



SNS NETWORK TECHNOLOGY BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
31 OCTOBER 2025

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.10.2025 Unaudited RM'000	Corresponding Quarter 31.10.2024 Unaudited RM'000	Current Period-to-date 31.10.2025 Unaudited RM'000	Corresponding Period-to-date 31.10.2024 Unaudited RM'000
Revenue	384,884	249,706	2,956,477	767,001
Cost of sales	(354,807)	(221,447)	(2,822,835)	(697,070)
Gross profit	30,077	28,259	133,642	69,931
Other operating income	2,824	2,350	8,713	7,347
Other gains and losses	(1,660)	39	(526)	615
Investment revenue	130	110	269	365
Impairment (loss)/gain on financial assets - net	6,687	644	(16,051)	794
Selling and distribution expenses	(15,953)	(10,261)	(46,292)	(30,927)
General and administrative expenses	(11,478)	(9,427)	(25,026)	(20,735)
Profit from operations	10,627	11,714	54,729	27,390
Finance costs	(2,270)	(1,396)	(5,899)	(3,572)
Profit before tax	8,357	10,318	48,830	23,818
Tax expenses	1,737	(122)	(7,933)	(3,535)
Profit and total comprehensive income for the financial period attributable to equity holders of the Group	10,094	10,196	40,897	20,283
Earning per share attributable to equity holders of the Group:				
Basic ⁽²⁾ (sen)	0.60	0.63	2.44	1.26
Diluted ⁽³⁾ (sen)	0.58	0.60	2.23	1.21



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	As at 31.10.2025 RM'000 Unaudited	As at 31.01.2025 RM'000 Audited
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	74,072	70,873
Right-of-use assets	12,830	15,120
Finance lease receivables	57,368	31,229
Trade receivables	2,422	3,241
Total non-current assets	146,692	120,463
Current assets		
Inventories	155,414	126,287
Trade and other receivables	280,735	207,805
Finance lease receivables	26,786	14,960
Current tax assets	2,480	2,494
Fixed deposits, cash and bank balances	84,706	88,397
Total current assets	550,121	439,943
TOTAL ASSETS	696,813	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	2,929	131
Retained earnings	193,529	158,916
TOTAL EQUITY	313,798	276,387
Non-current liabilities		
Borrowings	58,975	19,384
Lease liabilities	4,894	5,107
Deferred tax liabilities	4,795	4,795
Total non-current liabilities	68,664	29,286

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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

	As at 31.10.2025 RM'000 Unaudited	As at 31.01.2025 RM'000 Audited
Current liabilities		
Trade and other payables	210,836	183,198
Contract liabilities	162	147
Borrowings	91,173	59,313
Lease liabilities	8,270	10,324
Current tax liabilities	3,910	1,751
Total current liabilities	314,351	254,733
TOTAL LIABILITIES	383,015	284,019
TOTAL EQUITY AND LIABILITIES	696,813	560,406
Net assets per ordinary share attributable to Equity holders of SNS Group (RM)⁽²⁾	0.19	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.

SNS NETWORK TECHNOLOGY BERHAD
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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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	-	-	-	40,897	40,897
Dividends	-	-	-	(6,284)	(6,284)
Share-based payment relating to ESOS	-	-	2,798	-	2,798
Balance as of 31 October 2025	172,669	(55,329)	2,929	193,529	313,798
Balance as of 1 February 2024	151,420	(55,329)	2,783	144,779	243,653
Profit for the financial period	-	-	-	20,283	20,283
Dividends	-	-	-	(12,115)	(12,115)
Issuance of ordinary shares pursuant to ESOS	1,874	-	-	-	1,874
Transfer from share-based payment reserve upon exercise	655	-	(655)	-	-
Share-based payment relating to ESOS	-	-	2,859	-	2,859
Balance as of 31 October 2024	153,949	(55,329)	4,987	152,947	256,554

