



SNS NETWORK TECHNOLOGY BERHAD

Registration No: 201601002835 (1173761-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 APRIL 2023



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2023 Unaudited RM'000	Corresponding Quarter 30.04.2022 Unaudited RM'000	Current Period-to-date 30.04.2023 Unaudited RM'000	Corresponding Period-to-date 30.04.2022 Unaudited RM'000
Revenue	289,839	248,159	289,839	248,159
Cost of sales	(268,491)	(228,924)	(268,491)	(228,924)
Gross profit	21,348	19,235	21,348	19,235
Other operating income	2,087	2,079	2,087	2,079
Other gains and losses	475	5	475	5
Investment revenue	22	10	22	10
Impairment losses on financial assets - net	(103)	-	(103)	-
Selling and distribution expenses	(7,462)	(7,935)	(7,462)	(7,935)
General and administrative expenses	(4,630)	(4,147)	(4,630)	(4,147)
Profit from operations	11,737	9,247	11,737	9,247
Finance costs	(1,417)	(1,022)	(1,417)	(1,022)
Profit before tax	10,320	8,225	10,320	8,225
Tax expenses	(2,434)	(2,035)	(2,434)	(2,035)
Profit and total comprehensive income for the financial period attributable to equity holders of the Group	7,886	6,190	7,886	6,190
Earning per share attributable to equity holders of the Group:				
Basic ⁽²⁾ (sen)	0.49	0.50	0.49	0.50
Diluted ⁽³⁾ (sen)	0.49	0.50	0.49	0.50



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 2023 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 current financial quarter and financial period-to-date ended 30 April 2023 under review.*
- (3) *The diluted EPS of the Group for the current financial quarter and financial period-to-date ended 30 April 2023 is equivalent to the basic EPS as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basic EPS at the end of the reporting period.*

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	As at 30.04.2023 RM'000 Unaudited	As at 31.01.2023 RM'000 Audited
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	53,866	52,726
Right-of-use assets	15,233	16,032
Total non-current assets	69,099	68,758
Current assets		
Inventories	141,310	107,837
Trade and other receivables	237,968	120,788
Finance lease receivables	152	349
Other assets	5,247	5,168
Current tax assets	1,827	1,480
Fixed deposits, cash and bank balances	57,820	91,993
Total current assets	444,324	327,615
TOTAL ASSETS	513,423	396,373
<u>EQUITY AND LIABILITIES</u>		
Capital and reserves		
Share capital	151,420	151,420
Capital reserve	(55,329)	(55,329)
Retained earnings	128,766	124,912
TOTAL EQUITY	224,857	221,003
Non-current liabilities		
Borrowings	7,017	7,601
Lease liabilities	5,356	5,889
Deferred tax liabilities	1,485	1,485
Total non-current liabilities	13,858	14,975



SNS NETWORK TECHNOLOGY BERHAD
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 (Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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

	30.04.2023	31.01.2023
	RM'000	RM'000
	Unaudited	Audited
Current liabilities		
Trade and other payables	187,424	111,957
Other liabilities	3,217	4,367
Contract liabilities	78	238
Dividends payable	4,032	-
Borrowings	65,620	27,692
Lease liabilities	10,121	10,376
Current tax liabilities	4,216	5,765
Total current liabilities	274,708	160,395
TOTAL LIABILITIES	288,566	175,370
TOTAL EQUITY AND LIABILITIES	513,423	396,373
Net assets per ordinary share attributable to Equity holders of SNS Group (RM)⁽²⁾	0.14	0.14

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 financial year ended FYE 31 January 2023 and the accompanying explanatory notes attached to this condensed interim financial report.*

⁽²⁾ *Net assets per ordinary share is calculated based on the Company's number of ordinary shares of 1,612,779,660 ordinary shares at the end of financial period/year.*



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	← Attributable to Equity Holders of SNS Group →				
	Share capital RM'000	Invested capital RM'000	Non-distributable Capital reserve RM'000	Distributable Reserve - Retained earnings RM'000	Total Equity RM'000
Balance at 1 February 2023	151,420	-	(55,329)	124,912	221,003
Profit for the financial period	-	-	-	7,886	7,886
Dividends	-	-	-	(4,032)	(4,032)
Balance at 30 April 2023	151,420	-	(55,329)	128,766	224,857
Balance at 1 February 2022	*	7,791	-	85,228	93,019
Profit for the financial period	-	-	-	6,190	6,190
Balance at 30 April 2022	-	7,791	-	91,418	99,209

