



SNS NETWORK TECHNOLOGY BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 APRIL 2026



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2026

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2026 Unaudited RM'000	Corresponding Quarter 30.04.2025 Unaudited RM'000	Current Period-to-date 30.04.2026 Unaudited RM'000	Corresponding Period-to-date 30.04.2025 Unaudited RM'000
Revenue	445,005	822,753	445,005	822,753
Cost of sales	(415,500)	(787,669)	(415,500)	(787,669)
Gross profit	29,505	35,084	29,505	35,084
Other operating income	2,262	3,044	2,262	3,044
Other gains and losses	519	(1,344)	519	(1,344)
Investment revenue	28	46	28	46
Impairment (loss)/gain on financial assets - net	(875)	39	(875)	39
Selling and distribution expenses	(16,894)	(15,458)	(16,894)	(15,458)
General and administrative expenses	(8,793)	(6,080)	(8,793)	(6,080)
Profit from operations	5,752	15,331	5,752	15,331
Finance costs	(2,193)	(1,892)	(2,193)	(1,892)
Profit before tax	3,559	13,439	3,559	13,439
Tax expenses	(853)	(3,196)	(853)	(3,196)
Profit and total comprehensive income for the financial period attributable to equity holders of the Group	2,706	10,243	2,706	10,243
Earning per share attributable to equity holders of the Group:				
Basic ⁽²⁾ (sen)	0.16	0.61	0.16	0.61
Diluted ⁽³⁾ (sen)	0.16	0.60	0.16	0.60



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Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of SNS Network Technology Berhad ("**SNS**" or the "**Company**") and its subsidiaries ("**SNS Group**" or the "**Group**") for the financial year ended ("**FYE**") 31 January 2026 and the accompanying explanatory notes attached to this condensed interim financial report.*
- (2) Basic earnings per share ("**EPS**") is calculated by dividing profit after tax attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective current and preceding financial quarters and financial period-to-date under review.*
- (3) The diluted EPS has been adjusted for the dilutive effects of the potential ordinary shares, i.e., share options granted to the eligible employees.*

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	As at 30.04.2026 RM'000 Unaudited	As at 31.01.2026 RM'000 Audited
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	71,735	72,895
Right-of-use assets	13,482	11,946
Finance lease receivables	45,845	53,298
Trade receivables	1,348	1,828
Total non-current assets	132,410	139,967
Current assets		
Inventories	223,592	181,727
Trade and other receivables ⁽³⁾	510,598	213,837
Finance lease receivables	30,389	29,655
Current tax assets	7,010	1,772
Fixed deposits, cash and bank balances	65,715	96,260
Total current assets	837,304	523,251
TOTAL ASSETS	969,714	663,218
<u>EQUITY AND LIABILITIES</u>		
Capital and reserves		
Share capital	182,218	172,669
Capital reserve	(55,329)	(55,329)
Share-based payment reserve	455	2,928
Retained earnings	188,739	190,222
TOTAL EQUITY	316,083	310,490
Non-current liabilities		
Borrowings	49,490	54,955
Lease liabilities	4,944	4,573
Deferred tax liabilities	8,225	8,225
Total non-current liabilities	62,659	67,753



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

	As at 30.04.2026 RM'000 Unaudited	As at 31.01.2026 RM'000 Audited
Current liabilities		
Trade and other payables ⁽³⁾	424,879	190,496
Contract liabilities	135	204
Dividends payable	4,189	4,189
Borrowings	151,715	82,135
Lease liabilities	8,870	7,687
Current tax liabilities	1,184	264
Total current liabilities	590,972	284,975
TOTAL LIABILITIES	653,631	352,728
TOTAL EQUITY AND LIABILITIES	969,714	663,218
Net assets per ordinary share attributable to Equity holders of SNS Group (RM)⁽²⁾	0.19	0.19

