



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



ANNUAL
REPORT

2023

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2023 ANNUAL GENERAL MEETING

DATE & TIME

Friday, 7th July 2023 at 10.00am

BROADCAST VENUE

12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan,
Malaysia

ABOUT US

Since 1998, SNS Network Technology Berhad has been a leading provider of Information Communication Technology ("ICT") solutions to customers throughout Malaysia. Our commitment to staying at the forefront of technology and innovation has enabled us to consistently deliver cutting-edge solutions that help businesses stay competitive in today's fast-paced digital landscape.

We cater to a wide variety of customers, spanning from individual end-users and small and medium-sized enterprises ("SMEs") to esteemed educational institutions, esteemed government agencies, and major multinational corporations. Our innovative solutions are specifically crafted to amplify the efficiency, productivity, and profitability of our clients' businesses, no matter their size or industry. Our team of experts works closely with our customers to understand their unique needs and create solutions that best fit their business goals.

In addition to our customised ICT solutions, SNS Network Technology Berhad has also established a strong brand presence in Malaysia. Our brand portfolio includes iTworld®, a multi-brand Apple authorized reseller, GLOO®, a multi-brand ICT retail store, and JOI®, which offers affordable devices to consumers. Our brands are known for their quality, reliability and affordability, as well as become trusted names in the Malaysian market. By offering a comprehensive range of products and services, we strive to meet the evolving needs of our customers and provide them with the best possible solutions.



ABOUT US

Cont'd



OUR VISION & MISSION



VISION

Make Life Easy with Technology

Optimising the use of technology from simple tasks to complex information systems to enhance quality of life through improved efficiency, increase access to information and sustainable solutions.



MISSION



To be the most essential Information Communication Technology (ICT) provider for Consumers and Businesses



To be a platform for employees to grow as successful as the company



To be a Global ICT Company

OUR SERVICES AND SOLUTIONS



Commercial ICT Services and Solutions

We provide a wide range of ICT products, services and solutions, including advisory services and product recommendations tailored to our customers' requirements and budget. Our offerings consist of a combination of hardware, devices, and equipment to meet our customers' needs. Additionally, we strive to exceed our customers' expectations by providing post-purchase services such as product setup, software installation and product training.

Our expertise and technical skills extend across various industries, allowing us to provide customised IT solutions that align with our customers' business objectives. As your strategic partner, we are committed to guide you at every stage of your ICT transformation journey, ensuring that you have access to the right ICT solutions to support your growth and success.



OUR SERVICES AND SOLUTIONS

Cont'd



Value Added ICT Services and Solutions

At our Company, we offer a comprehensive suite of technology solutions to help businesses thrive in the digital age. Our Security Management Software Solutions provide businesses with the tools they need to manage and mitigate security risks. We also offer Web Services Solutions and Cloud Services Solutions, enabling businesses to operate more efficiently and effectively by leveraging the power of the cloud. Our Surveillance Solutions enhance physical security measures and protect business assets. Additionally, our Digital Signage solutions provide businesses with a powerful tool to engage with customers and employees. Finally, our Network Infrastructure solutions are the backbone of any ICT infrastructure, providing the connectivity and reliability businesses need to operate at scale. By leveraging these technologies, our clients gain a competitive edge and stay ahead in today's fast-paced business landscape.



OUR SERVICES AND SOLUTIONS

Cont'd



Education

We understand that technology is a tool that can enhance and support effective teaching practices. That's why we offer a range of solutions tailored to meet the unique needs of educational institutions, including Smart Classroom solutions that align with modern teaching practices. Our Smart Classroom solutions provide students and teachers with access to cutting-edge technology, enabling interactive and engaging learning experiences. From interactive whiteboards and projectors to tablets and laptops, we provide a comprehensive range of technology solutions that support effective teaching practices. Our team of experts works closely with educational institutions to design and implement customised solutions that meet their specific needs and budget requirements while leveraging the latest technology trends. With our Smart Classroom solutions, we help educational institutions stay ahead of the curve and provide students with the tools they need to succeed in today's digital age.



OUR SERVICES AND SOLUTIONS

Cont'd



Device-as-a-service Subscription-based Services ("DaaS")

One of our flagship offerings is DaaS, which is designed to empower businesses with access to the latest devices and technologies without having to bear the upfront costs of purchasing them outright. Our comprehensive DaaS solutions encompass an array of services, including hardware, software, support, and maintenance, all bundled together into an affordable and predictable monthly fee. With our DaaS solutions, businesses can enjoy a seamless and hassle-free technology experience, with our team of experts working closely with them to design and implement customised solutions that cater to their specific needs and budget requirements. By partnering with us for DaaS, businesses can stay ahead of the curve, harness the latest technology trends, and increase their productivity without the financial and logistical burdens of traditional device ownership.



OUR SERVICES AND SOLUTIONS

Cont'd



Broadband

Among our core offerings are our broadband and managed internet services, which provide businesses with fast, reliable, and secure access to the internet. Our broadband services are designed to provide businesses with high-speed internet connectivity that enables them to operate seamlessly and efficiently. We offer a range of broadband packages that are tailored to suit the diverse needs of businesses, with customisable bandwidth options and competitive pricing. Our managed internet services, on the other hand, are designed to provide businesses with a hassle-free internet experience, with our team of experts handling all the complexities of internet connectivity, including security, monitoring, and support. With our broadband and managed internet services, businesses can focus on what they do best, while we take care of their internet needs.

OUR SERVICES AND SOLUTIONS

Cont'd



Managed ICT Services

From simple hardware device or software license supply and installation, to full remote monitoring and management of your ICT systems, we provide a wide range of solutions to meet the needs of our clients.

Our team has access to a vast network of resources and professional services to help solve any problem that may arise. We are flexible and available 24/7 to ensure our clients receive the support they need, when they need it.

Our education solutions are specifically designed to help students and teachers connect, collaborate, and engage from anywhere. We offer a carefully curated portfolio of hardware, software, and services that enable seamless and effective learning experiences.

Our services include data and mail server support, network monitoring and maintenance, VPN setup, laptop, desktop and server supply, server build and migration, network integration and upgrades, cloud hosting and support, safe and secure ICT services, system design recommendations and consultation, phone systems and smartphones, security management, and repair and system upgrades.



OUR SERVICES AND SOLUTIONS

Cont'd

Repair Services and Upgrades

We offer a range of repair services and warranties for Apple products and other devices. Our team of experts is skilled in diagnosing and fixing a wide range of issues, from software glitches to hardware malfunctions. We use genuine replacement parts to ensure your device is restored to its original functionality. Our repair services are backed by a comprehensive warranty to give you peace of mind. Additionally, we offer various services, such as device setup and training, to help you get the most out of your repaired device.

In addition to our repair services and warranties, we also offer device upgrade services to help you stay up-to-date with the latest technology trends. Our team of experts can provide advice on the latest device models and help you upgrade your existing devices. We offer seamless data migration services to ensure all your files and settings are transferred safely and securely to your new device. Our device upgrade services are tailored to your specific needs and budget requirements. Whether you are looking to upgrade your personal device or your business devices, we can help you make the right choices to meet your goals.

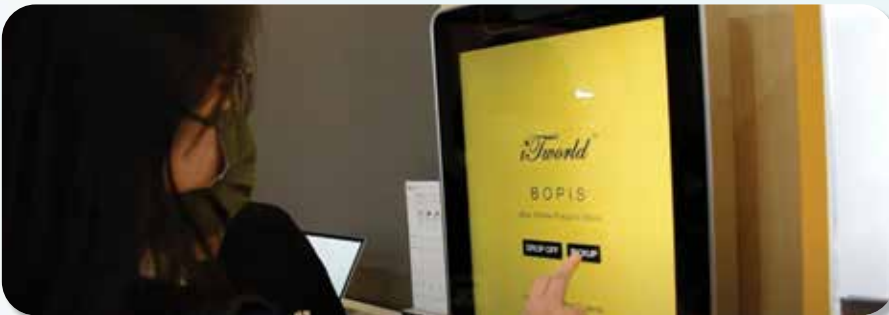


OUR BRAND



“Multibrand Apple Authorised Reseller and Services Provider”

iTworld, a Multibrand Apple Authorised Reseller and Services Provider. iTworld® offers a full range of Apple products, including iPhones, iPad, Mac, Apple Watch, Airpods and other ICT brands. In addition, iTworld provides technical support and repair services too.



OUR BRAND

Cont'd



**“Most essential
Information Technology
Provider”**

GLOO® is an interactive and welcoming technology retailer. At GLOO®, a range of brands are offered to provide our customers with as many options and choices as possible. Numerous accessories are also being sold at GLOO® for customers that wish to give their devices more functionality.



OUR BRAND

Cont'd

JOI®

“Choices with JOI, Enjoyment with JOI”

JOI® is a collaboration between Intel, Microsoft and SNS to develop and produce Internet of Things (“IoT”) devices and solutions. JOI® aims to provide people in all walks of life different choices of IoT devices that would satisfy their different individual needs and wants. With JOI®, we provide secure and scalable IoT solutions powered by Intel in improving operational efficiency, productivity, and quality across industries.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Zulkapli Bin Ahmad
Independent Non-Executive
Chairman

Ko Yun Hung
Managing Director

Pah Wai Onn
Executive Director

Siow Wei Ming
Executive Director

Dato' F'ng Meow Cheng
Independent Non-Executive Director

Maylee Gan Suat Lee
Independent Non-Executive Director

Tan Ee Ming
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
Maylee Gan Suat Lee

Member
Dato' F'ng Meow Cheng
Tan Ee Ming

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143)
(SSM PC No. 202008001023)

Chan Eoi Leng
(MAICSA 7030866)
(SSM PC No. 202008003055)

Chong Kwai Yoong
(MAICSA 7075434)
(SSM PC No. 202308000244)

AUDITORS

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)
Level 2, WEIL Hotel
292, Jalan Sultan Idris Shah
30000 Ipoh, Perak
Telephone : (+605) 220 1800
Fax : (+605) 254 7288

SHARE REGISTRAR

**Boardroom Share Registrars
Sdn Bhd**
(199601006647 (378993-D))
Level 11, Menara Symphony
5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Telephone : (+603) 7890 4700
Fax : (+603) 7890 4670

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Tan Ee Ming

Member
Dato' F'ng Meow Cheng
Maylee Gan Suat Lee

REMUNERATION COMMITTEE

Chairman
Dato' F'ng Meow Cheng

Member
Maylee Gan Suat Lee
Tan Ee Ming

REGISTERED OFFICE

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak
Telephone : (+605) 547 4833
Fax : (+605) 547 4363

HEAD OFFICE

61, Jalan Sultan Nazrin Shah
30250 Ipoh
Perak
Telephone : (+605) 242 4616
Fax : (+605) 243 4389
Email : ir@sns.com.my
Website : www.sns.com.my

SPONSOR

M & A Securities Sdn Bhd
(197301001503 (15017-H))
45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone : (+603) 2284 2911
Fax : (+603) 2283 1019

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : SNS
Stock Code : 0259
Sector : Technology

CORPORATE STRUCTURE



SNS NETWORK TECHNOLOGY BERHAD

100%

Acrux Technology Sdn Bhd
("Acrux")

100%

GLOO Sdn Bhd
("GLOO")

100%

iTworld Services (M) Sdn Bhd
("iTworld")

100%

JOI Sdn Bhd
("JOI")

100%

Notebook Plaza Sdn Bhd
("Notebook Plaza")

100%

SNS Network (ICT) Sdn Bhd
("SNS Network ICT")

100%

SNS Network (M) Sdn Bhd
("SNS Network Malaysia")

100%

SNS Network Services Sdn Bhd
("SNS Network Services")

CORPORATE MILESTONE

1998

- Established SNS Network, a sole proprietorship by Ong Mei Kwai with Ko Yun Hung and Pah Wai Onn, joining as part of its pioneer management team.



2000



- Incorporated SNS Network Malaysia.
- We secured our first dealership agreement to supply Acer branded ICT products.
- With this, we began offering third party brands ICT products, services and solutions, whereby over the years, we continued to expand our range of products to include brands from other brand principals.



2002

- Incorporated SNS Network Services.



2008

- Incorporated GLOO. 
- Incorporated iTworld. 
- SNS Network Malaysia received the "SME Young Entrepreneur Award" for SME Recognition Award 2008 from SMI Association of Malaysia (now known as SME Association of Malaysia).



2004

- We secured our first concessionaire agreement with AEON, formerly known as Jaya Jusco Stores Bhd, which allows us to display and sell our ICT products through AEON's consignment counters. Our first consignment counter was located at Jusco Ipoh, now known as AEON Kinta City.
- We employed the brand name "SNS Network" for our consignment counters in AEON. With this, we embarked on our journey of retail expansion.
- Our presence through AEON continued to expand over the years and in 2022, we have consignment counters in 14 AEON departmental stores throughout Malaysia.



2003

- We were appointed as an authorised reseller of TM branded products whereby we resell, distribute and promote internet services to businesses and residential consumers.
- With that, we began offering telecommunication services to consumers whereby over the years, we continued to expand our services to include internet/broadband services, telephone line and/or mobile services from other service providers such as Celcom, Maxis and TIME.



CORPORATE MILESTONE

Cont'd

2009

- SNS Network Malaysia received the "SME ICT Adoption Award (IT Service Provider)" for SME Recognition Award 2009 from SMI Association of Malaysia (now known as SME Association of Malaysia).



2010

- Incorporated Notebook Plaza.
- Incorporated SNS Network ICT.
- We were appointed as an Apple Authorised Reseller by Apple South Asia Pte Ltd to resell Apple branded products.
- We launched our first Apple store, branded under the brand name "iTworld" in Ipoh, Perak. iTworld is our Group's first brand-specialty store. This store is operated under our subsidiary, SNS Network Malaysia.
- We obtained 2nd placing in the "Enterprise 50 Award Programme 2010", awarded by SME Corporation Malaysia.



2012

- We purchased a piece of land measuring approximately 41,000 sq ft in Ipoh to construct a 4-storey office building with build-up area of approximately 33,000 sq ft.
- Incorporated Acrux.
- We rebranded our consignment counters in AEON from "SNS Network" to "GLOO".
- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM100 million mark in financial year ended ("FYE") 31 January 2012.



2016

- Introduced of JOI® smart classroom framework to educational institutions.
- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM400 million mark in FYE 2016.



2015

- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM300 million mark in FYE 2015.
- We began selling our products online through third party marketplaces with Lazada being the first third party marketplace platform that our Group utilises.



2014

- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM200 million mark in FYE 2014.
- We set up our first GLOO standalone multi-brand concept store at NU Sentral, Kuala Lumpur.
- We were appointed as an Apple Authorised Service Provider by Apple Malaysia Sdn Bhd to provide services for Apple branded products.
- We set up our first service centre authorised by Apple within our headquarters in Greentown Business Centre, Ipoh.
- We launched our house brand of ICT products, JOI® through the launch of JOI® 8 tablet.

JOI®

CORPORATE MILESTONE

Cont'd

2017

- We purchased an office unit in 3 Two Square, Petaling Jaya to set up our service centre authorised by Apple in Klang Valley.
- We acquired a double-storey cluster factory of approximately 7,800 sq ft in Eco Business Park 2, Johor.
- We launched our 1st in-house online store, iTworld, for the sale of Apple products online.



<<<<

2018

- We purchased a piece of land measuring 35,929 sq ft in Petaling Jaya, Selangor for construction of our Regional Hub.



<<<<

2019

- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM500 million mark in FYE 2019.

RM
500 Million

<<<<

2020

- Incorporated JOI to develop our JOI® ICT products for the education industry.
- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM600 million mark in FYE 2020.



<<<<

2023

- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM1.4 billion mark in FYE 2023.

RM
1.4
Billion

>>>>

2022

- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM1 billion mark in FYE 2022.
- Listed on the ACE Market of Bursa Malaysia Securities Berhad.



<<<<

2021

- We obtained 3rd placing in the "Malaysia Top E-Commerce Merchant Award", awarded by Selangor Information Technology and Digital Economy Corporation.
- We begin to include the sale of other brands of ICT products in our iTworld online store.
- Our business continued to expand and we achieved a new milestone when our revenue surpassed the RM700 million mark in FYE 2021.



<<<<

CHAIRMAN STATEMENTS

“

On behalf of the Board of Directors ("**the Board**") of SNS Network Technology Berhad ("**SNS**" or the "**Company**"), I am honoured to present you with the inaugural Annual Report and Audited Financial Statements of SNS and its subsidiaries ("**SNS Group**" or the "**Group**") for the Financial Year Ended 31 January 2023 ("**FYE 2023**").

”

DATO' ZULKAPLI BIN AHMAD
*Independent Non-Executive
Chairman*



CHAIRMAN'S STATEMENT

Cont'd

Dear esteemed Shareholders,

SNS has on 2 September 2022 successfully listed on the ACE Market of Bursa Malaysia Securities Berhad and raised RM90.72 million through the initial public offering ("IPO") to supercharge our growth plans. The IPO was one of the major milestones achieved by SNS, as we crystallise our aim of becoming an established Information Communication Technology ("ICT") solution provider in the region.

As a newly listed company, we are pleased to report that our business has continued to thrive despite a challenging year for most businesses following the aftermath of the Coronavirus disease ("Covid-19") outbreak and the uncertainties of the global and domestic economic environment as well as industry-wide supply shortages. We remain committed to expanding our presence in the local market and beyond, by improving our product offerings and customer service levels. We are excited about the prospects of our business and are confident that we can drive sustainable growth for our shareholders in the years to come. For FYE 2023, I am proud to announce that we have continued to expand and has successfully achieved a new milestone where our revenue surpassed RM1.4 billion mark.

Financial Performance

Despite the challenging times, our financial performance for FYE 2023 was strong, recording a total revenue of RM1,403.78 million, representing a 26.2% increase as compared to 31 January 2022 ("FYE 2022"). For FYE 2023, sales of ICT products were the main contributor to our Group's revenue. We also recorded a 21.7% increase in PAT. The detailed financial performance is disclosed in the Management's Discussion and Analysis as set out this Annual Report.

Outlook

Looking ahead, we have identified several strategic initiatives to further strengthen our business in the coming years. These include:

- **Commercial Channel as Our Key Area of Focus**

Our Group's commercial channel remains the core of our business, with impressive growth in revenue and profitability. Our Device-as-a-Service ("DaaS") offers the benefits of cost-effective, upgraded devices and device management for businesses. Looking ahead, we see a growing demand for digital transformation projects too, and we are well-positioned to secure more projects with our expertise in this area. We are committed to deliver innovative solutions that meet our customers' demands.

- **Expanding our market presence**

Currently, the local market continues to be the main driver of revenue and profits. We aim to further strengthen our presence in the local market by setting up 10 new stores in the next 3 years. Besides, we are also in the midst of building our Regional Hub in Petaling Jaya, Selangor, which is expected to commence operations in January 2026. With the presence of a Regional Hub, we can achieve greater collaboration with brand principals and technology partners, as well as greater operational efficiencies.

While our overseas market is relatively small, we will continue to monitor the overseas market for opportunities to tap into new markets and customer segments.

- **Brand Recognition of JOI®**

Our house brand, JOI® have been expanding its range of ICT products since it was first introduced in 2014. We are committed to invest further in JOI®, starting by enhancing its brand recognition through marketing activities like social media advertising, engagement of key opinion leaders, advertising through digital websites and search engines, etc. The goal is to create a competitive advantage as we gain more credibility and visibility, and thus, stand out in the affordable ICT products market.

- **Talent Development and Retention**

As part of our continuous effort to create a better and more innovative work environment, we remain focused on talent development and management to ensure we have the skills and capabilities required to drive our business forward. This includes investing in employee training and development programs, as well as attracting and retaining talents in key areas like research and development and sales and marketing departments.

CHAIRMAN'S STATEMENT

Cont'd

Sustainability

As it's been our embedded culture to uphold the interest of our key stakeholders, we embrace sustainability considerations in all aspects of our Group within the environmental, social and governance contexts by continuously reassessing our priorities and putting plans into action. Therefore, we are committed to adhering to the best sustainability practices in our daily operations to pursue our strategic business goals set with minimal environmental footprint.

For further insight into our commitment, progress and initiatives on sustainability are detailed in our Sustainability Statement of this Annual Report.

Appreciation

This is indeed an exciting time to be part of SNS. We have a clear strategic plan aimed at driving sustainability and long-term growth delivered by a fully-engaged and talented team.

I would like to express my earnest appreciation to the Board for their invaluable guidance to ensure that our Group stays on the right course to achieve its objectives. I would also like to thank the management team and valued employees for their dedication and contribution.

Finally, on behalf of the Board of Directors and Management of SNS Network Technology Berhad, I would like to take this opportunity to thank the shareholders, principals, business partners, government agencies for their continued support. We remain committed to creating sustainable value and will continue to work towards surpassing your expectations.

Dato' Zulkapli Bin Ahmad

Independent Non-Executive Chairman




FINANCIAL HIGHLIGHTS

REVENUE 
RM1.4
billion

(FYE 2022 : RM1.1 billion)

DIVIDEND
PER SHARE 
0.50
sen


*Based on dividend per share
declared in respect of FYE 2023*

PROFIT
BEFORE TAX 
RM57.4
million

(FYE 2022 : RM48.7 million)

CURRENT
RATIO 
2.04x

(FYE 2022 : 1.4x)

PROFIT
AFTER TAX 
RM43.7
million

(FYE 2022 : RM35.9 million)

GEARING
RATIO 
0.16x

(FYE 2022 : 0.54x)

FINANCIAL HIGHLIGHTS

Cont'd

Financial year ended 31 January ⁽¹⁾ (RM'000)	2019	2020	2021	2022	2023
Revenue	594,140	675,282	721,469	1,112,008	1,403,783
Gross profit ("GP")	43,144	44,667	63,780	94,013	109,572
Profit before tax ("PBT")	12,320	10,143	31,781	48,685	57,360
Profit after tax ("PAT")	9,100	7,782	23,381	35,918	43,716
Profit attributable to owners of SNS	9,100	7,782	23,381	35,918	43,716
Basic earning per share (RM) ⁽²⁾	1.93	1.65	4.95	5.89	0.05

As at 31 January (RM'000)	2019	2020	2021	2022	2023
Total assets	155,094	180,900	224,172	292,094	396,373
Total liabilities	119,439	137,563	161,071	199,075	175,370
Total shareholders' equity	35,655	43,337	63,101	93,019	221,003
Fixed deposit, cash and bank balances	10,352	10,578	19,465	29,829	91,993
Current ratio	1.18	1.19	1.31	1.40	2.04
Gearing ratio ⁽³⁾	0.85	1.28	0.76	0.54	0.16

Notes:

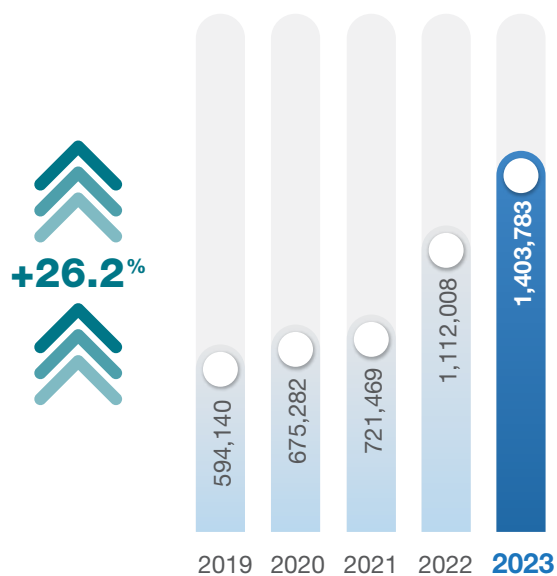
- (1) The statements of comprehensive income and statements of financial position as at 31 January 2019, 31 January 2020, 31 January 2021 and 31 January 2022 were combined financial statements of SNS Group as disclosed in the Prospectus of SNS Group dated 27 July 2022.
- (2) Basic earning per share is calculated based on combined financial statements of SNS Group as disclosed in the Prospectus of SNS Group dated 27 July 2022 over weighted average number of shares for FYE 2019, 2020, 2021 and 2022.
- (3) Computed based on total interest-bearing borrowings (excluding lease liabilities for right-of-use assets) over total equity as at the end of each financial year.



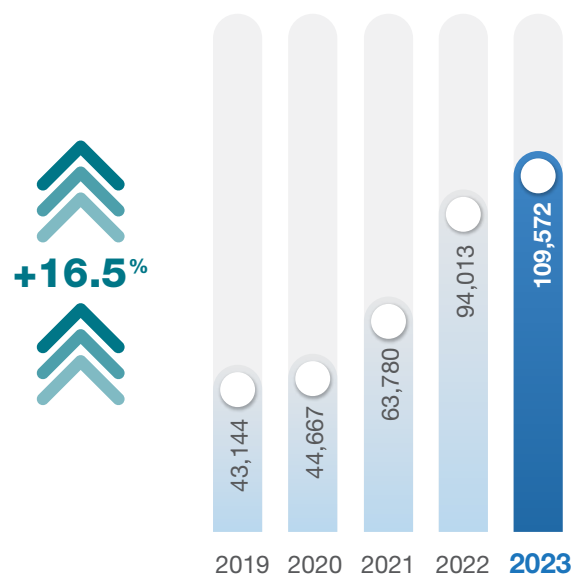
FINANCIAL HIGHLIGHTS

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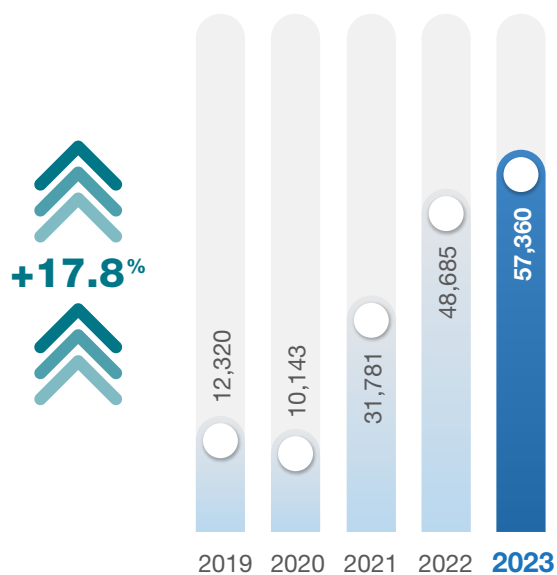
REVENUE (RM'000)



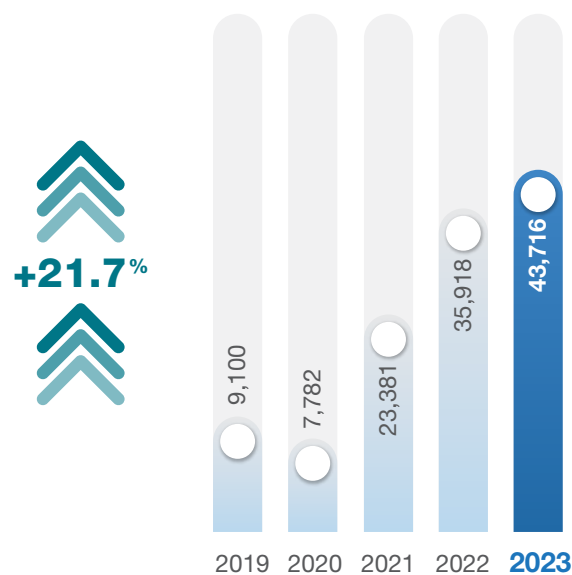
GROSS PROFIT ("GP") (RM'000)



PROFIT BEFORE TAX ("PBT") (RM'000)



PROFIT AFTER TAX ("PAT") (RM'000)



MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

SNS was established in 1998 and was involved in the business of assembling and supplying desktop and related peripherals primarily to schools and cybercafes. Over 24 years, the Group achieved remarkable milestones which include incorporating SNS Network Technology Berhad as an investment holding company to consolidate various subsidiaries and was listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 2 September 2022.

As at to date, the Group's principal activities comprised the provision of Information Communication Technology ("**ICT**") products, services and solutions. The Group's core business activities are sale of ICT products comprising hardware, devices and related peripherals, as well as the provision of ICT services and solutions; and provision of device repair and related services, as well as sale of broadband services. The Group distributes and sells the ICT products through the physical store channel (i.e: brand-specialty stores, multi-brand concept stores and consignment counters), online store channel (i.e: iTworld online store, GLOO online store, Notebook Plaza online store and third party marketplaces), and commercial channel (i.e: businesses, government agencies and educational institutions).

The sale of ICT products includes an extensive range of third-party brands (i.e., Apple, Intel, Samsung, etc.) and house brand (i.e., JOI®). The Group sources the third party branded ICT products from brand principals and/or appointed distributors for onward sale to customers.

The Group's house brand, JOI® are developed by ourselves, targeting at customers who seek for affordable ICT products. Thus, our JOI® products are generally priced lower and do not compete with our third party branded ICT products. The Group has developed a range of JOI® products comprising laptops, tablets, desktops, interactive smartboards, mobile charging stations and related peripherals.

In addition, the Group also provides customers after-sales repair services. For software issues, the Group performs remote software troubleshooting whereas for hardware issues, the Group assist logistically to send devices to authorised third-party service centres or for Apple and JOI® products, to our in-house service centres.

The Group's revenue is mainly contributed by the local market, while the Group have also established our presence in other geographical markets (i.e., Hong Kong, Singapore, Maldives, Vietnam, Australia, and Indonesia).

REVIEW OF FINANCIAL RESULTS

Financial performance

Financial year ended 31 January (RM'000)	2022 RM'000	2023 RM'000	Variance RM'000	Variance %
Revenue	1,112,008	1,403,783	291,775	26.2
Profit before tax (" PBT ")	48,685	57,360	8,675	17.8
Profit after tax (" PAT ")	35,918	43,716	7,798	21.7



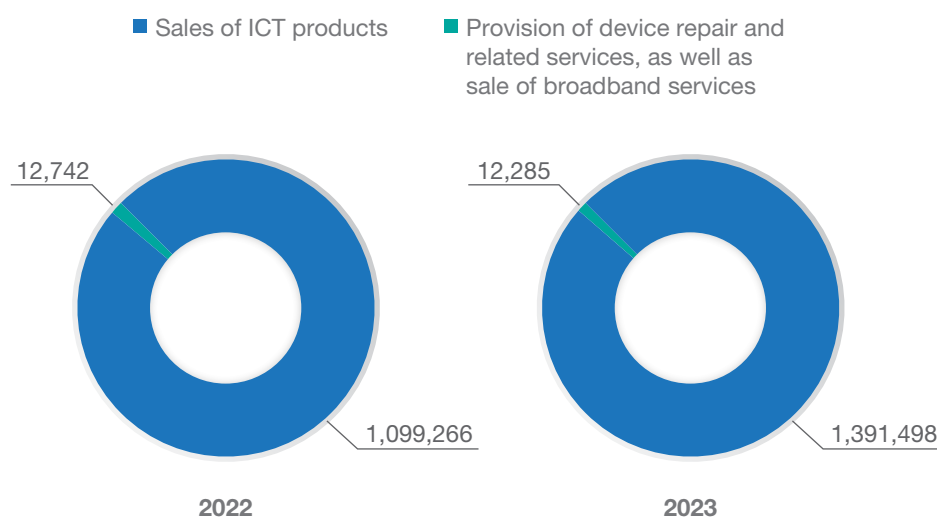
MANAGEMENT'S DISCUSSION AND ANALYSIS

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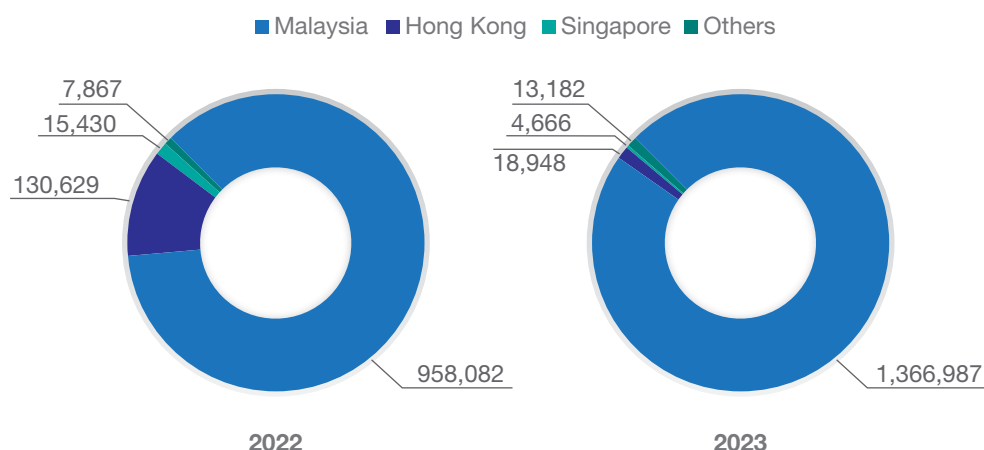
Revenue

The Group's revenue by business segment and geographical regions are as tabulated as below:

Revenue by business activities (RM'000)



Revenue by geographical location (RM'000)



The Group's revenue increased by RM291.77 million or 26.2% to RM1,403.78 million for FYE 2023 (FYE 2022: RM1,112.01 million).