Notes:

⁽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 2023 and the accompanying explanatory notes attached to this condensed interim financial report.*

* *Represents RM2.00 only.*

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	CUMULATIVE QUARTER	
	Current	Corresponding
	Period-to-date	Period-to-date
	30.04.2023	30.04.2022
	RM'000	RM'000
Cash flows (used in)/from operating activities		
Profit before taxation	10,320	8,225
Adjustments for:		
Depreciation of right-of-use assets	2,993	2,793
Finance costs	1,417	1,022
Write down of inventories to net realisable values	145	59
Depreciation of property, plant and equipment	589	455
Loss allowances recognised in profit or loss	103	5
Increase in provision for customer loyalty programme	58	59
Decrease in provision for warranties	(156)	(186)
Negative variable lease payments	(9)	(1)
Income from finance lease receivables	(5)	(16)
Investment revenue	(22)	(10)
Interest income from cash and bank balances	(15)	(5)
Gains arising from lease terminations	(10)	-
Unrealised gain on foreign exchange	(65)	-
Increase in provision for voucher programme	130	6
Expiry of voucher programme	(124)	-
Expiry of customer loyalty programme	(59)	(46)
Increase in fair value of income fund	(352)	-
	14,938	12,360
Operating profit before working capital changes		
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(33,618)	(8,708)
Trade and other receivables	(117,283)	(19,386)
Other assets	(79)	(827)
Finance lease receivables	202	202
(Decrease)/Increase in:		
Trade and other payables	75,467	20,658
Other liabilities	(1,150)	(834)
Contract liabilities	(9)	(7)
Cash (used in)/from operating activities	(61,532)	3,458

SNS NETWORK TECHNOLOGY BERHAD
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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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

	CUMULATIVE QUARTER	
	Current Period-to-date 30.04.2023 RM'000	Corresponding Period-to-date 30.04.2022 RM'000
Interests received	15	5
Income tax paid	(4,330)	(2,822)
Net cash (used in)/from operating activities	(65,847)	641
Cash flows used in investing activities		
Interest received on fixed deposits	22	10
Income distribution from income fund	352	-
Purchase of property, plant and equipment	(1,729)	(174)
Placement of fixed deposits	(569)	(196)
Net cash used in investing activities	(1,924)	(360)
Cash flows from financing activities		
Proceeds from bankers' acceptances - net	38,088	11,630
Repayment of lease liabilities	(2,963)	(2,805)
Repayment of term loans and financing	(463)	(473)
Finance costs paid	(1,417)	(1,022)
Repayment of hire-purchase payables	(281)	(256)
Repayment made to directors	-	(34)
Dividend paid	-	(6,000)
Net cash from financing activities	32,964	1,040
Net (decrease)/increase in cash and cash equivalents	(34,807)	1,321
Cash and cash equivalents at the beginning of the financial period	88,602	27,133
Effect of exchange rate changes on the balance of cash held in foreign currencies	65	-
Cash and cash equivalents at the end of the financial period	53,860	28,454



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 financial year ended FYE 31 January 2023 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 30.04.2023 RM'000	Corresponding Period-to-date 30.04.2022 RM'000
CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	3,960	2,892
Income fund with a licensed financial institution (redeemable upon 1 day notice)	30,463	-
Cash and bank balances	23,397	28,454
	<hr/>	<hr/>
	57,820	31,346
Less:		
Fixed deposits pledged to licensed banks	(3,960)	(2,892)
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	53,860	28,454
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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 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 2023.

A2. Significant accounting policies

The accounting policies adopted in the preparation of this condensed consolidated interim financial statements are consistent with those adopted as disclosed in the audited financial statements of the Group for the FYE 31 January 2023, except for the adoption of the following Amendments to MFRS.

Adoption of amendments to MFRSs

The adoption of the following amendments to MFRSs that are mandatory effective for an accounting period that begins on or after 1 February 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 4	Extension of the Temporary Exemption from applying MFRS 9
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the abovementioned amendments to MFRSs have not had any material impact on the disclosures or on the amounts reported in the condensed consolidated interim financial statements.



