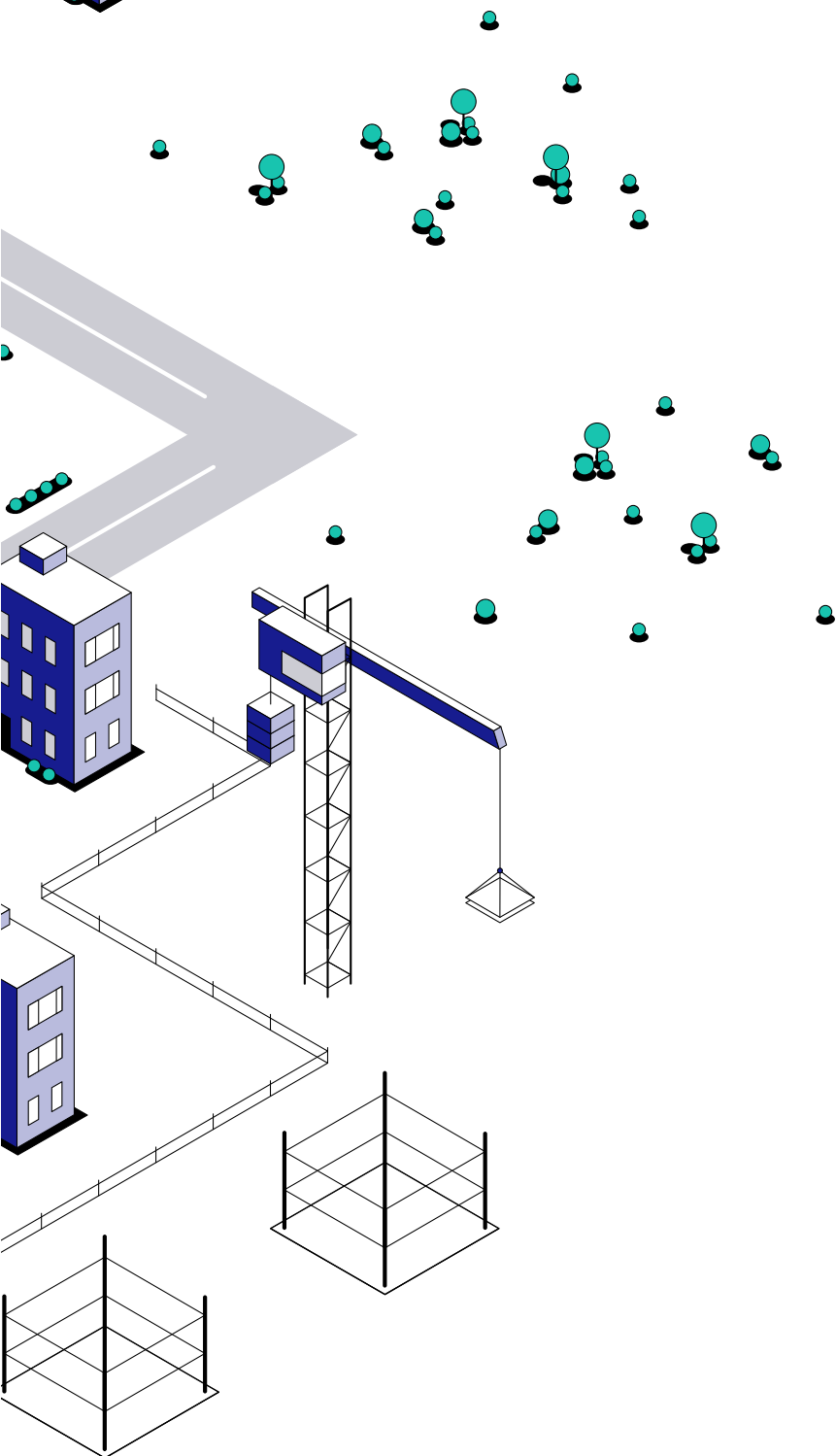
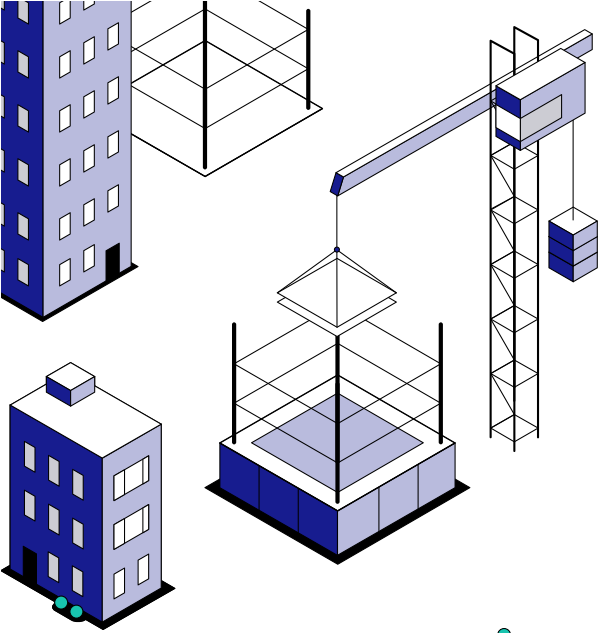


Annual Report 2024





GLOBAL GOING DIGITAL

INTRODUCTION TO N2N

Innovators Making a Difference

We are a leading managed services provider, specializing in capital market and network and infrastructure solutions. Established in 2000, we have become one of the largest providers in the Asia-Pacific region, with over 200 employees across 7 countries.

We are a global group with a strong brand committed to digitizing markets. Using cutting-edge technologies and smart architecture, we enhance value chains and innovate markets, continuously breaking barriers and setting new records.

We have digitized more than 300 brokers and served over 1 million users with our technology, empowering every broker to serve every trader.

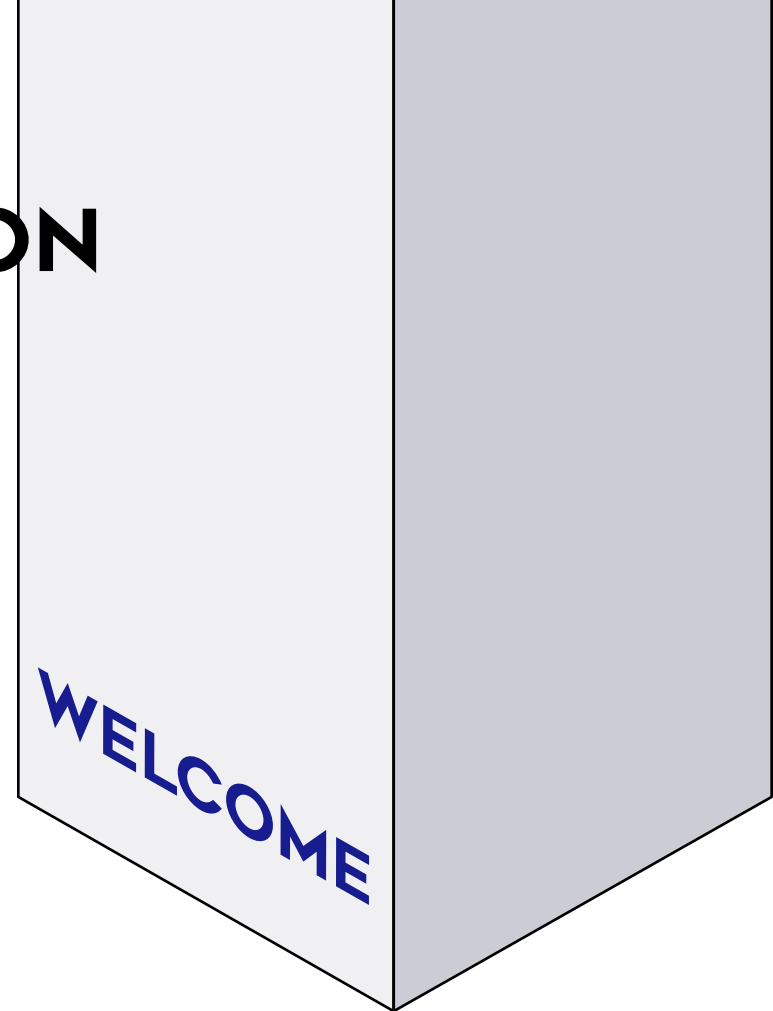
Empowering Markets with Technology

We are committed to innovation and offer a spectrum of solutions covering various aspects of the capital market, as well as end-to-end network and infrastructure services. These solutions are organized into the following business segments:

Capital Market Solutions

- **Trading Solution**

Trading Solution is a comprehensive trading platform that includes both front and back office functionalities, catering to multi-asset class, multi-market, and multi-currency trading. The platform is designed to provide all the necessary tools and features for seamless trading operations.



- **Information Terminal**

Information Terminal brings together real-time data from multiple markets and pairs it together with the latest fundamentals, news, analytics, charting, and communication tools to help stakeholders of the capital market make informed decisions.

- **Wealth & Asset Management Solution**

Wealth & Asset Management Solution provides a strong foundation that helps automate managed investment activities as well as provide a comprehensive, modern and fully integrated advisor and client experience. It is equipped with financial instruments and modules to help make investment resources more efficient, accurate and transparent.

- **Algorithmic Trading Solution**

Algorithmic Trading Solution simplifies trading complexities by automating strategies for consistent and reliable execution. With an array of indicators and strategies available, our solution helps to mitigate the risks that come with human intervention. Our platform

provides users with control, speed, and automation, along with automated positions and charting.

- **Market Maker Solution**

Market Maker Solution provides a compliant and regulated multi-asset solution that generates liquidity and depth for financial markets. Equipped with necessary tools and features such as automatic quoting, anti-arbitrage, and flexible algorithms, it allows for easy monitoring, simulation, and seizing of market opportunities.

NETWORK & INFRASTRUCTURE

- **Cloud**

Ngncloud is a next-generation cloud platform offering high-performance, scalable, and cost-efficient cloud solutions for businesses of all sizes. From on-demand cloud computing to dedicated Private Leased Lines for secure, high-speed connectivity, ngncloud provides flexible and reliable infrastructure for modern workloads. For organizations requiring on-premise control, Cloud Rack On-Site delivers a fully managed private cloud at any location, combining cloud agility with data sovereignty and compliance.

- **Connection**

Connection provides reliable and secure connectivity solutions such as dedicated internet access, leased lines, and international connectivity. Our solutions are designed to meet the growing demands of businesses for high-speed, flexible, scalable, and secure connections that are crucial for their day-to-day operations.

- **Security**

The Security business offers a range of customizable network security solutions that protect businesses from various cyber threats. These solutions include web app firewalls, SIEM, IPS, VPN, and DDoS protection, ensuring the confidentiality, integrity, and availability of crucial data. Our solutions are tailored to meet specific security requirements while ensuring compliance with industry regulations

and standards.

- **Data Centre**

Data Centre provides secure and reliable server hosting, management, and colocation services. Equipped with state-of-the-art facilities, our solutions ensure maximum uptime and redundancy, providing seamless support for business-critical applications. Our experienced team of experts ensures that all servers and equipment are maintained at the highest standard, allowing businesses to focus on their core activities.

- **Enterprise Application & Hardware**

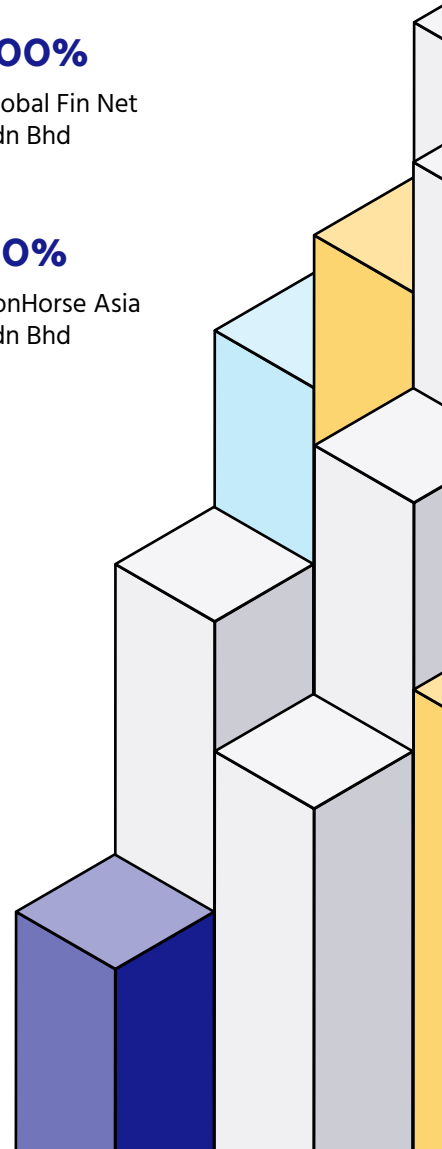
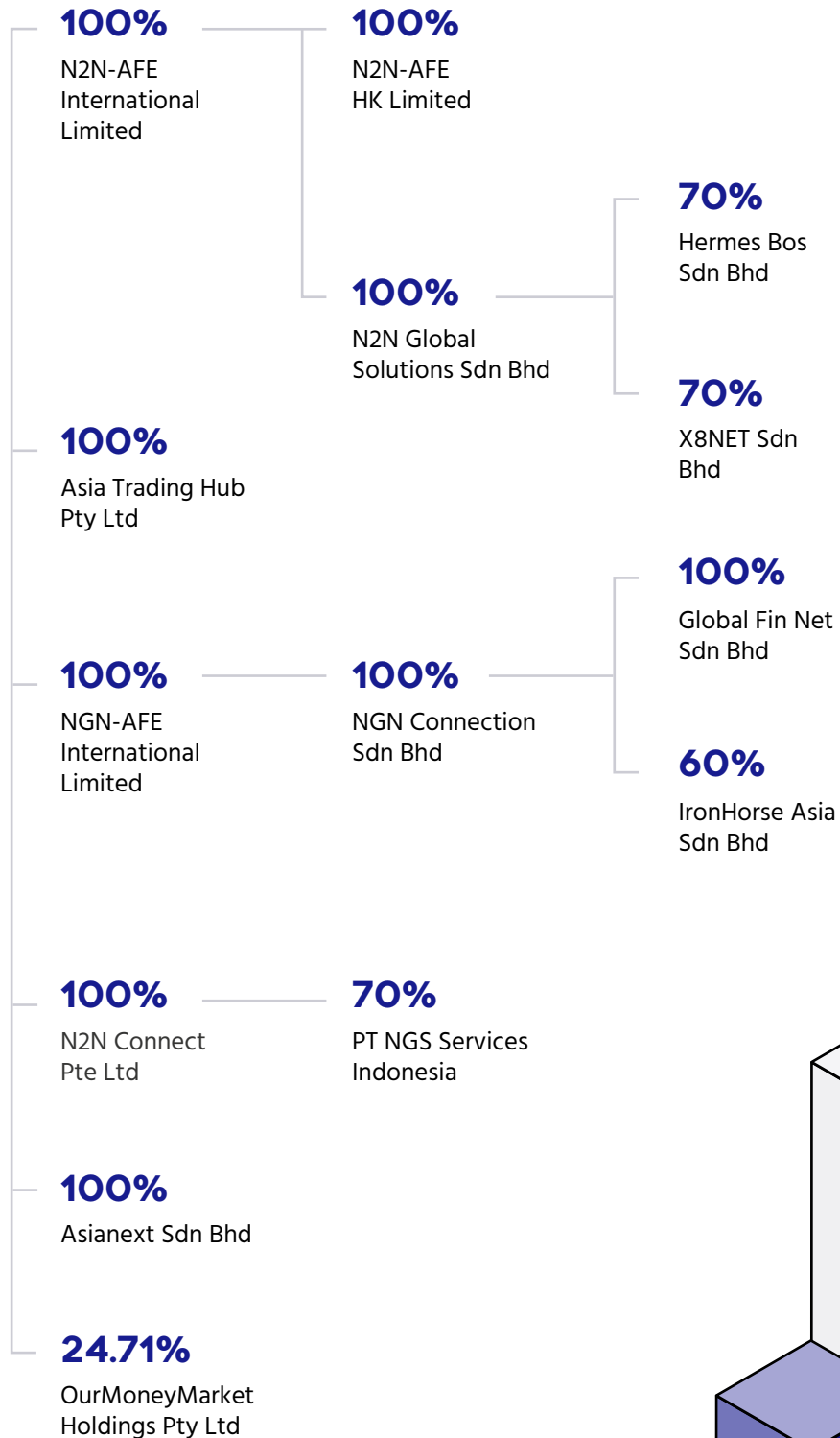
Enterprise Application & Hardware provides VoIP and IT application and hardware services to enhance and streamline business processes. Our VoIP solutions offer seamless communication with reliable and secure connectivity. Our IT application and hardware services provide end-to-end support for businesses to manage and optimize their operations.

ASIA-PACIFIC'S LEADING TECHNOLOGY AND COMMUNICATIONS PROVIDER

We use the brands below to represent the different solutions we provide:



CORPORATE STRUCTURE



Capital Market Solutions

- Asianext Sdn. Bhd.
- Hermes Bos Sdn. Bhd.
- N2N Connect Pte Ltd
- N2N-AFE International Limited and its subsidiaries, N2N Global Solutions Sdn. Bhd and N2N-AFE (Hong Kong) Limited
- Asia Trading Hub Pty Ltd

Wealth & Asset Management Solution

- PT NGS Services Indonesia

Network & Infrastructure

- Global Fin Net Sdn. Bhd.
- NGN-AFE International Limited and its subsidiary, NGN Connection Sdn. Bhd

Digital Creative Solutions

- X8NET Sdn. Bhd.