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the FYE 31 January 2026 and the accompanying explanatory notes attached to this condensed interim financial report.*
- (2) *Net assets per ordinary share is calculated based on total equity as at the end of each financial period/year, divided by 1,704,060,376 ordinary shares.*
- (3) *Trade and other receivables increased mainly due to higher advance payments made to suppliers to secure the procurement of ICT products amid market supply constraints and price fluctuations, thereby ensuring the timely fulfilment of customers' orders.*

Correspondingly, trade and other payables increased mainly due to higher advance payments received from customers for the respective orders. Accordingly, the increases in both trade and other receivables and trade and other payables reflects the Group's procurement and order fulfilment strategy, as well as the timing of supplier and customer advance payments, rather than any deterioration in the Group's working capital position.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

← Attributable to Equity Holders of SNS Group →

	Share capital RM'000	Non-distributable Capital reserve RM'000	Non-distributable Share-based payment reserve RM'000	Distributable Retained earnings RM'000	Total Equity RM'000
Balance as of 1 February 2026	172,669	(55,329)	2,928	190,222	310,490
Profit for the financial period	-	-	-	2,706	2,706
Dividends	-	-	-	(4,189)	(4,189)
Issuance of ordinary shares pursuant to ESOS	7,076	-	-	-	7,076
Transfer from share-based payment reserve upon exercise	2,473	-	(2,473)	-	-
Balance as of 30 April 2026	182,218	(55,329)	455	188,739	316,083
Balance as of 1 February 2025	172,669	(55,329)	131	158,916	276,387
Profit for the financial period	-	-	-	10,243	10,243
Dividends	-	-	-	(2,095)	(2,095)
Balance as of 30 April 2025	172,669	(55,329)	131	167,064	284,535

Note:

⁽¹⁾ *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the FYE 31 January 2026 and the accompanying explanatory notes attached to this condensed interim financial report.*

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	CUMULATIVE QUARTER	
	Current Period-to-date 30.04.2026 RM'000	Corresponding Period-to-date 30.04.2025 RM'000
Cash flows from operating activities		
Profit before taxation	3,559	13,439
Adjustments for:		
Depreciation of right-of-use assets	2,993	3,023
Depreciation of property, plant and equipment	1,722	685
Finance costs	2,193	1,892
Write down in values of inventories to net realisable values	340	390
Loss allowances/(reversal of loss allowances) recognised in profit or loss	875	(39)
Bad debts written off	-	86
Deposit written off	-	2
Interest income from:		
Finance lease receivables	(972)	(893)
Trade and other receivables	(31)	(330)
Cash and bank balances	(62)	(73)
Fixed deposits	(28)	(46)
Unrealised loss on foreign exchange	19	1,605
Operating profit before working capital changes	10,608	19,741
Movements in working capital:		
(Increase)/Decrease in:		
Inventories	(42,215)	(2,525)
Trade and other receivables	(297,156)	(188,562)
Finance lease receivables	6,719	2,199
Increase/(Decrease) in:		
Trade and other payables	234,383	240,488
Contract liabilities	(69)	(55)
Cash (used in)/from operating activities	(87,730)	71,286

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

	CUMULATIVE QUARTER	
	Current Period-to-date 30.04.2026 RM'000	Corresponding Period-to-date 30.04.2025 RM'000
Interests received	1,065	1,297
Finance costs paid	(405)	(296)
Income tax refunded	644	120
Income tax paid	(5,815)	(2,006)
Net cash (used in)/from operating activities	(92,241)	70,401
Cash flows used in investing activities		
Proceeds from disposal of property, plant and equipment	-	2
Fixed deposit interests received	28	46
Purchase of property, plant and equipment	(552)	(2,310)
Placement of fixed deposits	(23)	(3,388)
Net cash used in investing activities	(547)	(5,650)
Cash flows from financing activities		
Drawdown of term loans and financing	-	15,000
Proceeds from exercise of employees' share options	7,076	-
Proceeds from bankers' acceptances - net	69,425	40,357
Proceeds from other financing	-	4,475
Repayment of lease liabilities	(2,975)	(2,993)
Repayment of term loans	(848)	(228)
Repayment of other financing	(4,377)	(1,244)
Finance costs paid	(1,788)	(1,596)
Repayment of hire-purchase payables	(85)	(86)
Dividend paid	(4,189)	-
Net cash from financing activities	62,239	53,685
Net (decrease)/increase in cash and cash equivalents	(30,549)	118,436
Cash and cash equivalents at the beginning of the financial period	92,814	84,603
Effect of exchange rate changes on the balance of cash held in foreign currencies	(19)	(1,605)
Cash and cash equivalents at the end of the financial period	62,246	201,434