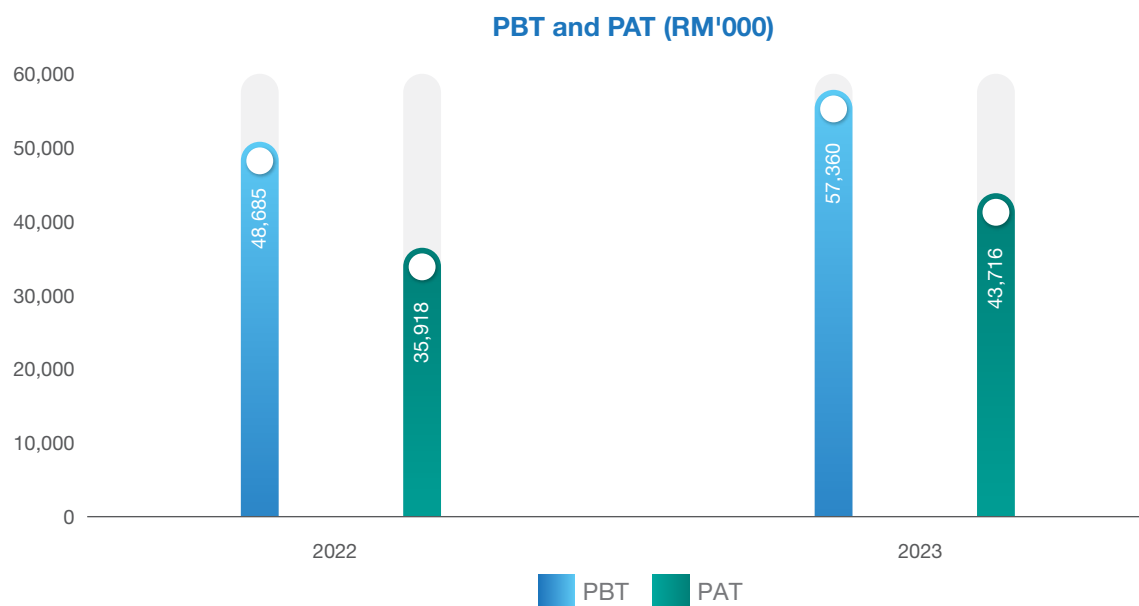
The sale of ICT products segment was the Group's largest revenue contributor, which recorded RM1,391.50 million or 99.1% of the Group's total revenue for FYE 2023 (FYE 2022: RM1,099.27 million or 98.9%), mainly contributed by the local market. The local market recorded RM1,366.99 million or 97.4% of the Group's total revenue (FYE 2022: RM958.08 million or 86.2%), as the Group has focused on the local market during FYE 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cont'd

The Group's revenue from the sale of ICT products increased by RM292.23 million or 26.6% to RM1,391.50 million for FYE 2023 (FYE 2022: RM1,099.27 million) as the Group secured more orders from the commercial channel for FYE 2023 as compared to FYE 2022.

PBT and PAT



With the Group's continued efforts in upholding the business, the Group has registered a remarkable PBT of RM57.36 million for FYE 2023 (FYE 2022: RM48.69 million), representing an increase of RM8.67 million or 17.8% resulting from higher revenue and gross profit recorded for FYE 2023. The Group's PBT growth was lower than the Group's revenue growth of 26.2%, mainly attributable to the following:

- Higher selling and distribution expenses incurred for FYE 2023 resulting from aggressive marketing strategies to promote the Group's ICT products mainly from advertisements on social media platforms, digital website and digital billboards;
- Higher general and administrative expenses incurred for FYE 2023, mainly due to increase in legal fees and stamp duties for additional banking facilities secured by the Group during FYE 2023; and
- Increase in finance costs resulting from higher utilisation of bankers' acceptances and escrow account agent commissions incurred during FYE 2023 for managing sales proceeds receivable from the Group's customers.

The Group has also registered a growth in PAT of RM43.72 million for FYE 2023, representing an increase of RM7.80 million or 21.7% as compared to RM35.92 million for FYE 2022, which grew at a rate higher than the Group's PBT growth of 17.8%. This was mainly contributed by the overprovision of income tax and deferred taxation in the previous financial year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cont'd

Financial position

As at 31 January (RM'000)	2022 RM'000	2023 RM'000	Variance RM'000	Variance %
Total assets	292,094	396,373	104,279	35.7%
Total liabilities	199,075	175,370	(23,705)	(11.9%)
Total shareholders' equity	93,019	221,003	127,984	137.6%
Fixed deposit, cash and bank balances	29,829	91,993	62,164	208.4%

Total assets

The Group's total assets increased by RM104.28 million or 35.7% to RM396.37 million as at 31 January 2023 (as at 31 January 2022: RM292.09 million), mainly due to increase in fixed deposit, cash and bank balances and short term investment of RM62.16 million due to higher internally generated funds from the Group's business growth in FYE 2023 as well as proceeds from the public issue in conjunction with the Group's listing on the ACE Market of Bursa Securities ("**Public Issue**"). In addition, the Group's trade and other receivables increased by RM32.79 million mainly due to higher invoices value towards the end of FYE 2023.

Total liabilities

The Group's total liabilities decreased by RM23.71 million or 11.9% to RM175.37 million as at 31 January 2023 (as at 31 January 2022: RM199.08 million), mainly due to decrease in borrowings of RM14.67 million resulting from settlement of term loans via proceeds from public issue which was partially offset by the higher utilisation of bankers' acceptances. In addition, the Group's trade and other payables decreased by RM9.97 million mainly due to lower purchases made towards the end of FYE 2023.

Total shareholders' equity

The Group's total shareholders' equity increased by RM127.98 million or 137.6% to RM221.0 million as at 31 January 2023 (as at 31 January 2022: RM93.02 million), resulting from new ordinary shares issued during FYE 2023 for the acquisition of the Group's subsidiaries, proceeds received from the Public Issue as well as the increase in our retained earnings that resulted from the net profits recorded for FYE 2023.

Liquidity and Capital Resources

The cash and cash equivalent increased by RM61.47 million or 226.6% to RM88.60 million (FYE 2022: RM27.13 million), mainly due to increase in fixed deposit, cash and bank balances and short term investment of RM62.16 million due to higher internally generated funds from the Group's business growth in FYE 2023 as well as proceeds from the Public Issue.

The borrowings decreased by RM14.67 million or 29.4% to RM35.29 million (FYE 2022: RM49.96 million), mainly due to settlement of term loans via proceeds from public issue which was partially offset by the higher utilisation of bankers' acceptances.

During FYE 2023, the Group had invested in ICT products of approximately RM1.18 million as part of our subscription-based service that comprises the subscription of ICT products and/or services on a monthly basis ("**DaaS**") offered to our customers. In addition, the Group had incurred approximately RM1.74 million for upgrading of office equipment and software to improve the efficiency level of the Group's business operations in line with the Group's business growth as well as renovation of the Group's retail outlets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cont'd

ANTICIPATED OR KNOWN RISKS

a) **Dependence on brand principals, appointed distributors, and original equipment manufacturers ("OEMs")**

During FYE 2023, sales generated from third party branded ICT products accounted for 98.5% of the Group's revenue. The Group is dependent on brand principals and appointed distributors for the provision of ICT products, services and solutions. While the Group continue to have a good relationship with the Group's brand principals and appointed distributors, there can be no assurance that the Group will not encounter any disruption in supplies in the foreseeable future.

Furthermore, the Group also relies on brand principals to conduct the quality control on ICT products manufactured as the Group has limited or no control to such processes. Thus, any product defects that are not resolved by the Group's brand principals may adversely affect the Group.

While the Group is the brand principal for our JOI® ICT products, the risk of product defects is still present as the Group relies on the quality of ICT products assembled by the OEMs, as well as the quality of manufactured components that the Group sources for the in-house assembly of JOI® desktops.

b) **Competitive Industry**

The Group operates in a competitive market where the Group's performance can be affected by a variety of factors such as the range of product offering. The competitive landscape includes a generally low barriers to entry with competitive pricing, promotional activities, outlet location and quality of customer service. The Group's products and services often subject to technological advancement and even the constantly evolving spending habits and expectations of the consumers.

As such, the Group recognises the need to improve continuously to remain competitive in this market. The Group continues to improve towards the goal of providing the appropriate product mix that matches consumer demand and preferences across different demographics.

c) **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The normal trade credit terms granted by the Group for trade receivables range from cash to 120 days. The exposure of the Group to credit risk arises principally from receivables and other financial assets. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Any significant delay or default in payment by the Group's major customers could result in impairment being put through for credit losses which in turn, would adversely affect the Group's financial position and results. The Group review ageing reports monthly to identify slow paying customers for actions to be taken for recovery and provision, if necessary.

d) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of the overall liquidity management, the Group has established an appropriate liquidity and cash flow risks management framework for the management of the Group's short, medium and long-term funding and liquidity and cash flow management requirements. The Group manages liquidity and cash flow risks by maintaining adequate reserves and banking facilities and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and financial liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONT'D

e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises mainly from its loans and borrowings. The Group finances its operations by a mixture of internal funds and bank and other borrowings. The Group regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The Group's policy is to borrow both on the fixed and floating rate basis to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

FUTURE PROSPECTS

The ICT products and services industry are 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 has allocated RM2.50 million from the IPO proceeds to set-up 10 new stores in Malaysia, which comprises 8 stores in Klang Valley, 1 store in Johor Bahru and 1 store in Penang to increase the Group's customer base. The Group plan to set up 5 stores within the first 2 years from the listing date of 2 September 2022, and another 5 stores in the following year.

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 allocated RM30.90 million from the IPO proceeds to purchase various types of devices to support the expansion of the DaaS subscription-based service for the Group's existing and future DaaS subscription agreements. The utilisation of the proceeds for the said purchase are detailed as additional information on page 97 of this Annual Report.

With the ongoing growth and development of our business, the Group has allocated RM18.00 million to build a Regional Hub in Petaling Jaya, Selangor comprising storage facility, experience centre for customers, live video areas, training centre, workshops and office facilities, which is expected to commence operations in January 2026.

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.

DIVIDEND POLICY

The Group presently does not have any formal dividend policy and the declaration of dividends and other distribution are subject to the discretion of the Board of Directors. In line with the Group's performance and as recognition for the continuous support of the Group's loyal shareholders, during FYE 2023, the Board of Directors has declared and paid a first 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.

On 27 March 2023, the Board of Directors has approved and declared 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, to be paid on 26 May 2023. The entitlement date is 11 May 2023.

The Board is of the view that the recommended dividends provide an adequate balance between rewarding the shareholders and investors with appropriate returns while retaining sufficient profits to sustain growth in the future.

PROFILE OF DIRECTORS



DATO' ZULKAPLI BIN AHMAD

Independent Non-Executive Chairman

Nationality



Gender



Age



Date of Appointment

19 July 2021

Membership(s) of Board Committee

Nil

Dato' Zulkapli Bin Ahmad obtained his Malaysia Certificate of Education from Sekolah Menengah St Paul Seremban in 1974. In 1983, he obtained his Chartered Institute of Transport (UK) qualification from Institute Teknologi Mara, Shah Alam, Selangor. In 1996, he obtained a Certificate in Maintenance Management from Crown Agents Management Training Centre Worthing, UK and subsequently obtained a Diploma in Police Sciences from Universiti Kebangsaan Malaysia in 2003. In 1975, he pursued further studies at Institute Teknologi Mara, Shah Alam and left the institution in 1976. From 1981 to 1983, he took a study leave from Polis Diraja Malaysia ("PDRM") to pursue further studies and subsequently obtained his Chartered Institute of Transport (UK) qualification.

He started his first career in 1976 to work at his family's grocery business in Seremban. In 1977, he joined PDRM where he obtained basic police training in Pulapol Kuala Lumpur before being posted to Johor Contingent where he was involved in intelligence gathering. From 1981 to 1983, he took a study leave as mentioned above.

In 1983, he returned to PDRM where he was posted as Assistant Force Transport Officer (Administration) Bukit Aman. He served at the Bukit Aman Police Headquarters, Kuala Lumpur and was involved in executing the day-to-day operations of the transport division. Over the years, he was posted to different State Contingents within the transport division. In 1994, he was posted back to the Bukit Aman Police Headquarters, Kuala Lumpur where he was promoted as Deputy Force Transport Officer with the rank of Superintendant Police and served the transport division until middle 1998.

In July 1998, he was transferred to the Shah Alam Police District Headquarters as Deputy Head of Police District Shah Alam to perform general police duties. From 2002 to early 2003, he was selected to attend a Diploma Police Science Course conducted by Universiti Kebangsaan Malaysia. In middle 2003, he was posted as Principal Assistant Director Logistics (Procurement) and promoted to the rank of Assistant Commissioner Police, where he was involved in overseeing and managing the procurement activities of the procurement division Logistics Department Bukit Aman. In middle 2006, he was posted to the Logistics supplies division in Shah Alam. In 2007, he was posted to Perak Contingent Police as Head of Management Division and was promoted to Senior Assistant Commissioner (SAC) in 2011. In 2014, he was posted back to Police Headquarters Bukit Aman as Deputy Director II Logistics and was subsequently promoted to Deputy Commissioner of Police (DCP). He retired from PDRM in December 2015.

In 2016, he was appointed as a Business Consultant for Samsung Malaysia Electronics (SME) Sdn Bhd, a company involved in the trading and distribution of electrical and electronic products and after-sales services, until 2018 where he provided consulting services to the company in relation to the procurement processes and procedures involved in supplying goods to the government. In July the same year, he was also appointed as Secretary of Koperasi Polis Diraja Malaysia Berhad, an investment holding company that invests in various industries such as hotel management,

PROFILE OF DIRECTORS

Cont'd

construction, aviation and tourism. He was involved in overseeing its administrative functions in relation to membership matters, conducting membership drive programmes, coordinating board meetings and annual general meetings and preparing quarterly reports to Suruhanjaya Koperasi Malaysia on the performance and activities of the cooperative up to completion of his term in 2018.

In 2020, he was offered to join Kop Tradtech Sdn Bhd, as Chief Executive Officer (CEO), a subsidiary of Kop Mantap Berhad, a company involved in general trading and supply of uniform and uniform accessories mainly to PDRM and Auxiliary Polis. He is responsible for overseeing the management and overall performance of the company. He left the company in October 2022, due to health reasons when his contract has expired.

He does not hold any directorship in other public and/or public-listed company and does not have any conflict of interest with the Group nor any family relationship with any other Director, member of key senior management or major shareholder of the Group. He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF DIRECTORS

Cont'd



KO YUN HUNG

Managing Director

Nationality



Gender



Age



Date of Appointment

26 January 2016

Membership(s) of Board Committee

Nil

In 1999, **Ko Yun Hung** graduated with a Bachelor of Engineering (Hons) Mechanical Engineering from Universiti Sains Malaysia.

Upon graduation, he joined SNS Network, a sole proprietorship, as part of its pioneer management team and was involved in the assembly and supply of desktops and related peripherals, as well as the provision of ICT services such as structured cabling work, networking services and software installation. With growing orders from customers and seeing the potential of the industry, he co-founded SNS Network Malaysia in 2000.

Under his leadership, he led the launch of our first brand of retail outlet, iTworld, in 2010. To further enhance our brand name and market presence, he also initiated the launch of our consignment counters in AEON in 2004 and led the rebranding of these consignment counters to GLOO in 2012. He also spearheaded the development and launch of our house brand of ICT products, JOI@ in 2014.

With over 24 years of experience in the ICT products and services industry, he has developed vast experience and in-depth understanding of the industry. Building on his experience and industry knowledge, he plays a major role in spearheading the expansion of our Group, as well as helm ongoing product development and improvement initiatives for our products, services and solutions to support the continued growth of our Group. In 2018, he received the "SME Icons Recognition" award from the Malaysian Service Providers Confederation, in recognition for his outstanding contribution toward innovative, articulative and motive talents that lead the industry and place Malaysia on the world map.

He does not hold any directorship in other public and/or public-listed company and does not have any conflict of interest with the Group nor any family relationship with any other Director or major shareholder of the Group. He is spouse of Eng Su Fern who is member of Key Senior Management of the Group. He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF DIRECTORS

Cont'd



PAH WAI ONN

Executive Director

Nationality



Gender



Age

48

Date of Appointment

19 July 2021

Membership(s) of Board Committee

Nil

Pah Wai Onn obtained his Sijil Pelajaran Malaysia from Sekolah Menengah Jenis Kebangsaan Sam Tet Ipoh, Perak in 1993.

Upon completing his Sijil Pelajaran Malaysia, he pursued further studies in Tunku Abdul Rahman College. From 2017 to 2019, he studied part-time and obtained a certificate for International Executive Master of Business Administration in International Business Management from Paris Graduate School of Management, France in Mantissa College, Kuala Lumpur.

Nevertheless, prior to completing his studies, he left in 1995 and became involved in freelance IT works where he was involved in sourcing and selling desktops until 1999.

In 1999, he joined SNS Network, a sole proprietorship, as part of its pioneer management team and was involved in the assembly and supply of desktops and related peripherals, as well as the provision of ICT services such as structured cabling work, networking services and software installation.

In 2000, he left SNS Network and joined SNS Network Malaysia (which was co-founded by Ko Yun Hung and Ong Mei Kwai) as part of its pioneer management team and undertook the position as Project Coordinator. His responsibilities include developing, implementing and executing sales and marketing strategies, managing and coordinating projects as well as building and managing supplier relationships.

In 2007, he was promoted to Sales and Marketing Director. Throughout the years, he supported our Managing Director, Ko Yun Hung, in various sales and marketing strategies and initiatives, as well as building brand awareness for our house brands, namely iTworld® and GLOO®. He was also involved in the development of marketing strategies for our house brand of ICT products, namely JOI®.

With over 24 years of experience in the ICT products and services industry, he has developed vast experience and in-depth understanding of the industry. Building on his experience and industry knowledge, he continues to play a critical role in spearheading the overall sales and marketing functions of our Group.

He does not hold any directorship in other public and/or public-listed company and does not have any conflict of interest with the Group nor any family relationship with any other Director or major shareholder of the Group. He is spouse of Tham Sau Har who is member of Key Senior Management of the Group. He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF DIRECTORS

Cont'd



Siow Wei Ming obtained his Sijil Tinggi Persekolahan Malaysia from Sekolah Menengah Sulaiman, Bentong, Pahang in 1993.

In 1994, he began his career when he joined Alpha Data Sdn Bhd, a company involved in the sales and distribution of electronics and computer equipment, as Sales Executive where he was involved in the sale of laptops to retail dealers throughout Malaysia. In 1998, he left Alpha Data Sdn Bhd and joined Intranet Sendirian Berhad, a company involved in the trading of computer products, as Account Manager where he was responsible for product sourcing and purchasing, supplier management and selling ICT products. In 2000, he was promoted to Assistant Sales Manager and was responsible for product distribution to branches located throughout Malaysia.

In 2001, he left Intranet Sendirian Berhad and joined PM Distribution Sdn Bhd, a company involved in the distribution of laptops, motherboards, hard disk drives and digital versatile disk rewritable, as Sales Manager where he was responsible for sourcing products, managing business development activities, building brand awareness for the company's own brand of laptop and achieving yearly sales targets.

In April 2010, he left PM Distribution Sdn Bhd and set up Note Plaza Sdn Bhd, a company involved in the trading of computer and computer accessories, and the provision of cyber internet and network IT solutions and services, with 2 other shareholders namely, Yap Teck Soon and Ang Liuk Keong, and was involved in the sale of laptops.

In August 2010, he incorporated Notebook Plaza, with 2 other shareholders namely, Siow Wei Shan (our shareholder) and Tham Soon Fatt (who had since 2014 ceased to be a shareholder and Director of Notebook Plaza), for the sale of ICT hardware, devices and related peripherals. With that, he led the development and execution of business plans and strategies, overseeing daily operations and building business relationships with industry stakeholders. Upon incorporating Notebook Plaza, he gradually ceased the operations and business of Note Plaza Sdn Bhd. He joined our group in 2010 upon incorporating Notebook Plaza. He has been with our Group for 13 years.

He does not hold any directorship in other public and/or public-listed company and does not have any conflict of interest with the Group nor any family relationship with any other Director, member of key senior management or major shareholder of the Group. He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

SIOW WEI MING

Executive Director

Nationality



Gender



Age



Date of Appointment

19 July 2021

Membership(s) of Board Committee

Nil

PROFILE OF DIRECTORS

Cont'd



TAN EE MING

Independent Non-Executive Director

Nationality



Gender



Age

50

Date of Appointment

19 July 2021

Membership(s) of Board Committee

Audit and Risk management Committee (Chairman)
Remuneration Committee
Nomination Committee

Tan Ee Ming obtained her qualification in 1994 from Association of Chartered Certified Accountants and has been a member since 1999. She has also been a member of the Malaysian Institute of Accountants since 2000.

In 1994, she began her career when she joined KPMG, an audit firm, as Audit Assistant where she was involved in audit works. Over the years, she was promoted to various positions within KPMG, holding her last position as Manager when she left in 2002. During her tenure, she was responsible for managing and supervising team members in performing audit tasks for companies from various industries, recruitment of new staff and managing the career development of her team members.

In 2002, she left KPMG and joined CCM Pharmaceuticals Sdn Bhd (now known as Duopharma Biotech Berhad), a company involved in the manufacturing of pharmaceutical products, as Management Accounting Manager where she was responsible for managing the accounting and finance functions of the pharmaceutical division. In 2004, she was promoted to Finance Manager, where she took on further responsibilities to lead the accounting and finance functions of the pharmaceutical division regionally.

In 2008, she left CCM Pharmaceuticals Sdn Bhd and joined Comfez Limited, a company involved in the procurement of raw material of animal feed, as Regional Financial Controller in Hong Kong where she was involved in leading and managing the accounting and finance functions of the company and its regional subsidiaries, monitoring financial performance and operational issues, as well as enhancing internal control processes. In 2009, she was transferred to Gold Coin Holdings Sdn Bhd, a company involved in the manufacturing of animal feed, as Group Regional Controller and assumed similar responsibilities, including implementation of ERP system.

In 2015, she left Gold Coin Holdings Sdn Bhd and joined iSentia Library Group Sdn Bhd, a Media Intelligence firm, as Finance Director (Asia), where she was responsible for managing the overall finance functions of the regional office including providing financial decision analysis on the development and implementation of financial strategies, dealing with various stakeholders for corporate exercise, merges and acquisitions and streamlining accounting and finance operations across subsidiaries. In 2021, she left iSentia Library Group Sdn Bhd right before her appointment to our Board.

In 2022, she joined Boilermech Sdn Bhd (a wholly-owned subsidiary of Boilermech Holdings Berhad which is listed on the Main Market of Bursa Securities) as Group Financial Controller, Accounts where she is responsible for overseeing the financial and accounting functions of the company and its subsidiaries.

She does not hold any directorship in other public and/or public-listed company and does not have any conflict of interest with the Group nor any family relationship with any other Director, member of key senior management or major shareholder of the Group. She has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF DIRECTORS

Cont'd



Dato' F'ng Meow Cheng graduated with a Bachelor of Science in Business Administration from University of Southwestern Louisiana, USA in May 1991 and obtained her Master of Management from the Australian Institute of Business in November 2016. She has been a member of the Malaysian Institute of Certified Public Accountants and MIA since 1997 and 1998 respectively.

She began her career in November 1991 with Sony Electronics (M) Sdn Bhd, a company involved in the manufacturing of consumer electronic products, as System Planner where she assisted in organisational corporate planning as well as drafting of standard operating procedures to ensure compliance with the international standards of quality. Subsequently, she left the company to join Russ Ooi & Associates (a member firm of RSM International then) in October 1992 as junior auditor. She left Russ Ooi & Associates in September 1996 as Assistant Manager and joined another audit firm, H.B. Ooi & Co. as Manager in April 1997 where she was mainly involved in audit, taxation and consultancy services. She left in February 1998 and joined another audit firm, K.B. Tan & Co. as Manager in March 1998 where she was also mainly involved in audit, taxation and consultancy services. She then left the main office in Klang, Selangor and took on the responsibility to set up and manage a new branch office in Bukit Mertajam, Penang in November 1998. In November 2002, the name of K.B. Tan & Co was changed to MC F'ng & Associates and she has since become a sole practitioner at the auditing firm providing auditing, taxation and consulting services.

DATO' F'NG MEOW CHENG

Independent Non-Executive Director

Nationality



Gender



Age

57

Date of Appointment

28 September 2021

Membership(s) of Board Committee

Remuneration Committee
(Chairman)
Audit and Risk
management Committee
Nomination Committee

She currently serves as an Independent Non-Executive Director on the board of directors of UWC Berhad and Aurelius Technologies Berhad. She does not have any conflict of interest with the Group nor any family relationship with any other Director, member of key senior management or major shareholder of the Group and has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF DIRECTORS

Cont'd



MAYLEE GAN SUAT LEE

Independent Non-Executive Director

Nationality



Gender



Age

46

Date of Appointment

19 July 2021

Membership(s) of Board Committee

Nomination Committee
(Chairman)
Audit and Risk
management Committee
Remuneration Committee

Maylee Gan Suat Lee graduated with a Bachelor of Laws from the University of London, UK in 1999. She obtained her Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia in 2000. She pursued further studies and obtained the University Postgraduate Certificate in Information Technology and the University Postgraduate Diploma in Information Technology in 2001 and 2003, respectively from Staffordshire University, UK. She continued to pursue her part-time studies and obtained her Master of Science in Information Technology in 2005 from Staffordshire University, UK.

She was admitted as an Advocate and Solicitor of the High Court of Malaya in 2005. She has been a member of the Malaysian Association of Company Secretaries since 2016, a member of the Fintech Association of Malaysia since 2016 and a registered Company Secretary of the ROC since 2019.

In 2003, she joined Hiew & Loh (now known as SW Tham, Yong & Co), a law firm, to perform her pupillage. In January 2004, she left Hiew & Loh and took a 6-month career break to focus on her studies.

In July 2004, she joined Lee Hishammuddin Allen & Gledhill, a law firm, and completed her pupillage in October 2004. She continued practising as a Legal Assistant where she was responsible for performing legal tasks pertaining to corporate matters. Following that, she was called to the bar in 2005. In 2008, she left Lee Hishammuddin Allen & Gledhill and co-founded Maylee Gan & Tai, a law firm, to provide legal services pertaining to corporate matters.

She has over 18 years of experience in providing legal services pertaining to corporate matters to clients in a wide range of industries. Her portfolio of clients includes public listed companies and multinational corporations in various industries such as real estate development and construction, investment, retail and consumer banking and financial services, private equity funding, financial technology, peer to peer lending, automotive, electronics and IT, industrial manufacturing, as well as oil and gas. Amongst the key areas of her practise are commercial and corporate matters, securities and capital markets, compliance and regulatory matters as well as banking and finance.

She currently serves as an Independent Non-Executive Director on the board of directors of Kerjaya Prospek Group Berhad. She does not have any conflict of interest with the Group nor any family relationship with any other Director, member of key senior management or major shareholder of the Group and has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF KEY SENIOR MANAGEMENT



ENG SU FERN

Development Director

Nationality



Gender



Age



Date of Appointment

1 January 2007

Membership(s) of Board Committee

Nil

In 2004, **Eng Su Fern** graduated with a Bachelor of IT with Honours from Universiti Utara Malaysia. She pursued further studies and obtained her Master of Business Administration from Universiti Sains Malaysia in 2019.

In 2004, she began her career as System Development Engineer in SNS Network Malaysia where she was involved in software and system Research and Development ("R&D") activities, primarily focusing on website development and creating online presence for the company.

In 2007, she was promoted to Development Director where she led a team of engineers in software and system development activities, exploring new product offerings and performing business development matters pertaining to identifying new locations for retail expansion. She also led R&D activities for new products, services and solutions development, and/or continuous upgrade of existing products, services and solutions for our JOI® smart classroom framework, JOI® Smart Sense solution and JOI® ICT products services and solutions. She also spearheaded the launch of our online stores on third party marketplaces in 2015 and our in-house online stores in 2017.

She is spouse of Ko Yun Hung, the Managing Director and major shareholder of the Group. She holds 7,362,971 shares of SNS and does not hold any directorship in other public and/or public-listed company. She has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF KEY SENIOR MANAGEMENT

Cont'd



THAM SAU HAR

Administrative and Operations Director

Nationality



Gender



Age

42

Date of Appointment

29 January 2021

Membership(s) of Board Committee

Nil

Tham Sau Har obtained her Sijil Pelajaran Malaysia from Sekolah Menengah Kebangsaan Raja Perempuan, Ipoh, Perak in 1998. She continued her education and obtained her Accounting – Third Level certification from the London Chamber of Commerce and Industry (“LCCI”) Examinations Board in 2000.

In 2000, she joined SNS Network Malaysia as Business Administrator where she was responsible for the execution of daily administrative and accounting tasks.

In 2007, she was promoted to Finance Director and was responsible for the management of daily administrative and accounting functions including controlling monthly expenses, managing payment collections, overseeing the continuous improvement of financial processes involving internal control policies and standard operating procedures, securing loans and financial facilities from financial institutions, and ensuring compliance of quality controls and quality assurance procedures.

In 2017, she handed over her financial responsibilities to our Group Financial Controller to focus on the administrative and operational functions of our Group. In January 2021, she was redesignated as Administrative and Operations Director and assumed her current responsibilities.

She is spouse of Pah Wai Onn, the Executive Director and major shareholder of the Group. She holds 7,362,971 shares of SNS and does not hold any directorship in other public and/or public-listed company. She has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

PROFILE OF KEY SENIOR MANAGEMENT

Cont'd



THONG SOON CHEONG

Group Financial Controller

Nationality



Gender



Age

53

Date of Appointment

29 June 2020

Membership(s) of Board Committee

Nil

Thong Soon Cheong obtained his Unified Examination Certificate for Independent Chinese Secondary Schools in Malaysia from Sekolah Menengah Shen Jai, Ipoh, Perak in 1989. He continued his education in Sekolah Menengah Shen Jai Ipoh, Perak and obtained his Accounting – Third Level certification from the LCCI Examinations Board in 1991. He has been a member of The Chartered Institute of Management Accountants (“CIMA”) and the Malaysian Institute of Accountants, both since 1999.

In January 1991, he began his career in Francis Lee & Co. as Audit Assistant for 2 months where he assisted in the financial audit processes for clients. In March 1991, he joined MBF Construction Sdn Bhd as Accounts Assistant where he handled payments, prepared accounts receivables and assisted in debtor reconciliation. In 1992, he left to join Hexza Corporation Berhad as Accounts Assistant where he was responsible for preparing subsidiaries' accounts and consolidating accounts. In 1993, he left to pursue full-time studies in CIMA which he completed in 1995 and obtained his CIMA professional certification.

In 1995, he joined Sportma Corporation Berhad as Accounts Manager where he was responsible for the preparation of cash flows, monthly reporting, reviewing and updating the costing system, and assisted in the listing exercise of the company.

In 2000, he left Sportma Corporation Berhad and joined Maju Weko Timber Industries Sdn Bhd as Accountant where he was responsible for managing the administrative and finance functions including tax and regulatory requirements, licensing applications and renewals, and securing loan facilities from financial institutions. He also participated in the listing exercise of the company. In March 2003, he was transferred to Kota Pinang Sdn Bhd (a related company to Maju Weko Timber Industries Sdn Bhd) as Accountant and assumed similar responsibilities. In December 2003, he was promoted to Group Finance Manager when Leweko Resources Berhad, the holding company of Maju Weko Timber Industries Sdn Bhd and Kota Pinang Sdn Bhd, was listed Main Market on Bursa Securities through a reverse takeover exercise. He left the group in 2010.

In 2010, he joined his family business, Square One Concept Interior Design, a sole proprietorship involved in interior design and renovation, as Finance Manager where he was responsible for its finance and administrative functions.

In February 2012, he left to join another family business, Greenster Trading, a partnership involved in landscaping design and flowerpot manufacturing, as Finance Manager where he was responsible for its finance and administrative functions. In May 2012, he left to join Yayasan Bina Upaya Darul Ridzuan as Manager where he managed the overall finance and administrative operations of the company. In 2013, he left to join YBU Holdings Sdn Bhd where he managed the overall finance and accounting functions of the company and was involved in management decision making. In 2015, he was promoted to Finance Manager.

In 2017, he left YBU Holdings Sdn Bhd and joined SNS Network Malaysia as Financial Controller. In June 2020, he was promoted to Group Financial Controller and assumed his current responsibilities.

He holds 400,000 shares of SNS and does not hold any directorship in other public and/or public-listed company. He does not have any family relationship with any other Director, member of key senior management or major shareholder of the Group and has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies during the financial year ended 31 January 2023.

SUSTAINABILITY STATEMENT

STATEMENT FROM THE CHAIRMAN

To our Stakeholders,

At SNS, we recognise the importance of sustainable business practices and their impact on the national economy. As an essential ICT provider, we enable digital transformation that drives economic growth. Our vision of "Making Life Easy with Technology" is achieved by incorporating Environmental, Social, and Governance ("ESG") principles into our operations. We strive to balance economic progress with social and environmental responsibility, viewing sustainability as a core aspect of our business success.

In today's fast-paced world, digital transformation is accelerating at an unprecedented rate. As a result, our role has become even more vital. Our product offering enable workforce agility, which is essential to the success of businesses and industries across the country.

The global pandemic has proven the critical importance of the products and services we provide. As businesses and individuals worldwide were forced to adapt to digital technologies to maintain operations, we witnessed firsthand the indispensable nature of our product and services in facilitating economic activity.

We understand the importance of our ESG commitments in the long run, and ESG elements form a critical part of our corporate directions. Our sustainability efforts are not just about complying with regulations or meeting the expectations of our stakeholders but embedded into our Company culture.

ESG elements form part of our corporate directions, and we are committed to implementing them in everything we do. This includes reducing our carbon footprint, ensuring ethical and responsible sourcing of materials, and promoting diversity, equality, and inclusion throughout the Group.

As part of our sustainability efforts, we have made investments in green energy. By installing solar panels on our facility, we are generating renewable energy and decreasing our dependence on non-renewable sources. This is just one of many examples of our efforts to reduce our environmental impact and contribute to a more sustainable future.

We remain dedicated to ensuring that our operations are sustainable and ethical, and we look forward to continuing to work with our stakeholders to build a better future for all.

Lastly, on behalf of the board, I want to express my appreciation for the resilience and dedication of our people during the past year. Despite the challenges of the pandemic, our people have shown unwavering determination.

Thank you for your continued support.