Peer-to-Peer Lending

- OurMoneyMarket Holdings Pty Ltd

Retail & Financial Business Solutions

- IronHorse Asia Sdn Bhd

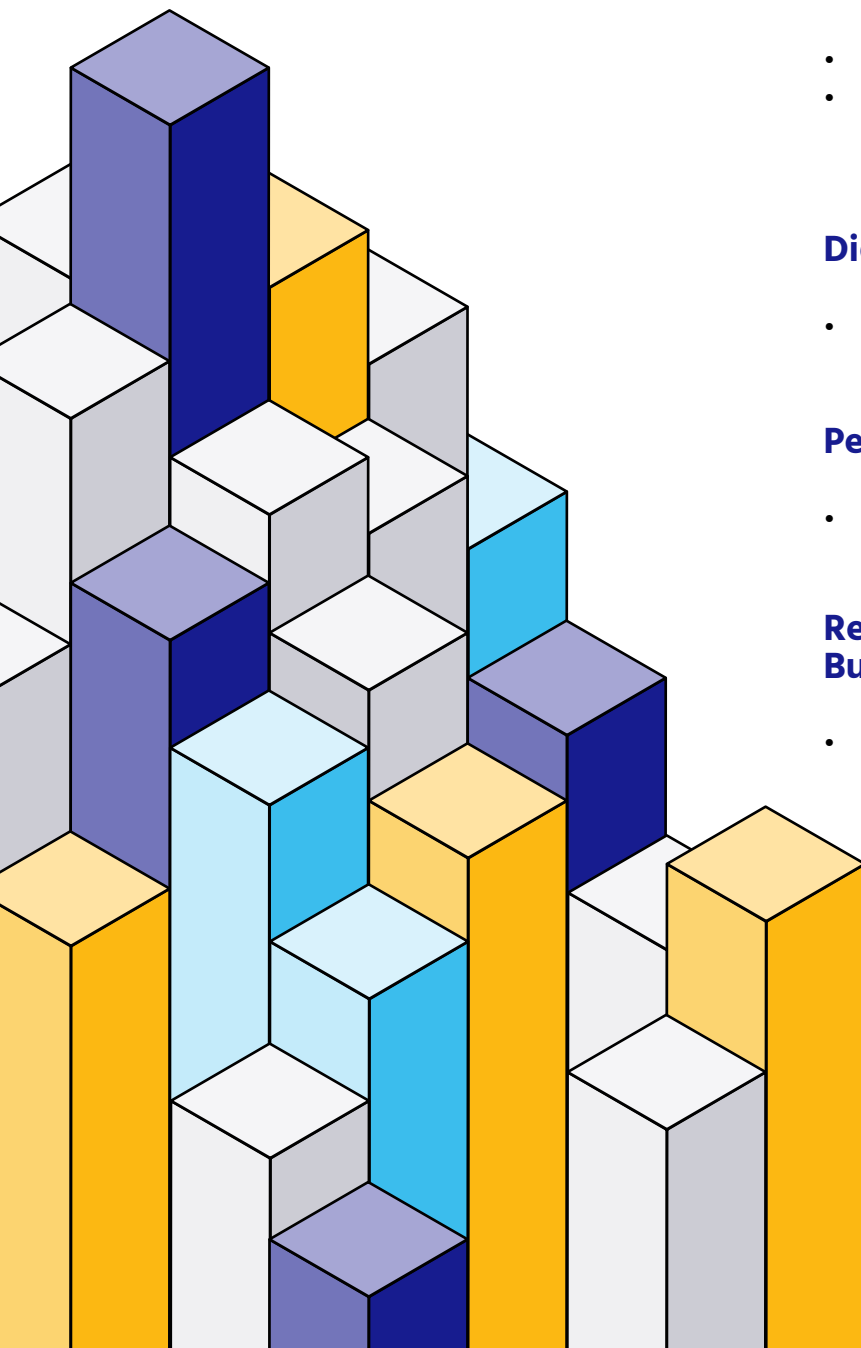
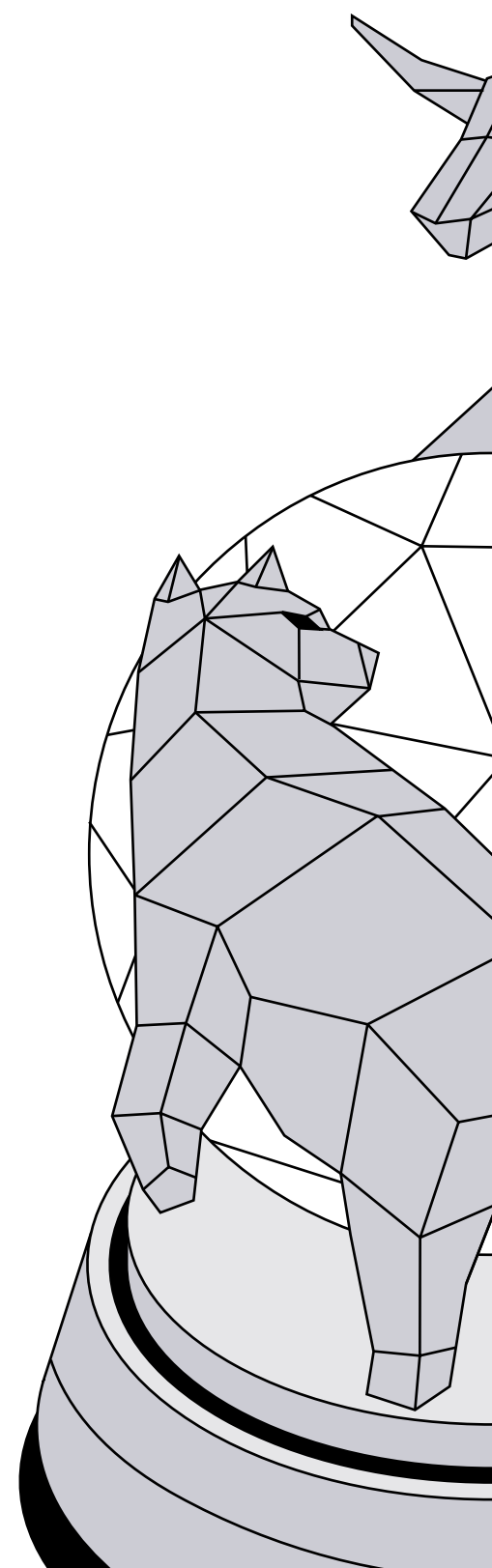


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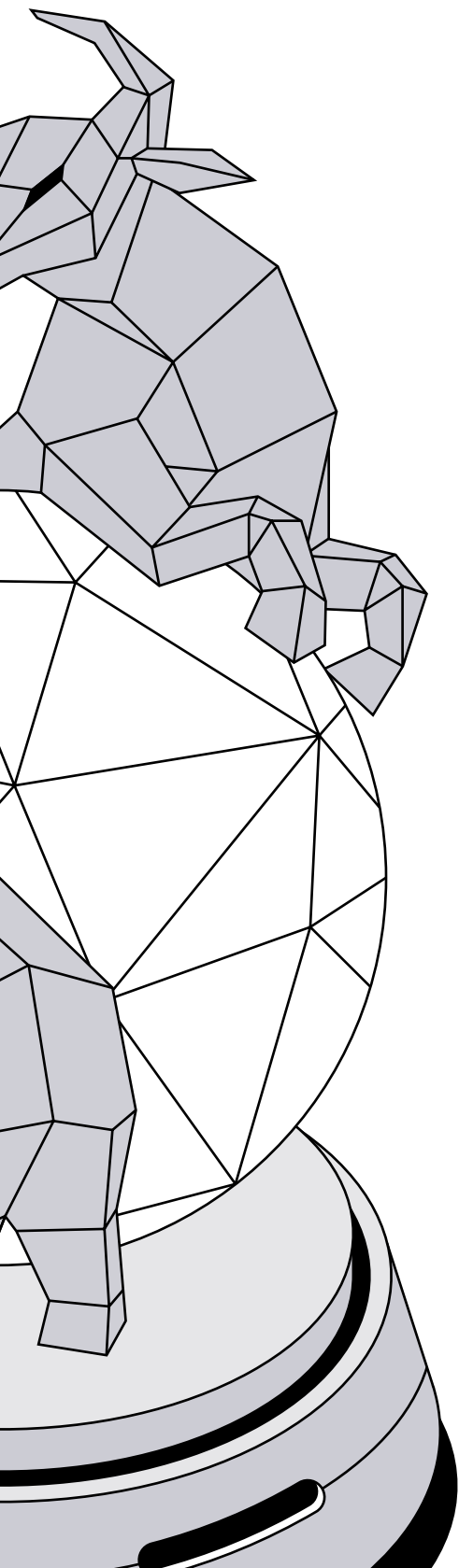
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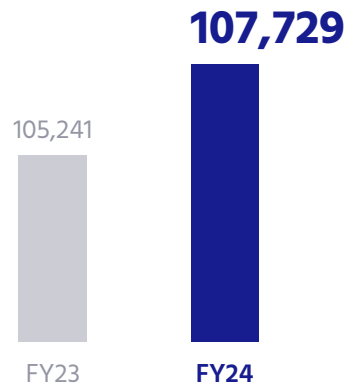


PERFORMANCE HIGHLIGHTS

At N2N, we continue to deliver solid performance, reflecting solid growth, strong profitability, and heightened shareholder value.

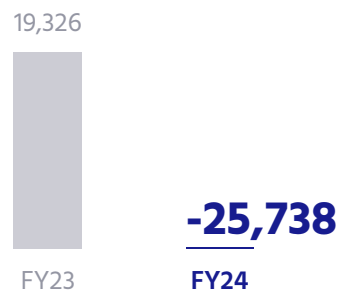
Revenue

(RM thousand)



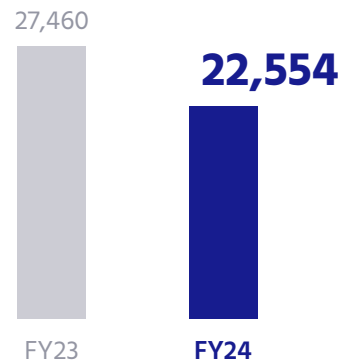
Profit/(Loss) Before Tax

(RM thousand)



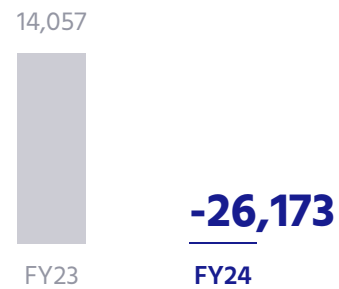
Earnings Before Interest, Tax, Depreciation and Amortization

(RM thousand)



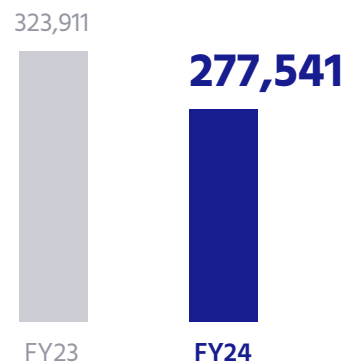
Profit Attributable to Owners of the Company

(RM thousand)



Total Assets

(RM thousand)



Key Metrics

We have identified and use key metrics in assessing the performance of our business and to make informed decisions regarding the allocation of resources. The metrics are fundamentally connected based on how our products and services are being used by our clients.

7.64M ringgit in Core Profit

Ringgit in Trading Value Done Through N2N **376B**

651B Shares Went Through N2N (Malaysia only)

Ringgit in Research & Development Investment **16.79M**

MANAGING DIRECTOR'S STATEMENT

"With the emergence of DeepSeek, capital markets are expected to go into high-gear in their adoption of AI-assisted trading. Fortunately, we had the foresight to embark on our own AI journey early, partnering with a leading specialist in AI quantum computing. Our next-generation AI trading platform will operate on a dedicated private cloud infrastructure, setting the stage for a transformative 2025.

2025 marks a pivotal moment in the evolution of our trading ecosystem. By harnessing the power of artificial intelligence, we are redefining precision, speed, and adaptability in financial markets. Our AI-driven platform doesn't just analyze data—it anticipates trends, learns from volatility, and empowers traders with insights previously beyond reach. This is more than an upgrade; it's a revolution designed to enhance decision-making, mitigate risk, and unlock real-time opportunities.

Welcome to the future of trading: smarter, sharper, and seamlessly ahead of the curve"

Dear fellow shareholders, colleagues, partners, and customers

2024 presented a challenging landscape for global markets, marked by stagnation and heightened uncertainty. The ongoing Russia-Ukraine war, compounded by escalating conflicts in the Middle East, further destabilized market sentiment. Malaysia's capital market saw its year-to-date gains erased post-year-end window dressing, while the rise of fintech brokers, with their discounted offerings and aggressive promotion of foreign trading, intensified pressure on traditional local brokers.

With the US likely entering a corrective phase, Malaysia must brace for ripple effects on our already fragile market. Europe will be at a crossroad, they will either be dragged down by aggressive US tariffs or stimulate its own economies amid dwindling reliance on US exports. Domestically, trading activity, a key driver of our financial performance, remains bound to US monetary policies, geopolitical tensions in Gaza and Ukraine, and shifting trade dynamics. To

navigate these headwinds, Malaysia will need to form deeper integration with Asia, particularly mainland China and ASEAN markets, in order to sustain and improve the economy.

Amid these external pressures, we have taken decisive steps to future-proof our competitiveness. Several years ago, we embarked on developing a next-generation trading platform, which is poised to launch in 2025. In line with prudent governance, the Board and Management opted to write off the book value of legacy systems, resulting in non-cash accounting losses for the year. While these measures impacted short-term financials, they underscore our commitment to robust accounting practices and long-term strategic transformation.

In 2024, we

- Launched ngncloud
- Launched a pilot of Asia Trading Hub
- Grew our trading solutions business in Hong Kong SAR, China
- Initiated a strategic project focused on artificial intelligence and quantitative trading

These are, without a doubt, major milestones in our preparation for the 2025 transformation. By enhancing our capabilities, we empower our clients to transform their offerings, elevating their competitiveness against fintech brokers and expanding their market reach.

The past year has been challenging, marked by uncertainty, but it has not derailed us from our goals. The board, management, and our entire team, remain committed on delivering value, serving the interests for our shareholders, clients, partners, and staff.

Financial Performance

For the fiscal year 2024, we recorded a loss after tax of RM 27 million due to an impairment loss on intangible assets, which came as a result of prudent accounting practices. Despite this, we achieved more than RM 108 million in revenue, more than RM 6 million in other income, more than RM 27 million in operating cash flow and returned more than RM 11 million to shareholders.

What it takes to stay ahead

At N2N, we uphold four core principles: leveraging technological innovation, embracing digitization's transformative power, offering an advanced suite of evolving products, and pursuing collaboration opportunities to better serve our industry, community, and society.

As we look ahead to 2025, the rollout of our new AI-assisted trading platform will unlock

new opportunities to attract clients looking for a competitive edge to stay ahead of the game. This platform will empower traders to capitalize on cross-border opportunities, catering to both inbound demand and outbound interests seeking trading gains and portfolio diversification.

Additionally, our newly established cloud data centers across key regions will facilitate seamless cross-border trading for retail, proprietary, and institutional clients, particularly those requiring more diversified asset allocations. These advancements position us to capture new revenue streams, ensuring sustainable growth even in a highly uncertain landscape.



Andrew Tiang,
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Overview

N2N is a globally recognized managed services provider, with a strong presence in the Asia-Pacific region, including Malaysia, Hong Kong SAR, China, Indonesia, Philippines, Singapore, Thailand, and Vietnam. With a team of over 200 experts, we service more than 300 clients with a diverse range of Capital Market and Network & Infrastructure solutions.

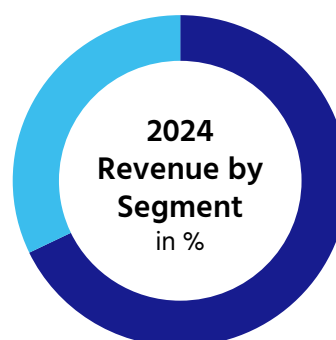
Our Capital Market Solutions segment, the core business of N2N, offers a comprehensive suite of end-to-end solutions in trading, information, wealth and asset management, algorithmic trading, and market making. Our solutions, delivered through a managed services model, cater to multiple assets, across multiple markets, and in multiple currencies, positioning us as the preferred solutions provider in the capital markets arena.

Our Network & Infrastructure segment offers a growing range of solutions for connection, security, data centre, enterprise application & hardware needs, and now, cloud, for businesses across various industries. Our one-stop network and communications solution has evolved into a significant player in the market, and our strategic partnerships with established providers such as TIME, MAXIS, Telekom Malaysia, and PCCW has enabled us to provide high-quality services with unmatched scalability, efficiency, and security. With the introduction of cloud solutions in FY2024, we are further enhancing our abilities to meet the evolving needs of the market.