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

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the FYE 31 January 2026 and the accompanying explanatory notes attached to this condensed interim financial report.*
- (2) *Cash and cash equivalents at the end of the financial period comprise:*

	CUMULATIVE QUARTER	
	Current Period-to-date 30.04.2026 RM'000	Corresponding Period-to-date 30.04.2025 RM'000
CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	3,879	40,033
Income fund with a licensed financial institution (redeemable upon 1 day notice)	25,646	29,448
Cash and bank balances	36,190	139,135
	<hr/>	<hr/>
	65,715	208,616
Less:		
Fixed deposits pledged to licensed banks	(3,469)	(7,182)
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	62,246	201,434
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 30 APRIL 2026

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES ON TO THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standard, requirements of the Companies Act, 2016 in Malaysia, and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 31 January 2026.

A2. Significant accounting policies

The accounting policies adopted by the Group in the preparation of this condensed interim financial report are consistent with those adopted as disclosed in the Group's audited financial statements for the financial year ended 31 January 2026 in the Annual Report of the Company, except for the adoption of amended MFRSs and IC Interpretations which are relevant to its operations and effective for the financial period beginning on or after 1 February 2026. The adoptions of these amended MFRSs and IC Interpretations have no material impact on the condensed interim financial report of the Group.

At the date of authorisation for the issuance of this condensed interim financial report, MASB has approved certain new standards, amendments and interpretations to existing standards, which are not yet effective and have not been early adopted by the Group. The management anticipates that all the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. New standards, amendments, and interpretations to existing standards are not expected to have a material impact on the Group's condensed interim financial report.

A3. Audited Report of Preceding Annual Financial Statements

The audited consolidated financial statements for the FYE 31 January 2026 were not subject to any qualification.



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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A4. Seasonal or Cyclical Factors

The Group does not experience significant fluctuation in operations due to seasonal factors during the current financial quarter and period-to-date under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature in size or incidence during the current financial quarter under review.

A6. Material Changes in Estimates

There were no material changes in the estimates of amounts reported that had a material effects on the results for the current financial quarter under review.

A7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

A8. Dividend Paid

Dividends paid during the financial quarter are as follows:

	<u>Financial Year End</u>	<u>Payment Date</u>	<u>Total Dividends RM'000</u>
A third interim single-tier dividend of 0.25 sen per ordinary shares	2026	13 February 2026	<u>4,189</u>

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting

a) Revenue by Business Activities:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2026 RM'000	Corresponding Quarter 30.04.2025 RM'000	Current Period-to-date 30.04.2026 RM'000	Corresponding Period-to-date 30.04.2025 RM'000
Sale of ICT products	443,368	820,484	443,368	820,484
Provision of device repair and related services, as well as sale of broadband services	1,637	2,269	1,637	2,269
	445,005	822,753	445,005	822,753

b) Revenue by Geographical Market:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2026 RM'000	Corresponding Quarter 30.04.2025 RM'000	Current Period-to-date 30.04.2026 RM'000	Corresponding Period-to-date 30.04.2025 RM'000
Malaysia	438,311	795,072	438,311	795,072
Overseas				
- Hong Kong	-	12,828	-	12,828
- Singapore	1,389	11,192	1,389	11,192
- Others ⁽¹⁾	5,305	3,661	5,305	3,661
	445,005	822,753	445,005	822,753

Note:

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



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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A10. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in The Composition of The Group

There were no material changes in the composition of the Group during the current financial quarter under review.