On behalf of the Board,

Dato' Zulkapli Bin Ahmad
Independent Non-Executive Chairman

SUSTAINABILITY STATEMENT

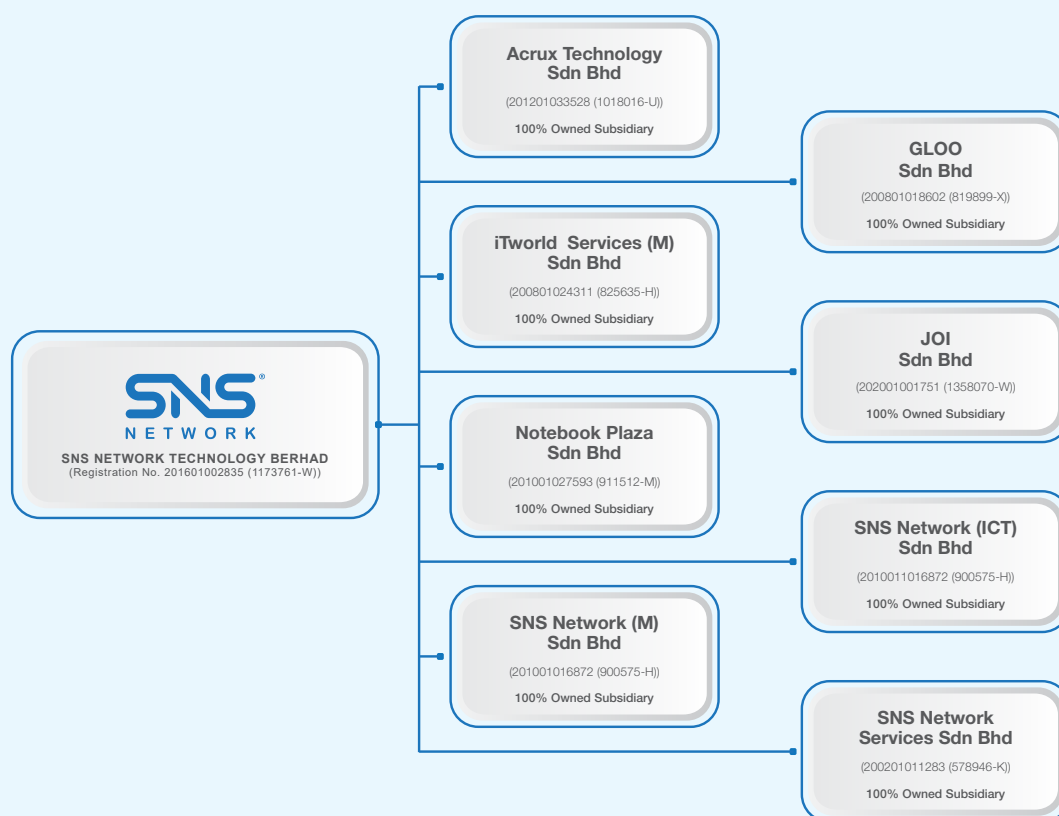
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ABOUT SNS

SNS Network Technology Berhad, a Public Limited Company ("**SNS**" or the "**Company**") and together with its subsidiaries ("**SNS Group**" or the "**Group**"), is an Information Communication Technology ("**ICT**") solution provider headquartered in Ipoh, Perak. The Group employs over 300 trained professionals with a nationwide network across Malaysia. The Group strives to satisfy the increasingly sophisticated needs of technology-driven solutions and seamlessly integrated information systems to end consumers, education, SME businesses, large corporations, and government institutions.

Since 1998, the Group has prided itself on being a solutions-based organisation that takes time to understand each customer's business needs. The Group's comprehensive and flexible spectrum of services is supported by leading-edge information technology that provides high visibility from end to end. The Group endeavors to integrate sustainability principles into its strategies, policies, and procedures.

Group Structure



SNS, the parent company, is listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). All subsidiaries are wholly owned by SNS and are incorporated and domiciled in Malaysia.

SUSTAINABILITY STATEMENT

Cont'd

Operating Locations, Products, and Services



The Group is principally involved in the provision of ICT products, services and solutions.

The core business activities are as follows:

- (a) Sale of ICT products comprising hardware, devices and related peripherals, as well as the provision of ICT services and solutions; and
- (b) Provision of device repair and related services, as well as sale of broadband services.

The Group sources its products and services from a diverse range of multinational corporations.

All companies within the Group are domiciled in Malaysia and are operating in Johor, Penang, Perak, and Selangor with retail operations in Kuala Lumpur, Selangor, Putrajaya, Negeri Sembilan, Perak, Penang, Kedah and Kelantan.



SUSTAINABILITY STATEMENT

Cont'd

SCOPE OF REPORT

The sustainability report (the "**report**") presented here is an essential step for the Group in demonstrating its commitment to sustainability and responsible corporate practices. It marks the first of regular reporting, serving as a baseline for measuring progress and identifying areas for improvement.

The report covers the sustainability efforts and performance of the Group's consolidated entities (including the Group's headquarters and all subsidiaries operating in Malaysia) for the financial year ended 31 January 2023 ("**FYE 2023**"). This comprehensive scope allows for a holistic assessment of the Group's sustainability performance across all areas of its operations, providing stakeholders with a picture of the Group's sustainability practices and how it addresses environmental, social, and governance (ESG) issues.

Material issues and topics described in this report have been selected according to their significance level within the Group's boundaries, sustainability context, and materiality, reflecting its core business operations.

This report uses FYE 2023's data as a baseline for reporting and will cover the Group's initial data as it continues its sustainability journey. The data presented in this report applies to the Group as a whole unless otherwise stated in the report. As part of the Group's ongoing commitment to sustainability, it aims to continuously improve reporting and expand the indicators presented on material matters, providing stakeholders with a more comprehensive view of its sustainability performance.

This sustainability report was published on 16 May 2023.

Reporting Methodology

This report is the Group's first sustainability report since listing in 2022. The Group has prepared this report in accordance with the requirements of the Global Reporting Initiative's ("**GRI**") Standards 2021, an internationally recognised reporting framework covering a comprehensive range of sustainability disclosures. Using the GRI Standards, the Group ensures that the report is aligned with international best practices for sustainability reporting and that stakeholders can compare performance against other companies reporting under the same framework. Additionally, the GRI Standards helped the Group to identify material issues and indicators, ensuring that reporting is relevant, comprehensive, and meaningful. Further, this report is prepared following the Sustainability Reporting Guide ("**ESG Guide**") issued by the Bursa Securities 3rd Edition.

Contact Information

The Group values stakeholder feedback on sustainability reporting to enhance sustainability performance and processes. We welcome any suggestions to the Report.

Please send any questions and suggestions to: ir@sns.com.my

SUSTAINABILITY STATEMENT

Cont'd

SUSTAINABILITY APPROACH

Sustainability governance includes the systems and controls in place to manage the Group's sustainability activities. This includes policies, processes, and people, which are necessary to meet the expectations of all stakeholders with integrity, respect, transparency, and accountability.

The Group prides itself in remaining steadfast in conducting its operations with integrity and the highest standards of ethical conduct and corporate governance. This shapes a culture of responsibility within the Group among employees at all levels, helps uphold the Group's corporate reputation, and maintains brand positioning to build its thriving business further. With a commitment to conducting business in line with the best corporate governance practices, the Group aims to achieve sustainable business development by considering the interest of the stakeholders while ensuring compliance with legal and regulatory requirements.

The Board of Directors ("**the Board**") recognises the importance of adopting the Principles and Recommendations as set out in the Malaysian Code on Corporate Governance ("**MCCG**"), Third Edition of Corporate Governance Guide issued by Bursa Securities, and the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Securities and is fully committed to ensuring that the highest standards of corporate governance are observed and practiced throughout the Group to build sustainable business growth, safeguard the interest of shareholders, enhance shareholders' value and protect stakeholders' interest.

Sustainability Leadership

Governance Structure and Composition

The Group's Board of Directors, as the highest governance body, has ultimate responsibility for the management, direction, general affairs, and performance and takes overall accountability in managing all risks and opportunities of the business. The Board is in charge of advancing the long-term success of the Group and developing shareholder value as well. The Board leads by example, promoting the Group's culture and acting with integrity.

The individual profiles of the Directors are available in the Investor Relations section of the Group's website at www.sns.com.my.

Role of the Board

The Board's role is to provide leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board has delegated certain responsibilities to committees that operate in accordance with the Charter approved by the Board and delegated the day-to-day management of the business to the Group's Chief Executive Directors, Management, and Executive Officers subject to an agreed authority limit. The Chairman of the Board of Directors is not part of the Group's senior executives.

The role of the Board includes reinforcement of ethical, prudent, and professional behavior; reviewing and adopting a strategic plan on sustainability; addressing sustainability risks and opportunities; identifying principal risks and ensuring the implementation of appropriate internal controls and risk management together with mitigation measures; reviewing the adequacy and the integrity of the Group's risk management, internal control systems and management information systems, including systems/reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines to safeguard the Group's reputation, employees and assets; etc. The full details of the role of the Board of Directors are publicly available on the Group's website at www.sns.com.my.

The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders, and the general public. It is the responsibility of the Board to ensure that the Annual General Meeting ("**AGM**") and Extraordinary General Meeting ("**EGM**") of the Group are conducted efficiently and serve as a crucial mechanism in shareholder communications. Key ingredients behind this include providing comprehensive and timely information to shareholders and encouraging active participation at the general meetings.

SUSTAINABILITY STATEMENT

Cont'd

While the Board oversees the strategy of all sustainability initiatives throughout the Group, the ESG Working Group (being led by the Group's Financial Controller) oversees the Group's impact on the economy, environment, and people. The ESG Working Group ensures that they engage with various stakeholders and considers the outcome of the engagement in their decision-making.



The ESG Working Group reports to Managing Director ("MD") during quarterly meetings. During these meetings, the MD reviews and approves all matters raised by the ESG Working Group concerning all stakeholders, including assessing the Group's material topics. In FYE 2023, there were no identified critical concerns, and none were communicated to the Board.

Further, during the quarterly reporting of the ESG Working Group to the MD, the MD evaluate the performance of the working group and provide independent feedback on their performance in managing the Group's sustainability activities and impacts. The ESG Working Group takes notes of feedback and recommendations to improve their process and sustainability actions to address impacts on the economy, environment, and people.

Nomination Committee

The Group's Nomination Committee recommends candidates to the Board. It is responsible for ensuring the appropriate Board balance and size and that the Board has a required mix of skills, experience, and other core competencies to ensure independence, integrity, and diversity. The Board is also mindful of the recommendation for diversity, and, under this circumstance, the Nomination Committee shall ensure that diversity is sought during its recruitment exercise and consider all forms of diversity in its recommendation to the Board

Based on the process and procedures laid out by the Board, the Nomination Committee shall carry out and ensure proper documentation of all assessments and evaluations on the effectiveness of the Board, the Board Committees and the contribution of each Director annually. The full charter, including membership, roles, and responsibilities, of the Nomination Committee is publicly available on the Group's website at www.sns.com.my.

Policy Commitments

Following are key policies established by the Group to maintain a high level of corporate governance. These policies are established to ensure responsible business conduct and extend to all of the Group's activities, including its business relationships. These are reviewed periodically and approved by the Key Senior Management and the Board in accordance with the requirements of the Group.

The Group ensures that all policies are communicated to all employees as part of their onboarding and regular training. All officers and levels of management are tasked to ensure that policies are followed when establishing strategies, operational policies, and operational procedures.

SUSTAINABILITY STATEMENT

Cont'd

Board Charter

The charter serves as a guide for the Board and Management vis-à-vis the role of the Board and its Committees, the requirements of the Directors in carrying out their stewardship role, and discharging their duties towards the Group as well as the Board's current practices. The full details of the Board Charter are publicly available on the Group's website at www.sns.com.my.

Training

Under the Board Charter, Directors are required to undergo the mandatory accreditation program under the auspices of Bursa Securities. In addition, Directors must attend relevant training courses or seminars periodically to keep themselves updated on developments about the oversight function of Directors, including technical matters (such as sustainable development). The Nomination Committee shall decide on the continuous education training program for Directors.

All training attended by Directors is disclosed in the Annual Report.

Code of Conduct and Ethics

The Board is mindful of its responsibility to establish a culture that instills ethical conduct that penetrates all levels of the Group and inhibits misconduct or unethical behaviors. Accordingly, the Board has formalised a Code of Conduct and Ethics ("**the Code**") on 1 October 2021 for all board of directors, executive officers, members of management, regular employees, and contractual employees having employment relationships with the Group, as well as temporary staff and seconded employees, working under the control and supervision of the Group.

The Group's Code of Conduct and Ethics lays down the Group's expectations of both the Board's and employees' behavior while conducting business. The code aims to outline the standards of business conduct and ethical behavior as well as the fundamental guiding principles and standards of the Officers, especially for the Directors to discharge their duties and responsibilities to uphold their high standards of personal integrity, professionalism, and ethical practices. The details of the Group's Code are made available on the corporate website at www.sns.com.my.

The Code covers areas such as the following:



Conflict of Interest

The Board acts in the best interests of the Group and its shareholders while avoiding conflicts of interest. A conflict of interest arises when a board member has personal or financial interests that may influence their decision-making, potentially compromising their duty to act solely in the Group's best interests. To prevent conflicts of interest, the Board Charter includes policies for identifying and managing conflicts, such as disclosing financial interests, recusing oneself from discussions and decisions, and limiting or prohibiting certain financial transactions. An actual, potential, or perceived conflict of interest does not necessarily disqualify an individual Director from the Board, provided that full disclosure of the interest has been made to all stakeholders in good faith and with due honesty.

The Company Secretary aids the annual independence and conflict of interest self-declaration by the Directors.

SUSTAINABILITY STATEMENT

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Remuneration

In accordance with the MCCG, the Remuneration Committee of the Group is set up to provide recommendations to the Board on the remuneration of the Executive Directors and Key Senior Management.

Remunerations are assessed based on a Director's position and scope of work, business strategy, long-term objectives, the complexity of activities performance, years of service, experience, and industry standard. The parts of remuneration are structured to link rewards to corporate and individual performance, including performance in relation to the management of the Group's impacts on the economy, environment, and people.

All remuneration for Directors shall be approved by the Board, with the Directors concerned abstaining from participating in the discussion of their remuneration. Further, remuneration for Non-Executive Directors is subject to shareholders' approval at general meetings. The full details of the Board Charter can be found on the Group's website at www.sns.com.my, while the details of the remuneration of all Directors are available on the Group's Corporate Governance Report for FYE 2023.

Compliance with Laws and Regulations

Compliance with laws and regulations is crucial for the Group's business operations. Practicing self-regulation, the Group ensures that all its business activities are in check with the applicable laws and regulations.

The Group is committed to doing business the right way by acting ethically and consistently with its Code of Conduct and Ethics, its policies, and all applicable laws, rules, and regulations. Employees must familiarise themselves with applicable laws relating to their job responsibilities and Group policies.

Failure to abide by the laws and regulations could subject the Group to civil and/or criminal actions leading to damages, fines, and criminal sanctions against the Group and/or its employees with significant consequences for its name. The Group conducts regular compliance monitoring. Based on the activities conducted in FYE 2023, it was observed that the Group successfully met all compliance requirements with no major offense and paid no penalty or fine for non-compliance other than minor traffic offenses and late payment tax penalty.

Tax Compliance

The Group ensures that it complies with tax regulations and fully supports the local and national government by paying appropriate taxes. Tax compliance is monitored both by the ESG Working Group and the Board. The Group regularly files its tax returns as part of its regular accounting and reporting tasks. It monitors tax laws and regulations and assesses and identifies tax complexities and risks. The Group engages third-party tax consultants to assist in tax management and external auditors to ensure that its financial statements comply with reporting and disclosure requirements.






SUSTAINABILITY STATEMENT

Cont'd

Stakeholders

Stakeholder engagement is fundamental to the Group's sustainability strategy. It keeps the Group abreast with stakeholder needs and expectations. Through the years, the Group has maintained close and effective communication with its valued stakeholders through its various engagement platforms to manage stakeholders' needs and ensure the voices of the stakeholders are heard. These engagement programs aim to identify and address stakeholders' concerns or grievances and provide a way for stakeholders to seek advice.

The Group has established multiple engagement programs to gauge the stakeholders' views on the operations and services. The Group's stakeholder engagement, including topics of concern, purpose, and engagement methods, are listed below.

Stakeholders	Engagements	Expectations and Concerns	Engagement Methods and Frequency
Government and Regulators 	The Group complies with corporate governance, local laws and regulations and pays all taxes to support Malaysia's programs and economic growth in each region.	<ul style="list-style-type: none"> • Compliance with laws and regulations • Support economic development 	<ul style="list-style-type: none"> • Monitoring of compliance with laws and regulations (Continuously) • Routing regulatory report, and payments of taxes (Continuously, according to regulatory schedules)
Shareholders and Investors 	The Group prioritises shareholder interests by appointing an experienced management team and upholding good corporate governance	<ul style="list-style-type: none"> • Return on investments • Corporate governance • Business compliance 	<ul style="list-style-type: none"> • Reports and announcements (As needed) • Regular general meetings • Official website (Continuously)
Employees 	Employees are the Group's greatest asset, and continuous training programs enable them to excel in their field.	<ul style="list-style-type: none"> • Compensation and benefits • Professional and career development • Health and safety • Inclusivity and equity 	<ul style="list-style-type: none"> • Performance reviews (Semi-annually) • Training (Regular and as needed) • Emails, notices, hotlines, activities with management (Regularly and as needed)
Customers 	The Group prioritizes value-added products, better business terms, and customer-oriented business models to create value for domestic clients.	<ul style="list-style-type: none"> • High-quality products and services • Protect the rights of customers 	<ul style="list-style-type: none"> • Customer satisfaction survey (Regularly and as needed) • Customer service hotline and email (Continuously) • Live interactions and consultations (Continuously)
Suppliers and Contractors 	The Group fosters supplier industries' advancement and conducts fair, transparent tenders as a vital purchaser of products and services.	<ul style="list-style-type: none"> • Fair and open procurement • Long-term relationship 	<ul style="list-style-type: none"> • Requests for quotations from various vendors for comparison before purchase. • Suppliers' satisfaction assessment (Regularly and as needed) • Face-to-face and online consultations (Continuously)
Communities 	The Group promotes regional prosperity by conducting sustainable business operations and sponsoring social and economic development programs for healthier, happier local communities.	<ul style="list-style-type: none"> • Involvement in community development • Business compliance • Environmental protection and awareness 	<ul style="list-style-type: none"> • Media conferences and responses to inquiries (Regularly and as needed) • Public welfare activities (Regularly and as needed)

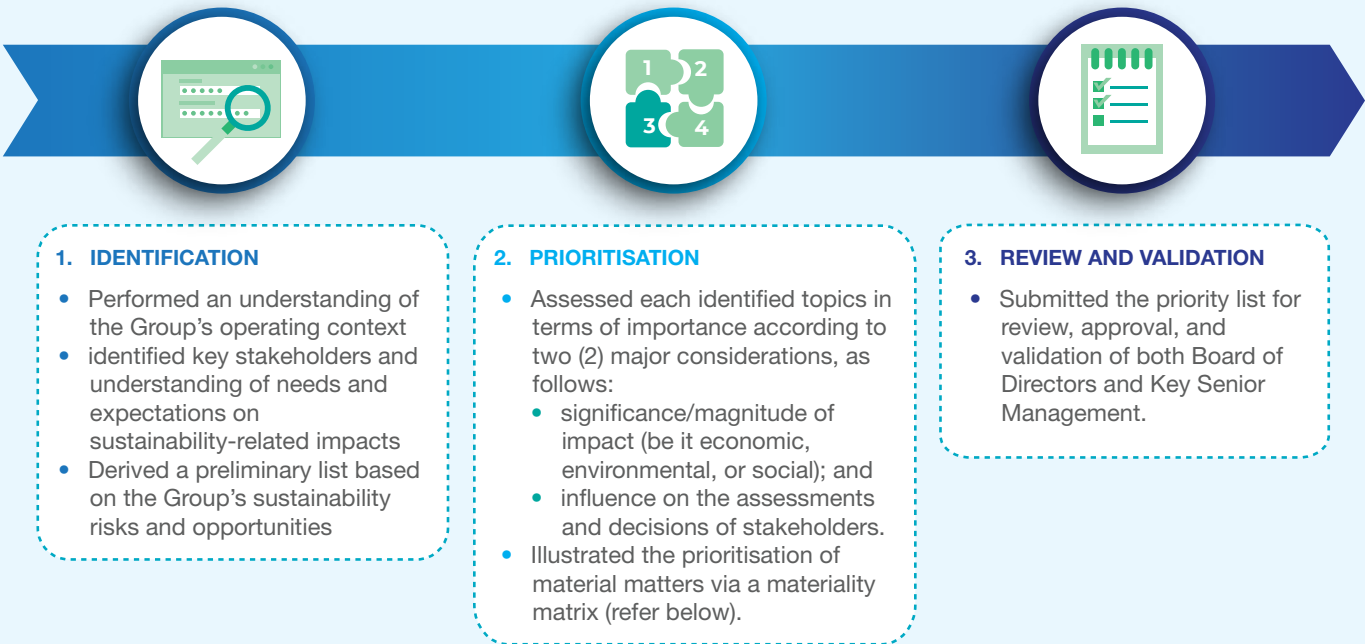
SUSTAINABILITY STATEMENT

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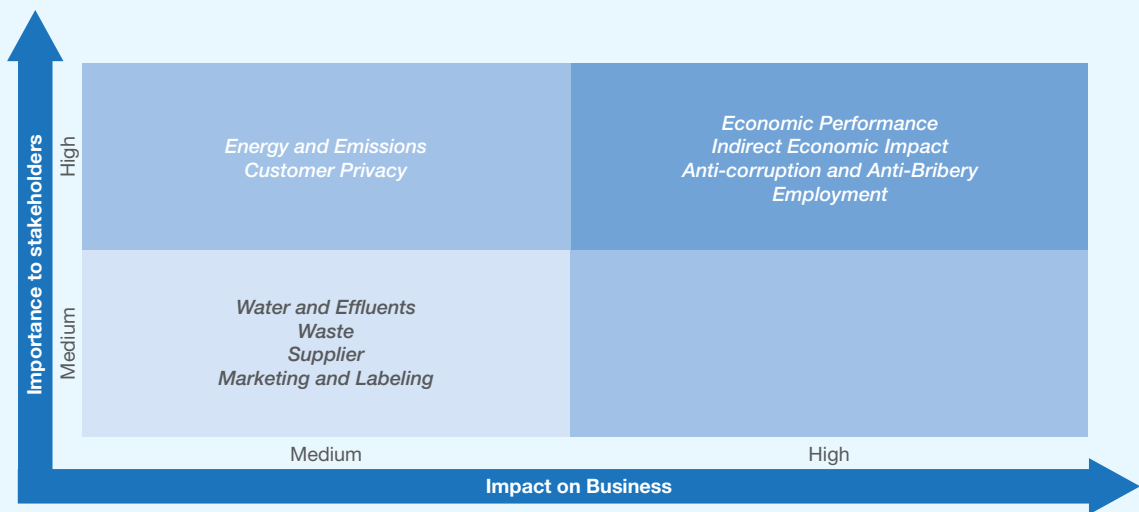
Identification of Material Topics

Undertaking a robust materiality assessment process is essential for the systematic identification as well as prioritisation of sustainability matters that are most material to the Group and its stakeholders.

The Group's Materiality Assessment Process followed the guidance provided by ESG Guide issued by the Bursa Securities 3rd Edition, as follows:



In FYE 2023, the Group conducted its first materiality assessment and identified ten (10) matters of significance. The assessment involved evaluating the importance of each matter to the Group's stakeholders and business operations. The Group performs the Materiality Assessment Process at least annually.



SUSTAINABILITY STATEMENT

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The identified material topics were grouped into the following categories:

Material Matters	Definition	GRI Indicators	United Nations Sustainable Development Goals ¹		
Governance					
Economic Performance	Information on the creation and distribution of economic value to provide indicators of how the Group has created wealth for stakeholders. Including the impact of the Group's business in supporting local suppliers. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and maintain community relations.	201 204	8 9 12	- - -	Decent Work and Economic Growth Industry, Innovation, and Infrastructure Responsible Consumption and Production
Indirect Economic Impacts	The impact of the Group's infrastructure investments and services on stakeholders and the economy.	203	1 2 11	- - -	No poverty Zero Hunger Sustainable Cities and Communities
Anti-corruption and Anti-Bribery	The impact of the Group's commitment to fair and just practices.	205	16	-	Peace, Justice, and Strong Institutions
Environmental					
Energy and Emissions	The impact of the Group's stewardship of energy conservation and emission reduction to minimise negative environmental impacts.	302 305	7 13 15	- - -	Affordable and Clean Energy Climate Actions Life on Land
Water and Effluents	The impact of the Group's water management, from consumption to discharge, to minimise negative environmental impacts.	303	6 14	- -	Clean Water and Sanitation Life Below Water
Waste	The Group's policies and recovery processes manage waste effectively across its operations, with minimal impact on the environment and communities.	306	3 13 15	- - -	Good Health and Well-Being Climate Actions Life on Land
Social					
Employment	The Group's approach towards managing equitable remuneration, benefits occupational health and safety, training and education, diversity, human rights, and other employee engagement programs that aim to protect, retain, and strengthen the workforce.	401 403 404 405 406 407 412	3 4 5 8 10	- - - - -	Good Health and Well-Being Quality Education Gender Equality Decent Work and Economic Growth Reduced Inequalities
Supplier	The Group's supplier assessments procedures to prevent, mitigate, and address actual and potential negative social impacts in the supply chain.	414	12 16	- -	Responsible Consumption and Production Peace, Justice, and Strong Institutions
Marketing and Labeling	The Group's procedures ensure that all required information about its products and services is available to customers.	417	8	-	Decent Work and Economic Growth
Customer Privacy	The Group's approach to protecting customer data	418	8	-	Decent Work and Economic Growth

¹ In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), also known as the Global Goals, which aim to end poverty, protect the planet, and promote peace and prosperity for all people by 2030 (<https://sdgs.un.org/goals>).

SUSTAINABILITY STATEMENT

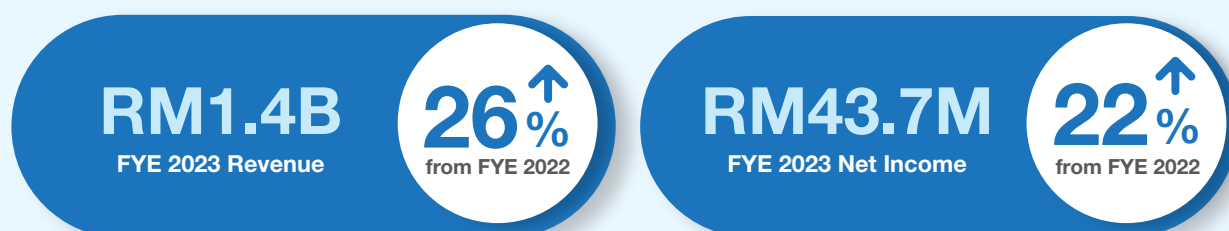
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GOVERNANCE

Economic Performance

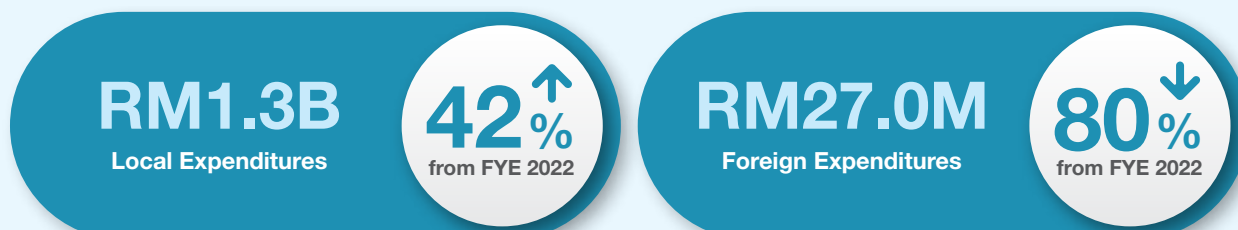
Economic Value Generated and Distributed

In FYE 2023, the Group's direct economic value growth was competitive and was delivered through concentration on the Group's sustainable and strategic choices.



Economic value distributed during the year amounted to RM1.35 billion, which includes RM1.29 billion cost of sales and service from products and services purchased, RM12.37 million operating costs, RM28.83 million employee wages and benefits, RM0.93 million interest payments to loan providers, RM13.76 million payments to the Malaysian Government, and RM0.01 million community investments such as voluntary donations and investments of funds to charities, non-profit organisations ("NGOs") and research institutes, community infrastructure, and social programs.

Operating costs included property rental, license fees, facilitation payments with clear commercial objectives, royalties, payments to contract workers, training costs, and personal protective clothing.



Local expenditures refer to total spending for goods and services provided by local vendors, employees, etc. It also includes all payments to the local and national government for taxes, licenses, and other fees. In FYE 2023, total economic value distributed locally accounted for 98% of total expenditures.

Further details of the Group's direct economic value generated and distributed ("EVG&D") are found in the Group's Audited Consolidated Financial Statements.

Climate Change Risks and Opportunities

Climate change presents financial implications, risks, and business opportunities. As extreme weather events become more frequent, businesses may experience increased costs due to property damage, supply chain disruption, and higher insurance premiums. However, companies that invest in renewable energy and sustainable practices may benefit from cost savings, improved reputation, and increased consumer demand.

The Group continuously assesses and monitors climate change's impact on its operations, including a plan to utilise solar panels as a renewable energy source in one of the Group's offices.

SUSTAINABILITY STATEMENT

CONT'D

Indirect economic Impact

Given the continuous growth in demand for ICT products and the acceleration of digital transformation, the Group sees a positive outlook in the future. The Group currently has plans for the expansion of our device-as-a-service ("DaaS") business, the setting up of 10 new stores in the country, and the construction of a regional hub in Petaling Jaya. The regional hub, expected to commence in January 2026, will serve as a storage facility, customer experience center, live video areas, training center, workshops, and office facilities.

Aside from reaching more businesses and providing them with secure and scalable ICT solutions, these expansion plans will create more job opportunities for the community and growth, reaching other parts of the country.

The Group is also supported by JOI®, our in-house brand of devices and solutions catering to the needs of a growing audience of students enabling them to access educational tools and online learning for a hybrid environment. The Group continue to also secure more DaaS projects from both the government and private sectors across all industries.

Anti-Bribery, Anti-Corruption, and Whistleblowing Policy

The Group is committed to conducting its business activities properly and lawfully, particularly in corruption, fraud, terrorism, and money laundering. Aiming to build ethical business relations, The Group adheres to the anti-bribery and anti-corruption policy adopted by the Group on 1 December 2020, which is established in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**"). The anti-bribery and anti-corruption policy applies to and is communicated to all directors and employees of the Group and including consultants, contractors, trainees, seconded employees, volunteers, interns, agents, sponsors, suppliers, customers, any third party, and any other person associated with the Group. All its directors and employees regularly receive training and timely refresher and awareness programs in anti-bribery and anti-corruption.

The anti-bribery and anti-corruption policy is publicly available on the Group's website at www.sns.com.my.

The Group has established a Whistleblowing Policy and Procedure to uphold the highest standards of professionalism, integrity, and ethical behavior in its business and operations. The policy sets out procedures that enable Employees to raise genuine concerns regarding actual or suspected unethical, unlawful, illegal, wrongful, or other improper conduct and also sets out the process for managing any action, intimidation, or harassment against a whistle-blower. The Group's employees are highly encouraged to report any violation of the Group's Code of Conduct and Ethics via honesty@sns.com.my. Examples of violations may include but are not confined to bribery, kickback, fraud, theft, forgery, unfair treatment, harassment and/or sexual harassment, abuse of power, some other form of misconduct, and/or misuse of common resources. All feedback is dealt with justly and with the highest confidentiality.

The Whistleblowing policy is publicly available on the Group's website at www.sns.com.my.

The Code is reviewed periodically by the Board in accordance with the needs of the Group, and any changes are communicated to all employees.

As of FYE 2023, the Group communicated its policies against bribery and corruption to all its employees, Key Senior Management, board of directors, and business partners. Through the Group's "Acknowledgement of Notice and Declaration" requirement for all its business partners, the Group communicates its anti-corruption policies and procedures, including other sustainability matters.

All employees, Key Senior Management, and the Board were also trained in anti-corruption.

In FYE 2023, the Group assessed its entire operations for corruption risks and has not noted any incidents of corruption. Furthermore, no public legal cases were brought against the Group or its employees within the reporting year.

SUSTAINABILITY STATEMENT

Cont'd

ENVIRONMENT

The Group recognises that protecting the environment is a critical component of its sustainability strategy. The Group is committed to minimising and mitigating environmental impacts throughout the life cycle of operations and to conserving valuable resources.

To achieve this, the Group conducts operations in a manner that protects the environment and carefully evaluates the methods to reduce any adverse exposure to the surrounding environment.

As the world becomes more mindful of the detrimental effects of climate change, the Group believes that businesses must take proactive steps to mitigate its impacts. The Group also recognises that employees are critical to help achieve its sustainability goals. Currently, the Group has not yet set its emission reduction targets as it continues to assess its impact and develop specific plans and programs. However, the Group encourages all personnel to reduce consumption of non-renewable and non-recyclable materials, pursue renewable resources, minimise the level of pollutants entering the air and water from daily business operations, and comply with environmental laws. By working together, the Group can make a positive impact on the environment and help to build a more sustainable future for all.

Energy and Emissions

The Group recognises the critical role of energy consumption in contributing to greenhouse gas ("GHG") emissions. In FYE 2023, the Group assessed that its air emission and ozone impact is focused mainly on the GHG emissions from the usage and consumption of fuel and purchased electricity. As part of its commitment to sustainability, the Group has taken proactive measures to address its GHG emissions.

Starting FYE 2023, the Group initiated a comprehensive monitoring and management system to track and manage its GHG emissions across all its subsidiaries and operating locations. By combining data from all operating locations, the Group can better identify areas of high energy consumption and develop strategies to reduce its carbon footprint.

As a trader, the Group also relies upon product manufacturers' commitments to reducing energy requirements through product development. This means that the Group considers manufacturers who prioritise efficiency in their product design and development process. These manufacturers may use innovative techniques and technologies to reduce the energy requirements of their products while maintaining their performance and quality.