At N2N, we remain committed to providing our clients with unparalleled service excellence while continuing to expand our digital capabilities,

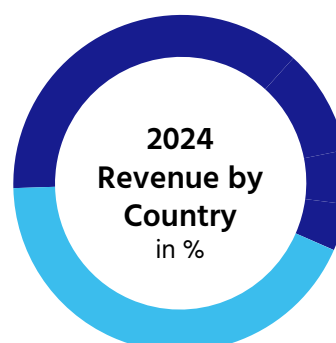
transform our operations and promote revenue growth. We are dedicated to creating value across businesses by offering our expertise with efficiency and scale.

Revenue Breakdown by Business



■ Capital Market Solutions	71%
■ Network & Infrastructure	29%

Revenue Breakdown by Region



■ Malaysia	46%
■ Regional	54%

Performance Measure

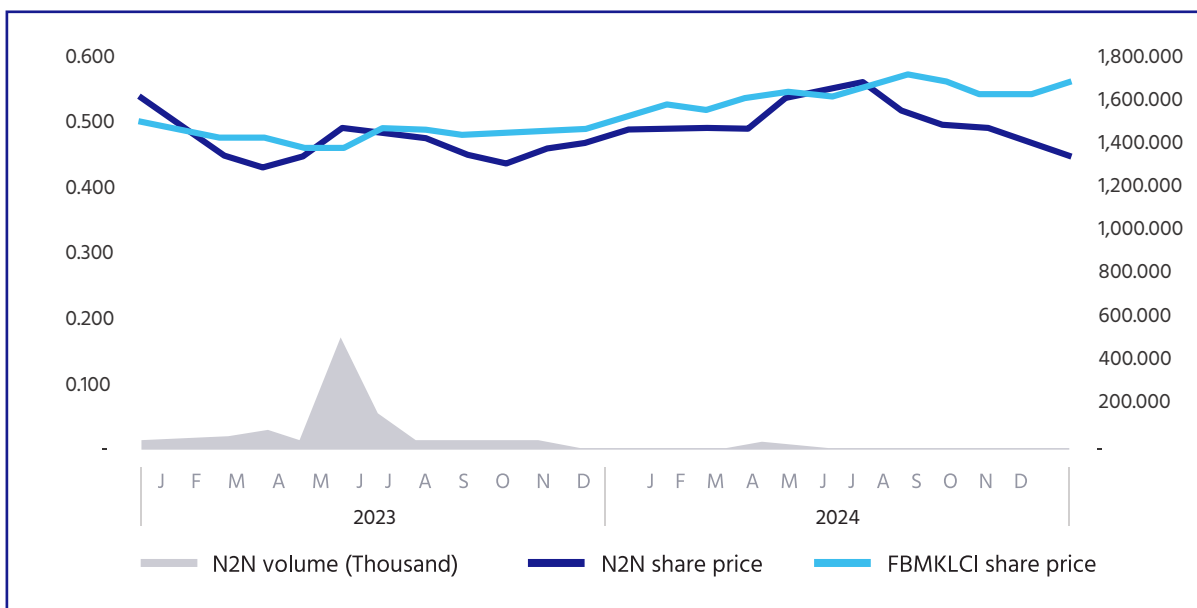
In 2024, global equities saw double-digit returns in the MSCI World Index and robust gains in the S&P 500, driven by the broadening AI boom, a resurgence in Asian markets, and business-friendly policies, despite significant volatility and geopolitical uncertainties. In Malaysia, the stock market rebounded strongly, driven by earnings growth, increased foreign direct investments (FDIs), and political stability, making it the best-performing market in ASEAN; however, volatility from events like the unwinding of the yen carry

trade and concerns over US-China trade tensions have left investors cautious about the coming year.

The performance graph shows the FBMKLCI Index finishing 2024 up 9%, and N2N’s closing share price ending the year down 4% at RM 0.45. N2N’s market capitalization was last recorded at RM 251.19 million as of 31 December 2024.

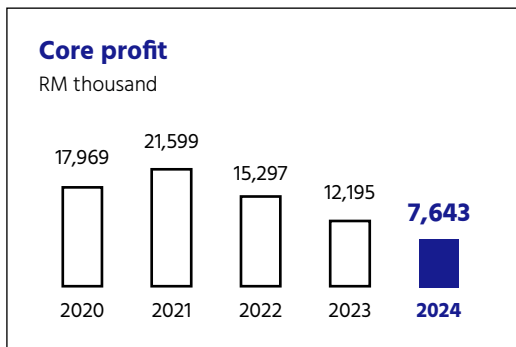
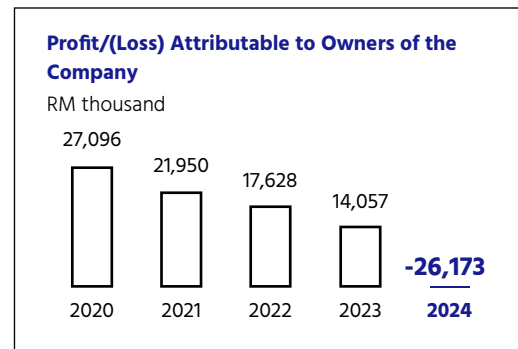
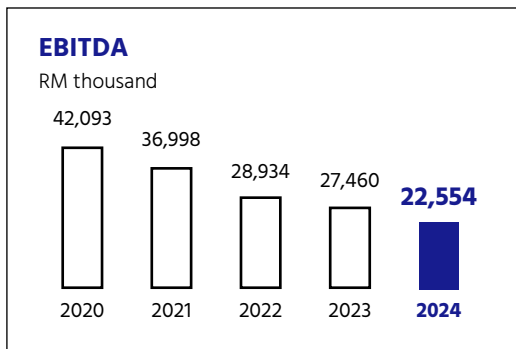
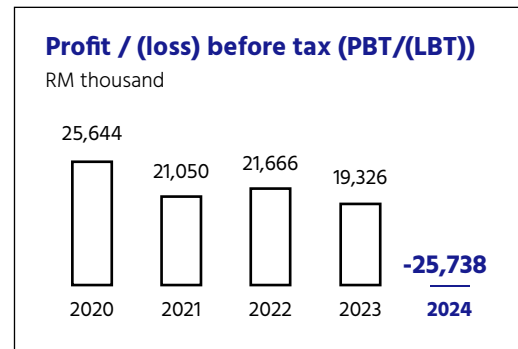
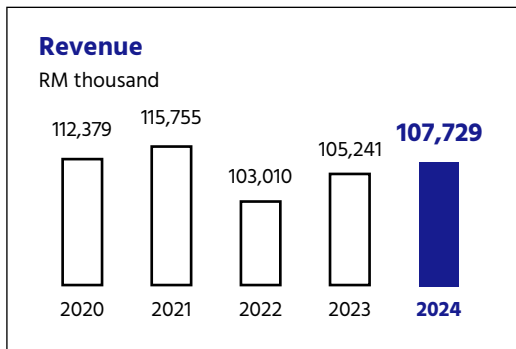
N2N Stock Market Data		2023	2024
in RM million, sen & %			
High		0.575	0.590
Low		0.420	0.410
Year-end share price		0.470	0.450
Change during year		4%	-4%
Change in the FBMKLCI		-1%	9%
Market capitalization (MYR million)		262.36	251.19

N2N vs. FBMKLCI Share Price Comparison (2023-2024)

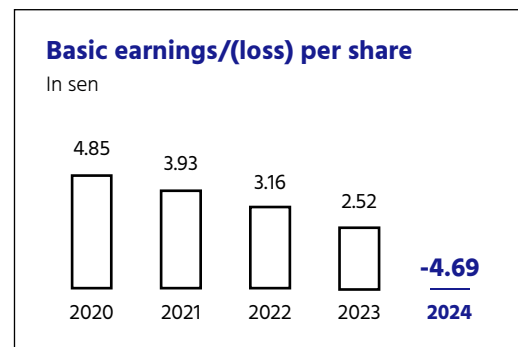
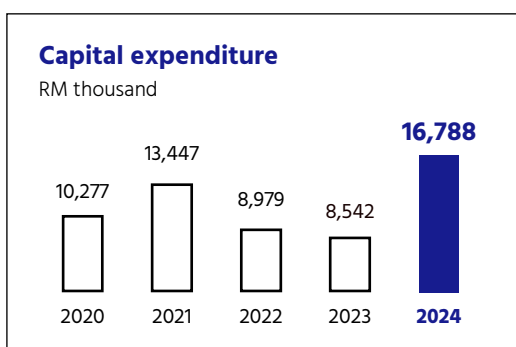


Note: The performance shown in the graph represents past performance and should not be considered an indication of future performance.

Financial Performance Measures (5 Years)



* **Core profit** represents the profits of N2N excluding unrealised gains/losses on foreign exchange and one-off taxes and penalties (which are not expected to recur). Core profit helps to provide a guide for assessment of N2N's actual performance arising from its normal business activities by excluding non-recurring gains or losses including unrealised gains and losses.



Review of Financial Performance

Revenue of N2N for the financial year ended 31 December 2024 amounted to RM 108 million, representing an increase of 2.4% from the previous year (2023: RM 105 million). The increase was mainly due to higher transaction based and managed services revenue.

MYR **108** million
Revenue

During the financial year 31 December 2024, N2N registered a loss of RM 26 million, representing a decrease of RM 45 million from the previous year (2023: Profit Before Tax RM 19 million). This decrease was mainly attributable to impairment loss on intangible assets, higher foreign exchange losses and higher operating expenses.

MYR **(26)** million
Loss before tax

Earnings before interest, tax, depreciation and amortization of N2N for the financial year ended 31 December 2024 amounted to RM 23 million, representing a year-on-year decrease of 17% (2023: RM 27 million). This was mainly attributable to higher operating expenses.

MYR **23** million
Earnings before interest, tax,
depreciation and amortization

Core profit of N2N for the financial year ended 31 December 2024 amounted to RM 8 million, representing a decrease of 37.3% from the previous year (2023: RM 12 million). This was primarily due to higher operating expenses, lower share of results from associate softened by higher revenue during the quarter.

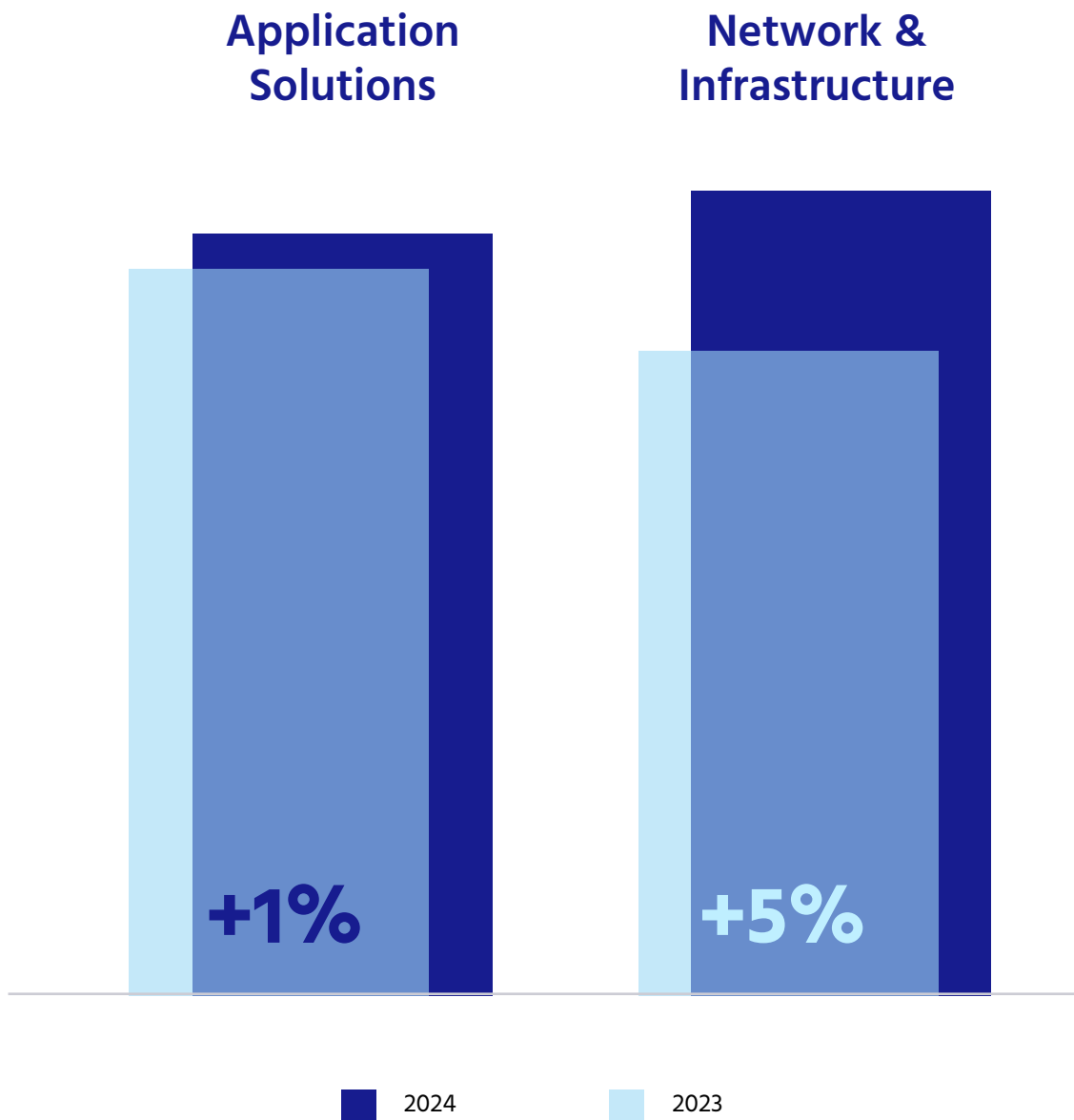
MYR **8** million
Core profit

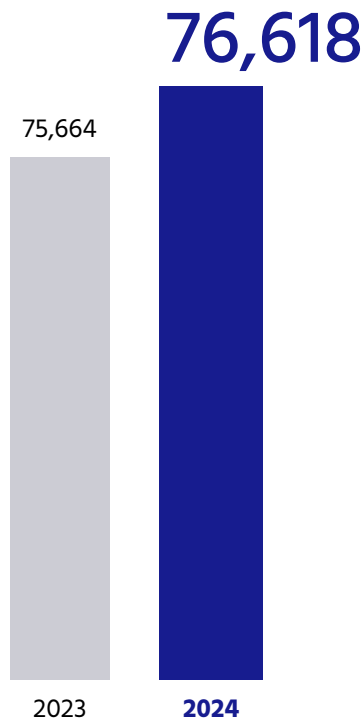
Capital expenditure of N2N in respect of property, plant and equipment, and computer software development cost in 2024 amounted to RM 17 million, representing a 97% increase from the previous year (2023: RM 9 million). We remain dedicated to pioneering research and development to stay ahead of industry trends, embracing cutting-edge technologies like AI and cloud computing.

MYR **17** million
Capital expenditure

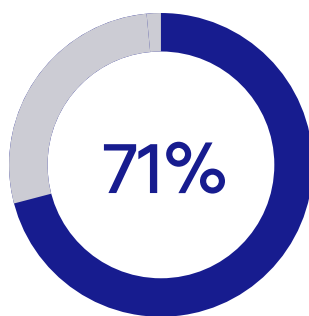
Segment Review

We report the financial performance of our business through geographic segments, as detailed on page 13. Additionally, the overall business performance can be analysed into two major service offerings: Application Solutions, and Network & Infrastructure. All reported amounts are consistent with our internal management reporting.





↑ 1.0%



Revenue Portion

Application Solutions

Our Application Solutions segment comprises products and services that bring all stakeholders of the capital market under one platform. This segment primarily consists:

- Trading Solution.
- Information Terminal.
- Wealth & Asset Management.
- Algorithmic Trading.
- Market Maker.

In FY2024, we achieved modest gains through implementation of enhancements in our regional business. These improvements deliver incremental value, to further expand our service and reach outside of Malaysia.

Moving forward, we are focusing on our next-generation Low Latency Gen2 platform, a highly scalable, cloud-enabled solution with integrated algorithms. This advanced trading platform features rapid broker and client onboarding capabilities and includes comprehensive AML and eKYC verification processes. In addition to this, the Asia Trading Hub will continue to transform cross-border brokerage operations, facilitating inter-broke connectivity and supporting multi-asset class trading across the region. We remain committed to meeting the evolving needs of capital markets by providing them with technology they want and need.