SNS NETWORK TECHNOLOGY BERHAD
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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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)

A2. Significant accounting policies (Cont'd)

Standards issued but not yet effective

At the date of authorisation for issue of this condensed consolidated interim financial statements, the new and amendments to MFRSs, which were in issue but not yet effective and have not been early adopted by the Group are as follow:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽¹⁾
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ⁽²⁾
Amendments to MFRS 101	Non-current Liabilities with Covenants ⁽²⁾

Notes:

⁽¹⁾ *Effective date deferred to a date to be announced by MASB.*

⁽²⁾ *Effective for annual financial periods beginning on or after January 1, 2024, with earlier application permitted.*

A3. Audited Report of Preceding Annual Financial Statements

The audited consolidated financial statements for the FYE 31 January 2023 was not subject to any qualification.

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.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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)

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.

A9. Segmental Reporting

a) Revenue by Business Activities:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2023 RM'000	Corresponding Quarter 30.04.2022 RM'000	Current Period-to-date 30.04.2023 RM'000	Corresponding Period-to-date 30.04.2022 RM'000
Sale of ICT products	285,245	244,151	285,245	244,151
Provision of device repair and related services, as well as sale of broadband services	4,594	4,008	4,594	4,008
	289,839	248,159	289,839	248,159



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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 (Cont'd)

b) Revenue by Geographical Market:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2023 RM'000	Corresponding Quarter 30.04.2022 RM'000	Current Period-to-date 30.04.2023 RM'000	Corresponding Period-to-date 30.04.2022 RM'000
Malaysia	286,502	229,943	286,502	229,943
Overseas				
- Hong Kong	-	15,233	-	15,233
- Others ⁽¹⁾	3,337	2,983	3,337	2,983
	289,839	248,159	289,839	248,159

Note:

⁽¹⁾ Comprises Australia, Brunei, Indonesia, Maldives and Vietnam.

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.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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)

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 30.04.2023 RM'000	Current Period-to-date 30.04.2023 RM'000
Rental of offices paid to a director	26	26

A14. Capital Commitments

Other than as disclosed below, there are no other material capital commitments as at the end of the current financial quarter under review.

	As at 30.04.2023 RM'000 Unaudited	As at 31.01.2023 RM'000 Audited
Purchase of property, plant and equipment	<u>164</u>	<u>164</u>

A15. Valuation of Property, Plant and Equipment

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



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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	Corresponding Quarter	Variance		Current Period-to-date	Corresponding Period-to-date
	30.04.2023	30.04.2022	RM'000	%	30.04.2023	30.04.2022
	RM'000	RM'000	RM'000	%	RM'000	RM'000
Revenue	289,839	248,159	41,680	16.8%	289,839	248,159
Profit before tax	10,320	8,225	2,095	25.5%	10,320	8,225

The Group's revenue for the current financial quarter ended 30 April 2023 increased by RM41.68 million or 16.8%, from RM248.16 million to RM289.84 million as compared with the corresponding financial quarter. The said increase was mainly due to increase in revenue from the sale of ICT products as the Group secured more orders from the commercial channel.

Profit before tax of the Group for the current financial quarter ended 30 April 2023 increased by RM2.09 million or 25.5%, from RM8.23 million to RM10.32 million, compared with the corresponding financial quarter. The increase was mainly due to higher revenue recorded for the current financial quarter as explained above, with the corresponding increase in gross profit.

B2. Comparison with the Immediate Preceding Quarter's Result

	Current Quarter	Immediate Preceding Quarter	Variance	
	30.04.2023	31.01.2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	289,839	509,859	(220,020)	(43.2)
Profit before tax	10,320	22,094	(11,774)	(53.3)
Profit after tax	7,886	16,772	(8,886)	(53.0)

The Group's revenue for the current financial quarter ended 30 April 2023 decreased by RM220.02 million or 43.2% from RM509.86 million to RM289.84 million as compared with the immediate preceding financial quarter. The decrease was mainly due to the Group having delivered the last batch of sales for a project under our commercial channel during the immediate preceding quarter.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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)

Profit before tax of the Group for the current financial quarter ended 30 April 2023 decreased by RM11.77 million or 53.3%, from RM22.09 million to RM10.32 million, compared with the immediate preceding financial quarter. The decrease was mainly due to lower revenue recorded for the current financial quarter as explained above, with the corresponding decrease in gross profit. Meanwhile, profit after tax of the Group for the current financial quarter ended 30 April 2023 decreased by RM8.88 million or 53.0%, from RM16.77 million to RM7.89 million, compared with 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 general 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.

As businesses demand for more flexibility and control over the usage of ICT products and services according to their business and operational needs, while 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 has put in focus to support the expansion of the DaaS subscription-based service for the Group's existing and future DaaS subscription agreements.