Fuel Consumption

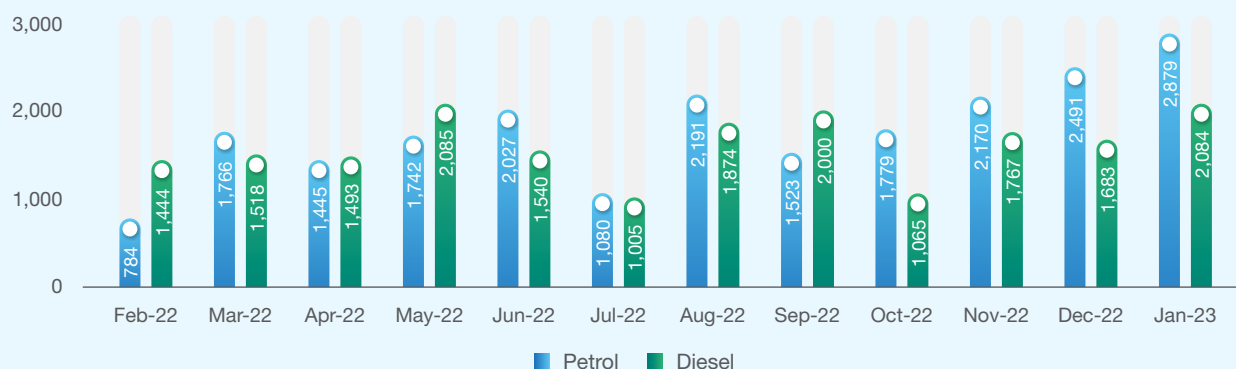
In FYE 2023, the Group consumed 21,880 liters of petrol and 19,557 liters of diesel. These fuels are used by the Group for transportation and business purposes.

The increased fuel consumption in the fourth quarter correlates to the increase in revenue resulting from increase in deployment and customer visits. Total petrol and diesel consumption translate into approximately 30 liters of petrol and diesel per million RM of revenue.

SUSTAINABILITY STATEMENT

Cont'd

Monthly Fuel Consumption (in Liters)



Fuel consumption falls within the Scope 1 category of GHG emissions. In FYE 2023, total fuel consumption translates to 97.33 metric tons of CO₂e.² This translates into 0.1 metric ton of CO₂e per million RM of revenue.

² * The above carbon emissions were calculated through www.carbonfootprint.com.

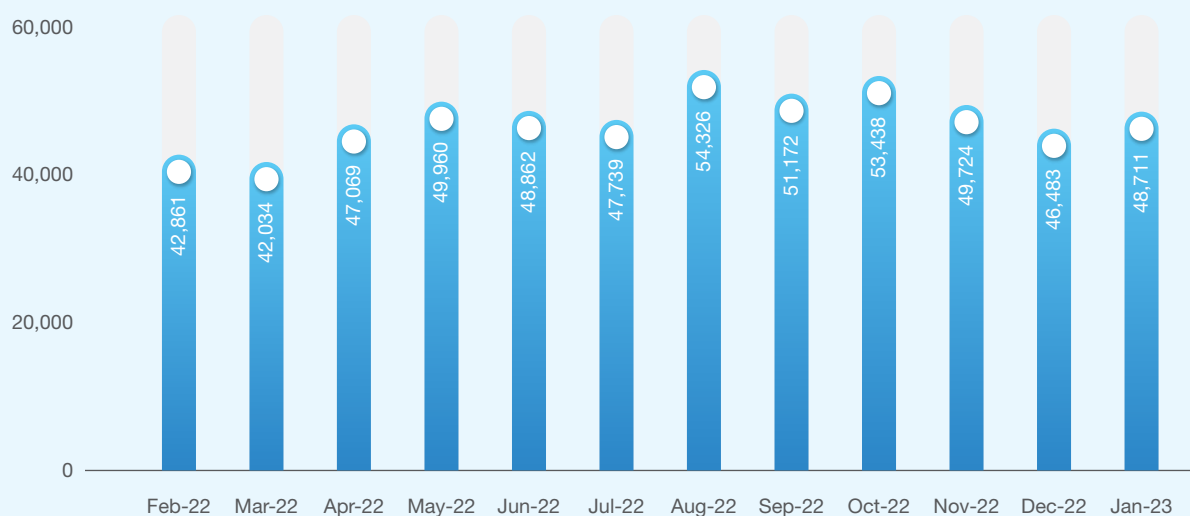
Electricity Consumption

In FYE 2023, the Group's total electricity consumption is 582,380 kilowatt-hours ("kWh"). The Group uses electricity to operate its offices, sites, and stores.

The increased electricity consumption in August and October relates to testing of equipment before the project deployments. Total electric consumption translates into approximately 415 kWh per million RM of revenue.

The Group seeks to reduce electricity consumption in all its locations through transition to more energy saving products as the existing equipment are retired and/or spoiled.

Monthly Electricity Consumption (in kWh)



Electricity consumption falls within the Scope 2 category of GHG emissions. In FYE 2023, electricity consumption translates to 418.8 metric tons of CO₂e. This translates into 0.3 metric tons of CO₂e per million RM of revenue.

SUSTAINABILITY STATEMENT

Cont'd

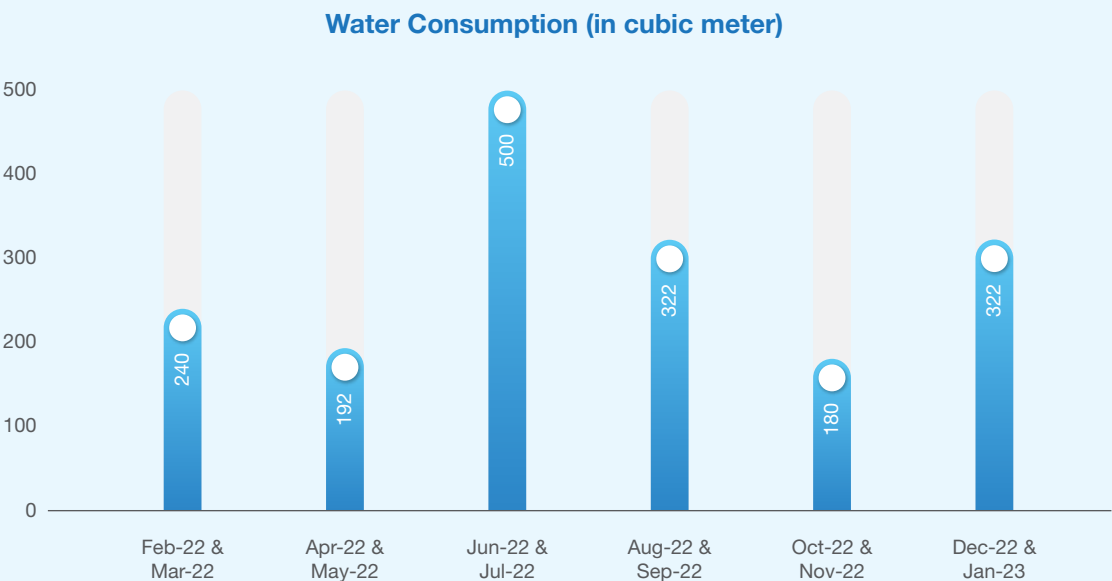
Water and Effluents

The Group is committed to responsible water sourcing and usage practices. The Group recognises the importance of reducing its water consumption footprint and takes proactive measures to achieve this goal. Although the Group is not operating in any area experiencing water stress or issues, it remains vigilant of its consumption and strives to reduce its water consumption footprint by constantly implementing water-saving initiatives, such as optimising water usage in its facilities, reducing water wastage through leak detection and repair, and promoting water conservation awareness among its employees and stakeholders.

Through these efforts, the Group aims not only to minimise its impact on the environment but also to contribute to the sustainable use of water resources in the communities it operates in.

As a trader, the Group's water consumption is limited to usage in its headquarters and stores. Water consumed is sourced directly from local distributors, not stored in any facility, and not directly drawn from any water source. The Group follows regulations in each locality and discharges consumed water to sewerage tanks.

In FYE 2023, the Group consumed 1,756 m³ of water which translates to 1.25 m³ per million RM of revenue. In FYE 2023, the Group increased water consumption in July due to a water pipe leakage.



Waste

The Group is committed to reducing its environmental impact through responsible waste management practices. The Group strives to minimise our contribution to landfills by reducing, reusing and recycling waste wherever possible. To achieve this, The Group has implemented a comprehensive waste management program that adheres to all local council regulations.

The Group ensures that all non-hazardous and hazardous wastes are properly labeled, stored, and disposed of. All employees are required to practice responsible waste management.

The Group is committed to continually reviewing and improving our processes in waste management to reduce our environmental footprint. As of the report date, the management is creating waste management policies, plans, and programs. The Group, however, follows local regulations for waste management, which requires waste to be disposed of according to collection procedures and schedules provided by local city councils.

In FYE 2023, the Group's primary source of waste was paper used in transactions, with 1,302 reams (approximately 3.3 metric tons³) consumed mostly in its headquarters.

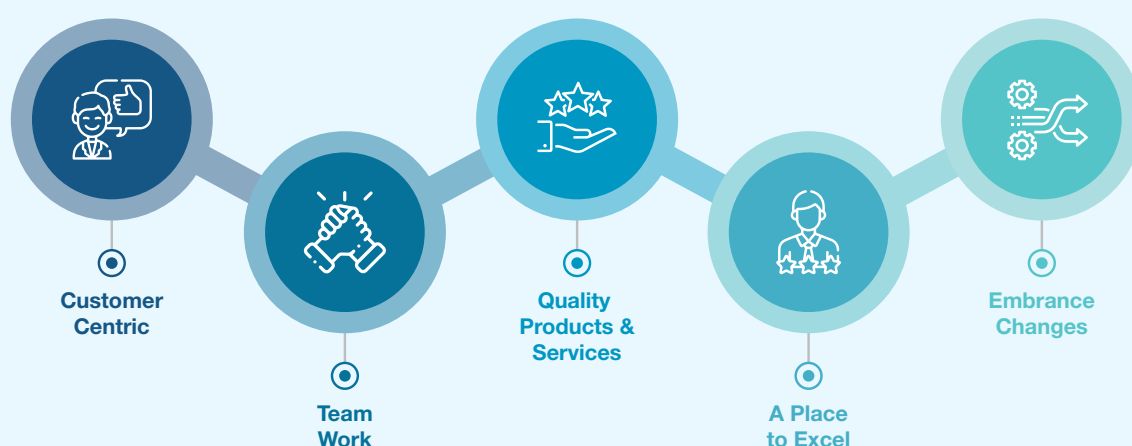
³ Calculated using weight references through <https://www.papersizes.org/paper-weights.htm>.

SUSTAINABILITY STATEMENT

Cont'd

SOCIAL

The five core values of the Group, namely: Customer Centric, Team Work, Quality Products & Services, A Place to Excel, and Embrace Changes, recognise the important role of employees, customers, and suppliers in creating sustainable value.



Employees

The Group recognises the importance of collaboration, individual accountability, and credibility and has established teamwork as a core value. The Group fosters and appreciates the best ideas and values of multiple perspectives within the Group. The Group's employees are considered key drivers that empower the Group for growth and success.

In FYE 2023, The Group has a total of 304 employees, 53% are females, and 47% are males. The majority of the Group's employees are situated in the Northern Region, accounting for 62% of the employee population. 97% of its employees are permanent, and 100% are full-time. Fluctuations in the number of employees during the reporting period are due to high turnover for short-term or contract employees.

	By Gender			By Region		
	Female	Male	Others/ Not disclosed	Northern	Central	Southern
Number of employees	160	144	-	187	116	1
Number of permanent employees	155	141	-	184	111	1
Number of temporary employees	5	3	-	3	5	-
Number of non-guaranteed hours employees	-	-	-	-	-	-
Number of full-time employees	160	144	-	187	116	1
Number of part-time employees	-	-	-	-	-	-

* The data presented are measured in terms of Full-time equivalent ("FTE") employees.

Benefits that are standard for full-time employees of the Group but are not provided to part-time employees include personal accident and travel insurance, parental leave, medical claims, staff purchase, and Key Performance Indicators ("KPI") rewards.

SUSTAINABILITY STATEMENT

Cont'd

The Group has two (2) subcontracted FTEs who are not employees. These workers are subcontracted for security and maintenance activities.

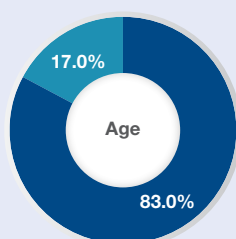
All of the Group's employees are updated regularly and timely for any operational changes.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified employees. It can also boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organisation encourages fathers to take such leave.

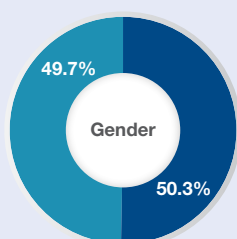
The Group managed to achieve these positive impacts in FYE 2023 as seen in these figures:

	Female	Male	Total
Number of employees that were entitled to parental leave	43	49	92
Number of employees that took parental leave	9	2	11
Number of employees that returned to work after parental leave ended	9	2	11
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	8	2	10
Return to work rate of employees that took parental leave	100%	100%	
Retention rates of employees that took parental leave	89%	100%	

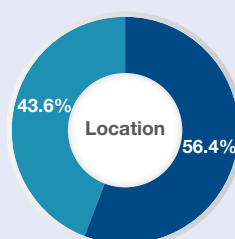
New Hires



■ <30 ■ 30-50



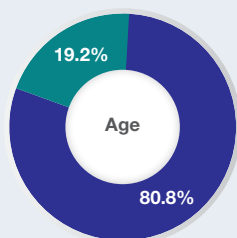
■ Male ■ Female



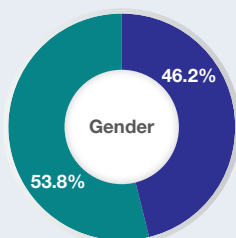
■ Northern ■ Central
■ Southern

In FYE 2023, a total of 165 FTEs were added to the workforce. 83.0% of the new hires are below 30 years old, and 17.0% are 30-50 years old, with almost equal distribution between females and males. 56.4% of the new hires are assigned to Northern region.

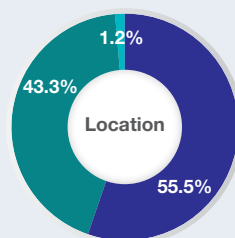
Turnover



■ <30 ■ 30-50



■ Male ■ Female



■ Northern ■ Central
■ Southern

The fiscal year closed with a 55.16% turnover rate. In 2023, a total of 171 FTEs left. 53.8% were women, and 46.2% were men. Employees below 30 years of age leaving the Group resulted in 80.8% of the total turnover.

SUSTAINABILITY STATEMENT

Cont'd

Occupational Health and Safety

The Group is a people-driven organisation committed to nurturing its employees by reinforcing safety and well-being. We have implemented occupational health and safety management policies in compliance with the legal requirements of the Occupational Safety and Health Act ("OSHA") of 1994. All workers and workplaces are covered under these policies to secure the welfare of persons at work by protecting them from safety and health risks in connection with their activities at work.

To achieve such an objective, the management adheres to the International Organisation for Standardization ("ISO") 31000 Risk Management Guidelines to continually improve identifying opportunities and threats and effectively allocate and use resources to treat risks associated with work activities.

A process study is conducted annually to identify and address work-related hazards and/or illnesses. Existing health and safety systems are reviewed annually or as the need arises. In FYE 2023, the Group has not identified any critical risk on work-related hazards and/or illnesses.

Health and safety support and training are provided to all employees so that they understand their occupational health and safety obligations and diligently comply with all health and safety requirements, policies, and procedures set out by the Group. Regular briefings and training are also conducted to enhance safety awareness among all employees. Employees are encouraged to promptly report any unsafe practices, conditions, incidents, or workplace injuries to the management to facilitate the improvements of health and safety policies. Employees are also given the right to inhibit themselves from any situations that they believe could cause them injury or illness.

In FYE 2023, the Group has not encountered any work-related accidents, injuries, and ill health, and there were no work days lost due to any of these circumstances. This covers all employees, including workers who are not employees whose work and/or workplace is controlled by the Group.

The Group's employees have access to health services to assist them in any of their occupational and non-occupational health assistance needs. The Health Services function is being monitored by the ESG Working Group as well. The ESG Working Group also monitors the investigation of any health incidents should they arise.

From February to December 2022, the Group's office employees work an average of 45 hours per week, while retail employees work an average of 48 hours per week. Starting 1 January 2023, all employees are working an average of 45 hours per week.

The Group's subcontracted workers do not work more than 45 hours per week.

Training and Education

The Group believes in providing a platform where the talents and skills of all current and future employees are cultivated, and where individual growth is not only encouraged but also guided. The Group wishes for all of its employees to be successful and for their careers to flourish.

The Group ensures equal opportunity for employees to develop their skills through training courses for all men and women of any position or rank in the Group. Programs for upgrading employee skills allow the Group to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. More skilled employees enhance the Group's human capital and contribute to employee satisfaction, which correlates strongly with improved performance.

In FYE 2023, various training programs conducted totalled an average of 19.9 hours of training per employee per year. These programs include soft skills training, product knowledge, information technology, and sustainability. No programs related to transition assistance from work to retirement were facilitated.

SUSTAINABILITY STATEMENT

Cont'd



Average Hours of Training per Gender			
	Female	Male	Grand Total
Manager	28.7	11.5	20.4
Non-Manager	24.8	14.2	19.8
Overall Average	25.5	13.7	19.9

With everyone in the Group working their best to achieve success, the Group wants to provide an opportunity for employees to grow substantially by aligning management and employee goals. Regular performance and career development reviews can also enhance employee growth and satisfaction, which correlates with improved organisational performance. 77.0% of the total employees received regular performance and career development reviews in FYE 2023, with representations from women (42.1%) and men (34.9%) both in managerial and non-managerial positions.



Total Number and Percentage of Employees Receiving Regular Review						
	Female		Male		Total	
	#	%*	#	%*	#	%*
Manager	27	8.9%	23	7.6%	50	16.5%
Non-Manager	101	33.2%	83	27.3%	184	60.5%
Total	128	42.1%	106	34.9%	234	77.0%

* As a percentage of the total number of FTEs as of FYE 2023 (304 FTEs)

Diversity and Equal Opportunity

Building a diverse and inclusive culture is essential to the Group's success as it enables the Group to respond to the diverse customer base in Malaysia. Being diversified enhances the effectiveness, creativity, and capacity of the Group. It supports, encourages, and respects diversity and promotes equity and inclusion in the workplace.

The Group established its Diversity Policy which mandates all of its people to promote workplace diversity through the following:

- practicing and promoting behavior consistent with the Company's Code of Conduct;
- respecting different ways of thinking and using our employees' different perspectives to improve business outcomes;
- treat each other with respect and dignity;
- provide a safe, secure and healthy workplace;
- make decisions genuinely based on equity and fairness;
- value the diversity of people; and
- take appropriate action to eliminate discrimination.

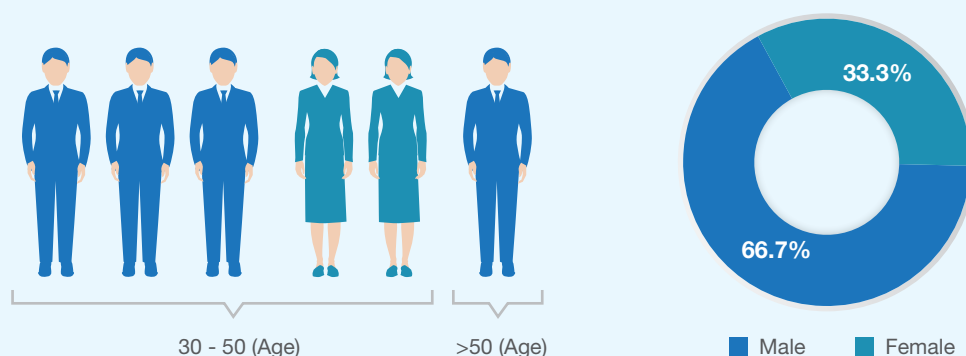
The details of the Diversity policy are available at www.sns.com.my.

SUSTAINABILITY STATEMENT

Cont'd

In the top management, 83.3% of the officers are between 30 and 50, and 16.7% are above 50. Females represent 33.3% of top management positions.

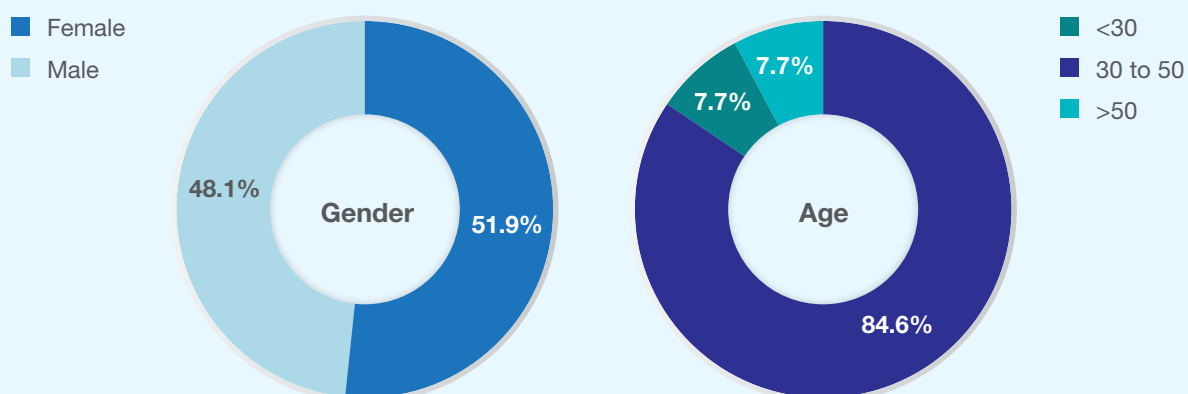
Diversity within Top Management



Diversity within Top Management						
Age	Female		Male		Total	
	#	%	#	%	#	%
<30	—	—	—	—	—	—
30-50	2	33.3%	3	50.0%	5	83.3%
>50	—	—	1	16.7%	1	16.7%
Total	2	33.3%	4	66.7%	6	100.0%

At the Management level, 51.9% of the positions are held by females and 48.1% by males. There is also age diversity within management, 7.7% comprising individuals below 30, 84.6% between ages 30 and 50, and 7.7% of employees above 50.

Diversity within Management



SUSTAINABILITY STATEMENT

Cont'd

	Manager		Non-Manager		Total	
	#	%	#	%	#	%
Female						
<30	3	1.0%	96	31.6%	99	32.6%
30-50	23	7.6%	37	12.2%	60	19.8%
>50	1	0.3%	—	—	1	0.3%
Subtotal	27	8.9%	133	43.8%	160	52.7%
Male						
<30	1	0.3%	64	21.1%	65	21.4%
30-50	21	6.9%	53	17.4%	74	24.3%
>50	3	1.0%	2	0.6%	5	1.6%
Subtotal	25	8.2%	119	39.1%	144	47.3%
Grand Total	52	17.1%	252	82.9%	304	100.0%

The basic salary in the Group meets the minimum wage requirement in Malaysia, and it has a ratio of 1.0:0.8 men compensation to women compensation.

Non-Discrimination

Discrimination can occur on the grounds of race, color, sex, religion, political opinion, national extraction, and social origin. Diverse workplaces are exposed to threats of discrimination. The Group supports and encourages diversity within its workforce. The Group promotes racial harmony and establishes policies to prevent discrimination. Within the Group's Code of Conduct and Ethics, employees are reminded to treat everyone with dignity and that any form of discrimination is strictly not tolerated.

In FYE 2023, there were no recorded incidents of discrimination in the Group.

Freedom of Association and Collective Bargaining

Transactions and activities inside and outside an organisation may or may not have a negative impact on the human rights of its workers. Employees in any organisation may exercise their human right to form or join trade unions and bargain collectively when they deem that their employer's activities may threaten their rights as employees. As of FYE 2023, the Group did not enter into any collective bargaining agreement. However, the Group has also not identified any operations and suppliers in which the workers' rights to exercise freedom of association or collective bargaining are violated or at significant risk. The Group does not currently have any formal written policy on the freedom of association and collective bargaining. However, it does not hinder any employee from joining an association or collective bargaining.

Human Rights

The Group supports and respects human rights. It seeks to provide a work environment where employees are treated with respect and are free from any form of harassment, threat, intimidation, violence, or any other inappropriate behavior. The Group views sexual harassment as a serious offense and appropriate action is taken against any employee found guilty of committing the offense.

In FYE 2023, the Group has not recorded any activity/operations/employees that have been subject to human rights reviews, impact assessments, or training. The Group also has not entered into any significant investment agreements and contracts that include human rights clauses or underwent human rights screening.

SUSTAINABILITY STATEMENT

Cont'd

Suppliers

In its pursuit to provide quality and sustainable products and services, the Group recognises the importance of building a strong partnership with its suppliers. The Group recognises that its suppliers are critical in helping the Group to achieve its sustainability goals. The Group is committed to working collaboratively with suppliers to drive positive change. It is imperative to perform due diligence and supplier assessments to prevent, mitigate, and address actual and potential negative environmental and social impacts in the supply chain.

As a step, the Group requires an acknowledgement from all suppliers of its Anti-Bribery and Anti-Corruption policies. This ensures that all its people and business partners understand its goal to eliminate bribery, kickback, fraud, forgery, or unfair business practices.

Further, the Group keeps a vendor profile as part of its new supplier assessment and is regularly updated for existing suppliers. The assessment includes a review of a supplier's company (reputation), organisation (corporate governance practices), financial (banking details, banking relationship, credit, and liquidity), and product (benefits to consumers, function, innovation, and quality).

In FYE 2023, most of the Group's suppliers are Fortune 500 companies that monitor their environmental impacts and follow occupational health and safety policies, anti-child labor policies, anti-forced or compulsory labor, and other employment practices. The Group also ensures that local dealers or distributors follow these ethical practices and policies. Thus, all of the Group's suppliers were assessed by the Group as having environmental and social policies that protect their stakeholders. The Group has noted that its major suppliers are continuously working on improving their environmental impacts and has not noted any critical social impacts from its supply chain in FYE 2023.

Customers

The Group's customer-centric values prioritise customer loyalty and trust. The Group recognises that building a strong customer relationship is crucial to its success and growth. To achieve this, the Group emphasises the importance of listening to its customers, understanding their needs, and responding appropriately. This approach ensures that the Group provides products and services that exceed customers' expectations, leading to higher customer satisfaction and loyalty.

The Group's commitment to exceeding customer expectations reflects its dedication to continuous improvement and innovation. The Group recognises that customer needs and expectations can evolve. It strives to stay ahead of these changes by seeking customer feedback and incorporating it into its products and services. One of the Group's core values is "Embracing Changes". Through this, the Group remains competitive, constructive, and creative in the market. The Group is committed to accepting, adapting, and assisting changes in ideas, policies, leadership, processes, and technologies.

By prioritising its customers' health, safety, needs, and satisfaction, the Group is committed to sustainable growth and success. All of the Group's products and services are assessed and ensured to meet customer expectations while ensuring their health and safety. In FYE 2023, the Group has not identified any product and service safety concerns. Further, the Group did not encounter incidents of non-compliance with health and safety regulations.

SUSTAINABILITY STATEMENT

Cont'd

Marketing and Labelling

The Group understands that consumers are becoming keener in knowing all information about the products or services they purchase.

As such, the Group ensures that its suppliers, mostly Fortune 500 companies, follow the labelling requirements of the industry. Necessary information includes safe use guidance, sourcing of product components, product content that might have a social or environmental impact, and disposal of the product and its impacts.

Certain procedures within the Group are in place to ensure that products and services are coupled with required information relevant to customers as mandated by laws. In FYE 2023, all of the Group's products and services were assessed for compliance. The Group is continuously working on increasing the coverage of its compliance assessment.

In FYE 2023, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, marketing communications, including advertising, promotion, and sponsorship.

Customer Privacy

The Group understands the importance of trust in building long-lasting customer relationships. The Group recognises that customers share their personal and confidential information, and we have a responsibility to protect this information. Ensuring the protection of customer data is not only a legal requirement but also a moral obligation to respect the privacy and trust of individuals. Customers' privacy and trust are a great deal that all of the Group's people value.

While the Group's nature of business generally involves information relating to private individuals and corporate customers, the Group has system-controlled (via ERP system) measures in place to safeguard sensitive commercial information and data in its dealings with external parties. Access to an external company and transactional data is categorised and only made available to specific job roles requiring access to such information.

The recent worldwide Covid-19 pandemic caused the majority of its employees to work from home, resulting in the need for data protection. The Group has implemented Data Security and Protection Policies to safeguard or protect data or information from corruption, theft, or loss.

The Group's employees are trained to use IT resources effectively and efficiently to collect, store, control, use, protect, and dispose of management, technological, personal, and other useful information so that it can be properly and effectively used without jeopardizing confidentiality. All personal information is handled appropriately in compliance with relevant laws and regulations.

The Group received no complaints about data breaches of customer privacy and loss of customer data from outside parties or regulatory bodies. Similarly, the Group is unaware of any identified leak, theft, or loss of customer data within the same reporting period.

SUSTAINABILITY STATEMENT

Cont'd

The Communities

The Group is committed in reinvigorate the Corporate Social Responsibilities (“CSR”) initiatives by actively engaging in community contributions and fostering information and knowledge sharing during FYE 2023 as following:

- (a) SNS organised a seminar for Ministry of Education with Dell and Canon at Langkawi.



- (b) SNS sharing knowledge on augmented reality and mixed reality to Universiti Malaya.



- (c) SNS sharing knowledge on augmented reality and mixed reality to Ministry of Education.



SUSTAINABILITY STATEMENT

Cont'd

(d) SNS organised a Product Demonstration Seminar with Samsung.



(e) SNS organised a Technology Update Seminar with Samsung.



(f) SNS organised a Technology Update Seminar for Ministry of Education with Intel.



SUSTAINABILITY STATEMENT

Cont'd

- (g) SNS organised a Technology Update Seminar for Ministry of Education with AMD.



- (h) SNS organised a Technology Update Seminar for Small Medium Business and Small Medium Enterprise with AMD.



- (i) SNS organised a Mac Workshop for local businesses.



SUSTAINABILITY STATEMENT

Cont'd

(j) SNS donated Notebooks to SJKC Bercham, Ipoh, Perak.



(k) SNS donated Notebooks to Wesley Church Kindergarten, Ipoh, Perak.



(l) SNS donated Notebooks to SMJK Ayer Tawar, Perak.



SUSTAINABILITY STATEMENT

Cont'd

- (m) SNS donated Notebooks to Persatuan Kebajikan Kanak-kanak Yatim Rumah Wawasan Manjung (Pusat Jagaan), Sitiawan, Perak.



- (n) SNS donated Notebooks to Methodist Girls' School, Ipoh.



- (o) SNS organised a product and knowledge sharing on JOI Smart Screen and iSOUNDHUB Smart Audio Comprehensive Solution for Hybrid Classroom for Multimedia University Cyberjaya.



SUSTAINABILITY STATEMENT

Cont'd

(p) SNS organised a Surface Hub Commercial Seminar with Microsoft.



(q) SNS organised a Microsoft Global Training Partner Program to teachers at SMJK Ayer Tawar, Perak.



(r) SNS organised a Microsoft Global Training Partner Program to teachers at SJK (C) Ave Maria Convent, Ipoh, Perak.



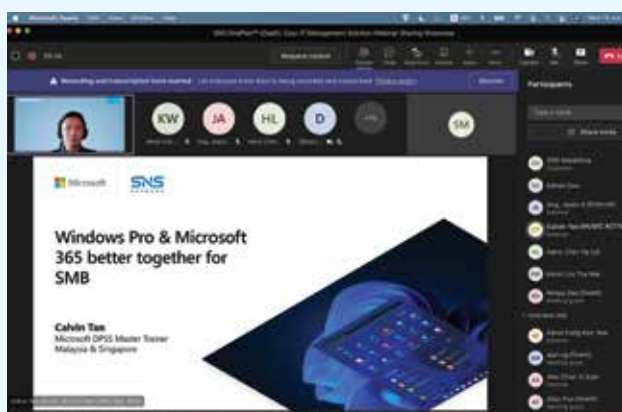
SUSTAINABILITY STATEMENT

Cont'd

- (s) SNS organised a Huawei Application training and workshop with Huawei.



- (t) SNS organised a DaaS workshop webinar with Intel vPro and Microsoft.



- (u) SNS organised a Technology Update Seminar with Dell.



SUSTAINABILITY STATEMENT

Cont'd

- (v) SNS organised an Adobe Solution Seminar with Adobe.



- (w) SNS organised Cisco Product Technology Update In-Person Showcase with Cisco.



- (x) SNS organised a Mac Means Business Seminar.