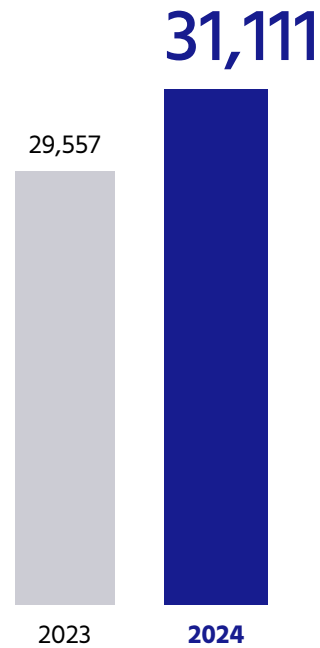
Financial Network Services

Our Network & Infrastructure segment comprises of enterprise network and infrastructure solutions over a managed services model. This segment primarily consists of:

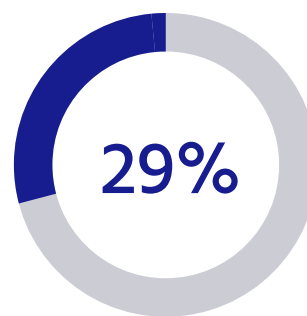
- Connection
- Security
- Data Centre
- Enterprise Application & Hardware

In FY2024, we successfully expanded our customer base through new product offerings and secured strategic partnerships with key anchor companies in Malaysia via our managed services. These achievements have reinforced our position as a trusted service provider in the region. A significant milestone was the launch of ngncloud, our next-generation cloud platform delivering high-performance, scalable, and cost-efficient solutions for businesses across all sizes.

Moving forward, we have set clear objectives to grow our non-broker segments. To accomplish this, we are implementing a focused vertical sales strategy targeting specific industries and customer segments, which will drive growth while diversifying our revenue streams. We will also intensify our efforts to promote ngncloud, capitalizing on the growing demand for cloud-based solutions in the region.



↑ 5.0%



Revenue Portion

Dividends & Dividend Policy

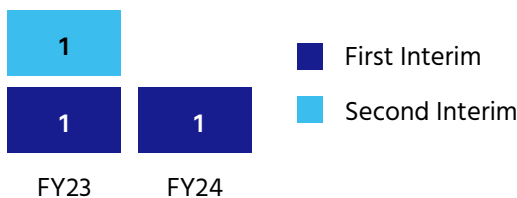
In line with N2N’s continued focus on shareholders’ returns, on 26 February 2024 and 22 August 2024, the Board of Directors declared interim dividends of 1 sen per ordinary share issued for the financial year ended 31 December 2023 and 31 December 2024 respectively.

N2N currently does not have a set dividend policy and continues to pay dividends based on the level of available funds, the amount of retained earnings, capital expenditure commitments, and other investment planning requirements.



Dividends per share

in sen



Risk Management

We are involved in providing a variety of managed services to an industry that revolves around the trading of debt and equity. Just like any other industry, the nature of our business carries with it a variety of common and unique risks that we face on a day-to-day basis. Risk is inherent in any business enterprise, and good risk management is an essential aspect of running a successful business. To help better understand and mitigate our risk exposures, our risks are categorized into three major quadrants- Financial Risk, Operational Risk and Strategic Risk.

Financial Risks

Financial risks generally refer to the possibility that a company’s cash flow will prove inadequate to meet its obligations. A company’s ability to meet its financial obligations can be affected by macroeconomic forces, changes to the market interest rates and availability of accessible credit.

The financial risks that we are exposed to are Market Risks and Credit Risks.

Market Risks	Description	Impact	Mitigation
Interest rate risk	Risk of volatility accompanying interest rate fluctuations due to fundamental factors such as central bank announcements related to changes in monetary policy	Rising interest expense leading to increased costs can deplete profits	The Group has minimum borrowing which only comprises of lease liabilities. The Group monitors closely on the debt to equity ratio to ensure it is well below 1.

Currency risk	Risk of a decline in the value in returns owing to the depreciation of the value of the domestic currency.	Weakening of RM increases cost and depletes profits	All foreign currencies are deposited into foreign denominated accounts and only converted to local currency when it is necessary.
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Credit Risks	Description	Impact	Mitigation
Credit default risk	Risk of customers not being able to meet their payment obligations	Costly trade receivable write-offs depleting profits	Close monitoring of trade receivables. Suspending services (if required) of defaulters to minimise risk exposure
Concentration risk	Risk of receivables being susceptible to a specific sector of the economy or business group that has slowed down	Costly trade receivable write-offs depleting profits	The Group consistently assesses the concentration risk by ensuring there is no reliance on a single customer in a region. The Group has a healthy spread of customer base in Malaysia, Singapore and Hong Kong.

Operational Risks

Operational risks refer to the risk of loss from internal or external factors that could disrupt the flow of a business' operations. Some of these factors include ineffective or failed internal processes, people, systems, or unforeseen external events.

The operational risks that we are exposed to are *IT disruption risks, data compromise risks, resilience risks, third party risks, conduct risks, regulatory risks, organizational change risks and process risks.*

Operational Risks	Description	Impact	Mitigation
IT disruption risks	Risk of IT systems failure	System disruptions increases cost owing to service credit claims, and potential loss of business	<p><u>Risk Mitigation Strategies:</u></p> <ol style="list-style-type: none"> 1. Network Operations Procedure 2. Server Patch Management 3. Cyber Security Incident Event Management 4. Client Backup Restore Procedure 5. Known Vulnerable Network Ports Assessment 6. Password Policy 7. Acceptable Use of IT Asset Policy 8. Access Control Policy 9. Anti-Malware Policy 10. Firewall Policy 11. Server Security Policy 12. Data Centre Access Policy 13. Client DR Failover Procedure 14. DDOS Mitigation Procedure

Data compromise risks	Risk of destruction or corruption of databases and/or leak of confidential information	Causes potential breach of contractual obligations, and loss of business	<p><i>Risk Mitigation Strategies:</i></p> <p>Item 1 – 12</p> <p>15. Acceptable Encryption Policy</p>
Resilience risks	Risk of the organization not being able to maintain acceptable service levels	Causes increased cost owing to service credit claims, loss of customer confidence, weakens company reputation, and potential loss of business	<p><i>Risk Mitigation Strategies:</i></p> <p>Items 1 – 5, 13</p> <p>16. Business Continuity Plan</p> <p>17. Change Management Procedure</p>
Third party risks	Risk of the organization experiencing adverse events (e.g., data breach, operational disruption, reputational damage) owing to outsource of services or use software(s) built by third-parties	Causes increased cost owing to service credit claims, loss of customer confidence, weakens company reputation, and potential loss of business	<p><i>Risk Mitigation Strategies:</i></p> <p>Items 5, 8 & 17</p> <p>18. Vendor Management Procedure</p> <p>19. Risk Management Procedure</p> <p>20. Release Management</p>
Conduct risks	Risk of any actions of employee(s) that lead to customer detriment	Causes potential costly indemnities	<p><i>Risk Mitigation Strategies:</i></p> <p>Items 3, 7, 8 & 17</p> <p>21. Network SOP-New & Resigned staff</p> <p>22. Termination and Resignation Policy</p> <p>23. Employee Code of Conduct /Handbook</p> <p>24. Source Codes Management Procedure</p> <p>25. IT Deviation Request Procedure</p>
Regulatory risks	Risk of not complying to regulations or having conditions applied (retrospectively or prospectively) that adversely impact the organization	Causes potential costly penalties, loss of business, and blacklisting that disrupts the continuity of the business	<p><i>Risk Mitigation Strategies:</i></p> <p>26. License management procedures</p>
Organizational change risks	Risk of another pandemic forcing shift from on-site work to work from home and/or employees falling ill	Shortage of manpower or reduced operational efficiency due to absenteeism.	<p><i>Risk Mitigation Strategies:</i></p> <p>Items 5, 8, 10, 16 & 19</p>
Process risks	Risk of financial losses and negative social performance related to failed internal business processes	Uncoordinated communication amongst teams that performs interdependent tasks	<p>27. Teams collaborative documentation tool</p> <p>28. Project management and tracking tool</p>

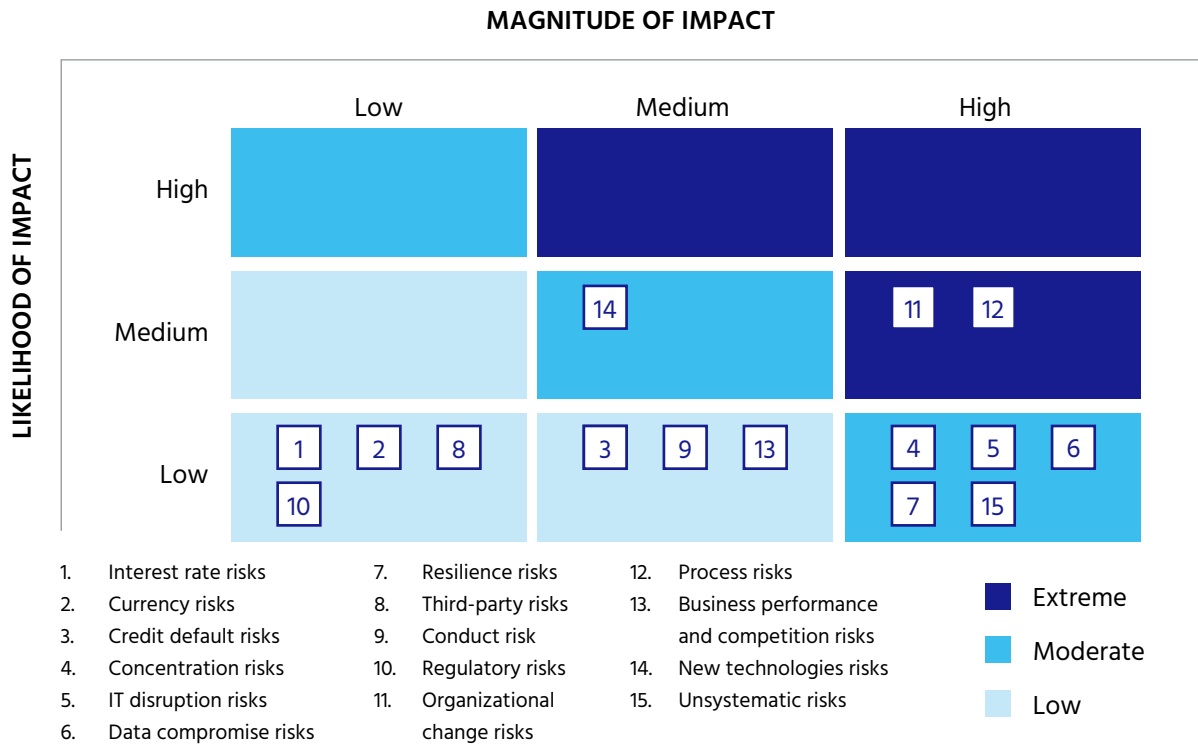
Strategic Risks

Strategic risks refer to the probability that an event or decision will interfere with a company's business model. They are often long-term, high-level and undermine the value proposition which attracts customers and generates profits.

The strategic risks that we are exposed to are business performance & competition risks, new technologies risks, and unsystematic risks.

Strategic Risks	Description	Impact	Mitigation
Business performance and competition risks	External factors that could either threaten or present opportunities to the organization's competitive position	Potential loss of business, and/or opportunity loss	<ol style="list-style-type: none"> 1. Continuous R&D of products 2. Seek new partnerships with other players to strengthen product positioning
New technologies risks	Advancements in new technology affecting the organization's ability to remain competitive	Potential loss of business, and/or opportunity loss	<ol style="list-style-type: none"> 3. Continuous R&D on emerging technologies and trends (e.g. blockchain) 4. Seek new partnerships with other technology players in the industry
Unsystematic risks	Uncertainty of brokers' sustainability amidst challenging global economic conditions	Potential loss of revenue in the event of brokers exiting the market and/or brokers consolidating/merging	<ol style="list-style-type: none"> 5. Diversification of product to serve a wider industry and reduce single industry focus. 6. Promote a new model with fees derived from a core system comprising order management and back office settlement functions – offering a reduced total cost of ownership to brokers

RISK PROFILE



Outlook and Plans Moving Forward

In 2025, N2N is positioned for transformative growth with the rollout of our new low-latency trading platform and the introduction of AI-driven trading strategies, developed in collaboration with a leading AI Quantum Computing company in China. The Asia Trading Hub, launched in Q4 2024, is expected to reach full operational capacity this year, further strengthening our regional presence.

Uncertainties persist, but we remain committed to growing our business segments and implementing plans to strengthen our position as a leading managed services provider. Our goal will always be to create and deliver long-term value for our stakeholders, including our people, shareholders, and communities.

Driving Growth Through Cloud & AI-Powered Solutions

N2N’s transformation into a cloud-based service unlocks new growth opportunities. The integration of AI-powered analytics aligns with growing demand, positioning us to serve a wider market segment beyond our current reach. While establishing our expanded presence will take time, the long-term outlook is positive.

Our strategic focus will focus on delivering a cloud-based, AI-assisted trading and settlement services, alongside a wider range of outsourced managed services across the region. This includes supporting additional exchanges, such as the fast-growing crypto segment, which has seen significant expansion over the past three years.

The shift to a cloud-based data center also enhances our Network & Infrastructure segment, attracting growing interest from clients outside the capital market. We anticipate sustained growth in this segment in the years ahead.

Launching the Next-Generation Trading Platform

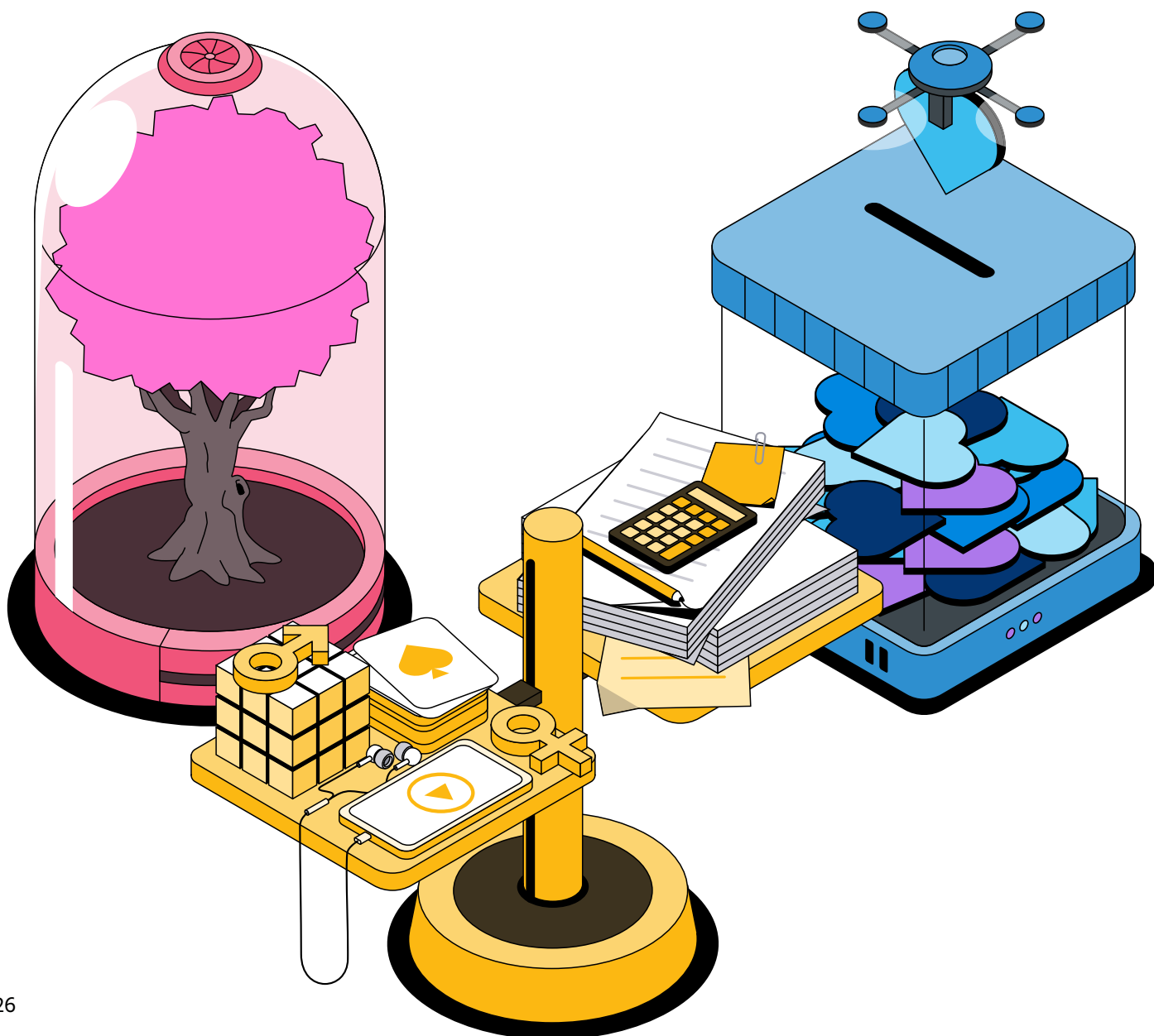
This year marks the launch of our next-generation trading platform, designed to support new technology such as, ultra-low latency execution and AI-driven trading strategies. This technological leap forward will significantly reduce support requirements compared to our legacy systems while accelerating development cycles and streamlining client onboarding.

By combining cutting-edge performance with intelligent automation, we are empowering our partners with sophisticated tools to enhance their trading operations and drive business growth. This initiative underscores our commitment to continuous innovation, equipping our clients with the advanced capabilities they need to succeed in today's dynamic markets.

Based on the above outlooks and moving forward strategies, we remain cautiously optimistic about the Group's performance in the coming financial year.

SUSTAINABILITY STATEMENT

LOVE
PLAY
CARE



Our LOVEPLAYCARE Initiative

We believe that a good business is more than just financial growth; it's also about doing good for communities and having a positive impact on the world. Our corporate sustainability approach was built upon a long-term commitment to love the environment, play the role of the company well and care for the community.



