plant and Equipment

The Group has not carried out any valuation of its property, plant and equipment in the current financial quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

| | INDIVIDUAL QUARTER | | | | CUMULATIVE QUARTER | |
|-------------------|--|--|----------|--------|---|---|
| | Current Quarter 30.04.2025 RM'000 | Corresponding Quarter 30.04.2024 RM'000 | Variance | | Current Period-to-date 30.04.2025 RM'000 | Corresponding Period-to-date 30.04.2024 RM'000 |
| | | | RM'000 | % | | |
| Revenue | 822,753 | 213,585 | 609,168 | 285.2% | 822,753 | 213,585 |
| Profit before tax | 13,439 | 5,107 | 8,332 | 163.1% | 13,439 | 5,107 |

The Group's revenue for the current financial quarter ended 30 April 2025 increased by RM609.16 million or 285.2%, from RM213.59 million to RM822.75 million as compared with the corresponding financial quarter mainly due to increase in the sale of ICT products segment via commercial channel as well as online store channel.

Profit before tax of the Group for the current financial quarter ended 30 April 2025 increased by RM8.33 million or 163.1%, from RM5.11 million to RM13.44 million as compared with the corresponding financial quarter, mainly due to higher revenue recorded. The said increase was partially offset by higher selling and distribution expenses mainly attributable to the increase in staff costs and commissions paid to third-party online marketplaces.

B2. Comparison with the Immediate Preceding Quarter's Result

| | Current Quarter 30.04.2025 RM'000 | Immediate Preceding Quarter 31.01.2025 RM'000 | Variance | |
|-------------------|--|---|----------|--------|
| | | | RM'000 | % |
| Revenue | 822,753 | 251,512 | 571,241 | 227.1 |
| Profit before tax | 13,439 | 17,605 | (4,166) | (23.7) |
| Profit after tax | 10,243 | 10,020 | 223 | 2.2 |



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. Comparison with the Immediate Preceding Quarter's Result (Cont'd)

The Group's revenue for the current financial quarter ended 30 April 2025 increased by RM571.24 million or 227.1% from RM251.51 million to RM822.75 million as compared with the immediate preceding financial quarter mainly due to increase in the sale of ICT products segment via commercial channel as well as online store channel.

Despite higher revenue recorded for the current financial quarter, the Group recorded a lower profit before tax for the current financial quarter, which was decreased by RM4.17 million or 23.7%, from RM17.61 million to RM13.44 million as compared with the immediate preceding financial quarter primarily due to the sales of certain ICT products which yielded lower gross profit margins in the current financial quarter.

Profit after tax of the Group for the current financial quarter ended 30 April 2025 increased by RM0.22 million or 2.2%, from RM10.02 million to RM10.24 million as compared with the immediate preceding financial quarter mainly due to adjustment for prior financial year deferred tax expenses recorded in the immediate preceding financial quarter.

B3. Group's Prospects

The ICT products and services industry is expected to be continuously driven by the wide usage of ICT in everyday lives by the public and businesses to perform daily and business activities, the replacement cycle of devices and continuous technology advancement, the implementation of initiatives by the Government for digital transformation, as well as the incorporation of ICT to promote digital education in schools. As such, the Group intends to set-up 10 new stores in Malaysia to increase the Group's customer base, which we have launched 2 new multi-brand concept stores located in Penang and Selangor each in May and November 2024, respectively as well as 1 new brand specific store in Penang in January 2025. During the current financial quarter, the Group had launched additional 2 new brand specific stores in Penang.

As businesses demand for more flexibility and control over the usage of ICT products and services according to their business and operational needs, reducing large upfront capital expenditure required for the purchase and deployment of hardware and software, the demand for DaaS subscription is expected to grow in the long term. The Group continues to prioritise and expand its DaaS offerings to support both existing and future subscription agreements.

Looking ahead, the Group remains committed to innovation remains steadfast, with a strong focus on adopting emerging technologies that align with the Group's mission and values. The Group believes in the coming years, Artificial Intelligence ("AI") will play a significant role in its success, the Group acknowledges that the future is dynamic and diverse in its technological demands.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3. Group's Prospects (Cont'd)

The Group offers AI-driven solutions that enhance operational efficiency and deliver personalised customer experiences. By integrating advanced AI technologies, the Group provides tailored solutions that streamline processes, improve decision-making, and foster innovation, ensuring businesses can harness AI's full potential. The solutions are designed to be accessible and scalable, empowering companies of all sizes to thrive in the digital landscape, while contributing to long-term and sustainable growth.