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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SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	CUMULATIVE QUARTER	
	Current	Corresponding
	Period-to-date	Period-to-date
	31.10.2025	31.10.2024
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	48,830	23,818
Adjustments for:		
Depreciation of right-of-use assets	9,245	9,088
Finance costs	5,899	3,572
Write down in values of inventories to net realisable values	1,096	665
Depreciation of property, plant and equipment	2,144	1,740
Loss allowances/(reversal of loss allowances) recognised in profit or loss	16,051	(794)
Bad debts written off	86	-
Property, plant and equipment written off	5	48
Loss on disposal of property, plant and equipment	1	-
Interest income from finance lease receivables	(3,279)	(2,150)
Interest income from long term trade receivable	(97)	(128)
Investment revenue	(269)	(365)
Interest income from cash and bank balances	(383)	(79)
Interest income from refundable performance bond	-	(308)
Late payment charges to customers	(348)	(102)
Gains arising from lease terminations	(2)	(2)
Unrealised loss on foreign exchange	1,376	209
Share-based payment expenses	2,798	2,859
Operating profit before working capital changes	83,153	38,071
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(30,223)	(34,773)
Trade and other receivables	(88,248)	83,263
Finance lease receivables	(37,965)	(18,820)
Increase/(Decrease) in:		
Trade and other payables	27,638	(104,685)
Contract liabilities	15	25
Cash used in operating activities	(45,630)	(36,919)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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

	CUMULATIVE QUARTER	
	Current	Corresponding
	Period-to-date	Period-to-date
	31.10.2025	31.10.2024
	RM'000	RM'000
Interests received	4,107	2,767
Finance costs paid	(1,327)	(638)
Income tax refunded	375	-
Income tax paid	(6,135)	(8,090)
Net cash used in operating activities	(48,610)	(42,880)
Cash flows used in investing activities		
Proceeds from disposal of property, plant and equipment	2	-
Interest received on fixed deposits	269	365
Purchase of property, plant and equipment	(5,010)	(4,337)
Withdrawal/(Placement) of fixed deposits	234	(1,051)
Net cash used in investing activities	(4,505)	(5,023)
Cash flows from/(used in) financing activities		
Drawdown of term loans and financing	15,000	-
Proceed from issuance of share capital	-	1,874
Proceeds from bankers' acceptances - net	16,908	15,262
Proceeds from other financing	47,337	1,630
Repayment of lease liabilities	(9,220)	(9,075)
Repayment of term loans	(1,820)	(665)
Repayment of other financing	(6,034)	(3,015)
Finance costs paid	(4,572)	(2,935)
Repayment of hire-purchase payables	(281)	(322)
Dividend paid	(6,284)	(8,064)
Net cash from/(used in) financing activities	51,034	(5,310)
Net decrease in cash and cash equivalents	(2,081)	(53,213)
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	(1,376)	(209)
Cash and cash equivalents at the end of the financial period	81,146	65,346

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 31.10.2025 RM'000	Corresponding Period-to-date 31.10.2024 RM'000
CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	11,263	9,587
Income fund with a licensed financial institution (redeemable upon 1 day notice)	29,964	30,763
Cash and bank balances	43,479	28,753
	84,706	69,103
Less:		
Fixed deposits pledged to licensed banks	(3,560)	(3,757)
	81,146	65,346

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 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 were not subject to any qualification.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 effects 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

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 the financial year ending 31 January 2026, which were paid on 28 August 2025.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 31.07.2025 RM'000	Corresponding Quarter 31.10.2024 RM'000	Current Period-to-date 31.10.2025 RM'000	Corresponding Period-to-date 31.10.2024 RM'000
Sale of ICT products	381,839	244,757	2,949,952	757,983
Provision of device repair and related services, as well as sale of broadband services	3,045	4,949	6,525	9,018
	<u>384,884</u>	<u>249,706</u>	<u>2,956,477</u>	<u>767,001</u>

b) Revenue by Geographical Market:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.07.2025 RM'000	Corresponding Quarter 31.10.2024 RM'000	Current Period-to-date 31.10.2025 RM'000	Corresponding Period-to-date 31.10.2024 RM'000
Malaysia	373,879	243,087	2,911,909	741,730
Overseas				
- Hong Kong	4,936	698	20,088	1,273
- Singapore	2,160	2,512	14,127	13,766
- Others ⁽¹⁾	3,909	3,409	10,353	10,232
	<u>384,884</u>	<u>249,706</u>	<u>2,956,477</u>	<u>767,001</u>