A12. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets of the Group as at the end of the current financial quarter under review.

A13. Significant Related Party Transactions

Significant transactions between the Group and a related party are as follows:

Type of transactions	Current Quarter 30.04.2026 RM'000	Current Period-to-date 30.04.2026 RM'000
Rental of offices paid to a director	26	26

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS 134"), INTERIM FINANCIAL REPORT (CONT'D)

A14. Capital Commitments

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

	As at 30.04.2026 RM'000 Unaudited	As at 31.01.2026 RM'000 Audited
Property, plant and equipment	261	-

A15. Valuation of Property, Plant and Equipment

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

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER	
	Current Quarter	Corresponding Quarter	Variance	%	Current Period-to-date	Corresponding Period-to-date
	30.04.2026	30.04.2025			30.04.2026	30.04.2025
	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue	445,005	822,753	(377,748)	-45.9%	445,005	822,753
Profit before tax	3,559	13,439	(9,880)	-73.5%	3,559	13,439

The Group's revenue for the current financial quarter ended 30 April 2026 decreased by RM377.74 million or 45.9%, from RM822.75 million to RM445.01 million as compared with the corresponding financial quarter. The Group recorded higher revenue in the corresponding financial quarter, primarily due to substantial orders secured through the commercial channel during the corresponding financial quarter. Excluding the contribution from these substantial orders, the Group's underlying revenue performance remained relatively stable. The sale of ICT products segment continued to contribute steadily to the Group's revenue during the current financial quarter through both the commercial channel and online store channel.

The Group recorded lower revenue in the current financial quarter ended 30 April 2026 mainly due to certain sales were not recognised during this current financial quarter, as the related ICT products had not been delivered by suppliers in time for subsequent delivery to customers.

As explained in Note 3 of the unaudited condensed consolidated statement of financial position, the Group recorded higher advance payments made to suppliers to secure the procurement of ICT products amid market supply constraints and price fluctuations. These advance payments were made to facilitate the timely fulfilment of customers' orders upon receipt of the inventories. Correspondingly, the Group also recorded higher advance payments received from customers for the corresponding orders. Accordingly, the lower revenue recognised during the current financial quarter was primarily attributable to the timing of inventory deliveries and the recognition of the related sales, rather than a decline in customer demand.

The Group's profit before tax for the current financial quarter decreased by RM9.88 million or 73.5%, from RM13.44 million to RM3.56 million as compared with the corresponding financial quarter. The Group recorded a lower profit before tax for the current financial quarter, mainly due to lower revenue as well as higher general and administrative expenses incurred, particularly increase depreciation of property, plant and equipment.



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

B2. Comparison with the Immediate Preceding Quarter's Result

	Current Quarter 30.04.2026	Immediate Preceding Quarter 31.01.2026	Variance	
	RM'000	RM'000	RM'000	%
Revenue	445,005	383,544	61,461	16.0
Profit before tax	3,559	10,093	(6,534)	(64.7)
Profit after tax	2,706	5,072	(2,366)	(46.6)

The Group's revenue for the current financial quarter ended 30 April 2026 increased by RM61.47 million or 16.0% from RM383.54 million to RM445.01 million as compared with the immediate preceding financial quarter. The increase was mainly attributable to higher sales of ICT products through the commercial channel, partially offset by lower revenue from the online store channel and physical store channel due to softer consumer demand.

Despite the higher revenue, the Group's profit before tax for the current financial quarter ended 30 April 2026 declined by RM6.53 million or 64.7% to RM3.56 million as compared to RM10.09 million in the immediate preceding quarter, mainly due to lower gross profit contributed by the commercial channel, following an increase in the procurement costs of ICT products. This was partially offset by lower impairment losses on financial assets recorded during this current financial quarter.