The Group remains positive with the ICT industry as a result of continuous growth in demand for ICT products and strengthening of our existing customer base while expanding the Group's market share with new customers.

B4. Variance of Profit Forecast

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



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 30.04.2023 RM'000	Current Period-to-date 30.04.2023 RM'000
Current taxation	<u>2,434</u>	<u>2,434</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 for current period-to-date was marginally lower than the statutory tax rate mainly due to there were certain subsidiaries making loss during the current period-to-date.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 30.04.2023 RM'000	Corresponding Quarter 30.04.2022 RM'000	Current Period-to-date 30.04.2023 RM'000	Corresponding Period-to-date 30.04.2022 RM'000
Income from operators arising from right-of-use assets	1,835	1,904	1,835	1,904
Rental income	59	61	59	61
Interest income from finance lease receivables	5	16	5	16
Interest income from cash and bank balances	15	5	15	5
Realised gain on foreign exchange	2	4	2	4
Unrealised loss on foreign exchange	65	-	65	-
Write down of inventories to net realisable values	(145)	(59)	(145)	(59)
Auditor's remuneration	(64)	(48)	(64)	(48)
Loss allowances recognised in profit and loss	(103)	(5)	(103)	(5)
Net (increase)/decrease in provisions:				
Warranties	156	186	156	186
Voucher programme	(130)	(6)	(130)	(6)
Customer loyalty programme	(58)	(59)	(58)	(59)
Expiry of:				
Voucher programme	124	-	124	-
Customer loyalty programme	59	46	59	46



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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	(23,122)	7,778	36 months
- Set-up new retail stores	2,500	-	2,500	36 months
Construction of Regional Hub	18,000	(186)	17,814	36 months
Marketing activities for JOI [®]	1,500	-	1,500	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
	90,719	(61,127)	29,592	

Note:

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 2023 and 31 January 2023 are as follows:

	As at 30.04.2023 RM'000 Unaudited	As at 31.01.2023 RM'000 Audited
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah term financing	5,853	6,283
Term loans	382	434
Hire purchase payables	782	884
	7,017	7,601
<u>Unsecured</u>		
Lease liabilities	5,356	5,889
	12,373	13,490
<u>Current</u>		
<u>Secured</u>		
Bankers' acceptances	63,215	25,127
Commodity Murabahah term financing	1,694	1,677
Term loans	203	201
Hire purchase payables	508	687
	65,620	27,692
<u>Unsecured</u>		
Lease liabilities	10,121	10,376
	75,741	38,068
Total loans and borrowings	88,114	51,558

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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 and for the financial period-to-date.

On 27 March 2023, the Board of Directors has approved a second interim single-tier dividend of 0.25 Sen per ordinary share amounting to RM4,031,949 in respect of financial year ended 31 January 2023, which were subsequently paid on 26 May 2023.

On 27 June 2023, the Board of Directors approved a first interim single-tier dividend of 0.25 Sen per ordinary share amounting to RM4,031,949 in respect of financial year ending 31 January 2024 declared payable on 28 August 2023.

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	Corresponding Quarter	Current Period-to-date	Corresponding Period-to-date
	30.04.2023	30.04.2022	30.04.2023	30.04.2022
Profit net of tax attributable to the equity holders of the Company (RM'000)	7,886	6,190	7,886	6,190
Weighted average number of ordinary shares in issue (basic) ('000)	1,612,780	1,249,904	1,612,780	1,249,904
Basic EPS ⁽¹⁾ (sen)	0.49	0.50	0.49	0.50
Diluted EPS ⁽²⁾ (sen)	0.49	0.50	0.49	0.50

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 current financial quarter and financial period-to-date ended 30 April 2023 under review.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2023

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

B11. EPS (Cont'd)

⁽²⁾ *The diluted EPS of the Group for the current financial quarter and financial period-to-date ended 30 April 2023 is equivalent to the basic EPS as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basic EPS at the end of the reporting period.*

B12. Status of Corporate Proposals

Saved as disclosed below, there were no corporate proposals announced but not implemented as at the date of this interim financial report.

On 17 May 2023, M & A Securities Sdn Bhd, on behalf of the Board had announced the proposed establishment of an employees' share option scheme ("**ESOS**") involving up to 15.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries, if any) ("**Proposed ESOS**").

The Proposed ESOS had been approved by Bursa Securities on 30 May 2023 and are subject to the approval from shareholders of the Company at the extraordinary general meeting to be held on 7 July 2023 and other relevant authorities, if any.

B13 Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 27 June 2023.

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