SUSTAINABILITY STATEMENT

Cont'd

GRI CONTENT INDEX

The following GRI Standards 2021 Content Index presents disclosures either by cross-referencing or direct remarks:

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
2 - General Disclosures		
2-1	Organisational details	About SNS Network
2-2	Entities included in the organisation's sustainability reporting	Group Structure Scope of Report
2-3	Reporting period, frequency and contact point	Scope of Report
2-4	Restatements of information	* Not applicable. This is the first year of reporting.
2-5	External assurance	* This report was not externally assured.
2-6	Activities, value chain and other business relationships	Operating Locations, Products, and Services Suppliers
2-7	Employees	Employees
2-8	Workers who are not employees	Employees
2-9	Governance structure and composition	Sustainability Leadership Governance Structure and Composition
2-10	Nomination and selection of the highest governance body	Nomination Committee
2-11	Chair of the highest governance body	Role of the Board
2-12	Role of the highest governance body in overseeing the management of impacts	Role of the Board Stakeholders
2-13	Delegation of responsibility for managing impacts	Role of the Board
2-14	Role of the highest governance body in sustainability reporting	Role of the Board
2-15	Conflicts of interest	Conflicts of Interest
2-16	Communication of critical concerns	Role of the Board
2-17	Collective knowledge of the highest governance body	Policy Commitments
2-18	Evaluation of the performance of the highest governance body	Role of the Board
2-19	Remuneration policies	Remuneration
2-20	Process to determine remuneration	Remuneration
2-21	Annual total compensation ratio	* The compensation details of the Group's Directors are available on the Group's CG Report
2-22	Statement on sustainable development strategy	Statement from the Chairman
2-23	Policy commitments	Policy Commitments Human Rights
2-24	Embedding policy commitments	Policy Commitments Suppliers
2-25	Processes to remediate negative impacts	Stakeholders
2-26	Mechanisms for seeking advice and raising concerns	Stakeholders
2-27	Compliance with laws and regulations	Compliance with Laws and Regulations

SUSTAINABILITY STATEMENT

Cont'd

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
2-28	Membership associations	* The Group has no membership in industry associations, other membership associations, and national or international advocacy organisations in which it participates in a significant role.
2-29	Approach to stakeholder engagement	Stakeholders
2-30	Collective bargaining agreements	* The Group did not enter into any collective bargaining agreements
3 - Material Topics		
3-1	Process to determine material topics	Identification of Material Topics
3-2	List of material topics	Identification of Material Topics
201 - Economic performance		
3-3	Management of material topics	Economic Performance
201-1	Direct economic value generated and distributed	Economic Performance
201-2	Financial implications and other risks and opportunities due to climate change	Economic Performance
201-3	Defined benefit plan obligations and other retirement plans	* The Group has no existing benefit plan obligation or other retirement plans.
201-4	Financial assistance received from the government	* The Group did not receive any financial assistance from the government in FYE 2023.
202 - Market presence		
3-3	Management of material topics	Identification of Material Topics
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	* The basic salary in the Group meets the minimum wage requirement in Malaysia
202-2	Proportion of senior management hired from the local community	All of the Group's Key Senior Management are Malaysian nationals.
203 - Indirect economic impacts		
3-3	Management of material topics	Indirect Economic Impacts
203-1	Infrastructure investments and services supported	Indirect Economic Impacts
203-2	Significant indirect economic impacts	Indirect Economic Impacts
204 - Procurement practices		
3-3	Management of material topics	Economic Performance
204-1	Proportion of spending on local suppliers	Economic Performance
205 - Anti-corruption		
3-3	Management of material topics	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy
205-1	Operations assessed for risks related to corruption	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy
205-2	Communication and training about anti-corruption policies and procedures	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy
205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery, Anti-Corruption, and Whistleblowing Policy
206 - Anti-competitive behavior		
3-3	Management of material topics	Identification of Material Topics

SUSTAINABILITY STATEMENT

Cont'd

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The Group has not been involved nor had legal cases relating to anti-competitive behavior and violations of anti-trust and monopoly legislation
207 - Tax		
3-3	Management of material topics	Identification of Material Topics
207-1	Approach to tax	Compliance with Laws and Regulations Stakeholders
207-2	Tax governance, control, and risk management	Compliance with Laws and Regulations
207-3	Stakeholder engagement and management of concerns related to tax	Stakeholders
207-4	Country-by-country reporting	* The Group's operation is limited within the tax jurisdiction of Malaysia.
301 - Materials		
3-3	Management of material topics	Identification of Material Topics
301-1	Materials used by weight or volume	* The Group is in the retail business and is not involved in product manufacturing.
301-2	Recycled input materials used	* The Group is in the retail business and is not involved in product manufacturing.
301-3	Reclaimed products and their packaging materials	* The Group is in the retail business and is not involved in product manufacturing.
302 - Energy		
3-3	Management of material topics	Environment
302-1	Energy consumption within the organisation	Energy and Emissions
302-2	Energy consumption outside of the organisation	The Group is still in the process of collecting information and will provide necessary disclosures in subsequent sustainability report.
302-3	Energy intensity	Energy and Emissions
302-4	Reduction of energy consumption	* This is the Group's first sustainability report and will be considered the baseline for reduction disclosures in the following years report.
302-5	Reductions in energy requirements of products and services	Energy and Emissions
303 - Water and Effluents		
3-3	Management of material topics	Water and Effluents
303-1	Interactions with water as a shared resource	Water and Effluents
303-2	Management of water discharge-related impacts	Water and Effluents
303-3	Water withdrawal	Water and Effluents
303-4	Water discharge	Water and Effluents
303-5	Water consumption	Water and Effluents
304 - Biodiversity		
3-3	Management of material topics	Identification of Material Topics
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	* The Group's operating locations are not in any protected areas or areas of high biodiversity.

SUSTAINABILITY STATEMENT

Cont'd

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
304-2	Significant impacts of activities, products and services on biodiversity	* The Group's operating locations are not in any protected areas or areas of high biodiversity.
304-3	Habitats protected or restored	* The Group's operating locations are not in any protected areas or areas of high biodiversity.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	* The Group's operating locations are not in any protected areas or areas of high biodiversity.
305 - Emissions		
3-3	Management of material topics	Energy and Emissions
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions
305-3	Other indirect (Scope 3) GHG emissions	The Group is still in the process of collecting information and will provide necessary disclosures in subsequent sustainability report.
305-4	GHG emissions intensity	Energy and Emissions
305-5	Reduction of GHG emissions	Environment
305-6	Emissions of ozone-depleting substances (ODS)	Energy and Emissions
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Energy and Emissions
306 - Waste		
3-3	Management of material topics	Waste
306-1	Waste generation and significant waste-related impacts	Waste
306-2	Management of significant waste-related impacts	Waste
306-3	Waste generated	Waste
306-4	Waste diverted from disposal	Waste
306-5	Waste directed to disposal	Waste
308 - Supplier environmental assessment		
3-3	Management of material topics	Suppliers
308-1	New suppliers that were screened using environmental criteria	Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	Suppliers
401 - Employment		
3-3	Management of material topics	Employees
401-1	New employee hires and employee turnover	Employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees
401-3	Parental leave	Employees
402 - Labor/management relations		
3-3	Management of material topics	Employees
402-1	Minimum notice periods regarding operational changes	Employees Stakeholders
403 - Occupational health and safety		
3-3	Management of material topics	Occupational Health and Safety
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety

SUSTAINABILITY STATEMENT

Cont'd

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Suppliers
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
403-9	Work-related injuries	Occupational Health and Safety
403-10	Work-related ill health	Occupational Health and Safety
404 - Training and education		
3-3	Management of material topics	Training and Education
404-1	Average hours of training per year per employee	Training and Education
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Education
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Education
405 - Diversity and equal opportunity		
3-3	Management of material topics	Diversity and Equal Opportunity
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity
405-2	Ratio of basic salary and remuneration of women to men	Diversity and Equal Opportunity
406 - Non-discrimination		
3-3	Management of material topics	Non-Discrimination
406-1	Incidents of discrimination and corrective actions taken	Non-Discrimination
407 - Freedom of association and collective bargaining		
3-3	Management of material topics	Freedom of Association and Collective Bargaining
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association and Collective Bargaining
408 - Child labor		
3-3	Management of material topics	Identification of Material Topics
408-1	Operations and suppliers at significant risk for incidents of child labor	* The Group and its supply chain are not involved in any instances or cases of child labor.
409 - Forced or compulsory labor		
3-3	Management of material topics	Identification of Material Topics
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	* The Group and its supply chain are not involved in any instances or cases of child labor.
410 - Security practices		
3-3	Management of material topics	Identification of Material Topics
410-1	Security personnel trained in human rights policies or procedures	Human Rights * All of the Group's security personnel also follow the same Code of Conduct and Ethics, received proper training, particularly in relation to human rights.

SUSTAINABILITY STATEMENT

Cont'd

GRI Disclosures		Reference/Direct Answer*/Reason for Omission
411 - Rights of indigenous peoples		
3-3	Management of material topics	Identification of Material Topics
411-1	Incidents of violations involving rights of indigenous peoples	* The Group is not involved in any instances or cases regarding violation of rights of indigenous people.
412 - Human Rights Assessment		
3-3	Management of material topics	Human Rights
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights
412-2	Employee training on human rights policies or procedures	Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights
413 - Local communities		
3-3	Management of material topics	Identification of Material Topics
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholders
413-2	Operations with significant actual and potential negative impacts on local communities	* The Group's operations do not have a significant actual and potential negative impact on its local communities.
414 - Supplier social assessment		
3-3	Management of material topics	Suppliers
414-1	New suppliers that were screened using social criteria	Suppliers
414-2	Negative social impacts in the supply chain and actions taken	Suppliers
415 - Public policy		
3-3	Management of material topics	Identification of Material Topics
415-1	Political contributions	* The Group has not made any political contributions.
416 - Customer health and safety		
3-3	Management of material topics	Identification of Material Topics
416-1	Assessment of the health and safety impacts of product and service categories	Customers
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customers
417 - Marketing and labeling		
3-3	Management of material topics	Marketing and Labeling
417-1	Requirements for product and service information and labeling	Marketing and Labeling
417-2	Incidents of non-compliance concerning product and service information and labeling	Marketing and Labeling
417-3	Incidents of non-compliance concerning marketing communications	Marketing and Labeling
418 - Customer privacy		
3-3	Management of material topics	Customer Privacy
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") is pleased to present the Corporate Governance ("**CG**") Overview Statement for the Financial Year Ended 31 January 2023 ("**FYE 2023**"), which has been prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and has set out an overview on the application of the principles of CG as promulgated by the Malaysian Code on Corporate Governance issued in April 2021 ("**MCCG 2021**").

This CG Overview Statement should be read in conjunction with the Group's CG Report, which has set out details on how the Group has applied the practices as set out in MCCG 2021 and is available on the Group's website at www.sns.com.my.

The detailed explanation on the application of the corporate governance practices is reported under the CG Report. Other than Practice 13.1, the Board is of the view that SNS has substantially complied with the recommendations of the MCCG 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Principal Roles

The Board is responsible for the corporate governance practices of the Group. It guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group. The key responsibilities include the primary responsibilities recommended by the MCCG 2021. These cover a review of the strategic direction for the Group, setting out short-term and long-term plans, overseeing the business operations of the Group, and evaluating whether these are being properly and effectively managed.

The Board is guided by its Board Charter, first adopted by the Board on 1 October 2021 which outlines the duties and responsibilities of the Board and the delegation of day-to-day management to our Group. The Board Charter also defines the matters which specifically require the Board's approval or guidance. The Board Charter is reviewed from time to time and amended when there are changes to the MCCG 2021 and the Listing Requirements of Bursa Securities that may have an effect on the Board's responsibilities. The Board Charter is made available on our Group's website.

The Board Charter, Policies and Terms of References approved and adopted by the Board are available on the Company's website: -

Policies

- Code of Conduct and Ethics
- Anti-Bribery and Anti-Corruption Policy
- Fit and Proper Person Policy
- Whistle-Blowing Policy
- Related Party Transaction Policy
- Remuneration Policy for Directors and Senior Management
- Diversity Policy
- Sustainability Policy

Terms of References

- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee

Roles and Responsibilities

The Board supports the principle that the positions of Chairman and Managing Director ("**MD**") should be held by different individuals for the effective functioning of the Board and facilitates a good check and balance mechanism.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

1. BOARD RESPONSIBILITIES *cont'd*

Roles and Responsibilities *cont'd*

With that, the positions of the Chairman and MD of the Group and Company are held by two (2) different individuals. The roles of the Chairman, Dato' Zulkapli Bin Ahmad and MD, Ko Yun Hung are distinct and separated with a clear division of responsibilities to ensure a balance of power and authority as set out in the Board Charter.

The Chairman leads the Board in setting the Group's policies and strategic plans and ensures that the Board fulfills its obligations under the Board Charter and the relevant regulations. The MD ensures effective implementation of the Board's policies and strategic plans, addresses performance targets and manages relationship with all stakeholders.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, as well as improving governance and controls.

The Board is responsible for oversight and overall management of the Group and regularly reviews the strategic direction of the Company and the progress of the Group's operations taking into account the changes in business environment and risk factors.

Company Secretaries

The Board is supported by qualified Company Secretaries and all Directors have unlimited direct access to the professional advice and services of the Company Secretaries as well as access to all information within the Company whether as a Board collectively or individually.

The roles and responsibilities of the Company Secretaries are as follows:

- (i) attend and ensure that all meetings are properly convened and the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals are duly recorded and minuted;
- (ii) provides support to the Chairman to ensure the effective functioning of the Board and assists the Chairman in preparation for conduct of meetings;
- (iii) update and advise the Board on Board's procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- (iv) ensure proper upkeep of statutory registers and records of the Company; and
- (v) advise the Board on compliance of statutory and regulatory requirements.

Access to Information and Advice

The Board has unrestricted access to timely and accurate information, necessary in the furtherance of their duties. The Chairman ensures that all relevant issues requiring the Board's deliberation and approval are on the agenda and senior management is invited to the Board meetings to present the relevant issues. The Agenda and a full set of Board papers are distributed at least five (5) working days prior to the Board meeting to allow sufficient time for the Directors to review the Board papers for effective deliberation at the meeting. All proceedings of Board meetings are minuted and signed by the Chairman.

All the Directors can request for information, explanations or updates on the Group's operations or business from management. There is also a formal procedure sanctioned by the Board of Directors, whether as a Board collectively or individually, to take independent professional advice at the Group's expense, where necessary in furtherance of their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION

Board Composition and Balance

The Board has seven (7) members, comprising three (3) Executive Directors and (4) Independent Non-Executive Directors (“INED”). This complies with the Listing Requirements of Bursa Securities to have at least one third (1/3) of the Board consisting of Independent Directors. The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board composed of Independent Directors, the Company is able to facilitate greater checks and balances during boardroom deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

The Board comprises a mixture of businessmen and suitably qualified and experienced professionals with wide financial and commercial experience. The composition of the Board brings the required mix of skills and experience required for the Board to function effectively. A brief write-up of the background of the Board members as at the date of this statement is set out in the Directors’ Profiles section of this Annual Report.

Board Gender Diversity

The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, ability to provide the necessary range of perspectives, experiences and expertise required are well balanced in order to achieve effective board stewardship. The Board had adopted a Diversity Policy on 5 July 2022 which acknowledges the importance of Board and Senior Management diversity, including but not limited to skills, experience, age, gender, ethnicity, nationality and cultural background among Board members, senior management to enhance the Company’s performance by recognising and utilising their diverse skills and talents.

The Diversity Policy is available for reference on the Company’s website.

As at FYE 2023, there are three (3) female directors, Tan Ee Ming, Dato’ F’ng Meow Cheng and Maylee Gan Suat Lee, which form 42.86% of the Board members.

Foster Commitment

Each Director does not hold more than five (5) directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The Board is satisfied with the level of the time commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Board Meetings

The Board is required to meet on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require that Board’s consideration.

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors, External Auditors and Independent Advisers, if deemed necessary and may seek advice from the management on issues under their respective purview. The Board members have full and unrestricted access to all information within the Group in discharging their duties. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board Papers were circulated to all Directors at least five (5) business days prior to the Board Meeting so as to accord sufficient time for the Directors to peruse the Board papers. The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board’s approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

Board Meetings *cont'd*

The attendance of the Board meetings in FYE 2023 is set out below:

No.	Name of Directors	No. of Meetings Attended
1	Dato' Zulkapli Bin Ahmad	3/3
2	Ko Yun Hung	3/3
3	Pah Wai Onn	3/3
4	Siow Wei Ming	3/3
5	Tan Ee Ming	3/3
6	Dato' F'ng Meow Cheng	3/3
7	Maylee Gan Suat Lee	3/3

Appointment to the Board

The Board has established a Nomination Committee ("NC"), consisting of three (3) INED on 1 October 2021.

The Board is committed to upholding high standards of governance in respect of new appointments to the Board to ensure that the Directors of the Company conform with the Company's Fit and Proper Person Policy and comprised of those, who have the necessary skills, competencies, commitment, character, integrity and experience to complement the efficiency and effectiveness of the Board as a whole.

The NC has established the procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and the contribution of each individual Director. The areas/criteria of assessment for individual Directors include fit and proper, contribution and performance as well as calibre and personality.

The NC is mindful of the importance of succession planning for the members of the Board and Senior Management including formalising its stand and approach to boardroom diversity. NC will where practicable, maintain a database of suitable and potential candidates for meeting the roles identified.

Re-appointment and Re-election of Directors

In accordance with the Constitution of the Company, an election of Directors shall take place each year. At the Annual General Meeting of the Company, all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year an election of Directors shall take place and one-third (1/3) of the Directors for the time being, or, if their number is not three (3), or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors including a Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the General Meeting at which he retires.

The Directors to retire in each year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors shall have power at any time, and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

Re-appointment and Re-election of Directors *cont'd*

During the FYE 2023, the Board has adopted the Fit & Proper Policy for the appointment and re-election of Directors, as required by the Listing Requirements of Bursa Securities, with the aim of strengthening board independence, quality, and diversity. Hence, pursuant to the Fit & Proper Policy adopted, all retiring Directors seeking re-election as Directors at the forthcoming AGM of the Company have also undertaken the fit and proper assessment, via self-declaration and peer assessment at the NC Meeting held on 13 December 2022.

Based on the results of the assessment, the NC and the Board have affirmed that all the retiring Directors listed below have satisfied the fit and proper criteria and be recommended to the Board for approval prior to the shareholders' approval at the forthcoming AGM.

- Dato' Zulkapli Bin Ahmad (retiring by rotation)
- Mr Pah Wai Onn (retiring by rotation)

All assessments and evaluations carried out by the NC in discharging its functions have been properly documented.

Directors' Training

The Directors continue to undergo training on an annual basis to further enhance their skills and knowledge so as to keep abreast with new regulatory developments and the Listing Requirements of Bursa Securities. The Nomination Committee will review and determine the training needs of the Directors where appropriate. The Directors have been encouraged to pursue their own training needs to keep up with current requirements.

The following were the details of training attended by the Directors during FYE 2023:

<i>Name of Directors</i>	<i>Training Attended</i>
Dato' Zulkapli Bin Ahmad	• Mandatory Programme Accreditation
Mr. Ko Yun Hung	• Mandatory Programme Accreditation
Mr. Pah Wai Onn	• Mandatory Programme Accreditation
Mr. Siow Wei Ming	• Mandatory Programme Accreditation
Ms. Tan Ee Ming	• Mandatory Programme Accreditation
Dato' F'ng Meow Cheng	<ul style="list-style-type: none"> • Mira Webinar: Keys to Effective Shareholders Engagement Via Annual General Meeting (AGM) • Audit Oversight Board's Conversation with Audit Committees • 3rd Virtual Tax Conference 2021 – Tackling Practical problems Faced by Taxpayers • Webinar Series: Modern Meetings • MIA Webinar Series: Auditing in Inventories and Production Costs • Corporate Briefing Session with Company Secretaries 2022 • Corporate Talk 2022 – SSM x BNM 2022 Data & Compliance Report Clinic • Webinar Series: MBRS for preparers of group consolidated financial statements – Incorporating changes in accounting policies and prior year adjustments • Webinar Series: Corporate Governance Case Studies • MIA Blended Learning Series: How Compliance with IFRS/MFRS Influences obtaining sufficient and appropriate audit evidence
Ms. Maylee Gan Suat Lee	<ul style="list-style-type: none"> • Sustainability Reporting & Management • Driving Digital Transformation of AML Compliance • Webinar on Director Duties & Climate Change • Invitation to the Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees (SC)

The Company Secretaries circulated from time to time the relevant guidelines on statutory and regulatory requirements to keep the Directors updated on current guidelines and regulations. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statements during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

Board Committees

The Company strives to have a balanced Board which comprises members with suitable qualifications, skills, expertise and experience. The Board has established the following Committees to assist the Board to discharge its fiduciary duties:

(a) Audit and Risk Management Committee ("ARMC")

The ARMC comprises exclusively INED as follows:

1. Ms. Tan Ee Ming, Chairman
2. Dato' F'ng Meow Cheng, Member
3. Ms. Maylee Gan Suat Lee, Member

A full report of the ARMC with details of its membership and a summary of the work performed during the financial year are set out in the ARMC report of this Annual Report.

The ARMC and its members have discharged their functions, duties and responsibilities in accordance with its Terms of Reference ("TOR") adopted on 1 October 2021 which is available on the Company's website at www.sns.com.my, to support the Board in ensuring the Group practises good corporate governance.

(b) Nomination Committee

The Nomination Committee comprises exclusively INED as follows:

1. Ms. Maylee Gan Suat Lee, Chairman
2. Dato' F'ng Meow Cheng, Member
3. Ms. Tan Ee Ming, Member

The role of the Nomination Committee is set out in its TOR which is available for reference on the Company's website at www.sns.com.my.

In compliance with the provision of Rule 15.08A(3) of the Listing Requirements of Bursa Securities, the activities of the NC for the FYE 2023 are set out in Practices 5.3, 5.5, 5.6, 5.7 and 6.1 of the CG Report.

During the FYE 2023, two meetings were held and the NC undertook the following activities:

- a) Reviewed the performance of the Directors who are due for re-election/re-appointment at the next AGM via the fit and proper assessment;
- b) Assessed the independence of the Independent Directors;
- c) Reviewed the mix of skills, independence, experience and other qualities of the Board;
- d) Reviewed the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference;
- e) Reviewed the annual assessment of the effectiveness of the Board, Board committees and individual directors annually using a set of customized self-assessment questionnaires to be completed by each Director; with the following criteria: -

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

2. BOARD COMPOSITION *cont'd*

(b) Nomination Committee *cont'd*

Audit and Risk Management Committee

- i) Committee and Governance Structure;
- ii) Skills and Competencies;
- iii) Meeting Administration and Meeting Conduct; and
- iv) Board Communication

Board of Directors

- i) Board Mix and Composition;
- ii) Quality of Information and Decision Making;
- iii) Board's Relationship with the Management;
- iv) Board Activities;
- v) Board Chairman's Role and Responsibilities; and
- vi) ESG Issues

The NC upon its assessment carried out was satisfied:

- with its current board size and the effectiveness of the Board/Board Committees and with appropriate mix of knowledge;
- the Independent Non-Executive Directors comply with the definition of Independent Non-Executive Directors as defined in the Listing Requirements;
- the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as none of them hold more than 5 directorships in public listed companies; and
- the results of the self-assessment by Directors and Board's effectiveness were tabled to the Board for review and deliberation.

(c) Remuneration Committee

The Remuneration Committee comprises exclusively Independent Non-Executive Directors as follows:

1. Dato' F'ng Meow Cheng, Chairman
2. Ms. Maylee Gan Suat Lee, member
3. Ms. Tan Ee Ming, member

The RC and Board are mindful of the need to remunerate and retain its Directors and Senior Management to ensure that their commitment remains intact as well as to properly motivate, inspire and drive their performance. Their remuneration package is therefore, directly linked to their performance, service, seniority, experience and scope of responsibilities.

The Board had formalised and adopted a Remuneration Policy for the Board and Senior Management on 5 July 2022 to attract and retain the Directors and Senior Management required to lead and control the Group effectively. In the case of EDs and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience, seniority and level of responsibilities.

The details of the remuneration and benefits paid to the Directors and Key Senior Management of the Company and the Group for services rendered in all capacities for the FYE 2023 are tabulated under Practices 8.1 and 8.2 of the CG Report respectively.

The TOR of the Remuneration Committee which was adopted on 1 October 2021 is posted on the Company's website, www.sns.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established an ARMC to assist and support the Board in fulfilling its statutory and fiduciary responsibilities relating to areas of financial reporting, risk management and internal controls, external and internal audit functions, review of related party transaction, governance and matters that impact the affairs of our Group's and Company's businesses and financial conditions.

The ARMC is chaired by Tan Ee Ming, who is an INED and is not the Chairman of the Board ensuring that the objectivity of the Board's review of the ARMC's findings and recommendations remain intact. Remaining members of the ARMC are INEDs. The authority and responsibilities of the ARMC are set out in its TOR. The ARMC has direct access to Management, the external auditors and the internal audit function of the Group. The authority, duties and responsibilities of the ARMC and the summary of works carried out to discharge its duties for FYE 2023 are detailed in the ARMC Report of this Annual Report.

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility in ensuring that the Group maintains a sound risk management and internal control systems in identifying, managing and monitoring the significant risk exposures of the Group's businesses and its operations.

The Board has delegated the overall responsibility for reviewing and monitoring the adequacy and integrity of our Group's risk management and internal control systems to the ARMC. The regular assessments on the adequacy and integrity of internal controls and monitoring of compliance with policies and procedures are carried out through internal audit reviews undertaken by independent professional service providers. The findings of the internal audits as well as corrective and preventive measures for the issues highlighted were duly presented in the ARMC meeting.

Details of the risk management and internal control systems of the Group and the Company are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. ENGAGEMENT WITH STAKEHOLDERS

Stakeholders are defined as individuals or groups that have a significant impact on the business or those whose actions could affect the Group's and the Company's ability to create value. SNS recognises its accountability to stakeholders and believes in effective engagement with its shareholders and stakeholders on a regular basis with a view to promote effective communication of its business performances.

To ensure that the Group's communication with shareholders and various stakeholders are transparent, timely and with quality disclosures, the Group has established a dedicated section on the Group's website for the disclosure of the relevant corporate information including the Group's announcements, financial information, annual reports, quarterly financial results and the Group's performances and activities. The said website is the key communication channel for the Group and it provides relevant information and contact details to address any queries arising for its shareholders and other stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

2. CONDUCT OF GENERAL MEETINGS

Prior to the Listing on 2 September 2022, three (3) general meetings were held physically as the number of shareholders were handful i.e. less than 10 members where there were meaningful shareholders' engagement and interactive session. Sufficient opportunity was given to shareholders to ask questions. No questions were posted by the shareholders at the General Meetings and all the resolutions were unanimously approved by the shareholders.

Post listing, 2023 AGM will be conducted virtually through live streaming from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on 7 July 2023 to provide an opportunity for shareholders to participate remotely at the AGM and pose relevant questions to the Chairman and the Board via real time submission of typed texts.

Please refer to Practice 13.1, 13.2, 13.3 and 13.4, 13.5 and 13.6 for details explanation.

The CG Overview Statement was approved by the Board of the Company on 16 May 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of SNS Network Technology Berhad (“**the Board**”) is pleased to present the report of the Audit and Risk Management Committee (“**ARMC**”) for the Financial Year ended 31 January 2023 (“**FYE 2023**”) in compliance with Rule 15.15 of the ACE Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

COMPOSITION AND MEETING

The AMRC comprises three (3) members, all of whom are Independent Non-Executive Directors and are appointed by the Board. The ARMC meets the requirements of Rule 15.09(1)(a) and (b) of the Listing Requirements of Bursa Securities.

The Chairman of the ARMC, Tan Ee Ming is a member of the MIA and ACCA, hence complies with Rule 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

The composition and attendance during the FYE 2023 were held as follows:

Name of Committee Members	Position	No. of Meetings Attended
Tan Ee Ming	Chairman, Independent Non-Executive Director	3/3
Dato’ F’ng Meow Cheng	Member, Independent Non-Executive Director	3/3
Maylee Gan Suat Lee	Member, Independent Non-Executive Director	3/3

The following best practices of the Malaysian Code of Corporate Governance 2021 (“**MCCG 2021**”) have been adopted by the ARMC:

- The Chairman of the Board, Dato’ Zulkapli Bin Ahmad is not a member of the ARMC pursuant to Practice 1.4 of the MCCG 2021;
- The Chairman of the ARMC, Tan Ee Ming is also not the Chairman of the Board pursuant to Practice 9.1 of the MCCG 2021;
- The ARMC comprises solely of Independent Directors pursuant to Step Up Practice 9.4 of the MCCG 2021.

The Company Secretary attended all the meetings of the ARMC held during FYE 2023, having arranged for the meetings and keeping of the minutes. Minutes of each meeting were recorded and tabled for confirmation at the next ARMC meeting and subsequently presented to the Board for notation. Upon the invitation of the ARMC, the Managing Director (“**MD**”), Group Financial Controller, Heads of Division, Internal Auditors, External Auditors and Principal Advisors were also present at the meetings where necessary.

The Chairman of the ARMC reported the main findings and deliberations of the ARMC meetings to the Board. The ARMC Chairman also presented to the Board the Committee’s recommendations to approve the annual and quarterly financial statements. The ARMC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors in their respective presentations.

The detailed profiles of all the members of the ARMC are shown in the Directors’ Profiles.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

SUMMARY OF ACTIVITIES PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The key activities carried out by the ARMC in line with its TOR during the FYE 2023 comprised the following:

(a) Financial Reporting

- (i) Reviewed the quarterly unaudited financial results of the Group for an announcement to Bursa Securities before recommending them for the Board's approval. The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, International Accounting Standard 34: Interim Financial Reporting, and provisions of the Listing Requirements of Bursa Securities.
- (ii) Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements of the Group for FYE 2023 together with the Group Financial Controller by focusing particularly on:
 - changes in or implementation of major accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed;
 - compliance with accounting standards and other legal requirements; and
 - going concern assumptions.

(b) External Audit

- (i) Assessment of the performance, suitability, objectivity and independence of Deloitte PLT ("Deloitte"), based on an assessment questionnaire which took into consideration assessment criteria such as the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit. Deloitte also declared their independence to the ARMC as part of these procedures;
- (ii) Reviewed and discussed with the External Auditors the results of the audit, audit report and areas of concern highlighted in the management letter, including management's responses to the concerns raised by the External Auditors on the financial statements of the Group for the financial year ended 31 January 2023;
- (iii) Met once with the External Auditors without the presence of the Executive and management in December 2022;
- (iv) Reviewed the scope of work and the audit plan of the External Auditors in respect of the audit for FYE 2023 in December 2022; and
- (v) Reviewed the audit fee for FYE 2023 and recommended the audit fee to the Board for approval in December 2022.

(c) Internal Audit

- (i) Shortlisted and recommended the appointment of ShineWing TY TEOH Risk & Governance Sdn Bhd, as the Internal Auditors of the Group, whereby the suitability and independence in carrying out their obligations were duly reviewed; and
- (ii) Reviewed the Internal Audit Plan for the FYE 2023 presented by the outsourced internal audit function to ensure key business risk and processes identified were adequately covered in the audit plan before recommendation to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

SUMMARY OF ACTIVITIES PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR *cont'd*

(d) Related Party Transaction

Reviewed the related party transactions entered into by Group on quarterly basis to ensure such transactions are undertaken on an arm's length basis and on normal commercial terms not more favourable to the related party than those generally available to the public, and proper disclosures are made pursuant to the Listing Requirements, as and when necessary.

(e) Corporate Governance Practices

Reviewed the following Policies in conjunction with the CG practices with reference to the revised MCCG and the recent amendments to the Listing Requirements by Bursa Securities:

- Related Party Transactions Policy;
- Sustainability Policy; and
- Limit of Authority (LOA).

(f) Others

Assessed the solvency status of the Company based on the criteria set in the Prospectus in respect of the proposed first interim dividend single tier tax exempt dividend before the Board's recommendation.

INTERNAL AUDIT FUNCTION

During the FYE 2023, the Group had outsourced the internal audit function to ShineWing TY TEOH Risk & Governance Sdn Bhd to provide the internal audit services for the Group. ShineWing TY TEOH Risk & Governance Sdn Bhd reports directly to the ARMC on the adequacy and effectiveness of the risk management and internal control systems of the Group. Since the appointment of the internal auditors was on 27 September 2022 and the Company was only listed on 2 September 2022, the internal auditor was only able to table their first internal audit report in March 2023 i.e after the FYE 2023.

A cost of RM20,000 was incurred for the outsourcing of the internal audit function during the FYE 2023.

This report was reviewed by the ARMC and approved by our Board on 16 May 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“**MCCG**”) requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets.

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**Internal Control Guidance**”), the Board is pleased to report the Statement on Risk Management and Internal Control, which outline the nature and scope of the risk management and internal control of SNS Network Technology Berhad (“**SNS**” or the “**Company**”) and its subsidiaries (“**SNS Group**” or the “**Group**”) for the financial year ended 31 January 2023 (“**FYE 2023**”).

BOARD RESPONSIBILITY

The Board recognises its overall responsibility for maintaining the adequacy and effectiveness of the Group’s risk management and system of internal controls which covers financial, operations and compliance with relevant regulations, policies and procedures. This includes the establishment of an appropriate risk management and internal control framework to identify, assess and manage risks that may impede the achievement of business objectives and strategies and review the adequacy and effectiveness of those systems. Following the Internal Control Guidance, the Board confirms that there is an on-going process for identifying, evaluating, and managing significant risks faced by the Group.

However, in any risk management and internal control system, there are inherent limitations that may impede the achievement of the Group’s business objectives. Accordingly, the system provides reasonable, but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group’s objectives.

The Board is assisted by the Audit and Risk Management Committee (“**ARMC**”) to provide oversight, direction and counsel to the Group’s risk management process by identifying and assessing risks, and making recommendations to monitor, evaluate, manage and mitigate such risks throughout the business operations particularly in respect of key risks which the Group faces on a regular basis. Additionally, the Risk Management Working Group (“**RMWG**”) is responsible for implementing the Group’s policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as deficiencies and non-compliance with internal controls, and for taking appropriate and timely remedial actions as required.

As part of our Risk Management processes, the Group has adopted a Risk Management System. The Registry of Risk is maintained to identify principal business risks and key risk areas, their impact, likelihood of occurrence and risk control actions and is updated to address changes in risk profiles. The key risk categories which have been reviewed by the RMWG during the financial year under review encompassed:

- External
- Financial
- Internal/Operational
- People/Integrity

The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit functions to an independent professional services firm to assist the ARMC in undertaking independent reviews on the effectiveness and adequacy of the internal controls system and to address the weaknesses identified, if any. The Internal Audit team independently reviews the procedures and control processes implemented by the management within the key business segments of the Group. Any key areas of concern identified during the reviews together with the management responses and recommendations for improvements to strengthen the internal controls are directly reported to the ARMC. The Management is required to implement the rectification action plans with due follow-up actions undertaken to ensure that any internal control deficiencies or weaknesses highlighted have been addressed on a timely basis. Follow-up reviews were conducted by the Internal Auditors team to assess the implementation of action plans provided by the Management and findings from follow-up reviews, if any, are reported to the ARMC.

During the current financial year, the following internal audit was conducted:

Business entity	Business process	Month
SNS Network (M) Sdn Bhd	Sales & receivables	January 2023

To maintain its impartiality, proficiency and due professional care, the Internal Auditors are independent and report directly to the ARMC. The ARMC reviews the Internal Audit programme annually in consultation with the Internal Auditors and assesses the reports of the Internal Audit process on a quarterly basis. The ARMC will conduct an assessment on the adequacy of scope, functions, competency and resources of the Internal Auditors as well as whether the recommendations of the Internal Audit function have been absorbed into the Group's processes.

The Board and Management, in consultation with the Internal Auditors via their reports, noted that there were no material or significant losses arising as a result of weaknesses in internal controls during the financial year under review and up to the date of issuance of the Statement on Risk Management and Internal Control. The Board is also pleased to report that there were no significant internal control deficiencies for areas that have been reviewed by the Internal Auditors. Certain practical recommendations of the Internal Auditors have been taken as remedial action to improve and enhance the existing internal controls.

