



SNS NETWORK TECHNOLOGY BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 APRIL 2024



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2024

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2024 Unaudited RM'000	Corresponding Quarter 30.04.2023 Unaudited RM'000	Current Period-to-date 30.04.2024 Unaudited RM'000	Corresponding Period-to-date 30.04.2023 Unaudited RM'000
Revenue	213,585	289,839	213,585	289,839
Cost of sales	(193,710)	(268,491)	(193,710)	(268,491)
Gross profit	19,875	21,348	19,875	21,348
Other operating income	2,542	2,087	2,542	2,087
Other gains and losses	395	475	395	475
Investment revenue	172	22	172	22
Impairment gains/(losses) on financial assets - net	262	(103)	262	(103)
Selling and distribution expenses	(11,256)	(7,462)	(11,256)	(7,462)
General and administrative expenses	(5,755)	(4,630)	(5,755)	(4,630)
Profit from operations	6,235	11,737	6,235	11,737
Finance costs	(1,128)	(1,417)	(1,128)	(1,417)
Profit before tax	5,107	10,320	5,107	10,320
Tax expenses	(1,365)	(2,434)	(1,365)	(2,434)
Profit and total comprehensive income for the financial year attributable to equity holders of the Group	3,742	7,886	3,742	7,886
Earning per share attributable to equity holders of the Group:				
Basic ⁽²⁾ (sen)	0.23	0.49	0.23	0.49
Diluted ⁽³⁾ (sen)	0.23	0.49	0.23	0.49



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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 2024 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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	As at 30.04.2024 RM'000 Unaudited	As at 31.01.2024 RM'000 Audited
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	52,837	52,550
Right-of-use assets	6,854	8,140
Finance lease receivables	22,614	23,155
Trade receivables	4,498	4,610
Total non-current assets	86,803	88,455
Current assets		
Inventories	111,526	96,501
Trade and other receivables	233,584	217,013
Finance lease receivables	5,317	5,484
Other assets	5,394	5,441
Current tax assets	2,728	2,424
Fixed deposits, cash and bank balances	80,487	121,475
Total current assets	439,036	448,338
TOTAL ASSETS	525,839	536,793
<u>EQUITY AND LIABILITIES</u>		
Capital and reserves		
Share capital	151,420	151,420
Capital reserve	(55,329)	(55,329)
Share-based payment reserve	2,829	2,783
Retained earnings	144,489	144,779
TOTAL EQUITY	243,409	243,653
Non-current liabilities		
Borrowings	6,972	7,296
Lease liabilities	16,722	17,972
Deferred tax liabilities	895	895
Total non-current liabilities	24,589	26,163



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

	As at 30.04.2024 RM'000 Unaudited	As at 31.01.2024 RM'000 Audited
Current liabilities		
Trade and other payables	201,512	220,726
Other liabilities	3,467	5,866
Contract liabilities	104	96
Dividends payable	4,032	-
Borrowings	34,736	25,081
Lease liabilities	9,576	10,627
Current tax liabilities	4,414	4,581
Total current liabilities	257,841	266,977
TOTAL LIABILITIES	282,430	293,140
TOTAL EQUITY AND LIABILITIES	525,839	536,793
Net assets per ordinary share attributable to Equity holders of SNS Group (RM)⁽²⁾	0.15	0.15

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 2024 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.*



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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 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
Balance as of 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 as of 30 April 2023	151,420	(55,329)	-	128,766	224,857