Note:

⁽¹⁾ Comprise mainly Brunei, Denmark, Indonesia, the Maldives, Thailand, Vanuatu and the United States of America, each representing less than 1% of total revenue.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 During / Subsequent to the End of the Current Financial Quarter

During the current financial quarter, and as announced on 15 October 2025, the Group has entered into a joint venture agreement between SNS Network (M) Sdn Bhd, a wholly-owned subsidiary of the Group, MIMOS Holdings Sdn Bhd and Kelab Kebajikan Dan Rekreasi MIMOS, to undertake the provision of Independent Verification & Validation ("IV&V") and related quality assurance services. The scope of the joint venture includes the delivery of IV&V services, marketing and operational support activities, as well as the provision of such other services or business initiatives as may be mutually agreed by the Parties from time to time, targeting both public and private sector clients in local and global markets.

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 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 31.10.2025 RM'000	Current Period-to-date 31.10.2025 RM'000
Rental of offices paid to a director	26	77

A14. Capital Commitments

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



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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)

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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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 31.10.2025 RM'000	Corresponding Quarter 31.10.2024 RM'000	Variance		Current Period-to-date 31.10.2025 RM'000	Corresponding Period-to-date 31.10.2024 RM'000
			RM'000	%		
Revenue	384,884	249,706	135,178	54.1%	2,956,477	767,001
Profit before tax	8,357	10,318	(1,961)	-19.0%	48,830	23,818

For the current financial quarter ended 31 October 2025, the Group recorded revenue of RM384.88 million, representing a significant increase of RM135.17 million or 54.1% compared to RM249.71 million in the corresponding financial quarter. This substantial growth was primarily driven by revenue growth in the sale of ICT products segment, particularly through the commercial channel and online store channels.

Nevertheless, the Group's profit before tax for the current financial quarter ended 31 October 2025 decreased to RM8.36 million, a decrease of RM1.96 million or 19.0% from RM10.32 million in the corresponding financial quarter. This was primarily due to higher selling and distribution expenses, mainly attributable to increases in staff costs and commissions paid to third-party online marketplaces. In addition, the said decrease was also due to higher general and administrative expenses, mainly attributable to the increases in rental of warehouse for storage purposes, as well as repair and maintenance expenses for buildings and office equipment. Such increases in expenses were partially offset by the reversal of impairment losses on financial assets of RM6.85 million.

B2. Comparison with the Immediate Preceding Quarter's Result

	Current Quarter 31.10.2025 RM'000	Immediate Preceding Quarter 31.07.2025 RM'000	Variance	
			RM'000	%
Revenue	384,884	1,748,840	(1,363,956)	(78.0)
Profit before tax	8,357	27,034	(18,677)	(69.1)
Profit after tax	10,094	20,560	(10,466)	(50.9)



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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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)

For the current financial quarter ended 31 October 2025, the Group reported revenue of RM384.88 million, a decrease of RM1,363.96 million or 78.0% from RM1,748.84 million in the immediate preceding financial quarter. This was primarily due to the Group securing more orders through the commercial channel in the preceding quarter. The said decrease was partially offset by an increase in revenue from the online sales channel, driven by higher consumer demands.

The Group's profit before tax declined to RM8.36 million for the current financial quarter, reflecting a decrease of RM18.67 million or 69.1%, from RM27.03 million in the immediate preceding financial quarter. The decrease was primarily attributable to lower revenue recorded in the current financial quarter as the Group secured more orders through the commercial channel in the immediate preceding quarter, and higher selling and distribution expenses in the current financial quarter, driven by increases in staff costs and commissions paid to third-party online marketplaces, as well as share-based payment expenses pursuant to the employees' share options granted in the prior years. The increases were partially offset by the reversal of impairment losses on financial assets amounting to RM6.85 million during the current financial quarter.

Correspondingly, the Group's profit after tax for the current financial quarter ended 31 October 2025 decreased by RM10.47 million or 50.9%, from RM20.56 million to RM10.09 million, in comparison with the immediate preceding financial quarter.