Other Internal Control Processes

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements:

- **Organisation Structure**

The current organisation structure of the Group is incorporated with clear lines of accountability that sets out the authority delegated to the Board and Management. The Board is supported by various established committees in discharging its responsibilities that includes the ARMC, and Nomination and Remuneration Committee respectively.

- **Board of Directors / Board Committees**

The role, functions, composition, operations and processes of the Board are guided by a formal Board Charter.

Board Committees, namely ARMC, Nomination Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. ARMC assists the Board to review the effectiveness of the ongoing monitoring of processes on risk and control matters for areas within their scope of work.

Meetings of the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL AUDIT FUNCTION *cont'd*

Other Internal Control Processes *cont'd*

- **Policies and Procedures**

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include manuals and handbooks which are updated, reviewed and revised periodically to meet changing business and operational requirements, and statutory reporting needs. The Group has also documented policies and procedures to regulate relevant key processes in compliance with its International Organisation for Standardisation ("ISO") 9001:2015.

- **Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy and Whistle Blowing Channel**

A Code of Conduct and Ethics is established for all directors, employees, suppliers and vendors of the Group, which outlines the acceptable business behaviour and conduct and to provide guidance on how the directors, employees, suppliers and vendors should behave to demonstrate a culture of excellence while performing their duties. It also set out the standards of good and ethical practices and aims to maintain confidence in the integrity of the Group's business practices.

The Board has taken steps to direct the establishment of adequate procedures to prevent the commission of corrupt acts by persons associated to the Group through the institution of the Anti-Bribery and Anti-Corruption Policy ("Policy"). The Policy, amongst others, covers areas pertaining to gifts, donations and sponsorships; support letters; facilitation payments; conflict of interest; and sanctions for non-compliance. All employees are required to declare that they have read, understood and will abide by the Policy via the Staff Declaration Form.

The Group has also put in place whistle blowing channels, providing an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Group's policies and procedures in a safe and confidential manner. The policies and procedures on whistle blowing have been published in the the Group's website at www.sns.com.my.

- **Human Resource Policy**

Guidelines on the human resource management are in place to ensure the Group operates in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent development.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programs and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant trainings and courses are provided to personnel across all functions to maintain a high level of competency and capability.

- **Information and Communication**

The Group has put in place effective and efficient information and communication infrastructures and channels, i.e. computerised systems, secured intranet and electronic mail system, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. The management and board meetings are held for effective two-way communication of information at different level of management and the Board.

- **Monitoring and Review**

Internal audits are carried out by the internal audit functions on key risk areas identified based on the internal audits carried out. The internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes and highlight potential risks and implications of its observations that may impact the Group as well as recommend improvements on the observations made to minimise the risks. The results of the internal audits carried out are reported to the ARMC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL AUDIT FUNCTION *cont'd*

Other Internal Control Processes *cont'd*

- **Monitoring and Review** *cont'd*

In addition to the internal audits, significant control issues highlighted by the external auditors as part of their statutory audit's responsibility and the monitoring of compliance with ISO certification carried out by the ISO auditors serve as the next line of defence.

Apart from the above, the quarterly financial performance review contained key financial results and comparison against previous corresponding financial results are presented to the Board for their review.

ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The Managing Director and Group Financial Controller have provided assurance to the Board, to the best of their knowledge and belief, that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, to meet the Group's objectives during the financial year under review until the date of this Statement on Risk Management and Internal Control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2023. Their review was performed in accordance with the Audit and Assurance Practice Guide 3 ("**AAPG 3**") issued by the Malaysian Institute of Accountants which does not require the auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system of the Group currently being put in place is adequate and effective to safeguard the Group's interests and assets.

The Board will continue to assess and monitor the adequacy and effectiveness of the risk management and internal control system of the Group and to strengthen it, as and when necessary.

This statement is made in accordance with a resolution of the Board of Directors dated 16 May 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The Company was listed on the ACE Market of Bursa Securities on 2 September 2022 (“**Listing**”). In conjunction with the Listing Requirements of Bursa Securities, the Company undertook a public issue of 362,875,500 new ordinary shares at an issue price of RM0.25 per share, raising gross proceeds of RM90,718,875 (“**IPO Proceeds**”).

The status of the utilisation of the IPO Proceeds as at 31 January 2023 is as follows:

Utilisation of proceeds ⁽¹⁾	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised amount %	Estimated timeframe for unutilisation
Capital expenditure				
- Expansion of DaaS subscription-based service	30,900	(499)	30,401	36 months
- Set-up new retail stores	2,500	-	2,500	36 months
Construction of Regional Hub	18,000	-	18,000	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	(38,318)	52,401	

Notes:

⁽¹⁾ From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 27 July 2022.

2. AUDIT AND NON-AUDIT FEES

The fees to the External Auditors and its affiliates in relation to the audit and non-audit services rendered to the Company and the Group for the FYE 2023 were as follows:

	Group RM	Company RM
Statutory audit	264,500	70,000
Other assurance services	56,000	56,000
Non-assurance services	16,000	-
	336,500	126,000

ADDITIONAL COMPLIANCE INFORMATION

Cont'd

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF THE DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

Save as disclosed in Note 37 to the audited financial statements for the FYE 2023, there were no material contracts (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial period/year by the Company and its subsidiaries involving the interest of the directors, chief executive and major shareholders.

4. EMPLOYEE SHARE SCHEME

The Company did not issue any Employees Share Scheme during the FYE 2023.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The information on RRPT for FYE 2023 is presented in Note 20 to the audited financial statements in this Annual Report.

6. IMPOSITION OF SANCTIONS/PENALTIES

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the FYE 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is required by the Companies Act, 2016 to present the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs, the results and cash flows of the Group and of the Company.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for FYE 2023, the appropriate accounting policies were used and applied consistently which includes the adoption of new and revised Malaysian Financial Reporting Standards ("**MFRS**") where applicable. The Board is also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are responsible for ensuring that the Company keeps proper accounting records which enable the financial position of the Group and of the Company to be disclosed with reasonable accuracy and which enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and irregularities.

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DIRECTORS' REPORT

The directors of **SNS NETWORK TECHNOLOGY BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended January 31, 2023.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The information on the name, country of incorporation and place of business, principal activities and proportion of ownership interest and voting power held by the Company in each subsidiary is as disclosed in Note 16 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit for the year attributable to owners of the Company	43,715,760	5,791,960

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:

- (a) An interim dividend of 0.25 sen per ordinary share under the single-tier tax system, amounting to RM4,031,949 was declared in respect of the current financial year and was paid on January 18, 2023.
- (b) A second interim dividend of 0.25 sen per share, under the single-tier tax system, amounting to RM4,031,949 in respect of the current financial year was declared by the directors on March 27, 2023 and will be made payable on May 26, 2023. The second interim dividend was not recognised as a liability as at January 31, 2023 and will be accounted for in equity during the financial year ending January 31, 2024.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT

Cont'd

ISSUE OF SHARES AND DEBENTURES

During the financial year, the following events took place:

- (a) On July 4, 2022, the Company issued 1,249,904,158 new ordinary shares following the completion of the acquisitions of the entire equity interests in Acrux Technology Sdn. Bhd., GLOO Sdn. Bhd., iTworld Services (M) Sdn. Bhd., JOI Sdn Bhd, Notebook Plaza Sdn. Bhd., SNS Network (ICT) Sdn. Bhd., SNS Network (M) Sdn. Bhd. and SNS Network Services Sdn. Bhd. at an issue price of RM0.0505 per ordinary share for a total purchase consideration of RM63,120,160; and
- (b) On September 2, 2022, the Company completed its Initial Public Offering ("IPO") on the ACE Market of Bursa Malaysia Securities Berhad and the Company issued 362,875,500 new ordinary shares at an issue price of RM0.25 per ordinary share for total IPO proceeds of RM90,718,875. The net proceeds after deducting issue costs amounted to RM88,299,872.

The new ordinary shares issued in (a) and (b) during the financial year rank *pari passu* with the then existing ordinary shares of the Company.

The Company has not issued any new debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that no known bad debts needed to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

Cont'd

OTHER STATUTORY INFORMATION *cont'd*

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Mr. Ko Yun Hung (Managing Director)
 Mr. Pah Wai Onn
 Mr. Siow Wei Ming
 Dato' Zulkapli bin Ahmad
 Dato' F'ng Meow Cheng
 Ms. Maylee Gan Suat Lee
 Ms. Tan Ee Ming

The directors who held office in the subsidiaries of the Company during the financial year and/or up to the date of this report are:

Name of directors

Mr. Ko Yun Hung
 Mr. Pah Wai Onn
 Mr. Siow Wei Ming
 Ms. Ong Mei Kwai
 Ms. Tham Sau Har
 Ms. Eng Su Fern
 Mr. Siow Wei Shan
 Mr. Ko See Meng

Subsidiaries

Acrux, JOI, SNSM, SNSNS
 Acrux, JOI, Gloo, iTworld, NBP, SNSM, SNSNS
 NBP
 SNSM^, SNSNS*
 SNSM, SNSICT
 SNSM, SNSICT
 NBP
 Gloo, iTworld, NBP

Denotes:

Acrux
 Gloo
 iTworld
 JOI
 NBP
 SNSICT
 SNSM
 SNSNS

Acrux Technology Sdn. Bhd.
 GLOO Sdn. Bhd.
 iTworld Services (M) Sdn. Bhd.
 JOI Sdn. Bhd.
 Notebook Plaza Sdn. Bhd.
 SNS Network (ICT) Sdn. Bhd.
 SNS Network (M) Sdn. Bhd.
 SNS Network Services Sdn. Bhd.

* Resigned as director on September 29, 2022.

^ Resigned as director on October 6, 2022.

DIRECTORS' REPORT

Cont'd

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

		Number of ordinary shares		
	Balance as of 1.2.2022	Bought	Sold	Balance as of 31.1.2023
Registered in the name of directors				
Mr. Ko Yun Hung	1	543,731,138	(24,191,700)	519,539,439
Mr. Pah Wai Onn	1	543,731,138	(24,191,700)	519,539,439
Mr. Siow Wei Ming	-	118,172,752	-	118,172,752
Dato' Zulkapli bin Ahmad	-	200,000	-	200,000
Dato' F'ng Meow Cheng	-	200,000	-	200,000
Ms. Maylee Gan Suat Lee	-	50,000	-	50,000
Ms. Tan Ee Ming	-	100,000	-	100,000
Indirect interests by virtue of shares held by persons connected to directors				
Mr. Ko Yun Hung	-	7,362,971	-	7,362,971
Mr. Pah Wai Onn	-	7,362,971	-	7,362,971
Mr. Siow Wei Ming	-	800,000	-	800,000

By virtue of their interests in the shares of the Company, Mr. Ko Yun Hung and Mr. Pah Wai Onn are also deemed to have an interest in the shares of all the subsidiaries to the extent that the Company has interests.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions as mentioned in Note 20 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

Cont'd

DIRECTORS' REMUNERATION

	The Group RM	The Company RM
Directors of the Company		
Salaries and other emoluments	2,562,007	9,900
Fees	265,000	265,000
Employees' Provident Fund contributions	331,116	-
	3,158,123	274,900

The estimated monetary value of benefits-in-kind received and receivable by the directors of the Group and of the Company otherwise than in cash from the Group and from the Company amounted to RM17,400 and Nil respectively.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a directors' and officers' liability insurance throughout the year, which provides appropriate insurance cover for the directors and officers of the Company and its subsidiaries. The amount of insurance premium paid during the financial year amounted to RM18,700.

There was no indemnity given to or insurance effected for the auditors of the Company and of the subsidiaries in accordance with Section 289 of the Companies Act, 2016.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended January 31, 2023 are as follows:

	The Group RM	The Company RM
Fees paid/payable to external auditors:		
Deloitte PLT and its affiliates		
Statutory audit	264,500	70,000
Other assurance services	56,000	56,000
Non-assurance services	16,000	-

DIRECTORS' REPORT

Cont'd

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

MR. KO YUN HUNG

MR. PAH WAI ONN

Ipoh,
May 16, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of SNS Network Technology Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SNS Network Technology Berhad, which comprise the statements of financial position of the Group and of the Company as of January 31, 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 111 to 172.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of January 31, 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matter

Key audit matter is a matter that, in our professional judgement, is of most significance in our audit of the financial statements of the Group and of the Company for the current year. This matter is addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, we do not provide a separate opinion on this matter.

INDEPENDENT AUDITORS' REPORT

To the Members of SNS Network Technology Berhad (Incorporated in Malaysia)
Cont'd

Key Audit Matter *cont'd*

Key Audit Matter

How the scope of our audit responded to the key audit matter

Valuation of inventories

At the end of the reporting period, the carrying amounts of inventories amounted to RM107.8 million representing 27% of total assets of the Group. Inventories comprise primarily Information, Communications and Technology ("ICT") products that are at risk of technology obsolescence, short product life cycle due to change in customer preferences and spending patterns. During the year, the Group recognised a RM1.3 million write down of inventories.

MFRS 102 *Inventories* requires that inventories be measured at the lower of cost and net realisable value. Significant judgements are required in determining the net realisable values of the inventories that takes into consideration historical sales patterns, display status and ageing profile of inventories as described in Note 4 to the financial statements.

We have performed the following to address the key audit matter:

- Assessed the design and implementation of relevant controls over valuation of inventories.
- Evaluated the Group's policy on valuation of inventories and methodology in measuring the net realisable value against the requirements of MFRS 102 *Inventories*.
- Obtained and tested the integrity and accuracy of the Group's current inventory provisioning model.
- Challenged the reasonableness of the Group's assumptions, judgements and underlying inputs used in estimating the net realisable values of inventories as of the end of the reporting period. This included forming an expectation of the net realisable values from our understanding of the ageing profile of the inventories, product types and other relevant criteria and compared to the Group's net realisable values.
- Made a selection of inventories and determined whether the sample of inventories selected are held at the lower of cost or net realisable value, through comparison to the most recent sales transactions (after deducting selling expenses) after the end of the reporting period and relevant purchase invoices.
- Considered the adequacy and appropriateness of the Group's disclosure in relation to inventories in the financial statements.

We have determined that there are no key audit matters to be communicated in our current year's auditors' report on the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

To the Members of SNS Network Technology Berhad (Incorporated in Malaysia)
Cont'd

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of SNS Network Technology Berhad (Incorporated in Malaysia)
Cont'd

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

LIM KENG PEO
Partner - 02939/01/2024 J
Chartered Accountant

Ipoh,
May 16, 2023

STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended January 31, 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	5	1,403,782,648	1,112,008,738	7,132,000	-
Cost of sales	6	(1,294,210,532)	(1,017,995,362)	-	-
Gross profit		109,572,116	94,013,376	7,132,000	-
Investment revenue	7	205,660	43,951	145,632	-
Other gains and losses	8	984,088	1,320,608	622,233	-
Other operating income		8,130,606	7,490,695	15,417	-
Impairment losses on financial assets - net	6	(359,413)	(255,823)	-	-
Selling and distribution expenses	6	(35,388,974)	(32,345,698)	-	-
Administrative expenses	6	(20,994,623)	(18,419,920)	(2,123,116)	(1,763,381)
Profit/(Loss) from operations		62,149,460	51,847,189	5,792,166	(1,763,381)
Finance costs	11	(4,789,286)	(3,163,508)	(206)	(152)
Profit/(Loss) before tax	10	57,360,174	48,683,681	5,791,960	(1,763,533)
Tax expenses	12	(13,644,414)	(12,766,216)	-	-
Profit/(Loss) and total comprehensive income/(loss) for the year attributable to owners of the Company		43,715,760	35,917,465	5,791,960	(1,763,533)
Earnings per ordinary share					
Basic (sen)	13	4.98	589.29		
Diluted (sen)	13	4.98	589.29		

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As of January 31, 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	52,725,569	51,465,066	7,533	-
Right-of-use assets	15	16,031,893	12,504,509	-	-
Investment in subsidiaries	16	-	-	63,120,160	-
Finance lease receivables	17	-	348,896	-	-
Total non-current assets		68,757,462	64,318,471	63,127,693	-
Current assets					
Inventories	18	107,837,246	103,557,805	-	-
Trade and other receivables	19	120,787,994	87,997,431	-	-
Amount owing by subsidiaries	20	-	-	35,571,692	-
Finance lease receivables	17	348,896	760,633	-	-
Current tax assets	12	1,479,914	446,600	-	-
Other assets	21	5,167,914	5,184,596	75,717	108,475
Fixed deposits, cash and bank balances	22	91,992,916	29,828,732	53,055,207	5,973
Total current assets		327,614,880	227,775,797	88,702,616	114,448
Total assets		396,372,342	292,094,268	151,830,309	114,448
EQUITY AND LIABILITIES					
Capital and reserve					
Share capital	23	151,420,034	2	151,420,034	2
Reserves	24	69,582,678	93,019,027	(22,108)	(1,782,119)
Total equity/(Capital deficiency)		221,002,712	93,019,029	151,397,926	(1,782,117)

STATEMENTS OF FINANCIAL POSITION

As of January 31, 2023

Cont'd

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
Non-current liabilities					
Borrowings	26	7,601,003	29,747,559	-	-
Lease liabilities	27	5,889,171	4,573,455	-	-
Deferred tax liabilities	28	1,484,846	1,596,846	-	-
Total non-current liabilities		14,975,020	35,917,860	-	-
Current liabilities					
Trade and other payables	29	111,956,323	121,930,498	112,483	1,823,485
Other liabilities	30	4,367,046	1,788,269	319,900	38,720
Amount owing to a director	31	-	34,360	-	34,360
Contract liabilities	32	238,146	308,414	-	-
Dividends payable		-	6,000,000	-	-
Borrowings	26	27,691,684	20,214,544	-	-
Lease liabilities	27	10,376,016	8,163,409	-	-
Current tax liabilities	12	5,765,395	4,717,885	-	-
Total current liabilities		160,394,610	163,157,379	432,383	1,896,565
Total liabilities		175,369,630	199,075,239	432,383	1,896,565
Total equity and liabilities		396,372,342	292,094,268	151,830,309	114,448

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Year Ended January 31, 2023

	Attributable to owners of the Company					
	Share Capital	Non-distributable Invested Capital	Non-distributable Capital Reserve	Distributable Retained Earnings	Total Equity	
	RM	RM	RM	RM	RM	
The Group						
Balance as of February 1, 2021	2	5,179,100	-	57,922,462	63,101,564	
Profit and total comprehensive income for the year	-	-	-	35,917,465	35,917,465	
Issue of shares by entities under common control	-	2,612,000	-	-	2,612,000	
Dividends paid by entities under common control	-	-	-	(8,612,000)	(8,612,000)	
Balance as of January 31, 2022	2	7,791,100	-	85,227,927	93,019,029	
Profit and total comprehensive income for the year	-	-	-	43,715,760	43,715,760	
Issue of shares arising from acquisition of subsidiaries under common control	23, 24	63,120,160	(7,791,100)	(55,329,060)	-	
Issue of shares from Initial Public Offering ("IPO")	23, 24	88,299,872	-	-	88,299,872	
Dividends	25	-	-	(4,031,949)	(4,031,949)	
Balance as of January 31, 2023	151,420,034	-	(55,329,060)	124,911,738	221,002,712	

STATEMENTS OF CHANGES IN EQUITY

For the Year Ended January 31, 2023
Cont'd

	Notes	Share Capital RM	Non- distributable Accumulated Loss RM	(Capital Deficiency) /Net Equity RM
The Company				
Balance as of February 1, 2021		2	(18,586)	(18,584)
Loss and total comprehensive loss for the year		-	(1,763,533)	(1,763,533)
Balance as of January 31, 2022		2	(1,782,119)	(1,782,117)
Profit and total comprehensive income for the year		-	5,791,960	5,791,960
Issue of shares arising from acquisition of subsidiaries under common control	23, 24	63,120,160	-	63,120,160
Issue of shares from IPO	23, 24	88,299,872	-	88,299,872
Dividends	25	-	(4,031,949)	(4,031,949)
Balance as of January 31, 2023		151,420,034	(22,108)	151,397,926

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended January 31, 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the year		43,715,760	35,917,465	5,791,960	(1,763,533)
Adjustments for:					
Tax expenses		13,644,414	12,766,216	-	-
Depreciation of:					
Right-of-use assets		11,555,265	9,530,578	-	-
Property, plant and equipment		1,913,019	1,718,650	467	-
Finance costs		4,789,286	3,163,508	206	152
Write down/(Reversal of write down) of inventories to net realisable values		1,280,734	(144,707)	-	-
Loss allowances recognised in profit or loss		362,297	306,928	-	-
Increase in provision for customer loyalty programme		346,761	313,270	-	-
Increase in provision for voucher programme		45,585	45,229	-	-
Unrealised loss/(gain) on foreign exchange		6,699	(118,416)	-	-
Tax penalty		6,676	-	-	-
Property, plant and equipment written off		760	201,372	-	-
Loss/(Gain) on disposal of property, plant and equipment		1	(238,672)	-	-
Fair value gain arising from financial assets designated as at FVTPL		(622,233)	-	(622,233)	-
Negative variable lease payments		(351,610)	(1,171,154)	-	-
Expiry of loyalty programme		(351,426)	(285,852)	-	-
Investment revenue		(205,660)	(43,951)	(145,632)	-
(Decrease)/Increase in provision for warranties		(51,678)	161,141	-	-
Interest income from:					
Finance lease receivables		(47,867)	(91,294)	-	-
Cash and bank balances		(47,695)	(22,391)	(1,021)	-
Others		(31,036)	-	-	-
Expiry of voucher programme		(22,109)	-	-	-
Loss allowances no longer required		(2,884)	(51,105)	-	-
Deposits written off		-	8,914	-	-
Gain arising from termination of leases		-	(9,354)	-	-
		75,933,059	61,956,375	5,023,747	(1,763,381)

STATEMENTS OF CASH FLOWS

For the Year Ended January 31, 2023

Cont'd

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Movements in working capital:					
(Increase)/Decrease in:					
Inventories		(5,560,175)	(48,074,068)	-	-
Trade and other receivables		(33,149,976)	(3,902,906)	-	-
Other assets		16,682	(1,142,018)	32,758	(108,475)
Finance lease receivables		808,500	778,124	-	-
(Decrease)/Increase in:					
Trade and other payables		(9,974,175)	28,465,944	106,688	1,823,485
Other liabilities		2,578,777	815,879	281,180	35,365
Contract liabilities		(37,401)	(45,406)	-	-
Cash Generated From/(Used In) Operations		30,615,291	38,851,924	5,444,373	(13,006)
Income tax refunded		114,680	84,282	-	-
Interest received		78,731	22,391	1,021	-
Income tax paid		(13,856,898)	(12,631,476)	-	-
Tax penalty paid		(6,676)	-	-	-
Net Cash From/(Used In) Operating Activities		16,945,128	26,327,121	5,445,394	(13,006)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Income distribution from short-term income funds		622,233	-	622,233	-
Interest received on fixed deposits		205,660	43,951	145,632	-
Proceeds from disposal of property, plant and equipment		400	802,500	-	-
Purchase of property, plant and equipment	34(a)	(2,829,681)	(2,372,815)	(8,000)	-
Placement of fixed deposits		(695,027)	(733,952)	-	-
Advances granted to subsidiaries		-	-	(37,389,382)	-
Net Cash Used In Investing Activities		(2,696,415)	(2,260,316)	(36,629,517)	-
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Issue of ordinary shares		88,299,872	-	88,299,872	-
Proceeds from bankers' acceptances - net	34(b)	7,985,398	4,710,522	-	-
Repayment of term loans and financing	34(b)	(21,954,781)	(1,997,735)	-	-
Repayment of lease liabilities	34(b)	(11,202,716)	(8,564,476)	-	-
Dividends paid		(10,031,949)	(3,982,040)	(4,031,949)	-
Finance costs paid		(4,789,286)	(3,163,508)	(206)	(152)
Repayment of hire-purchase payables	34(b)	(1,045,035)	(1,577,255)	-	-
(Repayment to)/Advances from directors	34(b)	(34,360)	19,000	(34,360)	19,000
Net Cash From/(Used In) Financing Activities		47,227,143	(14,555,492)	84,233,357	18,848

STATEMENTS OF CASH FLOWS

For the Year Ended January 31, 2023

Cont'd

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		61,475,856	9,511,313	53,049,234	5,842
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		27,132,768	17,503,039	5,973	131
Effect of exchange rate changes on the balance of cash held in foreign currencies		(6,699)	118,416	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	34(c)	88,601,925	27,132,768	53,055,207	5,973

The accompanying Notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding.

The information on the name, country of incorporation and place of business, principal activities and proportion of ownership interest and voting power held by the Company in each subsidiary is as disclosed in Note 16.

The registered office of the Company is located at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia.

The principal place of business of the Company is located at No. 61, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan, Malaysia.

The financial statements of the Group and of the Company are presented in the Company's functional currency, which is Ringgit Malaysia ("RM").

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on May 16, 2023.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

2.1 Amendments to MFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group and the Company adopted all of the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after February 1, 2022. Their adoption has had no material impact on the disclosures or on the amounts recognised in the financial statements.

2.2 Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not applied the following new and amendments to MFRS that have been issued but are not yet effective:

MFRS 17	Insurance Contracts including Amendments to MFRS 17 and Initial Application of MFRS 9 and MFRS 17 - Comparative Information ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to MFRS 101	Disclosure of Accounting Policies ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ²
Amendments to MFRS 101	Non-current Liabilities with Covenants ²
Amendments to MFRS 108	Definition of Accounting Estimates ¹
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ²

¹ Effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

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

³ Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned new and amendments to MFRSs will be adopted in the financial statements of the Group and of the Company when they become effective and that the adoption of these new and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost basis except for certain non-current assets and financial instruments that are measured at fair value or at amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Subsidiaries and Basis of Consolidation *cont'd*

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstance that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or a loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interests; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Business Combinations Involving Common Control Entities

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

Business combination involving entities under common control as part of a reorganisation scheme does not result in any change in economic substance and are accounted for by applying the pooling of interest method of accounting as follows:

- all assets and liabilities of the entities under common control are combined using the existing book values at the end of the reporting period;
- retained earnings of entities under common control prior to the business combination are those of the Group. Accordingly, no amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination; and
- debit differences arising between the cost of acquisition and the nominal value of share capital of the entities under common control are reflected within equity as capital reserve.

Financial statements of entities under common control are included in the Group's financial statements from the day common control commences until the date that control ceases.

Business Combinations Excluding Common Control Entities

Acquisitions of subsidiaries and businesses, other than those involving entities under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Business Combinations Excluding Common Control Entities *cont'd*

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting periods in accordance with MFRS 139 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Segment Reporting

For management purposes, the Group is organised into operating segments that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. The Group's reporting segments were identified based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group's reportable segments are strategic business operations that are managed separately based on the Group's management and internal reporting structure.

Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or a service to a customer.

Sale of Goods

Revenue from sale of goods to commercial customers are recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. Rebates and volume discounts are given to eligible customers, and are taken up as variable considerations in determining transaction prices contracted.

Revenue from sale of goods to retail customers are recognised either when goods are delivered to the customers or when goods are purchased at the Group's physical stores. Following delivery, a customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods, i.e. when control of goods has transferred to the customer. A receivable is recognised by the Group when control of goods are transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Sale of Goods *cont'd*

Revenue from sale of goods to customers at the Group's physical stores are recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Sales-related warranties which cannot be purchased separately and serve as an assurance that the products sold comply with agreed-upon specifications are accounted as provision for warranties.

Commission, Incentives and Services Rendered

Commission, incentives and income on services rendered are recognised upon rendering of relevant services. Services include provision of device repair and broadband application services recognised at the point in time in which services are rendered.

Maintenance Services Rendered

Income on maintenance services rendered are recognised upon rendering of relevant services and represents performance obligation recognised over time.

Customer loyalty programme

The Group operates a loyalty programme through which customers accumulate points on purchases of goods that entitle them to discounts on future purchases. These points have pre-determined expiration dates and provide a discount to customers that they would not receive without purchasing the goods (i.e. a material right). The promise to provide the discount to customers is therefore a separate performance obligation. The transaction price is allocated between the product, the maintenance services (if any) and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Group's historical experience.

A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

Customer voucher programme

The Group may, at its discretion, implement seasonal voucher programme that entitles voucher holders to discounts on future purchases, redeemable upon payment to the Group. The vouchers issued to customers have a validity period ranging from 1 to 3 months and are recognised as a contract liability at the discount value in proportion to the likelihood of redemption based on the Group's historical experience.

Others

Interest income from a debt investment is recognised using the effective interest method.

Dividend income represents gross dividends from investments and is recognised when the shareholders' right to receive payment is established.

Government Grants

The Group does not recognise government grants until there is reasonable assurance that the Group will comply with the conditions attaching to the grants and the grants will be received.

All government grants are recognised as income in profit or loss on a systematic basis over the period in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Any balance not yet recognised in profit or loss is treated as deferred income, i.e. a liability in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Foreign Currencies

The financial statements of the Group are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Company's functional currency (foreign currency) are recognised at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are initially denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability comprise monthly fixed lease payments (including in-substance fixed payments), less any lease incentives receivable, presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Leases *cont'd*

The Group as a lessee cont'd

The Group applies MFRS 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Non-Financial Assets' policy.

As a practical expedient, MFRS 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or an operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of MFRS 9 *Financial Instruments*, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use, are capitalised and included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Employee Benefits

Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group at an undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised as and when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Employee Benefits *cont'd*

Defined contribution plan

The Group is required by law to make monthly contributions to the Employees' Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's contributions to EPF are recognised as an expense when employees have rendered services entitling them to the contributions and are disclosed separately. The employees' contributions to EPF are included in salaries and wages. Once the contributions have been paid, the Group has no further payment obligations.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or to settle the carrying amount of their assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and current tax liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the total profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding of the Company during the year.

Diluted EPS is determined by adjusting the total profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding of the Company, adjusted for the effects of all dilutive potential ordinary shares, if any.

Property, Plant and Equipment

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits. For an exchange of non-monetary asset that has a commercial substance, cost is measured by reference to the fair value of the asset received. For asset transferred from a customer or a grantor, cost is measured by reference to the fair value of the asset.

Freehold land and capital work-in-progress are not amortised/depreciated.

All other property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The annual depreciation rates of the respective classes of property, plant and equipment depreciated on a straight-line basis are as follows:

Buildings	2%
Motor vehicles	10% - 20%
Computer software and office equipment	10% - 35%
Furniture, fixtures, electrical fittings and machinery	10%
Renovation	10%
Elevator and signboard	10%

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements, which transfer substantially all of the risks and rewards incidental to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum hire purchase payment of the assets under hire-purchase at the inception of the respective arrangements.

Finance costs, which represent the difference between the total hire-purchase commitments and the fair values of the assets acquired, are charged to profit or loss over the term of the relevant hire purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Investment in Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the Company's financial statements at cost less accumulated impairment losses, if any.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on "Weighted Average" method. The cost of trading merchandise comprises the original purchase price, net of rebates received plus cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Impairment of Non-Financial Assets

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than inventories and other financial assets which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount would not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial assets *cont'd*

Classification of financial assets cont'd

By default, all other financial assets are measured subsequently at FVTPL. *cont'd*

(i) Amortised cost and effective interest method *cont'd*

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Group and the Company recognise a loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for all financial instruments when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial assets *cont'd*

Impairment of financial assets cont'd

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's and the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default;
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group and the Company consider a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group and the Company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial assets *cont'd*

Impairment of financial assets cont'd

(ii) Definition of default

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Group and the Company consider that default has occurred when a financial asset is more than 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the end of the reporting period, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's and the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial assets *cont'd*

Impairment of financial assets cont'd

(v) Measurement and recognition of ECL *cont'd*

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the end of the current reporting period that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the end of the current reporting period, except for assets for which simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL (the Group and the Company do not have any financial liabilities measured at FVTPL).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

Financial liabilities *cont'd*

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Statement of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the Company's accounting policies, which are described in Note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *cont'd*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Estimated useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment at the end of each reporting period based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

The carrying amount of property, plant and equipment at the end of the reporting period is as disclosed in Note 14.

(ii) Allowance for inventories written down

Inventories comprise primarily Information, Communications and Technology ("ICT") products that are at risk of technology obsolescence, short product life cycle due to change in customer preferences and spending patterns. Accordingly, the Group has carried out a review of inventories on a product-by-product basis, taking into consideration historical sales patterns, display status and ageing profile of inventories.

In the current financial year, the Group recognised a write down of inventories amounting to RM1,280,734 (2022: reversal of write down of RM144,707) as disclosed in Note 18.

(iii) Calculation of loss allowance

ECL is calculated based on historical loss on the respective outstanding balances by number of days past due. Historical loss rates are calculated based on total credit loss from the prior year's revenue and repayment trends of the prior year's revenue multiplied by the number of days past due. When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other as disclosed in Note 19.

(iv) Income taxes

The Group and the Company are subject to income taxes and significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The current tax assets/(liabilities), deferred tax liabilities of the Group and of the Company at the end of the reporting period and related tax expenses are as disclosed in Notes 12 and 28 respectively.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

5. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income from:				
Sale of ICT products	1,390,679,619	1,099,266,654	-	-
Sale of trading merchandise	818,396	-	-	-
Provision of device repair and broadband services	12,284,633	12,742,084	-	-
Dividends from subsidiaries	-	-	7,132,000	-
	1,403,782,648	1,112,008,738	7,132,000	-
Revenue recognised:				
At a point in time	1,401,430,065	1,109,783,026	7,132,000	-
Overtime	2,352,583	2,225,712	-	-
	1,403,782,648	1,112,008,738	7,132,000	-

The Group applied the practical expedient under MFRS 15 not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period as all unsatisfied contracts with customers are expected to be fulfilled within one year.

Included in sale of ICT products are web portal maintenance services of RM254,626 (2022: RM302,645).