Correspondingly, the Group's profit after tax for the current financial quarter ended 30 April 2026 decreased by RM2.37 million or 46.6%, from RM5.07 million to RM2.70 million as compared with the immediate preceding financial quarter.

B3. Group's Prospects

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

In response to favourable industry trends, the Group has expanded its physical presence across Malaysia through new multi-brand and brand-specific stores, while strengthening its Device-as-a-Service ("DaaS") offerings to capitalise on the growing shift towards flexible, subscription-based ICT solutions, supporting increasing demand for scalable and cost-efficient ICT deployment.



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

B3. Group's Prospects (Cont'd)

Looking ahead, the Group remains firmly committed to innovation, with a strategic focus on adopting emerging technologies that align with its mission and core values. The Group recognises the transformative potential of Artificial Intelligence (“AI”) and anticipates that AI will play a pivotal role in driving its future growth and success. As the technological landscape continues to evolve, the Group is well-positioned to adapt and thrive amid increasingly dynamic and diverse market demands.

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

Through its initiatives, the Group seeks to make AI technologies more accessible, understandable, and impactful, thereby encouraging broader adoption across industries. This approach contributes to the development of a resilient, adaptable, and sustainable digital ecosystem that benefits businesses across multiple sectors.

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

In addition, the Group recognises the increasing importance of AI sovereignty, particularly among enterprises, government agencies and institutions that manage sensitive, regulated or mission critical data. Through the locally hosted and managed design of the SNS AI Factory, the Group supports customers’ requirements for greater control over data residency, system governance and operational oversight. This capability enables organisations to deploy and operate AI workloads within a trusted domestic infrastructure environment, aligning with evolving regulatory, security and data governance expectations while supporting responsible and sustainable AI adoption.

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



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

B3. Group's Prospects (Cont'd)

This positions the Group to capitalise on the growing demand for data centre capacity and AI computing resources in Malaysia, driven by increasing digitalisation, cloud adoption, and the rising need for high-performance computing to support artificial intelligence and data-intensive applications. As organisations expand their reliance on data-driven technologies, demand for scalable and accessible computing infrastructure is expected to accelerate.

Through its GPUaaS model, the Group enables enterprises, government agencies, and institutions to access high-performance AI computing capabilities without the need for significant upfront capital investment or infrastructure management. This lowers barriers to AI adoption and allows customers to deploy workloads more flexibly and efficiently.

With its infrastructure fully operational, the Group is well-positioned to accelerate customer onboarding, expand subscription-based engagements, and capture recurring revenue opportunities arising from the increasing demand for AI and data centre services in Malaysia.

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

B4. Variance of Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense is as follows:

	Current Quarter	Current
	30.04.2026	Period-to-date
	RM'000	30.04.2026
		RM'000
Current taxation	853	853

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the fiscal year. Tax expense is recognised based on management's best estimate.

The effective tax rate of 23.97% for the current financial period-to-date was relatively consistent with the statutory tax rate.



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

B6. Profit Before Tax

Profit from operations is derived after (charging)/crediting the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2026 RM'000	Corresponding Quarter 30.04.2025 RM'000	Current Period-to-date 30.04.2026 RM'000	Corresponding Period-to-date 30.04.2025 RM'000
Income from operators arising from right-of-use assets	1,162	1,342	1,162	1,342
Rental income	33	22	33	22
Interest income from:				
Finance lease receivables	972	893	972	893
Trade and other receivables	31	330	31	330
Cash and bank balances	62	73	62	73
Fixed deposits	28	46	28	46
Realised gain/(loss) on foreign exchange	301	(11)	301	(11)
Unrealised loss on foreign exchange	(19)	(1,605)	(19)	(1,605)
Write down in values of inventories to net realisable values	(340)	(390)	(340)	(390)
Auditor's remuneration	(63)	(60)	(63)	(60)
(Loss allowances)/reversal of loss allowances recognised in profit or loss	(875)	39	(875)	39
Bad debts written off	-	(86)	-	(86)
Depreciation of:				
Property, plant and equipment	(1,722)	(685)	(1,722)	(685)
Right-of-use assets	(2,993)	(3,023)	(2,993)	(3,023)