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 2024 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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date 30.04.2024 RM'000	Corresponding Period-to-date 30.04.2023 RM'000
Cash flows from operating activities		
Profit before taxation	5,107	10,320
Adjustments for:		
Depreciation of right-of-use assets	3,129	2,993
Finance costs	1,128	1,417
Write down in values of inventories to net realisable values	334	145
Depreciation of property, plant and equipment	521	589
(Reversal of loss allowances)/loss allowances recognised in profit or loss	(262)	103
Increase in provision for customer loyalty programme	39	58
Increase/(decrease) in provision for warranties	9	(156)
Negative variable lease payments	-	(9)
Interest income from finance lease receivables	(694)	(5)
Interest income from long term trade receivable	(45)	-
Investment revenue	(172)	(22)
Interest income from cash and bank balances	(26)	(15)
Interest income from refundable performance bond	(200)	-
Gains arising from lease terminations	-	(10)
Unrealised gain on foreign exchange	(124)	(65)
Increase in provision for voucher programme	-	130
Expiry of voucher programme	-	(124)
Expiry of customer loyalty programme	(37)	(59)
Fair value gains arising from financial assets designated as at fair value through profit or loss ("FVTPL")	(274)	(352)
Shared-based payment expenses	46	-
Operating profit before working capital changes	8,479	14,938
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(15,359)	(33,618)
Trade and other receivables	(16,152)	(117,283)
Other assets	47	(79)
Finance lease receivables	1,402	202

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

	CUMULATIVE QUARTER	
	Current Period-to-date 30.04.2024 RM'000	Corresponding Period-to-date 30.04.2023 RM'000
(Decrease)/Increase in:		
Trade and other payables	(19,214)	75,467
Other liabilities	(2,399)	(1,150)
Contract liabilities	(3)	(9)
Cash used in operating activities	(43,199)	(61,532)
Interests received	226	15
Income tax paid	(1,836)	(4,330)
Net cash used in operating activities	(44,809)	(65,847)
Cash flows used in investing activities		
Interest received on fixed deposits	172	22
Income distribution from short-term income funds	274	352
Purchase of property, plant and equipment	(807)	(1,729)
Placement of fixed deposits	(38)	(569)
Net cash used in investing activities	(399)	(1,924)
Cash flows from financing activities		
Proceeds from bankers' acceptances - net	9,662	38,088
Repayment of lease liabilities	(4,144)	(2,963)
Repayment of term loans and financing	(220)	(463)
Finance costs paid	(1,128)	(1,417)
Repayment of hire-purchase payables	(111)	(281)
Net cash from financing activities	4,059	32,964
Net decrease in cash and cash equivalents	(41,149)	(34,807)
Cash and cash equivalents at the beginning of the financial period	118,768	88,602
Effect of exchange rate changes on the balance of cash held in foreign currencies	124	65
Cash and cash equivalents at the end of the financial period	77,743	53,860



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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 2024 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 30.04.2024 RM'000	Corresponding Period-to-date 30.04.2023 RM'000
CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	14,326	3,960
Income fund with a licensed financial institution (redeemable upon 1 day notice)	30,614	30,463
Cash and bank balances	35,547	23,397
	<hr/>	<hr/>
	80,487	57,820
Less:		
Fixed deposits pledged to licensed banks	(2,744)	(3,960)
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	77,743	53,860
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2024

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 2024.

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 2024, 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 2024:

Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements
Amendments to MFRS 16	Lease Liability in as Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies
Amendments to MFRS 101	Non-current Liabilities with Covenants

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.



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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)

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 121	Lack of Exchangeability ⁽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, 2025, with earlier application permitted.*

A3. Audited Report of Preceding Annual Financial Statements

The audited consolidated financial statements for the FYE 31 January 2024 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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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 30.04.2024 RM'000	Corresponding Quarter 30.04.2023 RM'000	Current Period-to-date 30.04.2024 RM'000	Corresponding Period-to-date 30.04.2023 RM'000
Sale of ICT products	211,424	285,245	211,424	285,245
Provision of device repair and related services, as well as sale of broadband services	2,161	4,594	2,161	4,594
	213,585	289,839	213,585	289,839



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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 (Cont'd)

b) Revenue by Geographical Market:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2024 RM'000	Corresponding Quarter 30.04.2023 RM'000	Current Period-to-date 30.04.2024 RM'000	Corresponding Period-to-date 30.04.2023 RM'000
Malaysia	204,878	286,502	204,878	286,502
Overseas				
- Singapore	5,376	-	5,376	-
- Others ⁽¹⁾	3,331	3,337	3,331	3,337
	<u>213,585</u>	<u>289,839</u>	<u>213,585</u>	<u>289,839</u>

Note:

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

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.