6. OPERATING COSTS APPLICABLE TO REVENUE

The operating costs classified by nature, applicable to revenue, are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Purchase of trading goods	1,295,098,682	1,061,866,024	-	-
Employee benefit expenses (Note 10)	26,590,427	25,484,181	-	-
Other operating expenses	16,558,054	15,403,480	1,847,749	1,669,481
Depreciation of right-of-use assets (Note 15)	11,555,265	9,530,578	-	-
Directors' remuneration (Note 9)	3,158,123	2,976,842	274,900	93,900
Depreciation of property, plant and equipment (Note 14)	1,913,019	1,718,650	467	-
Write down/(Reversal of write down) in inventories to net realisable values (Note 18)	1,280,734	(144,707)	-	-
Impairment losses on financial assets recognised in profit or loss	362,297	306,928	-	-
Loss allowances on financial assets no longer required	(2,884)	(51,105)	-	-
Changes in inventories of trading goods	(5,560,175)	(48,074,068)	-	-
	1,350,953,542	1,069,016,803	2,123,116	1,763,381

Other operating expenses include IPO expenses incurred by the Group and by the Company amounting to RM936,573 (2022: RM1,520,625) respectively.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

7. INVESTMENT REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Investment revenue for financial assets not designated as at FVTPL	205,660	43,951	145,632	-

8. OTHER GAINS AND LOSSES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Gain arising from financial assets designated as at FVTPL	622,233	-	622,233	-
Gains arising from termination of leases	-	9,354	-	-
Negative variable lease payments	351,610	1,171,154	-	-
Gain/(Loss) on foreign exchange:				
Realised	16,944	21,684	-	-
Unrealised	(6,699)	118,416	-	-
	984,088	1,320,608	622,233	-

9. DIRECTORS' REMUNERATION

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries and other emoluments	2,562,007	2,552,030	9,900	-
Fees	265,000	93,900	265,000	93,900
EPF contributions	331,116	330,912	-	-
	3,158,123	2,976,842	274,900	93,900

The estimated monetary value of benefits-in-kind received and receivable by the directors of the Group otherwise than in cash from the Group amounted to RM17,400 (2022: RM34,858).

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

10. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been arrived at after crediting/(charging):

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income from operators arising from right-of-use assets	7,551,859	5,851,175	-	-
Government grants:				
Hiring incentives	139,320	-	-	-
Wage subsidies	-	888,060	-	-
Rental income from:				
Parking lot	218,000	204,900	-	-
Others	19,840	71,210	-	-
Interest income from:				
Finance lease receivables	47,867	91,294	-	-
Cash and bank balances	47,695	22,391	1,021	-
Others	31,036	-	-	-
Overdue charges	58,841	64,639	-	-
Rental of premises paid to:				
Third parties	(180,265)	(895,161)	-	-
A director	(53,600)	(53,550)	-	-
Rental of photocopy machines	(5,012)	-	-	-
Auditor's remuneration				
Deloitte PLT and its affiliates				
Statutory audit	(264,500)	(208,000)	(70,000)	(4,000)
Other assurance services	(56,000)	(509,500)	(56,000)	(509,500)
Non-assurance services	(16,000)	(11,000)	-	-
(Increase)/Decrease in provision:				
Customer loyalty programme	(346,761)	(313,270)	-	-
Warranties	51,678	(161,141)	-	-
Voucher programme	(45,585)	(45,229)	-	-
Expiry of:				
Loyalty programme	351,426	285,852	-	-
Voucher programme	22,109	-	-	-
Loss allowances recognised in profit or loss	(362,297)	(306,928)	-	-
Property, plant and equipment written off	(760)	(201,372)	-	-
(Loss)/Gain on disposal of property, plant and equipment	(1)	238,672	-	-
Deposits written off	-	(8,914)	-	-

Included in employee benefits expenses of the Group are contributions made to EPF of RM2,940,622 (2022: RM2,991,053).

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

11. FINANCE COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest on:				
Term loans	927,343	1,054,867	-	-
Lease liabilities	525,239	441,666	-	-
Bankers' acceptances	1,047,076	322,674	-	-
Hire-purchase payables	91,310	57,298	-	-
Bank charges	2,198,318	1,287,003	206	152
	4,789,286	3,163,508	206	152

12. TAX EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income tax:				
Current year	14,241,024	12,415,637	-	-
Prior years	(484,610)	89,047	-	-
	13,756,414	12,504,684	-	-
Deferred tax (Note 28):				
Current year	126,700	8,260	-	-
Prior years	(238,700)	253,272	-	-
	(112,000)	261,532	-	-
	13,644,414	12,766,216	-	-

Income tax is calculated at the statutory tax rate of 24% for the year of assessment 2023 (2022: 24%) on the estimated taxable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

12. TAX EXPENSE *cont'd*

The tax expenses for the year can be reconciled to the accounting profit/(loss) as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before tax	57,360,174	48,683,681	5,791,960	(1,763,533)
Tax expenses/(credit) calculated at 24% (2022: 24%)	13,766,000	11,684,000	1,390,000	(423,000)
Tax effects of:				
Expenses eligible for double deduction	(55,000)	(48,000)	-	-
Income not taxable in determining taxable profits	(266,800)	(576,800)	(1,896,000)	-
Expenses not deductible in determining taxable profits	934,524	1,348,197	506,000	423,000
Temporary differences arising from property, plant, and equipment	400	-	-	-
Unutilised tax losses not recognised as deferred tax assets	2,200	24,300	-	-
Utilisation of deferred tax assets previously not recognised	(13,600)	-	-	-
Effect of difference in tax rate applicable to small and medium scale companies	-	(7,800)	-	-
Prior years:				
Income tax	(484,610)	89,047	-	-
Deferred tax	(238,700)	253,272	-	-
	13,644,414	12,766,216	-	-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax assets				
Tax refund receivables	1,479,914	446,600	-	-
Current tax liabilities				
Income tax payables	(5,765,395)	(4,717,885)	-	-

The Group has tax exempt pioneer income of approximately RM1,138,806 (2022: RM1,638,806) that is available for distribution as tax exempt dividends to the shareholders of the Company.

As mentioned in Note 3, the tax effects of deductible temporary differences, unutilised tax losses and unabsorbed capital allowances which would give rise to net deferred tax assets are recognised to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

12. TAX EXPENSE *cont'd*

At the end of the reporting period, the estimated unabsorbed capital allowances and unutilised tax losses of the Group, which are available for offset against future taxable profits are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unutilised tax losses	247,000	282,000	-	-
Unabsorbed tax capital allowances	22,400	3,000	-	-
Property, plant and equipment	(25,000)	(15,000)	-	-
	222,400	270,000	-	-

Deferred tax assets at the applicable tax rate of 24% (2022: 24%) amounting to RM6,000 (2022: Nil) have been recognised by way of offset against taxable temporary differences arising from property, plant and equipment. No deferred tax assets have been recognised in respect of the remaining RM53,000 (2022: RM64,000) due to uncertainty of future taxable profits of the subsidiaries.

The Group's unutilised tax losses at the end of the reporting period are expected to be disregarded by the end of the following years of assessment:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
For the years of assessment:				
2029	127,000	156,000	-	-
2032	106,000	126,000	-	-
2033	14,000	-	-	-
	247,000	282,000	-	-

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13. EARNINGS PER ORDINARY SHARE

Basic earnings per share is calculated by dividing profit for the year, net of tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company.

	The Group	
	2023	2022
	RM	RM
Profit for the year attributable to owners of the Company (RM)	43,715,760	35,917,465
Weighted average number of shares		
At beginning of year	7,791,102	5,179,102
Effect of ordinary shares issued during the year:		
Arising from acquisition of subsidiaries under common control	(7,791,100)	-
Arising from Initial Public Offering	878,081,186	-
Offset with dividends paid by entities under common control	-	915,989
Weighted average number of ordinary shares in issue	878,081,188	*6,095,091
Basic and diluted earnings per share (Sen)	4.98	589.29

* Represents the weighted average number of issued and fully paid ordinary shares of the Company and commonly controlled entities in issue as at January 31, 2022.

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

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14. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land	Buildings	Motor vehicles	Motor vehicles under hire-purchase	Computer software and office equipment under hire-purchase	Furniture, fixtures, electrical fittings and machinery	Renovation	Elevator and signboard	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost										
As of February 1, 2021	27,176,127	16,567,044	206,474	2,496,839	3,299,738	1,330,145	2,999,208	1,937,274	92,242	56,582,412
Additions	-	-	43,153	1,246,844	585,946	162,691	988,440	-	170,360	3,404,915
Disposals	-	-	(25,000)	(1,214,819)	-	-	-	-	-	(1,239,819)
Write offs	-	-	-	-	(188,714)	-	(359,068)	(131,723)	-	(679,505)
Reclassifications	-	-	112,177	(112,177)	-	-	-	-	-	-
As of January 31, 2022	27,176,127	16,567,044	336,804	2,416,687	3,696,970	1,492,836	3,628,580	1,805,551	262,602	58,068,003
Additions	-	-	-	393,002	1,842,712	-	368,648	317,253	2,650	3,174,683
Disposals	-	-	-	-	(450)	-	-	-	-	(450)
Write offs	-	-	-	-	(982)	-	-	-	-	(982)
Reclassifications	-	-	-	-	1,492,836	(1,492,836)	-	-	-	-
As of January 31, 2023	27,176,127	16,567,044	336,804	2,809,689	7,031,086	-	3,997,228	2,122,804	265,252	61,241,254
Accumulated depreciation										
As of February 1, 2021	-	1,530,064	163,325	847,679	1,581,298	25,864	1,282,728	556,212	51,241	6,038,411
Additions	-	331,341	17,734	272,197	278,908	315,112	316,835	179,962	6,561	1,718,650
Disposals	-	-	(24,999)	(650,992)	-	-	-	-	-	(675,991)
Write offs	-	-	-	-	(182,283)	-	(164,156)	(131,694)	-	(478,133)
Reclassifications	-	-	16,827	(16,827)	-	-	-	-	-	-
As of January 31, 2022	-	1,861,405	172,887	452,057	1,677,923	340,976	1,435,407	604,480	57,802	6,602,937
Charge for the year	-	331,341	19,316	260,201	371,766	367,309	354,017	189,751	19,318	1,913,019
Disposals	-	-	-	-	(49)	-	-	-	-	(49)
Write offs	-	-	-	-	(222)	-	-	-	-	(222)
Reclassifications	-	-	-	-	708,285	(708,285)	-	-	-	-
As of January 31, 2023	-	2,192,746	192,203	712,258	2,757,703	-	1,789,424	794,231	77,120	8,515,685
Carrying amount										
As of January 31, 2022	27,176,127	14,705,639	163,917	1,964,630	2,019,047	1,151,860	2,193,173	1,201,071	204,800	51,465,066
As of January 31, 2023	27,176,127	14,374,298	144,601	2,097,431	4,273,383	-	2,207,804	1,328,573	188,132	52,725,569

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14. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Computer software and office equipment
The Company	RM
Cost	
As of February 1, 2021 / January 31, 2022	-
Additions	8,000
As of January 31, 2023	8,000
Accumulated depreciation	
As of February 1, 2021 / January 31, 2022	-
Charge for the year	467
As of January 31, 2023	467
Carrying amount	
As of January 31, 2023	7,533
As of January 31, 2022	-

The Group's freehold land, buildings and capital work-in-progress with carrying amount of RM27,176,127 (2022: RM27,176,127), RM14,225,230 (2022: RM14,553,371) and RM935,220 (2022: RM684,802) respectively have been charged to local licensed banks for banking facilities granted to the Group (2022: combining entities) as mentioned in Note 26.

Motor vehicles under hire-purchase are secured against the hire-purchase payables as mentioned in Note 26.

Certain computer software and office equipment with carrying amounts of RM1,922,367 (2022: RM1,151,860) are leased to third parties as disclosed in Note 35(b).

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15. RIGHT-OF-USE ASSETS

	The Group	
	2023	2022
	RM	RM
Cost		
At beginning of year	42,137,795	29,085,622
Additions	15,082,649	13,897,760
Termination of leases	-	(457,470)
Expiry of leases	(2,241,064)	(388,117)
At end of year	54,979,380	42,137,795
Accumulated depreciation		
At beginning of year	29,633,286	20,825,773
Charge for the year	11,555,265	9,530,578
Termination of leases	-	(334,948)
Expiry of leases	(2,241,064)	(388,117)
At end of year	38,947,487	29,633,286
Carrying amount		
At end of year	16,031,893	12,504,509

The Group leases certain retail outlets located at shopping malls for office and operational use. The lease terms, including extension, range from 1 to 6 years (2022: 2 to 6 years). The maturity analysis of lease liabilities is presented in Note 27.

Additions to right-of-use assets of the Group include extension of leases which expired in the current financial year amounting to RM5,362,019 (2022: RM9,502,013).

	The Group	
	2023	2022
	RM	RM
Amount recognised in profit or loss		
Income from operators arising from right-of-use assets	7,551,859	5,851,175
Negative variable lease payments	351,610	1,171,154
Depreciation expense of right-of-use assets	(11,555,265)	(9,530,578)
Expenses relating to short-term leases	(231,006)	(899,687)
Expenses relating to low value assets	(5,012)	(11,043)
Variable lease payments not included in the measurement of the lease liabilities	(2,859)	(37,981)
Interest expense on lease liabilities	(525,239)	(441,666)
Gains arising from termination of leases	-	9,354

The total cash outflows from leases recognised as right-of-use assets amounted to RM11,727,955 (2022: RM9,006,142). The total cash outflows on short-term leases, low-value assets and variable lease payments amounted to RM238,877 (2022: RM948,711).

NOTES TO THE FINANCIAL STATEMENTS

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16. INVESTMENT IN SUBSIDIARIES

	The Company	
	2023	2022
	RM	RM
Unquoted shares, at cost	63,120,160	-

Details of the subsidiaries of the Group as at the end of the reporting period are as follows:

Name of company	Country of incorporation and place of business	Proportion of ownership interest and voting power held by the Group		Principal activities
		2023 %	2022 %	
Direct subsidiaries				
Acrux Technology Sdn. Bhd.	Malaysia	100.00	-	Provision of ICT products and services
GLOO Sdn. Bhd.	Malaysia	100.00	-	Provision of broadband services
iTworld Services (M) Sdn. Bhd.	Malaysia	100.00	-	Provision of ICT solutions
JOI Sdn. Bhd.	Malaysia	100.00	-	Dormant
Notebook Plaza Sdn. Bhd.	Malaysia	100.00	-	Provision of ICT products
SNS Network (ICT) Sdn. Bhd.	Malaysia	100.00	-	Provision of web-based solutions
SNS Network (M) Sdn. Bhd.	Malaysia	100.00	-	Provision of ICT products, services and solutions, device repair and related services as well as sale of broadband services
SNS Network Services Sdn. Bhd.	Malaysia	100.00	-	Provision of ICT products and services as well as broadband services

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Industry	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2023	2022
Provision of ICT products, services and solutions	Malaysia	7	-
Dormant	Malaysia	1	-

During the year, the Company completed the acquisitions of the entire equity interests in Acrux Technology Sdn. Bhd., GLOO Sdn. Bhd., iTworld Services (M) Sdn. Bhd., JOI Sdn. Bhd., Notebook Plaza Sdn. Bhd., SNS Network (ICT) Sdn. Bhd., SNS Network (M) Sdn. Bhd. and SNS Network Services Sdn. Bhd. for a total purchase consideration of RM63,120,160 as disclosed in Note 37(a).

NOTES TO THE FINANCIAL STATEMENTS

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17. FINANCE LEASE RECEIVABLES

	The Group	
	2023	2022
	RM	RM
Undiscounted lease payments analysed as:		
Recoverable after 12 months	-	356,340
Recoverable within 12 months	356,340	808,499
	356,340	1,164,839
Net investment in the lease analysed as:		
Recoverable after 12 months	-	348,896
Recoverable within 12 months	348,896	760,633
	348,896	1,109,529

The Group's Device-as-a-Service ("DaaS") plan represents a leasing scheme in which customers are granted rights and access to certain IT equipment and peripherals over a fixed period of time for agreed periodic lease payments.

The average term of finance leases entered into is 3 years (2022: 3 years). Certain lease contracts include extension or early termination options. The Group is not exposed to foreign currency risk as a result of these lease arrangements as all leases are denominated in Ringgit Malaysia. The Group is not exposed to residual value risk as the ownership of the leased assets are transferred to the customers upon expiry of leases.

	The Group	
	2023	2022
	RM	RM
Amount receivable under finance leases:		
Year 1	356,340	808,499
Year 2	-	356,340
Undiscounted lease payments	356,340	1,164,839
Less: unearned finance income	(7,444)	(55,310)
Present value of minimum lease payments receivable	348,896	1,109,529

The Group's finance lease arrangements do not include variable lease payments. The average effective interest rate contracted is 5.96% (2022: 5.96%) per annum.

18. INVENTORIES

	The Group	
	2023	2022
	RM	RM
Trading merchandise	107,837,246	103,557,805

The cost of inventories recognised as an expense during the year was RM1,293,535,367 (2022: RM1,020,782,198) which includes write down of inventories to net realisable values of RM1,280,734 (2022: reversal of write down of RM144,707).

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19. TRADE AND OTHER RECEIVABLES

	The Group	
	2023	2022
	RM	RM
Trade receivables	102,010,967	82,167,759
Less: Loss allowances	(1,830,400)	(1,470,987)
	100,180,567	80,696,772
Other receivables	20,607,427	7,300,659
	120,787,994	87,997,431

Trade receivables of the Group comprised amounts receivable for the sale of goods and services rendered. The credit periods granted for sale of goods by the Group ranged from cash to 120 days (2022: cash to 120 days). Overdue balances are reviewed regularly by the management and certain overdue balances are subject to a one-time overdue charge at interest rates ranging from 0.50% to 1.50% (2022: 0.30% to 0.50%).

Movement in the loss allowances for trade receivables is as follows:

	The Group	
	2023	2022
	RM	RM
At beginning of year	1,470,987	1,215,164
Add: Additions	362,297	306,928
Less: No longer required	(2,884)	(51,105)
At end of year	1,830,400	1,470,987

The Group measures the loss allowances for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are collectively assessed and estimated by reference to past default experience of the receivables and an analysis of the receivables' current financial position, adjusted for factors that are specific to the receivables, general economic conditions of the industry in which the receivables operate and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowances based on past due status is not further distinguished between the Group's different customer base.

	Expected credit loss	Gross carrying amount at default	Lifetime ECL	Individually assessed impairment loss	Net carrying amount
2023	%	RM	RM	RM	RM
Days past due					
Not past due	-	78,337,720	-	-	78,337,720
Days past due:					
1 - 30 days	-	9,117,851	-	-	9,117,851
31 - 60 days	-	8,682,124	-	-	8,682,124
More than 60 days	-	5,873,272	-	(1,830,400)	4,042,872
		102,010,967	-	(1,830,400)	100,180,567

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19. TRADE AND OTHER RECEIVABLES *cont'd*

	Expected credit loss	Gross carrying amount at default	Lifetime ECL	Individually assessed impairment loss	Net carrying amount
2022	%	RM	RM	RM	RM
Days past due					
Not past due	-	45,005,339	-	-	45,005,339
Days past due:					
1 - 30 days	*	18,758,149	(2,884)	-	18,755,265
31 - 60 days	-	9,492,337	-	-	9,492,337
More than 60 days	-	8,911,934	-	(1,468,103)	7,443,831
		82,167,759	(2,884)	(1,468,103)	80,696,772

* Denotes less than 1%.

No significant changes to estimation techniques or assumptions were made during the reporting period.

At the end of the reporting period, advertising and promotion expenses incurred on behalf and receivable from certain vendors accounted under other receivables of the Group amounted to RM4,344,000 (2022: RM3,624,000). Other receivables also include performance bond provided to customers amounting to RM8,358,564 (2022: Nil) that are unsecured, interest-free and are repayable upon completion of services rendered.

Analysis of currency profile of trade and other receivables is as follows:

	The Group	
	2023	2022
	RM	RM
Ringgit Malaysia	119,648,971	87,535,623
United States Dollar	1,139,023	461,808
	120,787,994	87,997,431

20. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS

	The Company	
	2023	2022
	RM	RM
Amount owing by subsidiaries consists of:		
Current accounts	35,571,692	-

Amount owing by subsidiaries arose mainly from advances granted and expenses paid on behalf that are unsecured, interest-free and are repayable on demand.

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20. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS *cont'd*

Related party transactions

During the financial year, significant related party transactions, which were determined on basis negotiated between the said parties, are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Subsidiaries				
Dividend received	-	-	7,132,000	-

Transactions with a director of the Company

Lease rental paid for:

Leases recognised as				
Right-of-use assets	42,000	42,000	-	-
Short-term leases	53,600	53,550	-	-
Disposal of property, plant and equipment	-	698,000	-	-

The outstanding balances as of the end of the financial year are as follows:

	The Company	
	2023	2022
	RM	RM
Related parties		
Included in trade and other payables	-	1,817,690

Key Management Personnel Compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel of the Group include members of senior management. The remuneration of directors is disclosed in Note 9. The remuneration of other members of key management personnel of the Group during the year are as follows:

	The Group	
	2023	2022
	RM	RM
Salaries and other short-term employee benefits	1,973,613	1,842,193
EPF contributions	256,052	236,230
	2,229,665	2,078,423

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21. OTHER ASSETS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Refundable deposit	4,997,726	5,002,868	2,000	1,000
Prepaid expenses	170,188	181,728	73,717	107,475
	5,167,914	5,184,596	75,717	108,475

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed deposits with licensed banks	5,790,991	2,695,964	2,400,000	-
Cash and bank balances	35,579,692	27,132,768	32,974	5,973
Short-term income funds	50,622,233	-	50,622,233	-
	91,992,916	29,828,732	53,055,207	5,973

The fixed deposits of the Group and of the Company have maturity periods of 7 days to 365 days (2022: 365 days) and 7 days (2022: Nil) respectively. The effective interest rates of fixed deposits of the Group and of the Company ranged from 1.85% to 2.85% (2022: 1.85% to 2.05%) and 2.05% to 2.60% (2022: Nil) per annum respectively.

Fixed deposits of the Group with carrying amount of RM3,390,991 (2022: RM2,695,964) have been pledged to local licensed banks as security for banking facilities granted to the Group as mentioned in Note 26.

Short-term income funds represent investment in highly liquid money market funds held for cash management purposes redeemable upon one (1) days' notice, which are assessed by management to be readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Analysis of currency profile of fixed deposits, cash and bank balances is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	91,428,044	29,227,350	53,052,997	5,973
United States Dollar	564,872	601,382	2,210	-
	91,992,916	29,828,732	53,055,207	5,973

NOTES TO THE FINANCIAL STATEMENTS

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23. SHARE CAPITAL

	← The Group and The Company →			
	2023 Number of ordinary shares	2022 Number of ordinary shares	2023 RM	2022 RM
Issued and fully paid:				
Ordinary shares				
At beginning of year	2	2	2	2
Issued during the year	1,612,779,658	-	151,420,032	-
At end of year	1,612,779,660	2	151,420,034	2

During the financial year, the following events took place:

- (a) On July 4, 2022, the Company issued 1,249,904,158 new ordinary shares at RM0.0505 per share following the completion of the acquisitions of the entire equity interests in Acrux Technology Sdn. Bhd., GLOO Sdn. Bhd., iTworld Services (M) Sdn. Bhd., JOI Sdn. Bhd., Notebook Plaza Sdn. Bhd., SNS Network (ICT) Sdn. Bhd., SNS Network (M) Sdn. Bhd. and SNS Network Services Sdn. Bhd. for a total purchase consideration of RM63,120,160 as disclosed in Note 37(a); and
- (b) On September 2, 2022, the Company completed its IPO on the ACE Market of Bursa Malaysia Securities Berhad and the Company issued 362,875,500 new ordinary shares at an issue price of RM0.25 per ordinary share for a total IPO proceeds of RM90,718,875 as disclosed in Note 37(b). The net proceeds after deducting issue costs amounted to RM88,299,872.

The new ordinary shares issued in (a) and (b) during the financial year rank pari passu with the then existing ordinary shares of the Company.

24. RESERVES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-distributable reserve:				
Capital reserve	(55,329,060)	-	-	-
Invested capital	-	7,791,100	-	-
Accumulated losses	-	-	(22,108)	(1,782,119)
Distributable reserve:				
Retained earnings	124,911,738	85,227,927	-	-
	69,582,678	93,019,027	(22,108)	(1,782,119)

Capital reserve

Capital reserve represents the excess of consideration paid for acquisition of subsidiaries under common control accounted under the pooling of interest method of accounting as disclosed in Note 16.

Invested capital

Invested capital comprised the share capital of the subsidiaries under common control prior to the acquisitions of the entire equity interests by the Company as disclosed in Note 37(a).

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25. DIVIDENDS

	The Group and The Company	
	2023	2022
	RM	RM
Interim dividend:		
0.25 sen per share, single-tier (2022: Nil)	4,031,949	-

An interim dividend of 0.25 sen per ordinary share under the single-tier tax system, amounting to RM4,031,949 was declared on December 13, 2023 in respect of the current financial year and was paid on January 18, 2023.

26. BORROWINGS

	The Group	
	2023	2022
	RM	RM
Secured:		
Commodity Murabahah term financing	7,959,616	24,089,740
Term loans	635,050	6,459,707
Bankers' acceptances	25,127,283	17,141,885
Hire-purchase payables (refer (a) below)	1,570,738	2,270,771
	35,292,687	49,962,103
Less: Amount due within 12 months (shown under current liabilities)	(27,691,684)	(20,214,544)
Non-current portion	7,601,003	29,747,559

The non-current portion is repayable as follows:

	The Group	
	2023	2022
	RM	RM
Financial years ending January 31:		
2024	-	2,734,234
2025	2,334,138	2,498,441
2026	2,334,079	2,484,807
2027	1,843,696	1,981,133
2028	1,089,090	4,847,392
2029 and after	-	15,201,552
	7,601,003	29,747,559

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26. BORROWINGS *cont'd*

The term loans and other credit facilities obtained from certain licensed banks to the extent of RM167,585,000 (2022: RM60,365,000) for the Group are secured by:

- i) Fixed and first party charges on the Group's landed properties and fixed deposits as mentioned in Notes 14 and 22 respectively, legal charges over certain properties owned by directors and certain persons connected to directors, and are also guaranteed by certain directors of the Group jointly and severally;
- ii) A guarantee by Credit Guarantee Corporation Malaysia Berhad under BizJamin Special Relief Facility-i for RM800,000;
- iii) A guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad under Working Capital Guarantee Scheme for RM3,500,000.

The Group has the following term loans:

- i) a term loan of RM1,580,000 (2022: RM1,580,000) which was repayable by 240 equal monthly instalments of RM9,900 each. The term loan was fully settled during the year;
- ii) an Islamic term financing of RM19,400,000 (2022: RM19,400,000) which is repayable by 180 equal monthly instalments of RM150,899 each;
- iii) an Islamic special relief term financing of RM1,000,000 (2022: RM1,000,000) which is repayable by 60 monthly instalments of RM18,511 commencing April 2021;
- iv) an Islamic special term financing of RM6,250,000 (RM6,250,000) which was repayable by 240 monthly instalments of RM40,048 commencing July 2020. The term financing was fully settled during the year;
- v) a term loan of RM2,800,000 (2022: RM2,800,000) which was repayable by 240 monthly instalments of RM17,750 each. The term loan was fully settled during the year;
- vi) a special relief term loan of RM500,000 (2022: RM500,000), which is repayable by 60 equal monthly instalments of RM9,260 each;
- vii) a special relief term loan of RM500,000 (2022: RM500,000), which is repayable by 60 equal monthly instalments of RM9,096 each;
- viii) a term loan RM1,882,750 (2022: RM1,882,750) which was repayable by 300 monthly instalments of RM10,490 commencing June 2018. The term loan was fully settled during the year; and
- ix) a term loan of RM1,500,000 (2022: RM1,500,000) which was repayable by equal monthly instalments of RM31,211 each. The term loan was fully repaid during 2022; and
- x) a term loan of RM450,000 (2022: RM450,000) which was repayable by 60 monthly instalments of RM10,313 commencing October 2019. The term loan was fully repaid during 2022.

The effective interest/profit rates per annum are as follows:

	The Group	
	2023	2022
	%	%
Commodity Murabahah term financing	3.50 - 4.25	3.25 - 3.50
Term loans	3.50 - 4.27	3.25 - 13.32
Bankers' acceptances	1.99 - 4.08	1.99 - 4.39

NOTES TO THE FINANCIAL STATEMENTS

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26. BORROWINGS *cont'd*

(a) Hire-purchase payables

	The Group			
	Minimum	Present value	Minimum	Present value
	hire-	of minimum	hire-	of minimum
	purchase	hire-	purchase	hire-
	payments	purchase	payments	purchase
	2023	2023	2022	2022
	RM	RM	RM	RM
Amounts payable under hire-purchase arrangements:				
Within one year	743,540	686,624	1,106,832	1,026,304
In the second to fifth year inclusive	940,998	884,114	1,314,454	1,244,467
	1,684,538	1,570,738	2,421,286	2,270,771
Less: Future finance charges	(113,800)	-	(150,515)	-
Present value of hire- purchase obligations	1,570,738	1,570,738	2,270,771	2,270,771
Less: Amount due within 12 months (shown under current liabilities)		(686,624)		(1,026,304)
Non-current portion		884,114		1,244,467

The non-current portion is repayable as follows:

	The Group	
	2023	2022
	RM	RM
Financial years ending January 31:		
2024	-	619,359
2025	378,130	312,745
2026	304,928	234,908
2027	152,068	77,455
2028	48,988	-
	884,114	1,244,467

The terms of the hire-purchase payables of the Group ranged from 3 to 7 years (2022: 3 to 9 years). The effective hire-purchase interest rates ranged from 1.07% to 7.35% (2022: 1.07% to 7.35%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's obligations under hire-purchase payables are secured by the assets under hire-purchase.

NOTES TO THE FINANCIAL STATEMENTS

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27. LEASE LIABILITIES

	The Group	
	2023	2022
	RM	RM
Maturity analysis:		
Year 1	10,776,649	8,409,498
Year 2	5,291,349	4,005,676
Year 3	737,523	698,683
	16,805,521	13,113,857
Less: Future finance charges	(540,334)	(376,993)
	16,265,187	12,736,864
Analysed as:		
Non-current	5,889,171	4,573,455
Current	10,376,016	8,163,409
	16,265,187	12,736,864

The Group did not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities were monitored within the Group's financial risk management. The effective interest rates of the Group ranged from 3.25% to 4.65% (2022: 3.25% to 4.65%) per annum.

28. DEFERRED TAX LIABILITIES

	The Group	
	2023	2022
	RM	RM
At beginning of year	1,596,846	1,335,314
Recognised in profit or loss (Note 12)	(112,000)	261,532
At end of year	1,484,846	1,596,846

Deferred tax balances are presented in the statement of financial position as follows:

	The Group	
	2023	2022
	RM	RM
Deferred tax assets	841,000	546,000
Deferred tax liabilities	(2,325,846)	(2,142,846)
	(1,484,846)	(1,596,846)

NOTES TO THE FINANCIAL STATEMENTS

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28. DEFERRED TAX LIABILITIES *cont'd*

Deferred tax assets/(liabilities) are in respect of the tax effects on the follows:

	The Group	
	2023	2022
	RM	RM
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Inventories	777,000	470,000
Contract liabilities	57,000	74,000
Unabsorbed capital allowances	5,000	2,000
Cash and bank balances	2,000	-
	841,000	546,000
Offsetting	(841,000)	(546,000)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Trade and other receivables	(913,000)	(870,000)
Property, plant and equipment	(1,412,846)	(1,272,846)
	(2,325,846)	(2,142,846)
Offsetting	841,000	546,000
Deferred tax liabilities (after offsetting)	(1,484,846)	(1,596,846)

29. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade payables	107,010,081	118,693,063	-	-
Other payables	4,946,242	3,237,435	112,483	1,823,485
	111,956,323	121,930,498	112,483	1,823,485

Trade and other payables comprised amounts outstanding for trade purchases and ongoing costs which are unsecured and interest-free. The credit period granted to the Group for trade purchases ranged from cash terms to 60 days (2022: cash terms to 60 days).

Other payables of the Group include indirect taxes payables to the tax authorities amounting to RM126,878 (2022: RM53,751).

In the previous financial year, other payables include unsecured and interest-free advances of RM1,817,690 received from a former related party, SNS Network (M) Sdn. Bhd., which is repayable upon demand. Transactions with related parties are disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

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29. TRADE AND OTHER PAYABLES *cont'd*

Analysis of currency profile of trade and other payables is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	111,884,257	118,694,100	112,483	1,823,485
United States Dollar	72,066	3,236,398	-	-
	111,956,323	121,930,498	112,483	1,823,485

30. OTHER LIABILITIES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Accrued expenses	4,345,546	1,714,131	319,900	38,720
Refundable deposits received	21,500	63,338	-	-
Non-refundable deposits received	-	10,800	-	-
	4,367,046	1,788,269	319,900	38,720

31. AMOUNT OWING TO A DIRECTOR

In the previous financial year, amount owing to a director represented unsecured and interest-free advances which was repayable upon demand. The amount was fully settled during the year.

32. CONTRACT LIABILITIES

	The Group	
	2023	2022
	RM	RM
Amount arising from:		
Loyalty programme	52,973	71,463
Voucher programme	-	100
Warranties	185,173	236,851
	238,146	308,414

Retail customers are eligible to participate in point-based customer loyalty programme designed to encourage recurring purchases with the Group. Points are earned for each Ringgit Malaysia spent to purchase trading merchandise from the Group and has an expiry period of 1 year from the date of transaction, redeemable at any time prior to the expiry period. A contract liability arises in respect of the Group's loyalty scheme as these points provide a benefit to customers that they would not receive without entering into a purchase contract and the promise to provide loyalty points to the customer is therefore a separate performance obligation. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial assets				
At FVTPL:				
Short-term income funds	50,622,233	-	50,622,233	-
At amortised cost:				
Trade and other receivables	120,787,994	87,997,431	-	-
Amount owing by subsidiaries	-	-	35,571,692	-
Finance lease receivables	348,896	1,109,529	-	-
Other assets - refundable deposits	4,997,726	5,002,868	2,000	1,000
Fixed deposits, cash and bank balances	41,370,683	29,828,732	2,432,974	5,973
Financial liabilities				
At amortised cost:				
Trade and other payables	111,829,445	121,876,747	112,483	1,823,485
Other liabilities	4,367,046	1,777,469	319,900	38,720
Amount owing to a director	-	34,360	-	34,360
Dividend payable	-	6,000,000	-	-
Borrowings	35,292,687	49,962,103	-	-
Lease liabilities	16,265,187	12,736,864	-	-

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

(a) Market risk

(i) Foreign currency risk management

The Group and the Company are mainly exposed to the currency of United States Dollar ("USD") and therefore, have exposure to foreign exchange risk.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities of the Group and of the Company at the end of the reporting period are disclosed in Notes 19, 22 and 29 respectively.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT *cont'd*

(a) *Market risk cont'd*

(i) *Foreign currency risk management cont'd*

Foreign currency sensitivity analysis

The following table details the sensitivity of the Group and of the Company to a 5% (2022: 5%) increase and decrease in RM against USD. The sensitivity rate of 5% (2022: 5%) is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates in the next 12 months.