B3. Group's Prospects

The ICT products and services industry is expected to maintain robust growth, driven by the increasing integration of ICT into daily life by both individuals and businesses for routine and operational activities. Key contributing factors include the regular device replacement cycle, continuous technology advancements, government-led digital transformation, and the incorporation of ICT to promote digital education in schools.

In response to the positive outlook, in the past 1 year and up to present, the Group has further expanded its physical presence across Malaysia, by opening several new multi-brand and brand specific stores in Penang and Selangor to support broader customer base.

As businesses increasingly seek greater flexibility and control over the deployment of ICT products and services to better align with operational requirements, the shift away from large upfront capital investments is gaining momentum. In this context, the demand for Device-as-a-Service ("DaaS") subscriptions is expected to grow steadily over the long term. The Group remains focused on expanding its DaaS offerings to support both existing and prospective subscription agreements.



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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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

B3. Group's Prospects (Cont'd)

Looking ahead, the Group is firmly committed to innovation, with a strategic emphasis on adopting emerging technologies that align with its mission and values. The Group recognises the transformative potential of Artificial Intelligence (“AI”) and anticipates that AI will play a pivotal role in its future success. As the technology landscape continues to evolve, the Group is prepared to adopt and thrive amid dynamic and diverse market demands.

The Group offers AI-driven solutions aimed at enhancing operational efficiency and delivering personalised customer experiences. Through the integration of advanced AI technologies, the Group provides customised solutions that streamline workflows, optimise decision-making processes, and foster innovation. These solutions are designed to be both accessible and scalable, enabling organisations of all sizes to effectively navigate the digital landscape while supporting long-term, sustainable growth.

By making AI more accessible, comprehensible, and impactful, the Group actively promotes the broader adoption of AI technologies. This contributes to the development of a resilient, adaptable, and sustainable digital ecosystem, benefiting businesses across various sectors.

In line with its commitment to strengthen AI capabilities and support Malaysia’s national AI transformation agenda, the Group has launched the SNS AI Factory—Malaysia’s first locally hosted, fully-managed AI cloud infrastructure. Powered by 64 NVIDIA Hopper graphics processing units (“GPUs”) across eight Dell PowerEdge XE9680 servers, and supported by NVIDIA Quantum-2 InfiniBand networking and NVIDIA AI Enterprise software, the SNS AI Factory is strategically located at Telekom Malaysia’s KVDC facility in Cyberjaya.

The SNS AI Factory delivers GPU-as-a-Service (“GPUaaS”), providing enterprises, government agencies, and academic institutions with secure, high-performance, and scalable AI computing resources. The facility is purpose-built to accelerate AI adoption across industries by offering flexible subscription models, AI readiness assessments, and proof-of-concept (“POC”) initiatives. Importantly, half of the AI Factory’s computing capacity is allocated to commercial workloads, while the remaining half is dedicated to advancing Malaysia’s AI ecosystem through structured training programs, bootcamps, and industry-led hackathons.

This strategic initiative not only expands access to cutting-edge AI infrastructure locally but also positions the Group at the forefront of AI innovation in Malaysia. It aligns with national objectives to drive technological progress, develop local talent, and promote responsible and ethical AI development.

Looking ahead, the Group remains optimistic about the outlook of the ICT industry, underpinned by the rapid advancement of AI technologies. This ongoing evolution is expected to fuel increased demand for ICT products and services, strengthen the Group’s existing customer base, and support market share expansion by attracting new clientele.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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

B4. Variance of Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense is as follows:

	Current Quarter 31.10.2025 RM'000	Current Period-to-date 31.10.2025 RM'000
Current taxation	2,061	11,731
Over provision of tax expenses in prior year	(3,798)	(3,798)
	(1,737)	7,933