LOVE

THE ENVIRONMENT

The environment that surrounds us affects everything from human health to the well-being of wildlife, and vice versa, humans can also affect it. Recognizing this dynamic, we have created a sustainability initiative to love the environment.

We recognize the direct impact our business operations have on the environment and the importance of minimizing it for the future of our planet.

We are committed to making and promoting environmentally sustainable practices throughout our supply chains to help reduce our carbon footprint, combat climate change, and protect our environment.



PLAY

THE ROLE OF THE
COMPANY WELL

The success of a business is not just about achieving financial goals; it's also about how those goals are achieved. Recognizing our responsibilities as a business, we have created this sustainability initiative to play the role of the company well.

We understand that being a good company involves fostering an inclusive and productive environment for our employees, conducting business in an ethical manner, and maintaining shareholder confidence.

We are committed, as a key market player, to set the tone for sustainable corporate governance, transparency, advocacy, engagement, and inclusivity.



CARE

FOR THE COMMUNITY

The positive contributions we make to the communities we are a part of help to address global challenges like inequity and sustainable innovation. Acknowledging our ability to shape communities, we created this sustainability initiative to care for the community.

We each have a role we can play, and no effort that goes towards supporting our shared future is too small to notice. We use the great technology we have and our market position to help build a society where everyone wins.

We are committed to promote a healthy community that brings the world closer together; creating sustainable solutions that care for our people, direct community, and broader society.



Love the environment

Sustainability begins from the ground up. That means incorporating a sustainability-first approach across our value chains and making efficient resource allocation decisions to reduce our carbon footprint, combat climate change, and protect our environment.





We acknowledge the importance of minimizing the environmental impacts caused by our day-to-day operations as well as the opportunity for us to use our position and technology do something about it. We incorporate environmental sustainability practices into our operations and around our communities, putting actions towards our commitments.

One tree at a time

Trees are an important aspect of the environment not only because they are responsible for 28% of all oxygen in the air, but also because they help clean the air we breathe, filter the water we drink, and are habitat to the world's terrestrial biodiversity. Alongside staff members and the local community, we planted neem trees around neighbourhoods to help improve soil conditions, rehabilitate degraded land and reduce the effects of climate change.

Reducing energy consumption

The impact of energy production and consumption by humans on the environment are generally well documented, directly affecting air, water and climate through greenhouse gas emissions. At N2N, we are committed to reducing our energy consumption across our offices- regularly monitoring our energy consumption and opting for alternative technology or restructuring our workflow to be as energy-efficient as possible. Some of the measures we have taken to help reduce our environmental footprint include:

-  Daily monitoring of air-conditioning usage
-  Switching to energy-efficient light-emitting diode lighting
-  Sleep mode for office equipment
-  Educating employees to be energy-conscious

Giving back to the environment

Donations help in so many ways, and every little bit counts. We frequently make donations to charitable organizations that provide high-impact help to the environment so that they can run the activities they need to achieve their goals. Every organization we donate to improves the planet we live in in a myriad of different ways.

Managing & reducing waste

The nature of our business generally does not carry a high waste footprint as we do not produce any goods or materials. Despite this, we recognize the importance of proper waste management for a more environmentally-friendly society and have adopted practices and initiatives in our offices to help reduce general office waste output. In our offices, we practice and perform the 3Rs, educate employees on waste disposal practices, and also take part in a program for recycling office waste.

RECYCLE FOR GOOD



N2N has been working with LovelyDisabledHome since 2016 for the disposal & recycling of office waste and protection and job opportunity for the differently-abled. We work with LovelyDisabledHome to recover and collect items such as paper, aluminium, electric appliances, iron, plastic and clothing.

Digitizing the workplace

The introduction of new technology in modern day society is dramatically changing the way we interact, connect and collaborate in the office. Embracing the digital era, we transformed our workplace and modified internal processes to focus on the adoption of technology that help make the office more eco-friendly. We employed AI to help manage and store internal documents, favour electronic means of communication where possible, and introduced a hybrid working model that helps to reduce greenhouse gas emissions at the office and from traveling.



Play the role of the company well

It is apparent in the way we engage with our employees, enforce ethical business practice, maintain shareholder confidence, and promote growth and development. As a key market player, we set the tone when it comes to sustainable corporate governance, transparency, advocacy, engagement and inclusivity.

We know that part of being a good company is also about how we foster an inclusive and productive environment for our people, do business the right way, and maintain shareholder confidence. Our inherent role as a company includes an employee-first approach, sustainable corporate governance, and shareholder value enhancement.

A workplace focused on people

We firmly believe that the environment in which people work can influence their behavior and motivation to act. With this in mind, we have designed a workplace that includes facilities and open spaces that inspire collaboration, spark dialogue, and promote work-life balance. We accomplish this by providing entertainment and amenities that bring people together in a playful and casual manner, while also allowing for effective group discussions that lead to big ideas.

Diversity & inclusion

Diversity and inclusion are fundamental to the workplace for high-performing and healthy teams. We value the unique contributions that people with different backgrounds, experiences, and perspectives bring to the table, and we strive to harness the power of those differences to create a sustainable business.

We are committed to providing equal opportunities for everyone, regardless of their background, perspective, gender identity, ethnicity, age, education, or ability. We embrace and celebrate the strengths that come with diversity, as we believe that they are the building blocks of a stronger and more inclusive community.

Healthcare for our people

We believe that our people are our most valuable asset, and we prioritize their health and well-being. That's why we have developed the LOVEPLAYCARE initiative, which offers a suite of health and wellness benefits to our employees. This includes coverage for medical, hospitalization, dental, and optical services, as well as the provision of fresh fruits to promote a healthy lifestyle."

29%
of N2N staff are females

22%
of female N2N staff
hold managerial or technical positions

10+
We hire people from 11 different
countries with 40% of our staff
located outside of Malaysia.

450+
employees took part in our training
and development programs

Training & development

We are proud to have a team of people who embody a growth mindset, valuing improvement, learning from failure, and embracing new ideas and challenges. We are committed to investing in their ongoing learning and development, as we believe that it not only benefits their personal growth but also helps us achieve our organizational goals.

To achieve this, we regularly organize a range of learning opportunities, including internal knowledge-sharing sessions, formal training courses, and personal development programs. These opportunities aim to inspire leadership, confidence, and capability in our people, assisting them in their current roles and future career development.

Doing business the right way

We recognise that sustainable and ethical business conduct is crucial to maintaining a positive reputation, which in turn helps protect and enhance shareholder value. That's why our Board and management are committed to upholding high standards of corporate governance. We have developed a range of materials, including key principles, policies, committee charters, and a code of conduct, to help enforce these commitments and ensure that our business is conducted with integrity and transparency.

Available on our corporate website are the following corporate governance materials, which set out further the standards we adhere ourselves to:

- **Anti-Bribery & Anti-Corruption**
- **Board Charter**
- **Code of Business Conduct for Contractors & Suppliers**
- **Code of Conduct for Board of Directors**
- **Corporate Governance Reports**
- **Employee's Code of Conduct & Ethics Policy**
- **Nomination and Remuneration Committee Charter**
- **Remuneration Policy and Procedures for Directors and Senior Management**

- **Terms of Reference of Audit Committee**
- **Whistleblowing Policy**

🔗 Further information regarding our various corporate governance materials can be found at: n2nconnect.com/corporate-governance.html

Protecting our clients' data

The trust our clients place in us is crucial to our success. That's why we are committed to using stringent cybersecurity measures and handling data responsibly, transparently, and with consent. We have a robust cybersecurity framework that is regularly reviewed to ensure that our data processing methodology complies with legal obligations, prevents unauthorized data use, and enhances data protection.

To stay ahead of security threats, we continuously invest in our security capabilities, including maintaining and enhancing existing technology and deploying new ones. While it's impossible to mitigate all cyber risks, it's crucial that we take action to maintain our customers' trust.

When it comes to data protection, we follow industry-recognized standards such as the Personal Data Protection Act 2010 and the ISO27001:2013 standard.

Robust earnings

As a Group, we recognize our responsibility to the people who own and support our business. That's why we are committed to pursuing sustainable growth and delivering attractive returns to our shareholders, which helps to increase our reputation and value. We achieve our economic goals through constant innovation, effective capital management, and by setting and reviewing our commitments to ensure that we remain accountable.

PROFIT/(LOSS) OVER THE PAST THREE YEARS In RM thousand and sen	2022	2023	2024
Profit / (Loss) before tax	21,666	19,326	(25,738)
Profit / (Loss) after tax	18,732	13,732	(26,511)
Core profit	15,297	12,195	7,643
Net dividend per share (sen)	2.0	2.0	1.0

Supporting local suppliers

In line with the current market shifts towards circular value chains, greater transparency, and increased sustainability from businesses, we have established and integrated a Code of Business Conduct for Contractors & Suppliers into our supplier due diligence process. This Code helps guide us in sourcing from contractors and suppliers who align with our values and policies, promoting and advocating for more responsible supply chain conduct.

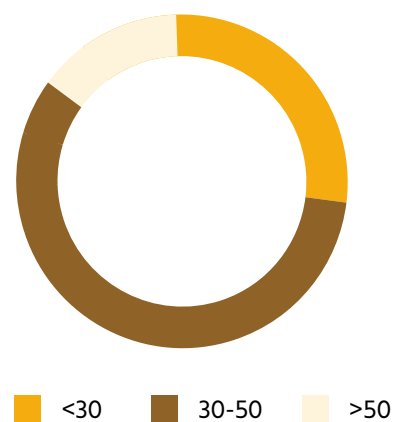
Engaging with suppliers is an important way in which we can have a positive impact on communities. We aim to improve the lives of people who use our products and those who help make them by ensuring that our supply chain partners meet high ethical and sustainability standards. Through this approach, we can work together to create a more responsible and sustainable future for all.

Information regarding our Code of Business Conduct for Contractors & Suppliers can be found at: n2nconnect.com/corporate-governance.html

Internship & student opportunities

There is value in experience. Internships and student opportunities means investing into the future of potential new talents and leaders as well as ours. We offer internship programs and work with universities to help provide students meaningful work, professional development as well as early experience into our industry and the working world.

N2N Group Age Distribution



100+
internships provided since 2007

90%
of our top 10 clients have been
with us for 10+ years



Play the role of the company well

The positive contributions we make to the communities we are a part of goes towards supporting our shared future. We recognize that we have a social responsibility to the communities around us, and so we use the great technology we have and our market position to help build a society where everyone wins.

We are committed to promote a healthy community that brings the world closer together. We proudly collaborate with industry leaders and non-governmental organizations (NGOs) as well as reinvest revenue back into the community to create sustainable solutions that care for our people, direct community, and broader society.

Promoting trading literacy

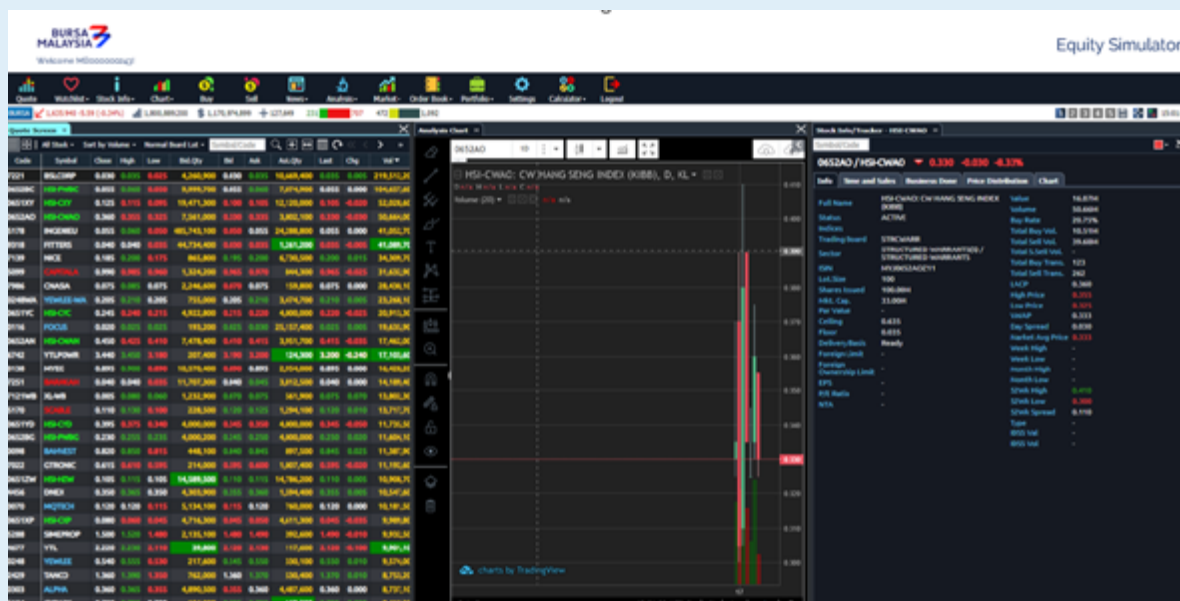
Everyone should be given equal opportunity to equip themselves with all the necessary skills to help them live a better life, including learning about trading/investing as an option to help them manage and grow their finances.

Together with industry leaders and our clients, we organize and support educational events such as Exchange-led stock challenges to help close the knowledge gap that is often associated with our industry. Our approach is to simplify the technicalities of our industry in a fun, pressure-free manner, to help kickstart everyone’s investment journey.

Technology for people

We have been developing products and solutions that empower people with technology since 2000. From the first desktop platforms to modern day web and mobile-based platforms, an apparent theme throughout all our designs is the necessity to connect people, enabling trading without borders, anytime, anywhere.

As a leading innovator within our field, we recognize the innate responsibility we have to use good technology to serve and improve the community around us. Following-through on our commitments, we consistently invest in research & development to help innovate and explore next-generation technology that will help us better connect people and markets.



Powering the Bursa Inter-Varsity Stock Challenge

Since 2022, N2N has been the technology provider powering the Bursa Inter-Varsity Stock Challenge (BISC), an annual 3-month stock trading competition designed to challenge university students to achieve good returns through stock investing.

11,200+

Youth empowered through BISC

Supporting the differently-abled

The differently-abled are more affected by their social environment than their bodies. At N2N, we believe that every human being has something special within them, as well as weaknesses. We want to help differently-abled individuals be treated and accepted as regular members of society, to be seen and interacted with as equals, and to focus on their strengths rather than their weaknesses. We are committed to providing opportunities that allow them to contribute to society like everyone else.

Since 2016, we have been actively working with LovelyDisabledHome to provide job opportunities for individuals with physical and mental disabilities. This includes selling their homemade products and utilizing their recycling centers.



Blood donation events

Safe blood saves lives. There is a constant global need for a regular supply of blood to help those who need it, such as women with complications during pregnancy and childbirth, children with severe anaemia, accident victims and surgical and cancer patients.

Recognizing the importance of giving blood and how it can save lives, we partner with Pusat Darah Malaysia to regularly organize and host blood donations 3 times a year at our headquarters. The blood donations are open to the public, and we

also partner with organizations to help provide incentives that encourage people to donate blood.

Charity for good

We help one another because it's the right thing to do. We believe in giving back to the community and supporting those in need. Every year, we commit a portion of our revenue to support charities that address issues such as disaster relief, hunger, poverty, and education. Some of the organizations we have supported in the past include the Red Cross, UNICEF, and local food banks. We are proud to be able to make a positive impact on the world and will continue to support these causes in the future.

10+

N2N has donated to charities and NGOs

23%

R&D staff to total staff count

15.6%

of Total Revenue re-invested in R&D

OUR STAKEHOLDER ENGAGEMENT

N2N incorporates and promotes sustainable goals economically, environmentally, and socially across business operations; maintaining high standards of conduct and maximising long-term value creation for the benefit of stakeholders.

We are committed to our sustainability goals, and maintain effective communication and understanding with all employees and stakeholders involved to make sure that we meet them.

Our ongoing stakeholder engagements:

	Ongoing engagements	Objective
GOVERNMENT AND REGULATORY AUTHORITIES	▶ Meetings and engagements through trade associations and chambers of commerce	To ensure our business operations comply with local authorities' rules and regulations.
CUSTOMERS	▶ Regular client visits, dedicated account teams, and customer experience centre	To ensure customer satisfaction with our products and services To provide prompt and efficient assistance to customers
EMPLOYEES	▶ Staff training, frequent employee communications, health and safety communication programs, community conversations, and employee well-being programs	To ensure the workplace is a safe and inclusive space for all employees. To provide continuous training and up-skilling for better performance and career development
SUPPLIERS	▶ Regular review of major suppliers to provide service delivery feedback and areas of improvement for the mutual benefit of both parties	To ensure two-way value creation with suppliers To achieve a sustainable supply chain
NON-GOVERNMENTAL ORGANISATIONS (NGOS), INVESTORS AND ANALYST	▶ On-going dialogue with NGOs and charitable organisations Announcement to Bursa Securities, general meetings, corporate website and on-going dialogues with investors and analysts	To develop initiatives to benefit the people and the community To generate shareholder return on a sustainable basis To report financial results on quarterly and annual basis To make announcements to Bursa Securities about the Group's major activities
MEDIA	▶ Regular engagement with the media about N2N and the industry's development	To provide an update on N2N's activities, initiatives and moving forward plans

BOARD OF DIRECTORS

CHUA HOCK SENG

Chairman, Independent
Non-Executive Director

77

MALE

MALAYSIAN

Joined N2N on 25 November 2020.