The following sensitivity analysis includes only outstanding foreign currency denominated monetary items. If the foreign currency denominated monetary items at the end of the reporting period were translated into Ringgit Malaysia with a 5% (2022: 5%) increase/decrease in the exchange rates against the following relevant foreign currencies, the effect on profit, net of tax, will be (lower)/higher by approximately:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Impact on profit or loss and equity				
USD impact	61,796	82,582	84	-

The above impacts are mainly attributable to the exposure on USD on receivables, cash and bank balances and payables outstanding at the end of the reporting period in the Group and in the Company. In the opinion of management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure of the Group and of the Company during the current financial year.

(ii) *Interest rate risk management*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company finance their operations by a mixture of internal funds and bank and other borrowings. The Group and the Company regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group and of the Company is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Interest sensitivity analysis

At the end of the reporting period, if interest rates increase/decrease by 50 (2022: 50) basis points, with all other variables held constant, the Group's and the Company's profit net of tax and equity would have been RM159,000 (2022: RM173,950) and Nil (2022: Nil) lower/higher respectively, arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT *cont'd*

(b) *Credit risk management*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group and of the Company to credit risk arises principally from their receivables and other financial assets.

Receivables

The Group's and the Company's established policies on credit control involves comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by the customers to be unlikely.

As the Group and the Company did not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position. A significant portion of trade receivables are regular customers of the Group. The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables.

Loss allowances have been recognised under the ECL model as of the end of the reporting period as disclosed in Note 19.

The ageing of trade receivables that are past due is disclosed in Note 19.

At the end of the reporting period, the Group is not subject to significant concentration of credit risk.

At the end of the reporting period, there is no significant increase in credit risk on trade and other receivables since initial recognition. There are no significant changes in gross carrying amount of trade receivables, that contribute to changes on loss allowances.

Other Financial Assets

The Group and the Company maintain bank and fixed deposit balances only with internationally reputable banks with high credit standing.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) *Liquidity and cash flow risks management*

Ultimate responsibility for liquidity and cash flow risks management rests with the Board of Directors, who has established an appropriate liquidity and cash flow risks management framework for the management of the Group's and of the Company's short, medium and long-term funding and liquidity and cash flow management requirements. The Group and the Company manage liquidity and cash flow risks by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and financial liabilities.

Management is of the view that the Group's and the Company's exposure to liquidity and cash flow risks are minimal as the Group and the Company have sufficient funds to finance its ongoing working capital requirements. The Group has credit facilities of RM125,717,000 (2022: RM37,383,000) which are unused at the end of the reporting period. The Group and the Company expect to meet their financial obligations from their operating cash flows and proceeds from maturing financial assets.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT *cont'd*

(c) *Liquidity and cash flow risks management cont'd*

The Group and the Company may consider opportunities to obtain additional funds to support its working capital requirements and capital expenditure or, may seek to raise additional funds through equity financing.

The maturity profile for the non-derivative financial liabilities of the Group and of the Company at the end of the reporting period based on the undiscounted cash flows of the respective financial liabilities representing the earliest date on which the Group and the Company are required to pay, are as follows:

The Group	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
2023				
Trade and other payables	111,829,445	-	-	111,829,445
Other liabilities	4,367,046	-	-	4,367,046
Lease liabilities	10,776,649	6,028,872	-	16,805,521
Borrowings	28,120,099	8,101,695	-	36,221,794
Total undiscounted non-derivative financial liabilities	155,093,239	14,130,567	-	169,223,806
2022				
Trade and other payables	121,876,747	-	-	121,876,747
Amount owing to a director	34,360	-	-	34,360
Other liabilities	1,777,469	-	-	1,777,469
Dividend payable	6,000,000	-	-	6,000,000
Lease liabilities	8,409,498	4,704,359	-	13,113,857
Borrowings	21,364,176	12,907,064	23,137,962	57,409,202
Total undiscounted non-derivative financial liabilities	159,462,250	17,611,423	23,137,962	200,211,635
The Company				
2023				
Trade and other payables	112,483	-	-	112,483
Other liabilities	319,900	-	-	319,900
Total undiscounted non-derivative financial liabilities	432,383	-	-	432,383
2022				
Trade and other payables	1,823,485	-	-	1,823,485
Other liabilities	38,720	-	-	38,720
Amount owing to a director	34,360	-	-	34,360
Total undiscounted non-derivative financial liabilities	1,896,565	-	-	1,896,565

The Group and the Company have not committed to any derivative financial instruments during the respective financial years.

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT *cont'd*

(d) *Capital risks management*

The Group manages its capital to ensure the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged since 2022.

The capital structure of the Group consists of net debts and equity. The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The debts to equity ratios of the Group as of the end of the reporting period were as follows:

	The Group	
	2023	2022
	RM	RM
Borrowings	35,292,687	49,962,103
Lease liabilities	16,265,187	12,736,864
	51,557,874	62,698,967
Total equity attributable to owners of the Company	221,002,712	93,019,029
Gearing ratio	0.23	0.67

Fair Values of Financial Assets and Financial Liabilities

Financial instruments carried at FVTPL

The fair value of short-term income funds measured at FVTPL are determined by reference to their respective quoted prices in active markets at the end of the reporting period and are classified as Level 1 under the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the financial year.

Financial instruments carried at amortised cost

The carrying amounts of the short-term financial assets and financial liabilities at amortised costs approximate their respective fair values due to the relatively short-term maturities of these financial instruments.

The fair values of term loans and Commodity Murabahah term financing, which are classified as Level 2 in the fair value hierarchy, have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loan and financing arrangements. There is no material difference between the carrying amounts and the estimated fair values of term loans and Commodity Murabahah term financing.

The fair values of hire-purchase payables, which are classified as Level 2 in the fair value hierarchy, have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase arrangements and approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

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34. STATEMENT OF CASH FLOWS

(a) Purchase of property, plant and equipment

The details of additions to property, plant and equipment were as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash payments	2,829,681	2,372,815	8,000	-
Hire-purchase financing	345,002	1,032,100	-	-
	3,174,683	3,404,915	8,000	-

The principal amounts of instalment repayments for property, plant and equipment acquired by hire-purchase arrangements are reflected as cash outflows used in financing activities.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

		Non-cash changes					
		Balance as of 1.2.2022	Net financing cash flows	Termination of leases	Negative variable lease payment	Others*	Balance as of 31.1.2023
	Note	RM	RM	RM	RM	RM	RM
The Group							
Commodity Murabahah term financing	26	24,089,740	(16,130,124)	-	-	-	7,959,616
Term loans	26	6,459,707	(5,824,657)	-	-	-	635,050
Bankers' acceptances	26	17,141,885	7,985,398	-	-	-	25,127,283
Hire-purchase payables	26	2,270,771	(1,045,035)	-	-	345,002	1,570,738
Lease liabilities	27	12,736,864	(11,202,716)	-	(351,610)	15,082,649	16,265,187
Amount owing to a director	31	34,360	(34,360)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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34. STATEMENT OF CASH FLOWS cont'd

(b) Reconciliation of liabilities arising from financing activities

		Non-cash changes					
		Balance as of 1.2.2021	Net financing cash flows	Termination of leases	Negative variable lease payment	Others*	Balance as of 31.1.2022
Note		RM	RM	RM	RM	RM	RM
The Group							
Commodity Murabahah term financing	26	25,604,695	(1,514,955)	-	-	-	24,089,740
Term loans	26	6,942,487	(482,780)	-	-	-	6,459,707
Bankers' acceptances	26	12,431,363	4,710,522	-	-	-	17,141,885
Hire-purchase payables	26	2,815,926	(1,577,255)	-	-	1,032,100	2,270,771
Lease liabilities	27	8,706,610	(8,564,476)	(131,876)	(1,171,154)	13,897,760	12,736,864
Amount owing to a director	31	15,360	19,000	-	-	-	34,360

		Non-cash changes					
		Balance as of 1.2.2022	Net financing cash flows	Termination of leases	Arising from termination of leases	Others*	Balance as of 31.1.2023
Note		RM	RM	RM	RM	RM	RM

The Company

Amount owing to a director	31	34,360	(34,360)	-	-	-	-
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		Non-cash changes					
		Balance as of 1.2.2021	Net financing cash flows	Termination of leases	Arising from termination of leases	Others*	Balance as of 31.1.2022
Note		RM	RM	RM	RM	RM	RM

The Company

Amount owing to a director	31	15,360	19,000	-	-	-	34,360
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* Others are primarily related to additions to property, plant and equipment and right-of-use assets during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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34. STATEMENT OF CASH FLOWS *cont'd*

(c) Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed deposits with licensed banks	5,790,991	2,695,964	2,400,000	-
Cash and bank balances	35,579,692	27,132,768	32,974	5,973
Short-term income funds	50,622,233	-	50,622,233	-
	91,992,916	29,828,732	53,055,207	5,973
Less: Fixed deposits pledged to licensed banks	(3,390,991)	(2,695,964)	-	-
	88,601,925	27,132,768	53,055,207	5,973

35. COMMITMENTS

(a) The Group has commitments in respect of property, plant and equipment as follows:

	The Group	
	2023	2022
	RM	RM
Capital expenditure:		
Approved and contracted for	163,416	-

(b) Operating lease arrangements

Operating leases, in which the Group is the lessor, relates to office equipment owned by the Group with lease terms ranging from 3 to 5 years (2022: 3 years), and certain operating lease with a 1 year extension option. All operating lease contracts contain market review clauses in the event that the lessee exercise its option to renew. The lessee does not have an option to purchase the office equipment upon expiry of the lease term.

The Group is of the view that change in the unguaranteed residual values of the office equipment is not expected to be significant and management is not aware of any indications that this situation will change.

NOTES TO THE FINANCIAL STATEMENTS

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35. COMMITMENTS *cont'd*

(b) Operating lease arrangements *cont'd*

Maturity analysis of operating lease payments:

	The Group	
	2023 RM	2022 RM
Year 1	964,854	557,187
Year 2	272,484	692,370
Year 3	256,353	-
Year 4	184,476	-
Year 5	153,730	-
Total	1,831,897	1,249,557

Operating lease income recognised in profit or loss during the year included in revenue from ICT products of the Group was RM580,651 (2022: RM946,223).

36. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. For management purposes, the Group is organised into the following operating divisions:

- (i) Sale of ICT products - Comprising hardware, devices and related peripherals, as well as the provision of ICT services and solutions.
- (ii) Provision of device repair and broadband services - Provision of device repair and related services and sale of broadband services.
- (iii) Investment holding - Dividend income.

Segment assets and segment liabilities are neither included in the internal management reports nor provided regularly to the Group's chief operating decision maker for regular review. Accordingly, there is no further disaggregation of segment assets and segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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36. SEGMENT REPORTING *cont'd*

(a) Information regarding the Group's reportable segments is presented below:

2023	Sale of ICT Products RM	Provision of Device Repair and Broadband Services RM	Investment Holding RM	Total RM	Eliminations RM	The Group RM
Revenue						
External revenue	1,391,498,015	12,284,633	-	1,403,782,648	-	1,403,782,648
Inter-segment revenue	454,121,071	194,530	7,132,000	461,447,601	(461,447,601)	-
Total revenue	1,845,619,086	12,479,163	7,132,000	1,865,230,249	(461,447,601)	1,403,782,648
Cost of sales						
External cost of sales	(1,284,279,280)	(9,931,252)	-	(1,294,210,532)	-	(1,294,210,532)
Inter-segment cost of sales	(451,271,735)	(194,530)	-	(451,466,265)	451,466,265	-
Total cost of sales	(1,735,551,015)	(10,125,782)	-	(1,745,676,797)	451,466,265	(1,294,210,532)
Gross profit	110,068,071	2,353,381	7,132,000	119,553,452	(9,981,336)	109,572,116
Investment revenue						205,660
Other gains and losses						984,088
Other operating income						8,130,606
Impairment losses on financial assets - net						(359,413)
Selling and distribution expenses						(35,388,974)
Administrative expenses						(20,994,623)
Finance costs						(4,789,286)
Profit before tax						57,360,174
Tax expenses						(13,644,414)
Profit after tax						43,715,760

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

36. SEGMENT REPORTING *cont'd*

(a) Information regarding the Group's reportable segments is presented below: *cont'd*

2022	Sale of ICT Products RM	Provision of Device Repair and Broadband Services RM	Investment Holding RM	Total RM	Eliminations RM	The Group RM
Revenue						
External revenue	1,099,266,654	12,742,084	-	1,112,008,738	-	1,112,008,738
Inter-segment revenue	537,720,448	271,853	-	537,992,301	(537,992,301)	-
Total revenue	1,636,987,102	13,013,937	-	1,650,001,039	(537,992,301)	1,112,008,738
Cost of sales						
External cost of sales	(1,008,779,218)	(9,216,144)	-	(1,017,995,362)	-	(1,017,995,362)
Inter-segment cost of sales	(537,520,316)	(271,853)	-	(537,792,169)	537,792,169	-
Total cost of sales	(1,546,299,534)	(9,487,997)	-	(1,555,787,531)	537,792,169	(1,017,995,362)
Gross profit	90,687,568	3,525,940	-	94,213,508	(200,132)	94,013,376
Investment revenue						43,951
Other gains and losses						1,320,608
Other operating income						7,490,695
Impairment losses on financial assets - net						(255,823)
Selling and distribution expenses						(32,345,698)
Administrative expenses						(18,419,920)
Finance costs						(3,163,508)
Profit before tax						48,683,681
Tax expenses						(12,766,216)
Profit after tax						35,917,465

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

36. SEGMENT REPORTING *cont'd*

(b) Geographical information

Revenue information based on geographical location of customers are as follows:

	The Group	
	2023	2022
	RM	RM
Malaysia	1,366,987,109	958,081,978
Overseas:		
Hong Kong	18,948,052	130,629,450
Maldives	12,373,929	4,787,192
Singapore	4,665,869	15,430,509
Others	807,689	3,079,609
	1,403,782,648	1,112,008,738

Customers from other countries include Indonesia, Vietnam, Australia, each representing less than 1% of total revenue.

No information on geographical assets is presented as the Group operates mainly in Malaysia.

(c) Information on key customers

Total revenue percentage contributed by a major customer within the sale of ICT products segment are as follows:

	The Group	
	2023	2022
	%	%
Major customer A	*	11.3

* Denotes less than 10.0%

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year, the following events took place:

- (a) On July 4, 2022, the Company issued 1,249,904,158 new ordinary shares following the completion of the acquisitions of the entire equity interests of commonly controlled entities at an issue price of RM0.0505 per ordinary share for a total purchase consideration of RM63,120,160. The entities acquired are as follows:
- (i) Acrux Technology Sdn. Bhd.;
 - (ii) GLOO Sdn. Bhd.;
 - (iii) iTworld Services (M) Sdn. Bhd.;
 - (iv) JOI Sdn. Bhd.;
 - (v) Notebook Plaza Sdn. Bhd.;
 - (vi) SNS Network (ICT) Sdn. Bhd.;
 - (vii) SNS Network (M) Sdn. Bhd.; and
 - (viii) SNS Network Services Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS

Cont'd

37. SIGNIFICANT EVENTS DURING THE YEAR *cont'd*

- (b) On September 2, 2022, the Company completed its IPO and issued 362,875,500 new ordinary shares at an issue price of RM0.25 per ordinary share for total IPO proceed of RM90,718,875, less issue cost of RM2,419,003. Upon the completion of IPO, the Company's entire share capital comprising 1,612,779,660 shares was listed on the ACE Market of Bursa Malaysia Securities Berhad.

38. SUBSEQUENT EVENTS

Subsequent to January 31, 2023, a second interim dividend of 0.25 sen per share, under the single-tier tax system, amounting to RM4,031,949 in respect of the current financial year was declared by the directors on March 27, 2023 and will be made payable on May 26, 2023. The second interim dividend was not recognised as a liability as at January 31, 2023 and will be accounted for in equity during the financial year ending January 31, 2024.

39. COMPARATIVE FIGURES

The comparative figures of the Group incorporates the results and the position of entities under common control from the earliest date presented, using the pooling of interest method of accounting from the date the entities had come under common control, which are ultimately controlled by the same party before and after the acquisition and that control was not transitory. The commonly controlled entities were acquired by the Company during the year as disclosed in Note 37(a).

Certain comparative figures in the financial statements of the Group and of the Company have been reclassified to conform with current year's presentation.

STATEMENT BY DIRECTORS

The directors of **SNS NETWORK TECHNOLOGY BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of January 31, 2023 and of the financial performance and the cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors,

MR. KO YUN HUNG

MR. PAH WAI ONN

Ipoh,
May 16, 2023

DECLARATION BY THE OFFICER PRIMARILY

Responsible for the Financial Management of the Company

I, **MR. THONG SOON CHEONG** (IC No. 700612-08-5939), the officer primarily responsible for the financial management of **SNS NETWORK TECHNOLOGY BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MR. THONG SOON CHEONG
(MIA No. 14822)

Subscribed and solemnly declared by the abovenamed **MR. THONG SOON CHEONG** at IPOH this day of 16th day of May, 2023.

Before me,

COMMISSIONER FOR OATHS

GROUP'S PROPERTIES

Beneficial owner	Particulars of title/ Postal address	Description of property/ Existing use/	Land/ Built-up Area (sq ft)	Age of the Building/ Tenure	Date of acquisition	Audited NBV as at 31 January 2023 (RM'000)
SNS Network Malaysia	Particulars of title Geran 183363, Lot 400211, Bandar Ipoh (U), District of Kinta, Perak Address 61, Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak	Description of property Four storey detached office building Existing use SNS Network Malaysia's Ipoh headquarters and Apple service centre under the trading name "iTworl"	41,053.6/ 33,721.8	Approximately age of the building 7 years Tenure Freehold	9 April 2012	12,488
SNS Network Malaysia	Particulars of title PN 50495, Lot 103 Seksyen 36, Block M1-B, Level 1, Lot 47, Bandar Petaling Jaya, District of Petaling, Selangor Address B-07-01, Block B, 3 Two Square, Jalan 19/1, 46300 Petaling Jaya, Selangor	Description of property An office unit located on the ground floor of a six-storey shop lot Existing use Apple service centre under the brand name "iTworl"	239,863.0/ 1,539.2	Approximately age of the building 15 years Tenure Leasehold expiring on 6 September 2106	16 May 2017	1,662
SNS Network Malaysia	Particulars of title PM 3894, No. Lot 50859, M1-B-321, Bandar Petaling Jaya, District of Petaling, Selangor Address Block A, 816, Kelana Centre Points, 3, Jalan SS7/19, 47301 Petaling Jaya, Selangor	Description of property A unit of office on the 8th floor of a ten-storey office building, one of the two combined office blocks, which comprises another 13-storey office building Existing use Rented out to Juara ICT Sdn Bhd ⁽²⁾	337,373.2/ 1,194.8	Approximately age of the building 25 years Tenure Leasehold expiring on 23 January 2094	27 February 2013	200
SNS Network Malaysia	Particulars of title GRN 98935, Lot 42406, Pekan Cempaka, District of Petaling, Selangor Address 42406, Jalan Bukit Mayang Mas, 47301 Petaling Jaya, Selangor ⁽³⁾	Description of property Vacant land currently used as parking lot Existing use Rented out to First City Parking Sdn Bhd ⁽²⁾	35,929.9/ N/A ⁽¹⁾	Approximately age of the building N/A ⁽¹⁾ Tenure Freehold	30 November 2018	23,314

GROUP'S PROPERTIES

Cont'd

Beneficial owner	Particulars of title/ Postal address	Description of property/ Existing use/	Land/ Built-up Area (sq ft)	Age of the Building/ Tenure	Date of acquisition	Audited NBV as at 31 January 2023 (RM'000)
SNS Network Malaysia	Particulars of title GRN 72771, Lot 230753, Mukim Hulu Kinta, District of Kinta, Perak Address 5, Laluan Tawas Damai 6, Anjung Tawas Damai, 30010 Ipoh, Perak	Description of property A unit of double storey shop lot Existing use Storage of past business records	1,399.3/ 2,640.0	Approximately age of the building 1 year Tenure Freehold	9 August 2019	149
Notebook Plaza	Particulars of title PN 100104, Lot 1486 Seksyen 14, Bandar Petaling Jaya, District of Petaling, Selangor Address 16B, Jalan 14/20, 46100 Petaling Jaya, Selangor	Description of property A unit of four-storey shop office Existing use Notebook Plaza's office (ground floor), Notebook Plaza's storeroom (first floor), vacant (second floor) and rented out to Web Temple Sdn Bhd ⁽²⁾ (third floor)	1,496.2/ 6,000.0	Approximately age of the building 26 years Tenure Leasehold expiring on 22 December 2098	27 October 2016	3,199
Acrux	Particulars of title HS(D) 591111, PTD 199999, Mukim Tebrau, Johor Bahru, Johor Address Lot 1131, Eco Business Park 2, 81400 Johor Bahru, Johor	Description of property Double-storey cluster factory with office space Existing use Office	7,800.0/ 4,283.0	Approximately age of the building 3 years Tenure Freehold	13 July 2017	1,474

Notes:

- (1) Not applicable as it is currently a vacant land.
 (2) A non-related party.
 (3) Relates to the land for the construction of our Regional Hub.

ANALYSIS OF SHAREHOLDINGS

As at 28 April 2023

Total number of issued shares	:	1,612,779,660
Class of Shares	:	Ordinary shares
Voting Right	:	One vote per Ordinary Share
Number of Shareholders	:	5,451

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 28 APRIL 2023

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Sharesheld	% of Shareholdings
Less than 100	6	0.11	158	0.00
100 - 1,000	613	11.25	313,801	0.02
1,001 - 10,000	1,880	34.49	12,196,300	0.76
10,001 - 100,000	2,400	44.03	91,221,201	5.66
100,001 to less than 5%	549	10.07	351,796,570	21.81
5% and above	3	0.05	1,157,251,630	71.75
TOTAL	5,451	100.00	1,612,779,660	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+B)	%
1	DATO' ZULKAPLI BIN AHMAD	200,000	0.01	-	-	200,000	0.01
2	KO YUN HUNG	519,539,439	32.21	7,362,971 *	0.46	526,902,410	32.67
3	PAH WAI ONN	519,539,439	32.21	7,362,971 **	0.46	526,902,410	32.67
4	SIOW WEI MING	118,172,752	7.33	800,000 ***	0.05	118,972,752	7.38
5	DATO' F'NG MEOW CHENG	200,000	0.01	-	-	200,000	0.01
6	MAYLEE GAN SUAT LEE	50,000	0.00	-	-	50,000	0.00
7	TAN EE MING	100,000	0.01	-	-	100,000	0.01

Note:

* Deemed interested in the shareholdings of his spouse, Eng Su Fern, pursuant to Section 59(1)(c) of the Companies Act, 2016.

** Deemed interested in the shareholdings of his spouse, Tham Sau Har, pursuant to Section 59(1)(c) of the Companies Act, 2016.

*** Deemed interested in the shareholdings of his spouse, Lim Chai Ling, pursuant to Section 59(1)(c) of the Companies Act, 2016.

By virtue of the interest of Ko Yun Hung, Pah Wai Onn and Siow Wei Ming in the shares of the Company, they are also deemed interested in the shares of the subsidiaries to the extent that the Company has interests.

Other than disclosed above, none of the Directors had any interest in shares in the Company or its related companies.

ANALYSIS OF SHAREHOLDINGS

As at 28 April 2023
Cont'd

SUBSTANTIAL SHAREHOLDINGS

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:-

No.	Name of Substantial Shareholders	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+B)	%
1	KO YUN HUNG	519,539,439	32.21	7,362,971 *	0.46	526,902,410	32.67
2	PAH WAI ONN	519,539,439	32.21	7,362,971 **	0.46	526,902,410	32.67
3	SIOW WEI MING	118,172,752	7.33	800,000 ***	0.05	118,972,752	7.38

Note:

- * Deemed interested in the shareholdings of his spouse, Eng Su Fern, pursuant to Section 59(1)(c) of the Companies Act, 2016.
- ** Deemed interested in the shareholdings of his spouse, Tham Sau Har, pursuant to Section 59(1)(c) of the Companies Act, 2016.
- *** Deemed interested in the shareholdings of his spouse, Lim Chai Ling, pursuant to Section 59(1)(c) of the Companies Act, 2016.

TOP 30 HOLDERS AS AT 28 APRIL 2023

NO.	NAME	HOLDINGS	%
1	KO YUN HUNG	519,539,439	32.21
2	PAH WAI ONN	519,539,439	32.21
3	SIOW WEI MING	118,172,752	7.33
4	SIOW WEI SHAN	29,543,188	1.83
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	19,000,000	1.18
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	13,400,000	0.83
7	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT MAJESTIC SALUTE SDN BHD FOR JAUHARI BIN HASSAN (M&A)	13,361,340	0.83
8	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT MAJESTIC SALUTE SDN BHD FOR YAHYA BIN RAZALI (M&A)	8,000,000	0.50
9	ENG SU FERN	7,362,971	0.46
10	THAM SAU HAR	7,362,971	0.46
11	LAW KIING KIU	4,754,000	0.29
12	YEOH YEW CHOO	4,635,500	0.29
13	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT MAJESTIC SALUTE SDN BHD FOR MAHAZAN BIN AB RANI (M&A)	4,500,000	0.28
14	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	4,000,000	0.25

ANALYSIS OF SHAREHOLDINGS

As at 28 April 2023

Cont'd

TOP 30 HOLDERS AS AT 28 APRIL 2023 cont'd

NO.	NAME	HOLDINGS	%
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FORTAN ROY SOON (TAN734 I C)</i>	3,700,000	0.23
16	PROVEN VENTURE CAPITAL PLT	3,500,000	0.22
17	CITIGROUP NOMINEES (ASING) SDN BHD <i>UBS AG</i>	3,316,500	0.21
18	HLIB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN</i>	3,300,000	0.20
19	M & A NOMINEE (TEMPATAN) SDN BHD <i>MAJESTIC SALUTE SDN BHD FOR YAHYA BIN RAZALI</i>	3,250,000	0.20
20	AMANAHRAYA TRUSTEES BERHAD <i>PMB DANA AL-AIMAN</i>	3,000,000	0.19
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEOH KIAT KIONG (MY1847)</i>	3,000,000	0.19
22	KOK CHANG CHEE	3,000,000	0.19
23	M & A NOMINEE (TEMPATAN) SDN BHD <i>MAJESTIC SALUTE SDN BHD FOR RAHIMI BIN RAMLI</i>	2,980,000	0.18
24	MICROPURPLE SDN. BHD.	2,682,000	0.17
25	LOW POW YING @ TAN LUAN	2,500,000	0.16
26	M & A NOMINEE (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)</i>	2,500,000	0.16
27	M & A NOMINEE (TEMPATAN) SDN BHD <i>MAJESTIC SALUTE SDN BHD FOR PROVEN VENTURE CAPITAL PLT</i>	2,439,000	0.15
28	CARTABAN NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)</i>	2,383,500	0.15
29	YOUNG YOONG CHANG	2,330,000	0.14
30	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TAN ROY SOON (TAN8615M)</i>	2,000,000	0.12

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting (“AGM”) of SNS Network Technology Berhad (“SNS” or “the Company”) will be conducted fully virtual for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this Notice:

Date	Friday, 7 July 2023
Time	10.00 a.m.
Broadcast Venue	12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

AGENDA

AS ORDINARY BUSINESS:

Ordinary Resolutions

1. To receive the Audited Financial Statements for the financial year ended 31 January 2023, together with the Directors’ and Auditors’ Reports thereon. **(Please refer to Note 2)**
2. To approve the payment of Directors’ Fees of RM265,000 for the Directors in respect of the financial year ended 31 January 2023. **Resolution 1**
3. To approve the payment of Directors’ Benefits payable to Non-Executive Directors up to an amount of RM40,000 from 2023 AGM until the next AGM of the Company. **Resolution 2**
4. To re-elect the following Directors retiring by rotation in accordance with Clause 18.4 of the Company’s Constitution:
 - 4.1 Dato’ Zulkapli Bin Ahmad **Resolution 3**
 - 4.2 Pah Wai Onn **Resolution 4**
5. To re-appoint Deloitte PLT as Auditors of the Company for the financial year ending 31 January 2024 and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass the following resolutions:

6. **AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES** **Resolution 6**

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“Act”), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

Cont'd

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board

TAI YIT CHAN

(MAICSA 7009143) (SSM PC No. 202008001023)

CHAN EOI LENG

(MAICSA 7030866) (SSM PC No. 202008003055)

CHONG KWAI YOONG

(MAICSA 7075434) (SSM PC No. 202308000244)

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia

30 May 2023

NOTES:

1. PROXY

Only members whose names appear on the Record of Depositors as at 27 June 2023 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead. A proxy must be 18 years and above and may but need not be a member of the Company.

A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also forty-eight (48) hours before the meeting.

2. AUDITED FINANCIAL STATEMENTS

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act, 2016 requires the Audited Financial Statements to be laid before the Company at the AGM and they do not require shareholders' approval. Hence, Agenda 1 will not be put forward for polling.

3. DIRECTORS' FEES AND BENEFITS

Section 230 (1) of the Companies Act, 2016 provides amongst others, that "fees" of the directors and "any benefits" payable to directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate resolutions as follows:

Resolution 1: Payment of Directors' Fees in respect of the financial year ended 31 January 2023

Resolution 2: Payment of Directors' Benefits from 2023 AGM until the next AGM of the Company

The Directors' Fee includes fees payable to the Chairman and members of the Board.

NOTICE OF ANNUAL GENERAL MEETING

Cont'd

Based on the Remuneration Committees' recommendation, the Board decided that the Directors' fees per annum (p.a.) shall remain unchanged.

Summary of the Payment of Directors' Fees for FYE 2023 and Directors' Benefits to Directors from the 2023 AGM until the next AGM:

Description	Director
Director's Fee	RM45,000 per director per year (Chairman of the Board and Chairman of the Audit and Risk Management Committee) RM35,000 per director per year (Other Board Members/Board Committee Members)
Meeting Allowance for Non-Executive Director	RM800 per Director per day
Travelling Allowances per Non-Executive Director	RM300 per trip (2 ways)

Notes:

The Directors' benefits payable to the Non-Executive Directors would be calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and includes all benefits payable to the Directors, such as meeting allowances, committees' fees, etc.

4. RE-ELECTION OF DIRECTORS

Dato' Zulkapli Bin Ahmad and Pah Wai Onn are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this 2023 AGM.

The Board has via the Nomination Committee in December 2022 conducted an assessment on the effectiveness and contributions of the said retiring Directors including their skills, experience, competency, and commitment, and has recommended for them to be re-elected to the Board. The profile of the retiring Directors is set out in the Profile of Directors of the Annual Report 2023.

5. RE-APPOINTMENT OF AUDITORS

The Audit and Risk Management Committee ("ARMC") has in March 2023 carried out an assessment of the suitability and independence of the external auditors, Deloitte PLT and was satisfied with the suitability of Deloitte PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The ARMC in its assessment also found Deloitte PLT to be sufficiently objective and independent.

The Board therefore approved the ARMC's recommendation that the re-appointment of Deloitte PLT as external auditors of the Company be put forward for the shareholders' approval at the 2023 AGM.

6. AUTHORITY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

The proposed Resolution 6, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.



SNS NETWORK

SNS NETWORK TECHNOLOGY BERHAD

[201601002835 (1173761-W)]

(Incorporated in Malaysia)

No. of shares held	
CDS A/C No.	
Telephone No.	
E-mail Address	

FORM OF PROXY

I/We _____ (FULL NAME IN BLOCK CAPITALS)

NRIC No./Registration No. _____ of _____

_____ (FULL ADDRESS) being a member of

SNS Network Technology Berhad hereby appoint the following person(s):

Proxy	Full Name (in Block Letters) NRIC/Passport No.	Tel. No.	Email Address	No. of shares	%
1					
	NRIC/Passport No. :				
2					
	NRIC/Passport No. :				

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the 2023 Annual General Meeting of the Company to be held on 7 July 2023 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	Ordinary Resolutions	For	Against
The payment of Directors' Fee	1		
The payment of Non-Executive Directors' Benefits	2		
The re-election of Directors:			
- Dato' Zulkapli Bin Ahmad	3		
- Pah Wai Onn	4		
The re-appointment of Deloitte PLT as Auditors and authority to Directors to fix their remuneration	5		
Special Business			
Authority to Allot and Issue Shares	6		

Please indicate with (√) and (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

Signature of Shareholder/
(Common Seal & Signature)

NOTES:

- Pursuant to Paragraph 8.29A of the Listing Requirements, voting at general meeting will be conducted by poll rather than show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- Only members whose names appear on the Record of Depositors as at 27 June 2023 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/ authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603)78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investors Portal. Kindly follow the link at <https://investor.boardroomlimited.com/> to login and deposit your proxy form electronically, also forty-eight (48) hours before the meeting.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

Fold this flap for sealing

Then fold here

Affix
Stamp

The Share Registrar

BOARDROOM SHARE REGISTRARS SDN. BHD.
[Registration No. 199601006647 (378993-D)]

Level 11, Menara Symphony,
5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor

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SNS NETWORK TECHNOLOGY BERHAD

(Registration No. 201601002835 (1173761-W))

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