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

B7. Utilisation of Proceeds Raised from the IPO

The gross proceeds raised from the IPO of RM90.72 million are intended to be utilised in the following manner:

Utilisation of proceeds ⁽¹⁾	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised amount RM'000	Estimated timeframe for unutilisation	Revised timeframe for unutilisation ⁽²⁾
Capital expenditure					
- Expansion of DaaS subscription-based service	30,900	(28,565)	2,335	36 months	72 months
- Set-up new retail stores	2,500	(1,250)	1,250	36 months	72 months
Construction of Regional Hub	18,000	(1,220)	16,780	36 months	72 months
Marketing activities for JOI [®]	1,500	(451)	1,049	36 months	72 months
Repayment of bank borrowings	20,000	(20,000)	-	12 months	N/A
General working capital	13,119	(13,119)	-	24 months	N/A
Estimated listing expenses	4,700	(4,700)	-	Immediately	N/A
	90,719	(69,305)	21,414		

Notes:

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

⁽²⁾ *On 25 June 2025, an announcement was issued to extend the utilisation timeframe for the unutilised portion of the IPO proceeds by additional 36 months ending on 2 September 2028.*

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

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 April 2026 and 31 January 2026 are as follows:

	As at 30.04.2026 RM'000 Unaudited	As at 31.01.2026 RM'000 Audited
<u>Non-current</u>		
<u>Secured</u>		
Commodity Murabahah term financing	14,488	15,352
Hire purchase payables	479	524
	14,967	15,876
<u>Unsecured</u>		
Lease liabilities	4,944	4,573
Other financing	34,523	39,079
	54,434	59,528
<u>Current</u>		
<u>Secured</u>		
Bankers' acceptances	130,162	60,737
Commodity Murabahah term financing	3,397	3,362
Term loans	-	19
Hire purchase payables	199	239
	133,758	64,357
<u>Unsecured</u>		
Lease liabilities	8,870	7,687
Other financing	17,957	17,778
	160,585	89,822
Total borrowings	215,019	149,350



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

B9. Material Litigation

There was no material litigation against the Group as at the date of this report.

B10. Dividend Proposed

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

On 27 March 2026, the Board of Directors approved a fourth interim single-tier dividend of 0.25 sen per ordinary share amounting to RM4,189,395 in respect of the financial year ended 31 January 2026, payable on 26 May 2026.

B11. EPS

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2026	Corresponding Quarter 30.04.2025	Current Period-to-date 30.04.2026	Corresponding Period-to-date 30.04.2025
Profit net of tax attributable to the equity holders of the Company (RM'000)	2,706	10,243	2,706	10,243
Weighted average number of ordinary shares in issue (basic) ('000)	1,682,754	1,675,758	1,682,754	1,675,758
Basic EPS ⁽¹⁾ (sen)	0.16	0.61	0.16	0.61

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

B11. EPS (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.04.2026	Corresponding Quarter 30.04.2025	Current Period-to-date 30.04.2026	Corresponding Period-to-date 30.04.2025
Profit net of tax attributable to the equity holders of the Company (RM'000)	2,706	10,243	2,706	10,243
Weighted average number of ordinary shares in issue (basic) ('000)	1,682,754	1,675,758	1,682,754	1,675,758
Effect of dilutive potential ordinary share - ESOS ('000)	31,317	42,985	31,317	42,985
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,714,071	1,718,743	1,714,071	1,718,743
Diluted EPS ⁽²⁾ (sen)	0.16	0.60	0.16	0.60

Notes:

⁽¹⁾ Basic EPS is calculated by dividing profit after tax attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective current and preceding financial quarters and financial period-to-date under review.

⁽²⁾ The diluted EPS has been adjusted for the dilutive effects of the potential ordinary shares, i.e., share options granted to the eligible employees.

B12. Status of Corporate Proposals

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 29 June 2026.