He holds a diploma in Business Studies from the City of London College and served as Co-Founder at Noone & Co, Co-Founder at Halim Securities Sdn Bhd, Director at The Malaysia Capital Fund Ltd, a member of the Consultant Advisory Board of Bridge Group International Ltd, Business Developments and Advisory at K&N Kenanga Bhd / Investment Bank, and a member of the Main Committee, the SCAN Board, and the various subcommittees of Bursa Malaysia.

He does not hold any directorships on the board of other public companies in Malaysia. He has no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

TIANG BOON HWA

Managing Director,
Founder

62

MALE

SINGAPOREAN

Joined N2N on 24 August 2000

He holds a diploma in Computer Studies from the City & Guilds of London Institute and served as Senior Management Consultant at Deloitte Haskins & Sells, Head of Regional IT Audit for the South Asian Region at Citibank N.A., Product Consultant at Computer Associates Singapore, Managing Director at Computer Associates Malaysia and Brunei, Regional Director at i2 Technologies Pte Ltd, and General Manager at Exact Software Asia Development Centre Sdn Bhd. He is also an adjunct professor at the Management and Science University, Malaysia. He is currently a member of the Risk Management Committee of N2N.

He is the spouse of Mdm. Lai Su Ping.

He does not hold any directorships on the board of other public companies in Malaysia. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

LAI SU PING

Non-Independent
Executive Director, Founder

54

FEMALE

MALAYSIAN

Joined N2N on 10 August 2000

She holds a diploma from the Chartered Institute of Marketing and served as a Marketing Executive at Yonex Sdn Bhd, Project Executive at Kumpulan Jetson Bhd, and Channel Manager at Computer Associates Sdn Bhd. She is currently the Chairman of the Option Committee of N2N.

She is the spouse of Mr. Tiang Boon Hwa.

She does not hold any directorships on the board of other public companies in Malaysia. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, she has not been convicted for any offences, other than traffic offences, if any.

ELAINE FOONG SOOI JADE

Independent
Non-Executive Director

49

FEMALE

MALAYSIAN

Joined N2N on 15 March 2016.

She is a fellow member of The Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA). She served as Head of Finance at N2N Connect Bhd, a member of the Audit and Assurance division at Messrs. KPMG Malaysia, Audit Team Lead at Messrs. Chio Lim & Associates Singapore, and Chief Trainer at Pinoki Brain Training Network. She is currently the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee, the Option Committee, and the Risk Management Committee of N2N.

She does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, she has not been convicted for any offences, other than traffic offences, if any.

GOH CHING CHEE

Independent
Non-Executive Director

65

MALE

MALAYSIAN

Joined N2N on 5 January 2018.

He holds qualifications in Computer Programming and Information Processing from both the City & Guilds of London Institute and Mensa Institute of Computer Studies, qualifications from the Institute of Data Processing Management and Institut Bank Bank Malaysia, and served as both the Executive Vice President and Managing Director of Mortgage Business at Citibank for Malaysia and Thailand, and the Business Development Head at Zenith Properties. He is currently the Chairman of the Risk Management Committee, a member of the Nomination and Remuneration Committee, and the Audit Committee of N2N. He also sits on the board of India International Bank (Malaysia) Bhd.

He has no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

DATO' SIM KIA JU

Independent
Non-Executive Director

62

MALE

MALAYSIAN

Joined N2N on 26 January 2022.

He holds a bachelor's degree in Mathematics from Queen Mary College, University of London, and is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW). He served as Audit Senior at Leigh Carr Chartered Accountants, Audit Manager at both Whiteleys Chartered Certified Accountants and Coopers & Lybrand, Assistant Vice President of Finance at Empress Cruise Lines (Gaming), Vice President of Finance at Naga Resorts (Gaming), Vice President of Finance, Vice President of Slots, Senior Vice President of Casino Operations, and Executive Vice President of the Genting Malaysia Group, and Chief Operating Officer of City of Dreams Manila of the Melco Group. He is currently the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee of N2N.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

LIN, LIN

Non-Independent and Non-Executive Director

36

FEMALE

CHINESE

Joined N2N on 23 November 2023.

She holds a bachelor's degree in Economy and Management and a master's degree in Finance, both from the University Jean-Moulin Lyon III, and served as a support analyst in FIS global. She is currently the Vice General Manager of the Investment Department of Hundsun Technologies Inc, the parent company of Hundsun Holdings Ltd. Hundsun Holdings Limited and Hundsun Technologies Inc are the direct and indirect substantial shareholders of N2N, and Hundsun Holdings is considered a potential competitor in some business in Hong Kong by N2N-AFE (Hong Kong) Limited.

She does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. Within the last 5 years, she has not been convicted for any offences, other than traffic offences, if any.

KEY SENIOR MANAGEMENT

TIANG BOON HWA

Managing Director,
Founder

62

MALE

SINGAPOREAN

Joined N2N on 24 August 2000

He holds a diploma in Computer Studies from the City & Guilds of London Institute and served as Senior Management Consultant at Deloitte Haskins & Sells, Head of Regional IT Audit for the South Asian Region at Citibank N.A., Product Consultant at Computer Associates Singapore, Managing Director at Computer Associates Malaysia and Brunei, Regional Director at i2 Technologies Pte Ltd, and General Manager at Exact Software Asia Development Centre Sdn Bhd. He is also an adjunct professor at the Management and Science University, Malaysia. He is currently a member of the Risk Management Committee of N2N.

He is the spouse of Mdm. Lai Su Ping.

He does not hold any directorships on the board of other public companies in Malaysia. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

LAI SU PING

Non-Independent
Executive Director, Founder

54

FEMALE

MALAYSIAN

Joined N2N on 10 August 2000

She holds a diploma from the Chartered Institute of Marketing and served as a Marketing Executive at Yonex Sdn Bhd, Project Executive at Kumpulan Jetson Bhd, and Channel Manager at Computer Associates Sdn Bhd. She is currently the Chairman of the Option Committee of N2N.

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KOK WAN CHUN

Chief
Operating Officer

57

MALE

MALAYSIAN

joined N2N on 2 May 2018.

He holds a Diploma in Financial Accounting from Tunku Abdul Rahman College and a professional accounting qualification from the Association of Chartered Certified Accountants (ACCA). He served as a Senior Finance Manager at N2N Connect Bhd, Chief Operating Officer, Accounts Assistant, and Financial Controller at Patimas (MD) Sdn Bhd, General Manager of Sales & Operations at Corcoda Corporation, and a sessional lecturer at Sunway University and Monash University.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

YAW CHUN SOON

Chief Legal
and Finance Officer

62

MALE

MALAYSIAN

joined N2N on 16 August 2023.

He holds a degree in Law from the University of Canterbury and was previously a Solicitor and Barrister of the High Court of New Zealand, and an Advocate and Solicitor of the High Court of Malaysia. He served as General Manager-Operations and Executive Director of Botly Securities Sdn Bhd, Corporate Finance Director of TA Bank of the Philippines Inc, the Director of TA Securities Philippines and TA Properties Development, Philippines Inc, Executive Director-Operations of TA Securities Holdings Berhad, Executive Director of TA Enterprise Berhad, Independent Non-Executive Director of TA Global Berhad, and Director of Talam Transform Berhad.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

CHUA KOK CHUAN

Solutions
Architect

51

MALE

MALAYSIAN

joined N2N on 18 October 2021.

He holds a higher diploma in Software Engineering from the Asia Pacific Institute of Information Technology and served as Group Technical Consultant at Excel Force MSC Bhd, Application Specialist at Silverlake Mobility Ecosystem Sdn Bhd, Regional Head of Trading Applications at RHB Investment Bank Bhd, and Chief Technical Officer at Silverlake Digital INX Sdn Bhd.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

CHAN SEE WAI

Technical Director,
Founder

52

MALE

MALAYSIAN

joined N2N on 2 January 2004.

He holds a bachelor's degree in Computer Science from the Western Michigan University and served as a Software Engineer at both the Federal Computer System Sdn Bhd and BASS Consulting Sdn Bhd.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

LOH TAI HAI

Head
of Sales

52

MALE

MALAYSIAN

joined N2N on 1 December 2014.

He holds a Bachelor's Degree in Computer Science from the University of Manchester and served as Head Sales & Marketing at Excel Force MSC Bhd, Vice President Operations at Matrix Co. Ltd, Business Solutions Director at TrinityCruX Sdn Bhd, and Head of Sales & Pre-sales, Head of Consultant, Head of Development, Head of Application, Application Specialists, and Application Engineer at Patimas Computers Bhd.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

LI KA FUK

Country
Manager

50

MALE

CHINESE

joined N2N on 16 April 2015.

He holds a Bachelor's Degree in Engineering from the Chinese University of Hong Kong and served as a Project Manager, and Senior Manager at AFE Ltd, System Consultant at Sulcus Hospitality Ltd, Computing Officer at The Hong Kong Institution of Engineers, Project Manager at Systek Information Technology Ltd, and a Trader at Masterlink Securities Ltd.

He does not hold any directorships on the board of other public companies in Malaysia. There is no family relationship with any other directors or major shareholders of N2N. There is no conflict of interest or potential conflict of interest in any competing business with N2N or its subsidiaries. Within the last 5 years, he has not been convicted for any offences, other than traffic offences, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of upholding high standards of corporate governance as envisioned by the Malaysian Code on Corporate Governance 2021 (“MCCG 2021” or “MCCG”), throughout its organisation. The Board further believes in adhering to such good practices in a responsible, accountable and transparent manner.

In its application of corporate governance practices, the Board is pleased to report hereunder, the Group has applied its corporate governance framework, in particular, the principles and practices as advocated by the MCCG 2021 throughout the financial year ended 31 December 2024.

This statement is to be read together with the Corporate Governance Report 2024 (“CG Report”) of N2N, which is available on our website at www.n2nconnect.com and the website of Bursa Malaysia at www.bursamalaysia.com.

Principle A: Board Leadership and Effectiveness

Board’s Responsibilities And Duties

The Board’s principal role is to effectively promote the best interests of the Group with a view towards enhancing shareholders’ and stakeholders’ values. In this regard, the Board oversees and evaluates the Group’s strategies, policies and performance to ensure the delivery of such values.

The Board assumes, inter alia the following principal responsibilities:

- Reviewing and adopting a strategic plan for the Group, including its goals and ensuring that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental, and social

considerations underpinning sustainability;

- Establishing policies for strengthening the performance of the Group, including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products, and the development of its business capital;
- Identifying principal risks, setting the risk appetite which the Board expects the Management to operate within, ensuring the implementation of appropriate systems to manage the significant financial and non-financial risks, and implementing a sound framework for internal controls and risk management;
- Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems, including for compliance with applicable laws, regulations, rules, directives, and guidelines;
- Outlining and taking the necessary measures to protect the Group’s financial position and its ability to meet its debts and other obligations when they fall due;
- Confirming that the Group’s financial statements are true and fair and conform with any applicable laws and/or regulations; and
- Ensuring that the Group adheres to high standards of ethics and corporate behaviour.

The Board is responsible for, amongst others, the development of corporate objectives and the review and approval of corporate plans, overseeing the conduct of the Group’s business, acquisitions and disposals of undertakings and properties of substantial value, major investments

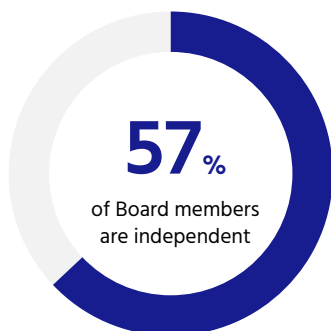
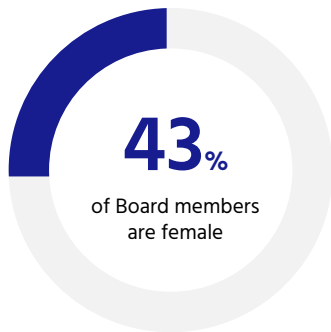
and financial decisions, and changes to the management and control structure within the Group including key risk management, treasury, financial and operational policies, and delegated authority limits.

Board Composition




The Group is led and controlled by an effective Board consisting of professionals and competent individuals of calibre with diverse backgrounds, expertise and experience in various fields relevant to the Group’s business activities and strategic development.

The Board currently consists of seven members; one Independent Non-Executive Chairman, two Executive Directors, three Independent Non-Executive Directors, and one Non-Independent Non-Executive Director.

The Board is in compliance with the ACE Market Listing Requirements.



Duration of directors on the board

Board Tenure	
0 – 4 years	
4 – 8 years	
9+ years	

The Chairman and Managing Director

The roles of the Chairman and Managing Director are separate and clearly defined, with the division of responsibilities set out in writing and agreed by the Board.

The Chairman of the Board focuses on the achievement of the Group’s strategic vision and also leads the Board in ensuring its effectiveness.

The Chairman is primarily responsible for the following:

- To ensure the effective conduct of the Board’s function and meetings;
- To ensure effective contribution of all Directors at board meetings; and
- To ensure effective and respectful communication between Directors and between the Board and its shareholders.

The Managing Director focuses on managing the Group’s business activities and day-to-day operations and is responsible for the following:

- To ensure effective implementation of the Board’s strategic decisions;
- To ensure efficient and effective operation of the Group;
- To ensure that business opportunities are of potential benefit to the Group; and

- To bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

Supply and Access to Information

Prior to each board meeting, the agenda and a set of board papers encompassing qualitative and quantitative information relevant to the business of the meeting are usually circulated to the Directors at least 5 working days prior to the meeting dates. This enables the Directors to have sufficient time to peruse the board papers and seek clarification or further details from the Management or the Company Secretaries before each meeting to ensure readiness for meetings. Any director may request to have matters included in the agenda.

In the event of presentations or briefings by the Management or relevant external advisors during board meetings, relevant information and clarification are provided to the Board to assist in decision-making.

The Directors have direct access to the Management and have unrestricted access to any information relating to the Group to enable them to discharge their duties. The Directors also have direct access to the advice and services of the Company Secretaries and are regularly updated on new statutory and regulatory requirements relating to the duties and responsibilities of the Directors. In addition, the Board may seek independent professional advice when necessary in furtherance of their duties.

The Company Secretaries

The Company Secretaries play an advisory role to the Board in relation to N2N's Constitution, Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance, and legislations.

N2N is supported by two qualified and competent company secretaries. Both company secretaries

are qualified Chartered Secretaries under the Companies Act 2016 and are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries are external company secretaries from Esprit Management Services Sdn. Bhd. with vast knowledge and experience in public practice and are supported by a dedicated team of company secretarial personnel.

The Company Secretaries ensure that discussions and deliberations at the Board, Board Committee meetings and general meetings are well documented and subsequently communicated to the relevant Management for appropriate action.

Board Meetings and Attendance

The Board meetings, together with the Board Committee meetings for the financial year ended 31 December 2024, were pre-scheduled in November 2024 to facilitate the Directors in planning ahead and incorporating the meetings into their respective schedules. This also serves to provide the members with ample notice about the meetings.

A total of five (5) meetings were held during the year to discuss and decide among others, quarterly financial results, performance reports and various other matters.

The reports of the Audit Committee, Nomination and Remuneration Committee, Options Committee and Risk Management Committee are also presented and deliberated at board meetings. The minutes of each board meeting are circulated in a timely manner. All proceedings of the Board meetings are duly recorded in the minutes of each meeting and signed minutes of each meeting are kept by the Company Secretary. Minutes of the board meeting are tabled for confirmation in the next board meeting.

Board attendance record

The following table details the attendance record of the Directors at board meetings during the financial year ended 31 December 2024:

Name of Director	Designation	BOD
Chua Hock Seng	Independent Non-Executive Chairman	5/5
Tiang Boon Hwa	Managing Director	5/5
Lai Su Ping	Executive Director	5/5
Elaine Foong Sooi Jade	Independent Non-Executive Director	5/5
Goh Ching Chee	Independent Non-Executive Director	5/5
Dato' Sim Kia Ju	Independent Non-Executive Director	5/5
Lin, Lin	Non-Independent Non-Executive Director	5/5

Directors' Re-Election and Re-Appointment

The Nomination and Remuneration Committee is responsible for recommending to the Board, directors who are standing for re-election at the annual general meeting pursuant to Clause 103 and 110 of N2N's Constitution. In accordance with Clause 103 of N2N's Constitution, one-third of the Board, including the Managing Director, shall retire and is subject to re-election and each Director shall stand for re-election at least once every three (3) years. Clause 110 of N2N's Constitution provides that any Director appointed to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election.

Directors' rotation list was presented to the Nomination and Remuneration Committee for endorsement prior to recommendation to the Board and thereafter to the shareholders for approval. In assessing the candidates, the Nomination and Remuneration Committee takes into consideration their attributes, competencies, commitment, personality, and qualities, as well as their contribution and performance based on the Board Effectiveness Assessment.