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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)

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 30.04.2024 RM'000	Current Period-to-date 30.04.2024 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	Corresponding Quarter	Variance		Current Period-to-date	Corresponding Period-to-date
	30.04.2024	30.04.2023	RM'000	%	30.04.2024	30.04.2023
	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue	213,585	289,839	(76,254)	-26.3%	213,585	289,839
Profit before tax	5,107	10,320	(5,213)	-50.5%	5,107	10,320

The Group's revenue for the current financial quarter ended 30 April 2024 decreased by RM76.25 million or 26.3%, from RM289.84 million to RM213.59 million as compared with the corresponding financial quarter. The revenue for the corresponding financial quarter was higher as compared to the current financial quarter was mainly attributable to the Group securing major orders to supply mainly laptops for the education industry through commercial channel.

Profit before tax of the Group for the current financial quarter ended 30 April 2024 decreased by RM5.21 million or 50.5%, from RM10.32 million to RM5.11 million as compared with the corresponding financial quarter. The lower profit before tax for the current financial quarter was mainly due to lower revenue recorded, and the increase in selling and distribution expenses mainly attributable to the increase in salaries and commissions to the third-party online marketplaces.

B2. Comparison with the Immediate Preceding Quarter's Result

	Current Quarter	Immediate Preceding Quarter	Variance	
	30.04.2024	31.01.2024	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	213,585	390,111	(176,526)	(45.3)
Profit before tax	5,107	18,352	(13,245)	(72.2)
Profit after tax	3,742	13,035	(9,293)	(71.3)



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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 2024 decreased by RM176.52 million or 45.2% from RM390.11 million to RM213.59 million as compared with the immediate preceding financial quarter. The higher revenue for the immediate preceding quarter was mainly attributable to the Group securing a major sale order to supply and deploy mainly laptops to education industry through the commercial channel. The sales secured through our commercial channel are subject to our customers' annual budget cycles, hence proportionately more invoices are billed/issued in the fourth quarter of the calendar year. Therefore, the Group generally has higher billings in the third or fourth quarter of the financial year.

Correspondingly, profit before tax of the Group for the current financial quarter ended 30 April 2024 decreased by RM13.24 million or 72.2%, from RM18.35 million to RM5.11 million as compared with the immediate preceding financial quarter and profit after tax of the Group for the current financial quarter ended 30 April 2024 decreased by RM9.30 million or 71.3%, from RM13.04 million to RM3.74 million as 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 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 at date, a new multi-brand concept store located in Penang had been launched.

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 has put in focus to support the expansion of the DaaS subscription-based service for the Group's existing and future DaaS subscription agreements.

Looking into the future, the Group's commitment to innovation remains steadfast, with a focus on embracing 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 solutions designed to transform businesses by enhancing operational efficiency and delivering personalised customer experiences. By integrating cutting-edge AI technologies, the Group provides tailored solutions that streamline processes, improve decision-making, and drive innovation, ensuring businesses can harness AI's full potential. Committed to accessibility and understanding, the Group empowers companies of all sizes to thrive in the digital landscape, promoting sustainable growth and a positive impact on stakeholders.

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 in an ever-evolving digital landscape.

As at the date of this interim financial report, the Group has secured a major sale order to supply artificial intelligence hardware amounting to RM85.52 million to a leading e-commerce platform and is expected to delivered in the third quarter of 2024.

The Group remains positive with the ICT industry complemented by the development in AI technologies resulting in the continuous growth in demand for ICT products and strengthening of our existing customer base while expanding the Group's market share in attracting new customers.

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 30.04.2024 RM'000	Current Period-to-date 30.04.2024 RM'000
Current taxation	1,365	1,365

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 27% for current period-to-date was higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes.



