



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

2024 ANNUAL GENERAL MEETING
12 JULY 2024

LIVE AGM QUESTIONS AND RESPONSES

Shareholder 1

Question:

Good day. Any door gift for shareholder who has registered & participated in the virtual AGM?

Reply:

Management believed that the distribution of dividends would be a better reward tool to the shareholders as compared to gift gesture.

Shareholder 2

Question:

Who are your competitors in AI projects, and how do you differentiate yourself to gain a competitive edge against them?

Reply:

In ICT industry, there is no monopoly or exclusivity. We compete with other System Integrators and even brand owners.

We differentiate ourselves by strengths, understanding our customers' challenges and goals, delivering AI solutions that add significant value to them.

Shareholder 3

Question:

(1) Why move to main market?

(2) Does an increase in demand for AI servers imply a decrease in demand for regular servers?

Reply:

(1) The transfer to the main market is expected to enhance the Group's prestige and reputation and will accord the SNS Group with greater recognition and acceptance amongst investors, in particular, institutional investors.

In addition, the transfer to the main market will also promote the Group's corporate image leading to greater recognition and confidence to customers, suppliers, business partners, bankers, employees and shareholders.

(2) No. Different organisation have different objectives and needs, mixture of servers are needed to serve for different ICT purpose.

Shareholder 4

Question:

- (1) What are your prospects moving forward?
- (2) What will be the impacts to the company for increasingly pivots towards AI projects?

Reply:

- (1) We are optimistic about ICT industry and our existing business. Due to
 - I. Consumer sales will recover slowly due to those customers that purchased during pandemic times will refresh their devices in 2024 – 2026;
 - II. Digital adoption is part of the education transformation;
 - III. For commercials, similar refresh due to old devices purchased during pandemic will happen. In addition, e-invoicing, AI etc will further encourage technology adoption into business processes.
- (2) Increasingly pivoting towards AI projects will open new market opportunities, leading to increased market share and penetration. Additionally, this will create an opportunity to improve profit margins through enhanced service elements associated with AI initiatives.

Shareholder 5

Question:

Can you share the comparison value between AI contract and non-AI contract?

Reply:

AI contracts often involve more specialized technology and expertise, potentially leading to higher contract values compared to non-AI contracts.

Non-AI contracts typically involve more traditional services or products that may not require the same level of advanced technology or customization as AI projects.

The comparison of contract values between AI and non-AI contracts can vary widely depending on factors such as project complexity, technological requirements, and market demand for AI solutions.

Shareholder 6

Question:

May I know the reasons Deloitte is not seeking re-appointment as Auditor?

Reply:

Deloitte does not seek re-appointment as Auditors due to the scheduled closure of their Ipoh office on 30 June 2024. Therefore, they will retire at the conclusion of the 2024 AGM. You may refer to the announcement posted on 20 May 2024 for further details.

Shareholder 7

Question:

- (1) Any future business plan venture into different sector? for example data centre support
- (2) What are the major challenges the company is facing in year 2024/2025?

Reply:

- (1) We are providing our services and solutions for AI hardware, AI platforms, and professional services to meet different customers' requirements.
- (2) The major challenge of the company is facing in 2024 and 2025 include the difficulty in attracting talent, as employers in Singapore are offering more attractive remuneration packages. Hence, we will continue to invest on training of our employees.

Shareholder 8

Question:

As a shareholder I believe we enjoy and appreciate the price increase in the share price. Thank you. But is there any challenges that might hinder the companies growth which management can foresee in the coming years?

Reply:

We are optimistic about the ICT opportunities, particularly the growth in AI and devices refresh cycle, and we believe that moving to the main market will help the Group gain a competitive advantage.

Shareholder 9

Question:

How did SNS manage to secure to distribute the NVIDIA/Super-Micro GPU server equipment, and not the larger competitors such as VSTECS?

Reply:

VSTECS is not really our competitor, they are one of our major suppliers. With over 26 years of experience in the ICT industry, we have proven track records and long-term business relationships with global brand principals, appointed distributors and suppliers, some of which span 20 years. This enables SNS to offer a wide range of products and innovative ICT solutions to meet customer demands.