Board Effectiveness Assessment

An assessment of the effectiveness of the Independent Directors, Executive Directors, Board Committees and the Board as a whole, is carried out annually. The objective is to improve the Board's effectiveness by identifying gaps, maximise strengths and address weaknesses. The Chairman of the Nomination and Remuneration Committee oversees the overall evaluation process, and the responses are analysed by the Nomination and Remuneration Committee before being tabled and discussed at the Board level.

Mr. Tiang	■	■	■	■
Mdm. Lai			■	■
Mr. Chua			■	■
Mdm. Elaine		■	■	■
Mr. Goh	■	■	■	■
Dato' Sim		■	■	■
Mdm. Lin	■		■	■

EXPERTISE

■ Technology	■ Leadership
■ Finance	■ Global Business

Directors' Development Programme

The Directors are encouraged to attend programmes and seminars to keep themselves abreast with the latest developments in the industry and market place to enable them to carry out their roles effectively as directors in discharging their responsibilities.

All Directors have attended the Mandatory Accreditation Programme as prescribed by Bursa Securities. Apart from attending various conferences and seminars organised by external

organisers, the Board also benefited from technical briefings which were conducted by in-house professionals. The Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which the Group operates.

Directors' trainings attended

The following table details the seminars and training programmes attended by the Directors during the financial year ended 31 December 2024:

Name of Director	Training(s) Attended in 2024
Chua Hock Seng	<ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption Policy
Tiang Boon Hwa	<ul style="list-style-type: none"> ESG Rating Methodology and Sustainability Tax Implication of Budget 2024 Benefits of Home Office in Forest City
Lai Su Ping	<ul style="list-style-type: none"> ESG Rating Methodology and Sustainability Tax Implication of Budget 2024 Benefits of Home Office in Forest City
Elaine Foong Sooi Jade	<ul style="list-style-type: none"> Various webinars organized by the Malaysian Institute of Accountants ("MIA") and Association of Chartered Certified Accountants ("ACA")
Goh Ching Chee	<ul style="list-style-type: none"> Online webinars on Sustainability and Stock Market related subjects
Dato' Sim Kia Ju	<ul style="list-style-type: none"> Building Sustainability Creditability : Assurance
Lin, Lin	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I

The Board had undertaken an assessment of the trainings attended by the Directors and the training needs and requirements. The Board will continue to identify training topics that can further enhance its knowledge in the latest development relevant to the Group.

Nomination and Remuneration Committee Effectiveness Review and Performance

The Nomination and Remuneration Committee periodically reviews policies and procedures to determine the remuneration of Directors and Senior Management, which takes into account the demands, complexities and performance of the Group as well as skills and experience required of

Directors and Senior Management. The Nomination and Remuneration Committee is objective, fair and transparent in its review process.

The Board is satisfied with the performance and effectiveness of the Nomination and Remuneration Committee in providing sound advice and recommendations to the Board.

- **Directors' Remuneration**

Our approach to remuneration is based on reward principles which aims to provide remuneration packages that fairly rewards the Executive Directors for the contribution they make to the Group, having regard to the size and complexity of the Group's business operations and the need to attract, retain and motivate executives of the highest quality.

The Board has established a formal and transparent Directors' Remuneration Framework which comprise retainer fees, meeting allowances and benefits in-kind.

The Group also reimburses all expenses incurred by the Directors, where relevant, in the course of carrying out their duties as Directors.

The remuneration package for the Executive Directors of the Group is balanced between fixed and performance-linked elements. The current remuneration policy of the Executive Directors consists of basic salary, performance linked bonus, benefits in-kind, EPF contributions and share awards/share options respectively based on the recommendation of the Nomination and Remuneration Committee.

The Directors' remuneration for the financial year ended 31 December 2024 are broadly categorised into the following bands:

Group	Fees (RM)	Salaries and Bonus (RM)	Defined Contribution Plan (RM)	Allowance (RM)	Total (RM)
Non-Executive Directors					
Chua Hock Seng	148,418	-	-	2,500	150,918
Elaine Foong Sooi Jade	148,418	-	-	2,500	150,918
Goh Ching Chee	148,418	-	-	2,500	150,918
Dato' Sim Kia Ju	148,418	-	-	2,500	150,918
Lin, Lin	-	-	-	-	-
Executive Directors					
Tiang Boon Hwa	148,418	6,722,135	40,841	-	6,912,394
Lai Su Ping	148,418	1,264,469	22,593	-	1,435,480
Total	890,508	7,987,604	63,434	10,000	8,951,546
Company					
Non-Executive Directors					
Chua Hock Seng	148,418	-	-	2,500	150,918
Elaine Foong Sooi Jade	148,418	-	-	2,500	150,918
Goh Ching Chee	148,418	-	-	2,500	150,918
Dato' Sim Kia Ju	148,418	-	-	2,500	150,918
Lin, Lin	-	-	-	-	-
Executive Directors					
Tiang Boon Hwa	148,418	523,131	-	-	671,549
Lai Su Ping	148,418	188,952	22,593	-	359,963
Total	890,508	712,083	22,593	10,000	1,635,184

- **Senior Management Team’s Remuneration**

The Senior Management Team’s remuneration and rewards are linked to corporate and individual performance. The performance is measured against the key performance indices set in accordance with the Group’s annual budget and business plan.

For the financial year ended 31 December 2024, the remuneration for the top six senior management (other than the Executive Directors) was as follows:

Remuneration Range (RM)	Number of Senior Management
300,001 – 350,000	1
400,001 – 450,000	1
450,001 – 500,000	2
750,001 – 800,000	1
1,100,001 – 1,150,000	1

Board Committees

The Board has four committees: the Nomination and Remuneration Committee, the Audit Committee, the Option Committee and the Risk Management Committee.

- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises exclusively of the following Independent Non-Executive Directors:

Dato’ Sim Kia Ju **(Chairman)**

Elaine Foong Sooi Jade

Goh Ching Chee

The Nomination and Remuneration Committee reviews the structure, size and composition of the Board and its Committees, endorses suitable candidates for appointment to the Board, and reviews the succession planning. Additionally, the Nomination and Remuneration Committee endorses the Group’s directors’ remuneration policy and framework. For more information,

please refer to Nomination and Remuneration Committee Statement on page 63.

- **Audit Committee**

The Audit Committee comprises exclusively of the following Independent Non-Executive Directors:

Elaine Foong Sooi Jade **(Chairman)**

Goh Ching Chee

Dato’ Sim Kia Ju

The Audit Committee monitors the integrity of the Group’s financial statements and announcements, the effectiveness of internal controls and risk management, as well as ensuring the quality and independence of the external auditors and internal auditors. For more information, please refer to Audit Committee Report on page 60.

- **Option Committee**

The Option Committee comprises the following Directors and Chief Operating Officer:

Lai Su Ping **(Chairman)**

Elaine Foong Sooi Jade

Chris Kok Wan Chun

The Option Committee administers the Long-Term Incentive Plan/Employee Share Option Scheme and grant Options in accordance with the By-Laws, recommends to the Board to establish, amend, and revoke By-Laws, make rules and regulations to facilitate the implementation of the Long-Term Incentive Plan/Employee Share Option Scheme, determines all questions of policy and expediency and to construe and interpret the provisions contained in the By-Laws in the best interest of the Group and the Eligible Employees, and exercises such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Group and the Eligible Employees.

- **Risk Management Committee**

The Risk Management Committee comprises the following Directors:

Goh Ching Chee **(Chairman)**

Tiang Boon Hwa

Elaine Foong Sooi Jade


The Risk Management Committee looks at the effectiveness of the Group's risk management framework (for financial and non-financial risks) and supporting systems. This includes reviewing the Group's risk appetite, management's performance, changes that should be made to the risk management framework, key policies that support the risk management framework, material risks identified in the Group's risk profile, reports from management on new/emerging risks, monitors the management of the Group's data governance and information security risks, and reports in relation to material risk incidents or issues, reviewing the lessons learned, and monitor resolution and implementation of remedial actions as appropriate.

Board Charter

The Board Charter sets out the roles and responsibilities of the Board, functions, composition, operations and processes of the Board.


The Board Charter is to ensure that all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect of and on behalf of the Group.

The Board Charter shall be reviewed on a periodic basis and may be amended by the Board from time to time to ensure that the practices of the Board are consistent with the prevailing code of corporate governance, laws and/or regulations and reflects the Board's commitment to best practice in corporate governance.

 The Board Charter was last reviewed on 27 March 2025 and is made available on the Group's website at <https://www.n2nconnect.com/corporate-governance.html>.

Code of Conduct

The Group, the Directors, the Management and employees firmly believe in creating a corporate culture to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The Group has established a Code of Conduct for Directors and Employees. The Code of Conduct serves to outline the standards of business conduct and ethical behaviour which the Directors and employees should possess in discharging their duties and responsibilities.

 A copy of the Code of Conduct is available on the Group's website at <https://www.n2nconnect.com/corporate-governance.html>.

Additionally, the Group is committed towards preserving and protecting its interest and reputation at all times. The Group expects high standards of integrity and accountability from all employees. It is also intended to encourage and enable employees and others to raise concerns within the Group prior to seeking resolution outside the Group.

Whistleblowing Policy

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

In line with this, N2N Group has adopted a Whistleblowing Policy to protect the values of transparency, integrity, impartiality and accountability wherever N2N conducts its business and affairs. This policy sets out the mechanism and framework by which all its stakeholders who have dealing with the Group can confidently voice

concerns or complaints in a responsible manner without fear of discriminatory treatment.

The Whistleblowing Policy also provides contact details of the Audit Committee Chairman and Managing Director to whom the whistleblowing report can be addressed.

[🔗](https://www.n2nconnect.com/corporate-governance.html) The Policy is available on the Group's website at <https://www.n2nconnect.com/corporate-governance.html>.

Accountability and Audit

The Board is committed to provide a fair and objective assessment of the financial position and prospects of the Group in the quarterly financial results, annual financial statements, Annual Reports and all other reports or statements to shareholders, investors and relevant regulatory authorities. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Statement of Directors' Responsibility, in respect of preparation of the annual audited financial statements, is set out on page 66 of this Annual Report.

The Directors are also responsible for safeguarding the assets of the Group and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Principle B: Effective Audit and Risk Management

Audit Committee

The Audit Committee of the Group comprises of three Independent Non-Executive Directors. The Audit Committee is chaired by Elaine Foong Sooi Jade. She is a fellow member of The Association of Chartered Certified Accountants, and a member of the Malaysian Institute of Accountants.

The composition of the Audit Committee is reviewed by the Nomination and Remuneration Committee and recommended to the Board for its approval annually. With the view to maintain an independent and effective Audit Committee, the Nomination and Remuneration Committee ensures that only an Independent Non-Executive Director who is financially literate and has strong understanding of the Group's business would be considered for membership on Audit Committee.

The Audit Committee is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group.

Risk Management and Internal Control Framework

The Board is responsible for establishing and maintaining a sound risk management and internal control system to ensure that the shareholders' investments and assets of the Group are safeguarded. The Board through its Audit Committee evaluates the adequacy and effectiveness of the internal control system by reviewing audit findings, recommendations of internal auditor, management responses and actions taken on lapses.

The details of the Group's internal control systems and risk management framework are detailed in the Statement on Risk Management and Internal Control of this Annual Report.

The Risk Management Committee played a crucial role in ensuring the effectiveness of the Group's risk management framework during the financial year ended 31 December 2024. The Committee's work also involved monitoring the adequacy and effectiveness of the internal control system, reviewing audit findings, and assessing the adequacy of management's response to control lapses. Through their diligent efforts, the Risk Management Committee provided valuable guidance and oversight to ensure that the Group's

assets and shareholders' investments were safeguarded.


The Group continues to maintain and review its internal control procedures to ensure, as far as possible, its assets and its shareholders' investments are protected.

Principal C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders

The Group recognises the importance of being accountable to its stakeholders and investors through maintenance of an open communication policy. In ensuring effective communication, the Group communicates with its stakeholders and investors through various means and forums such as the annual report, company visits, site visits, shareholders' meetings, exhibition and other Group activities.

Any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder group. To ensure that shareholders and investors are well informed of major developments of the Group, information is disseminated to shareholders and investors through various disclosures and announcements to Bursa Securities which include quarterly financial results and press release from media.


 Such disclosures and announcements, as well as information pertaining to corporate governance are also available on the Group's website at www.n2nconnect.com.

Conduct of General Meetings

The annual general meeting is the principal forum for dialogue and interaction with its shareholders. To ensure effective participation of and engagement with shareholders at the annual general meeting, all members of the Board are present at the meeting to respond to the questions raised by the shareholders. The Management, Company Secretaries and external auditors of

the Group are also present to respond to queries raised from the shareholders. The notice of the 23rd AGM was issued to shareholders more than 28 days before the annual general meeting date.

The Group had conducted its voting on all resolutions at the 23rd AGM held on 23 May 2024 by polling in line with the ACE Market Listing Requirements. An independent scrutineer was appointed to oversee the proceedings of the polling.

 The minutes of the said annual general meeting are accessible to the public for reference on the Group's website at <https://www.n2nconnect.com/general-meeting.html>.

This Corporate Governance Overview Statement was approved by the Board on 27 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to set out below the Board's Statement on Risk Management and Internal Control ("Statement") which is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements, Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"). This Statement outlines the nature and scope of risk management and internal control of the Group.

Board Responsibility

The Board is responsible for overseeing the Group's risk management and internal control systems. The risk management and internal control systems cover the financial, operational, strategic, and compliance controls.

Presently, the Board uses the following review mechanism led by the Audit Committee and Risk Management Committee to oversee the effectiveness of the systems of risk management and internal control in the Group:

- Reviews of financial information and reports based on the interim financial results, audited financial statements, and annual report presented by the Management. At the same time, the Audit Committee seeks feedback from the External Auditors on risk and control related to the financial statements before and after the completion of the annual statutory financial audit;
- Reviews of the audit findings, including recommended corrective and improvement actions based on the internal audit findings

presented by the Internal Auditors. The Management is present during the Audit Committee meetings to discuss the deadline for implementing these actions. Subsequently, the Internal Auditors conduct follow-up reviews and report on the status of implementation to the Audit Committee.

- Management brief the Board during board meetings on business and operational matters. This briefing enables the Board to obtain clarification from the Management on their action plans for mitigating and managing ongoing challenges; and
- Provision of annual management assurance to the Board that the Group's risk management and internal control systems are operating adequately and effectively in all material respects.

Risk Management

The Group has identified and actively manages its key risks through the implementation of appropriate frameworks and controls.

- **Information Security Risk**
Information security risk is the inherent and principal risk of the Group. In order to manage this risk, N2N and its subsidiaries, N2N Global Solutions Sdn. Bhd. and NGN Connection Sdn. Bhd., have implemented ISO 27001:2013 on Information Security Management System (ISMS), setting the foundation of information security controls for the data centre, software development, operation support and helpdesk, and the quality assurance processes.

The ISMS also outlines risk identification processes, determining mitigation controls, risk treatment plans, periodic review, and

revision of risk management practices. These processes are in line with the international risk management framework principles. Annually, a surveillance audit by an external certification body is carried out to ascertain the integrity of this management system.

- **Retention of Talents**

Retaining and attracting talents is always a challenge for the IT industry. The Group continues to manage this risk by offering fair and competitive remuneration scheme to employees and providing executives with share option schemes to incentivise and retain competent employees.

- **Economic Risk**

The Malaysian economy is expected to be sustained in 2025, anchored by domestic demand despite external significant uncertainties surrounding tariff and other policies from major trading partners and geopolitical developments. Such uncertainties could lead to greater volatility and downside risks in the global financial markets with spillover effects into the local stock market performance and impacting the Group's revenue.

The economy of Hong Kong SAR, China while affected by the USA trade protectionism will be boosted by the SAR Government various initiatives to promote economic growth through increased convenience of Mainland cross-border travel and increased cross border financial and business activities. However, the external environment uncertainties stemming from geopolitical tensions and trade conflicts may affect investors sentiment.

- **Intellectual Property Risk**

The Group's Intellectual Property consist of work product source codes, trademarks, and copyrights.

Besides protecting these Intellectual Property with legal measures, operationally the Management has also safeguarded the controls on IP by segregating and restricting the source code development and access, and tightening the employment terms.

Key Internal Control

In addition to the above processes, the Group derives its assurance on the state of internal control and risk management from the following procedures, information and review mechanisms:

- Defined organisational structure with lines of authority, accountability, and responsibilities of the Management team;
- Preparation of annual sales plan, financial plan, and product and development plan during the annual management bootcamp by senior management of the respective subsidiaries;
- Monitoring of the Group's performance and monthly management accounts with division and business unit heads. The Managing Director, Executive Directors and senior management review and deliberate the Group's financial performance, business initiatives and other management and corporate issues;
- Board oversight on the integrity of audit matters and financial reporting, and review and approval of material capital and investment opportunities proposed by the Managing Director and Key Senior Management;
- Employee performance management system, and development;
- Potential exposure resulting from IT security operations, data centre activities, fire, directors and officers liability, and public liability are insured;
- On-going clients' surveillance audit and reviews;
- Adoption and implementation of the Anti-Bribery and Anti-Corruption ("ABAC") Policy and Whistleblowing Policy to all management and staff in N2N Group, with the view of raising awareness and to emphasise on the importance of any potential conflict of interest;

- Implementation of the Conflict of Interest Policy for directors to assist the members of the Board in identifying, disclosing and managing any actual or potential conflicts of interest; and
- Adoption of Enterprise Risk Management ("ERM") Policy and Framework as a tool to monitor and to manage N2N's key risk on a continuous basis.