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 16.25% for the current period-to-date was lower than the statutory tax rate due to overprovision of tax expenses in the prior financial year.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 31.10.2025 RM'000	Corresponding Quarter 31.10.2024 RM'000	Current Period-to-date 31.10.2025 RM'000	Corresponding Period-to-date 31.10.2024 RM'000
Income from operators arising from				
right-of-use assets	1,386	1,349	4,070	4,387
Rental income	60	76	143	143
Interest income from:				
Finance lease receivables	1,246	791	3,279	2,150
Long term trade receivable	40	40	97	128
Cash and bank balances	62	31	383	79
Refundable performance bond	-	-	-	308
Realised loss/(gain) on foreign exchange	3	23	60	(1)
Unrealised loss on foreign exchange	(1,912)	(263)	(1,376)	(209)
Write down in values of inventories				
to net realisable values	(276)	(450)	(1,096)	(665)
Auditor's remuneration	(60)	(57)	(181)	(184)
(Loss allowances)/reversal of loss allowances				
recognised in profit or loss	6,687	644	(16,051)	794
Bad debts written off	-	-	(86)	-
Depreciation of:				
Property, plant and equipment	749	647	2,144	1,740
Right-of-use assets	3,156	3,004	9,245	9,088

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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	Revised timeframe for unutilisation
Capital expenditure					
- Expansion of DaaS subscription-based service	30,900	(23,765)	7,135	36 months	72 months
- Set-up new retail stores	2,500	(1,250)	1,250	36 months	72 months
Construction of Regional Hub	18,000	(1,220)	16,780	36 months	72 months
Marketing activities for JOI®	1,500	(451)	1,049	36 months	72 months
Repayment of bank borrowings	20,000	(20,000)	-	12 months	N/A
General working capital	13,119	(13,119)	-	24 months	N/A
Estimated listing expenses	4,700	(4,700)	-	Immediately	N/A
	<u>90,719</u>	<u>(64,505)</u>	<u>26,214⁽²⁾</u>		

Notes:

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

⁽²⁾ 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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SNS NETWORK TECHNOLOGY BERHAD
(Registration No. 201601002835 (1173761-W))
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 31 October 2025 and 31 January 2025 are as follows:

	As at 31.10.2025 RM'000 Unaudited	As at 31.01.2025 RM'000 Audited
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah term financing	16,171	5,497
Term loans	-	19
Hire purchase payables	567	464
	16,738	5,980
<u>Unsecured</u>		
Lease liabilities	4,894	5,107
Other financing	42,237	13,404
	63,869	24,491
<u>Current</u>		
<u>Secured</u>		
Bankers' acceptances	70,234	53,326
Commodity Murabahah term financing	3,381	714
Term loans	64	206
Hire purchase payables	282	326
	73,961	54,572
<u>Unsecured</u>		
Lease liabilities	8,270	10,324
Other financing	17,212	4,741
	99,443	69,637
Total borrowings	163,312	94,128

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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

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

On 26 September 2025, the Board of Directors approved a second interim single-tier dividend of 0.25 sen per ordinary share amounting to RM4,189,395 in respect of the financial year ending 31 January 2026, payable on 26 November 2025.

On 10 December 2025, the Board of Directors approved a third interim single-tier dividend of 0.25 sen per ordinary share amounting to RM4,189,395 in respect of the financial year ending 31 January 2026, payable on 13 February 2026.

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 31.10.2025	Corresponding Quarter 31.10.2024	Current Period-to-date 31.10.2025	Corresponding Period-to-date 31.10.2024
Profit net of tax attributable to the equity holders of the Company (RM'000)	10,094	10,196	40,897	20,283
Weighted average number of ordinary shares in issue (basic) ('000)	1,675,758	1,614,339	1,675,758	1,614,339
Basic EPS ⁽¹⁾ (sen)	0.60	0.63	2.44	1.26

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 31 OCTOBER 2025

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 31.10.2025	Corresponding Quarter 31.10.2024	Current Period-to-date 31.10.2025	Corresponding Period-to-date 31.10.2024
Profit net of tax attributable to the equity holders of the Company (RM'000)	10,094	10,196	40,897	20,283
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)	52,764	84,501	156,571	63,434
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,728,522	1,697,281	1,832,329	1,676,214
Diluted EPS ⁽²⁾ (sen)	0.58	0.60	2.23	1.21

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 10 December 2025.