By making AI accessible, understandable, and beneficial, the Group actively contributes to the broader adoption of AI technologies, supporting sustainable growth, adaptability, and resilience in a rapidly changing digital environment, benefiting businesses of all sizes.

To strengthen its AI capabilities and support Malaysia's AI transformation, the Group has launched the SNS AI Factory—Malaysia's first locally hosted, fully-managed AI cloud infrastructure service powered by 64 NVIDIA Hopper graphic processing units ("**GPU**") across eight Dell PowerEdge XE9680 servers with NVIDIA Quantum-2 InfiniBand networking and NVIDIA AI Enterprise software. Located at Telekom Malaysia's KVDC in Cyberjaya, the SNS AI Factory delivers GPU-as-a-Service ("**GPUaaS**"), offering high-performance, scalable, and secure AI computing to enterprises, government agencies, and academia.

The facility is designed to accelerate AI adoption across industries by offering flexible subscription models, AI readiness assessments, and proof-of-concept ("**POC**") programs. Half of the AI Factory's computing power is allocated to commercial workloads, while the remaining capacity is dedicated to developing Malaysia's AI ecosystem through training programs, bootcamps, and industry hackathons.

This strategic initiative not only enhances local access to cutting-edge AI infrastructure but also positions the Group at the forefront of AI innovation in Malaysia, supporting national aspirations for technological advancement, talent growth, and ethical AI development.

The Group remains optimistic with the ICT industry outlook, supported by the rapid development in AI technologies. This continuous growth is expected to drive stronger demand for ICT products, strengthen our existing customer base, and expanding the Group's market share by attracting new customers.

B4. Variance of Profit Forecast

The Group did not issue any profit forecast for the current financial quarter.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B5. Income Tax Expense

The breakdown of income tax expense is as follows:

| | Current Quarter 30.04.2025 RM'000 | Current Period-to-date 30.04.2025 RM'000 |
|------------------|--|---|
| Current taxation | 3,196 | 3,196 |
| | <u>3,196</u> | <u>3,196</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the fiscal year. Tax expense is recognised based on management's best estimate.

The effective tax rate of 23.78% for current period-to-date was relatively consistent with the statutory tax rate.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B6. Profit Before Tax

Profit from operations is derived after (charging)/crediting the following:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|---|---|
| | Current Quarter 30.04.2025 RM'000 | Corresponding Quarter 30.04.2024 RM'000 | Current Period-to-date 30.04.2025 RM'000 | Corresponding Period-to-date 30.04.2024 RM'000 |
| Income from operators arising from | | | | |
| right-of-use assets | 1,342 | 1,484 | 1,342 | 1,484 |
| Rental income | 22 | 41 | 22 | 41 |
| Interest income from: | | | | |
| Finance lease receivables | 893 | 694 | 893 | 694 |
| Long term trade receivable | 35 | 45 | 35 | 45 |
| Cash and bank balances | 73 | 26 | 73 | 26 |
| Refundable performance bond | - | 200 | - | 200 |
| Realised loss on foreign exchange | (11) | (3) | (11) | (3) |
| Unrealised (loss)/gain on foreign exchange | (1,605) | 124 | (1,605) | 124 |
| Write down in values of inventories | | | | |
| to net realisable values | (390) | (334) | (390) | (334) |
| Auditor's remuneration | (60) | (73) | (60) | (73) |
| Reversal of loss allowances recognised | | | | |
| in profit or loss | 39 | 262 | 39 | 262 |
| Bad debts written off | (86) | - | (86) | - |
| Depreciation of: | | | | |
| Property, plant and equipment | 685 | 521 | 685 | 521 |
| Right-of-use assets | 3,023 | 3,129 | 3,023 | 3,129 |

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B7. Utilisation of Proceeds Raised from the IPO

The gross proceeds raised from the IPO of RM90.72 million are intended to be utilised in the following manner:

| Utilisation of proceeds ⁽¹⁾ | Proposed utilisation RM'000 | Actual utilisation RM'000 | Unutilised amount RM'000 | Estimated timeframe for unutilisation |
|--|--------------------------------|------------------------------|-----------------------------|--|
| Capital expenditure | | | | |
| - Expansion of DaaS subscription-based service | 30,900 | (23,765) | 7,135 | 36 months |
| - Set-up new retail stores | 2,500 | (1,250) | 1,250 | 36 months |
| Construction of Regional Hub | 18,000 | (1,220) | 16,780 | 36 months |
| Marketing activities for JOI [®] | 1,500 | (451) | 1,049 | 36 months |
| Repayment of bank borrowings | 20,000 | (20,000) | - | 12 months |
| General working capital | 13,119 | (13,119) | - | 24 months |
| Estimated listing expenses | 4,700 | (4,700) | - | Immediately |
| | <u>90,719</u> | <u>(64,505)</u> | <u>26,214</u> | |

Note:

⁽¹⁾ The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 27 July 2022.