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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 30.04.2024 RM'000	Corresponding Quarter 34.04.2023 RM'000	Current Period-to-date 30.04.2024 RM'000	Corresponding Period-to-date 30.04.2023 RM'000
Income from operators arising from				
right-of-use assets	1,484	1,835	1,484	1,835
Rental income	41	59	41	59
Interest income from:				
Finance lease receivables	694	5	694	5
Long term trade receivable	45	-	45	-
Cash and bank balances	26	15	26	15
Refundable performance bond	200	-	200	-
Realised (loss)/gain on foreign exchange	(3)	2	(3)	2
Unrealised gain on foreign exchange	124	65	124	65
Write down in values of inventories to				
net realisable values	(334)	(145)	(334)	(145)
Auditor's remuneration	(73)	(64)	(73)	(64)
Reversal of loss allowance/(loss allowances)				
recognised in profit or loss	262	(103)	262	(103)
Net (increase)/decrease in provisions:				
Warranties	(9)	156	(9)	156
Voucher programme	-	(130)	-	(130)
Customer loyalty programme	(39)	(58)	(39)	(58)
Expiry of:				
Voucher programme	-	124	-	124
Customer loyalty programme	37	59	37	59

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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	-	2,500	36 months
Construction of Regional Hub	18,000	(193)	17,807	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
	90,719	(62,228)	28,491	

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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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 2024 and 31 January 2024 are as follows:

	As at 30.04.2024 RM'000 Unaudited	As at 31.01.2024 RM'000 Audited
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah term financing	6,031	6,207
Term loans	172	225
Hire purchase payables	769	864
	6,972	7,296
<u>Unsecured</u>		
Lease liabilities	16,722	17,972
	23,694	25,268
<u>Current</u>		
<u>Secured</u>		
Bankers' acceptances	33,425	23,763
Commodity Murabahah term financing	690	683
Term loans	210	208
Hire purchase payables	411	427
	34,736	25,081
<u>Unsecured</u>		
Lease liabilities	9,576	10,627
	44,312	35,708
Total loans and borrowings	68,006	60,976



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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 and for the financial period-to-date.

On 26 March 2024, the Board of Directors approved a third interim single-tier dividend of 0.25 sen per ordinary share amounting of RM4,031,949 in respect of financial year ended 31 January 2024, which were subsequently paid on 23 May 2024.

On 28 June 2024, 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 2025 declared payable on 28 August 2024.

B11. EPS

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

a) Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2024	Corresponding Quarter 30.04.2023	Current Period-to-date 30.04.2024	Corresponding Period-to-date 30.04.2023
Profit net of tax attributable to the equity holders of the Company (RM'000)	3,742	7,886	3,742	7,886
Weighted average number of ordinary shares in issue (basic) ('000)	1,612,780	1,612,780	1,612,780	1,612,780
Basic EPS ⁽¹⁾ (sen)	0.23	0.49	0.23	0.49



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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)

b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2024	Corresponding Quarter 30.04.2023	Current Period-to-date 30.04.2024	Corresponding Period-to-date 30.04.2023
Profit net of tax attributable to the equity holders of the Company (RM'000)	3,742	7,886	3,742	7,886
Weighted average number of ordinary shares in issue (basic) ('000)	1,612,780	1,612,780	1,612,780	1,612,780
Effect of dilutive potential ordinary share - ESOS ('000)	23,375	-	5,764	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,636,155	1,612,780	1,618,544	1,612,780
Diluted EPS ⁽²⁾ (sen)	0.23	0.49	0.23	0.49

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.



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

B12. Status of Corporate Proposals

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

On 28 February 2024, M & A Securities Sdn Bhd, on behalf of the Board, had announced that the Group proposed to undertake the proposed transfer of the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Securities (“**Proposed Transfer**”).

The application for the Proposed Transfer had been submitted to the Securities Commission Malaysia (“**SC**”) on 29 February 2024. SC had vide its letter dated 14 May 2024, approved the Group’s application for the Proposed Transfer. On 23 May 2024, the application for the Proposed Transfer had been submitted to Bursa Securities, which was subsequently approved on 31 May 2024. On 13 June 2024, the listing of the entire share capital of the Company had been transferred from the ACE Market to the Main Market of Bursa Securities, marking the completion of the Transfer.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 28 June 2024.