On 25 June 2025, an announcement was issued to extend the time frame for the utilisation of the IPO proceeds allocated for working capital for additional 36 months up to 2 September 2028.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 April 2025 and 30 April 2024 are as follows:

| | As at 30.04.2025 RM'000 Unaudited | As at 31.01.2025 RM'000 Audited |
|------------------------------------|--|--|
| <u>Non-current</u> | | |
| <u>Secured</u> | | |
| Commodity Murabahah term financing | 17,648 | 5,497 |
| Term loans | - | 19 |
| Hire purchase payables | 391 | 464 |
| | 18,039 | 5,980 |
| <u>Unsecured</u> | | |
| Lease liabilities | 4,653 | 5,107 |
| Other financing | 15,275 | 13,404 |
| | 37,967 | 24,491 |
| <u>Current</u> | | |
| <u>Secured</u> | | |
| Bankers' acceptances | 93,683 | 53,326 |
| Commodity Murabahah term financing | 3,388 | 714 |
| Term loans | 172 | 206 |
| Hire purchase payables | 313 | 326 |
| | 97,556 | 54,572 |
| <u>Unsecured</u> | | |
| Lease liabilities | 9,794 | 10,324 |
| Other financing | 6,101 | 4,741 |
| | 113,451 | 69,637 |
| Total borrowings | 151,418 | 94,128 |

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B9. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B10. Dividend Proposed

Saved as disclosed below, there were no other dividend declared or proposed during the current financial quarter under review.

On 26 March 2025, the Board of Directors approved a fourth interim single-tier dividend of 0.125 sen per ordinary share amounting to RM2,094,698 in respect of financial year ended 31 January 2025, which to be payable on 26 May 2025.

On 25 June 2025, the Board of Directors approved a first interim single-tier dividend of 0.25 sen per ordinary share amounting to RM4,189,395 in respect of financial year ending 31 January 2026, which to be payable on 28 August 2025.

B11. EPS

The basic and diluted EPS for the current financial quarter and period-to-date are as follows:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|----------------------------------|--|---|---|
| | Current Quarter 30.04.2025 | Corresponding Quarter 30.04.2024 | Current Period-to-date 30.04.2025 | Corresponding Period-to-date 30.04.2024 |
| Profit net of tax attributable to the equity holders of the Company (RM'000) | 10,243 | 3,742 | 10,243 | 3,742 |
| Weighted average number of ordinary shares in issue (basic) ('000) | 1,675,758 | 1,612,780 | 1,675,758 | 1,612,780 |
| Basic EPS ⁽¹⁾ (sen) | 0.61 | 0.23 | 0.61 | 0.23 |

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. EPS (Cont'd)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|----------------------------------|--|---|---|
| | Current Quarter 30.04.2025 | Corresponding Quarter 30.04.2024 | Current Period-to-date 30.04.2025 | Corresponding Period-to-date 30.04.2024 |
| Profit net of tax attributable to the equity holders of the Company (RM'000) | 10,243 | 3,742 | 10,243 | 3,742 |
| Weighted average number of ordinary shares in issue (basic) ('000) | 1,675,758 | 1,612,780 | 1,675,758 | 1,612,780 |
| Effect of dilutive potential ordinary share - ESOS ('000) | 42,985 | 23,375 | 42,985 | 5,764 |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 1,718,743 | 1,636,155 | 1,718,743 | 1,618,544 |
| Diluted EPS ⁽²⁾ (sen) | 0.60 | 0.23 | 0.60 | 0.23 |

Notes:

⁽¹⁾ Basic EPS is calculated by dividing profit after tax attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective current and preceding financial quarters and financial period-to-date under review.

⁽²⁾ The diluted EPS has been adjusted for the dilutive effects of the potential ordinary shares, i.e., share options granted to the eligible employees.

B12. Status of Corporate Proposals

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 25 June 2025.