Internal Audit Function

N2N has outsourced its internal audit function to an internal audit consulting firm. The Internal Auditors have carried out its internal audit work with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

Functionally, the Internal Auditors carry out their work based on the approved internal audit plan and report to the Audit Committee independently and directly. Further details of the internal audit activities are reported in the Audit Committee Report on page 60.

The total cost incurred on internal audit for the financial year ended 31 December 2024 was RM86,000.

Management Responsibilities and Assurance

Pursuant to the Bursa Securities Guidelines, the Management bears the responsibility of identifying risks, establishing and maintaining effective systems of risk management and internal control, and reporting significant control deficiencies and changes in risk that may have a material impact on the Group's ability to achieve its objectives and performance to the Board.

The Board has constituted a Risk Management Committee, which is primarily responsible for supervising the development and implementation of risk management frameworks across the

Group. The Committee is tasked with reviewing and ensuring the sufficiency of risk management policies and processes to facilitate the successful execution of risk mitigation strategies and action plans.

The Board has received assurance from the Managing Director, Chief Operating Officer and Chief Legal and Finance Officer, who are responsible for the financial management of N2N, that the Group's risk management and internal control system are operating adequately and effectively in all material respect.

Board Assurance and Limitation

The Board has exercised diligent oversight over the risk management and internal control systems and has found no significant weaknesses that have resulted in material losses to the Group during the financial year under review, up to and including the date of approval of this Statement.

The Board recognises the importance of continuously enhancing the Group's risk management and internal control systems to align with the evolving nature of the business and the dynamic operating environment. As part of the commitment to continuous improvement, appropriate action plans will be put in place to strengthen these systems further.

It is essential to note that risk management and internal control systems can only manage, not eliminate, risks associated with the achievement of business objectives. Therefore, the systems in place can only provide reasonable, but not absolute, assurance against material misstatements, frauds, and losses.

It should be highlighted that this Statement does not cover the risk management and internal control systems of OurMoneyMarket Holdings Pty Ltd, an associated fintech company incorporated in Australia that offers a platform for Peer-to-Peer lending arrangements. Control over this associated company is currently maintained through board representation and a joint decision-making process.

Review by External Auditors

Pursuant to Rule 15.23 of the ACE Market Listing Requirements, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2024. Their review was performed in accordance with the Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statements on Risk Management and Internal Control included in the Annual Report.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted reviewing the adequacy and integrity of risk management and internal control of the Group.

This Statement is made under the resolution and approval of the Board dated 27 March 2025.

AUDIT COMMITTEE REPORT

Members

The Audit Committee of N2N is comprised of the following three members, all of whom are Independent Non-Executive Directors:

Elaine Foong Sooi Jade **(Chairman)**

Goh Ching Chee

Dato' Sim Kia Ju

In accordance with Paragraph 15.09 (1) of the ACE Market Listing Requirements, the Chairman of the Audit Committee, Elaine Foong Sooi Jade, is a fellow member of The Association of Chartered Certified Accountants, and a member of the Malaysian Institute of Accountants.

The Audit Committee is not comprised of any Alternate Director.

Meeting attendance

The following table details the total number of meetings attended by the members during the financial year ended 31 December 2024:

Name of Director	Attendance
Elaine Foong Sooi Jade	5/5
Goh Ching Chee	5/5
Dato' Sim Kia Ju	5/5

All meetings were convened with proper notices and agenda, and were distributed to the members with sufficient notification. During the meetings, all deliberations were recorded, and minutes were tabled for confirmation at every succeeding meeting and subsequently presented to the Board for notation.

The Committee also invited the Executive Directors and the Management to attend the meetings in order to keep abreast of matters and issues pertaining to the Group. The Chairman also conveyed to the Board matters of significant concern as and when raised by the Internal Auditors or External Auditors.

Summary of Activities and Work of the Audit Committee

During the financial year ended 31 December 2024, the Audit Committee had discharged its duties and responsibilities as set out in its Terms of Reference as follows:

Financial Reporting

- Reviewed the quarterly financial statements including the draft announcements pertaining thereto and made recommendations to the Board for approval.
- Discussed with the Management and External Auditors on the financial reporting standards that were applied, including the judgements exercised in the application of those standards that may affect the financial statements as well as issues arising from the statutory audit.
- Reviewed the audited financial statements of the Group for the financial year ended 31 December 2023 together with the Management and the External Auditors to ensure that it presented a true and fair view of the Group's financial position and performance for the year, and is in compliance with all disclosure and regulatory requirements before recommending the audited financial statements to the Board for approval.

External Audit

- Evaluated the performance, suitability and independence of the External Auditors. The External Auditors had provided a declaration of independence and their compliance with the relevant ethical requirements regarding professional independence. Being satisfied with the performance, suitability and the audit independence of the External Auditors, the Audit Committee had recommended to the Board to re-appoint HLB Ler Lum Chew PLT as External Auditors of the Group.
- Reviewed with the External Auditors, the audit status reports, results of the annual audited financial statements, management letter and Management's response to the findings of the External Auditors, and also the Auditors' report to the shareholders.
- Reviewed with the External Auditor, the Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- Reviewed with the External Auditors, the statutory audit plan for the financial year ended 31 December 2024 and the proposed audit fees by the External Auditors.

Internal Audit

- Reviewed the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the internal audit function.
- Reviewed the Internal Audit Plan for 2024/25 tabled by the Internal Auditor.

Other Activity

- Reviewed and recommended to the Board for approval, the Audit Committee Report and Statement on Risk Management and Internal Control for the Annual Report.

- Reviewed the Statement on Allocation of Options Under the Long Term Incentive Plan ("LTIP").

In order to discharge the above duties and responsibilities of the Audit Committee effectively, various seminars, training programs and conferences were attended by its members during the financial year. The Audit Committee was also briefed by the External Auditors on the latest accounting standards applicable to the Group. The list of training attended is disclosed in the Corporate Governance Overview Statement as set out in this Annual Report.

Internal Audit Function

The Group does not have its own in-house Internal Audit function. All internal audit functions are outsourced to an independent professional service firm, to assist in discharging its duties and responsibilities. During the financial year, the Group Internal Audit was carried out by Axcelasia Sdn Bhd.

All Internal audit work is carried out with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors ("IIA"). These principles include the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders.

The engagement is headed by Axcelasia Sdn Bhd's Managing Director, Mr. Chang Ming Chew, who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Professional Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a member of the Association of Chartered Certified Accountants, United Kingdom. Mr. Chang is a Certified Information Systems Auditor (CISA), Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The team members are independent of the activities of the Group and are free from conditions that may threaten their ability to carry out

responsibilities in an unbiased manner or which may impair objectivity.

The principal responsibility of the Internal Auditors is to review the key controls and its adequacy in responding to risks within the organisation's governance, operations and information system, assess principal risks and plans of action to address these risks, and to recommend improvements to the existing systems and controls. In addition, the Internal Auditors perform follow-ups on outstanding issues arising from prior audits. The audit scope has been determined based on the risk assessment conducted by the management of the Group and prioritised according to the risk magnitude.

A summary of work of the internal audit function for the financial year ended 31 December 2024 covered the following areas:

- IT Service Contract Compliance (HK)
- Compliance Function (MY)
- Compliance Function (HK)

The Internal Audit Reports presented to the Audit Committee contains the conclusion of control status, overview of management performance, audit findings, recommendation for improvement, management response and target completion date.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2024 was approximately RM86,000.

Terms of Reference of The Audit Committee

[🔗](https://www.n2nconnect.com/corporate-governance.html) The terms of reference of the Audit Committee is available at <https://www.n2nconnect.com/corporate-governance.html>.

NOMINATION & REMUNERATION COMMITTEE STATEMENT

Members

The Nomination and Remuneration Committee Statement is comprised of the following three members, all of whom are Independent Non-Executive Directors.

Dato' Sim Kia Ju **(Chairman)**

Elaine Foong Sooi Jade

Goh Ching Chee

During the financial year ended 31 December 2024, one Nomination and Remuneration Committee Meetings was held.

Meeting attendance

The following table details the total number of meetings attended by the members during the financial year ended 31 December 2024:

	Attendance
Dato' Sim Kia Ju	1/1
Elaine Foong Sooi Jade	1/1
Goh Ching Chee	1/1

Membership

- The Committee and its Chairman shall be appointed by the Board from amongst its number and shall comprise not less than two (2) members, consisting exclusively of non-executive directors, a majority of whom are independent; and
- The Chairman shall be an Independent Director or the Senior Independent Director, where such person has been appointed / identified by the Board.

Meetings

- Meetings shall be held at least once (1) a year with a minimum quorum of two (2) members. Additional meetings may be called at any time at the discretion of the Chairman of the Committee;
- Directors, whether Executive or Non-Executive, should not participate in decisions on their own remuneration packages;
- Directors should not participate in the deliberation and decision on their own re-election/reappointment;
- The Company Secretary shall be the Secretary of the Committee;
- The proceedings and deliberations of each Committee meeting shall be reported to the Board by the Chairperson of the Committee; and
- The minutes of each Committee meeting shall be circulated to the Board.

Authority

The Committee is authorized by the Board to obtain independent professional or other advice at the Group's expense and to invite outsiders with relevant experience and expertise to attend meetings if it considers this necessary.

Duties and Responsibilities

The Committee shall have the following duties and responsibilities, in addition to any others that may be assigned by the Board from time to time:

- Review the required mix of skills, experience, independence, diversity and other qualities, including core competencies which Directors (both Executive and Non-Executive) should bring to the Board;
- Recommend to the Board, candidates for all directorship to be filled;
- Recommend to the Board, the candidates to fill the seats on Board Committees;
- Examine the size of the Board with a view to determine the impact of the number upon its effectiveness;
- Assess the effectiveness of the Board as a whole, the Committees of the Board, and the contributions of each individual Director;
- Review the term of office and performance of Audit Committee and each of its members to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference; and
- Review and recommend to the Board, the annual remuneration package of each individual Director (both Executive and Non-Executive) of the Group, such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Group successfully.

The Committee's focus is on strengthening, balancing and understanding the range of skills, experience and diversity of the Board. The Committee is responsible for making recommendations to the Board on the composition of the Board and its Committees, on retirements, appointments of additional and replacement directors and on succession planning.

Policy on Board Composition

The policy on the Board's composition is disclosed in the Board Charter.

The Board does not have any gender diversity policies and targets or any set measures to meet

any target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

Policy on Remunerating the Board

The Committee will take into consideration the following criteria when reviewing and recommending remuneration packages for the Executive Directors and Non-Executive Directors:

- Director's fiduciary duties
- Time commitments
- Group's performances

The director fees shall be recommended to be approved by an Ordinary Resolution of N2N in a general meeting.

Non-Independent Non-Executive Directors representing corporate investors are not entitled to director fees.

The review of the Directors' remuneration will be carried out by the Nomination and Remuneration Committee on an annual basis for the approval of the Board. For the financial year ended 31 December 2024, the Committee reviewed the following:

- The Directors' fees for the financial year ended 31 December 2024;
- The benefits payable to the Directors from 1 January 2024 to the next Annual General Meeting in 2025; and
- Performance related bonus for the year 2024 and remuneration package for the Managing Director and Executive Director for the year 2025.

Board Election Process

The key steps in the process are as follows:

- The Committee considers the knowledge and experience required for the role, taking into

account the strategy of the Group and its businesses as well as the criteria set by the Board;

- The Committee evaluates the potential candidates based on the identified requirements; and
- The Committee recommends the shortlisted candidate for the Board's approval.

Assessment

For the financial year ended 31 December 2024, the Committee had reviewed the results of the assessment of the Board as a whole and of each individual Director. The result of the assessment was used as a guide to evaluate and review the composition and effectiveness of the Independent Directors, Executive Directors and Board Committee Members. The assessment of the Board and Directors were based on the following criteria:

Individual Director

- Understanding of role and responsibility
- Time commitment and dedication
- Understanding of the Group's business
- Independence
- Courtesy
- Self-development
- Contribution and participation in board discussion and decision making

Board as a Whole

- Board structure
- Conduct of meetings
- Corporate strategy and planning
- Risk management and internal control
- Performance measurement and monitoring
- Recruitment and evaluation
- Compensation
- Financial reporting
- Shareholder communication

Assessment of Training Needs

The Committee has reviewed and assessed the trainings attended by the Directors for the financial year ended 31 December 2024, and have determined that the trainings attended were adequate.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group at the end of each financial year and of their results and cash flows for the financial year then ended.

In order to ensure that the financial statements are properly drawn up, the Board has taken the following measures:

- Ensure the adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- Ensure that applicable approved accounting standards have been followed;
- Where applicable, judgments and estimates are made on a reasonable and prudent basis; and
- Upon due inquiry into the state of affairs of N2N, there are no material matters that may affect the ability of N2N to continue in business on a going concern basis.

The Board has ensured that the quarterly reports and annual audited financial statements of the Group are released to Bursa Malaysia in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Group maintains accounting records that disclose with reasonable accuracy the financial position of the Group, and which enable the Board to ensure the financial statements comply with the Company Act 2016.

The Board has taken the necessary steps that are reasonably available to the Board to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Share Buy-Back, Resale and Cancellation

During the financial year ended December 31, 2024, there were no share buy-back, resale or cancellation of treasury shares.

Options, Warrants and Convertible Securities

On 9 January 2019, 140,089,954 warrants were issued for free to entitled shareholders of the Company on the basis of 1 warrant for every 4 existing ordinary shares at an exercise price of RM0.83. No warrants were exercised during the financial year ended 31 December 2024. The warrants expired on 8 January 2024.

Other than the above, there are no other options, warrants or convertible securities issued by N2N during the financial year in review.

Long-Term Incentive Plan / Employee Share Option Scheme

On 12 December 2018, the shareholders approved a Long-Term Incentive Plan of up to 15% of the total number of issued shares of N2N (excluding treasury shares, if any) for eligible employees of the Group.

The following table details the total number of Long-Term Incentive Plan units granted, vested and outstanding since its commencement until the financial year ended 31 December 2024:

Granted to the Group

	Long-Term Incentive Plan (units)
Total number granted	50,000,000
Total number lapsed/ cancelled/opted out	39,802,500
Total number outstanding	10,197,500

Granted to Senior Management

	Long-Term Incentive Plan (units)
Total number granted	2,475,000
Total number outstanding	2,475,000

In accordance with the By-Laws for the Long-Term Incentive Plan, the total number of shares which may be issued to eligible participants, including Senior Management of N2N, shall not exceed the aggregate of 15% of N2N's total number of issued shares. As of FY24, the number of Long-Term Incentive Plan units granted to Senior Management represented 4.95% of the total number of Long-Term Incentive Plan units granted.

There were no Long-Term Incentive Plan units granted to the Directors. There was no exercise of the options granted during the financial year.

Non-Audit Fees

During the financial year ended 31 December 2024, the External Auditors have rendered non-audit services to the Group. The fees paid or payable to the External Auditors are as follows:

No.	Non-Audit Services	Amount(RM)
1	Review on Statement on Risk Management and Internal Control	5,000
2	Professional fee in connection with the submission of Return of Net Revenue from Designated Services for the year 2023 to Malaysia Communications and Multimedia Commission	12,000

Material Contract

There were no material contracts involving directors and substantial shareholders during the financial year in review.

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N2N CONNECT BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activities of the Company are investment holding, carrying on the business as researcher and developer of software packages, provider of design, programming, consultancy services and related activities and management of investment properties.

The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group (RM)	Company (RM)
(Loss) / Profit for the financial year attributable to:		
- Owners of the Company	(26,172,607)	34,663,733
- Non-controlling interests	(338,393)	-
	<u>(26,511,000)</u>	<u>34,663,733</u>

Dividends

Since the end of the previous financial year, the Company:

- (a) paid a second interim single-tier dividend of 1 sen per share amounting to RM5,582,042 in respect of the financial year ended 31 December 2023 on 29 March 2024.
- (b) paid a first interim single-tier dividend of 1 sen per share amounting to RM5,582,042 in respect of the financial year ended 31 December 2024 on 27 September 2024.

Reserves and Provisions

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

Issue of Shares and Debentures

There were no issuances of shares or debentures by the Company during the financial year under review.

Warrants 2019/2024

On 9 January 2019, the Company issued 140,089,954 Warrants 2019/2024 (“Warrants”) at an exercise price of RM0.83 each pursuant to a bonus issue of one warrant for every four existing ordinary shares held in the Company. During the financial year, no Warrants were exercised.

The Warrants 2019/2024 expired on 8 January 2024 and the remaining 140,089,694 unexercised warrants had lapsed.

The salient features of the Warrants are disclosed in Note 18 to the financial statements.

Long Term Incentive Plan

On 12 December 2018, the shareholders of the Company approved the Long-Term Incentive Plan (“LTIP”) comprise of Employee Share Grant Plan and Employee Share Option Plan to the Executive Directors, senior management and eligible employees of the N2N Connect Berhad and its subsidiary companies (excluding subsidiary companies which are dormant) and the LTIP was implemented on 1 May 2020.

The salient features and terms of the LTIP are disclosed in Note 21 to the financial statements.

Directors

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

Tiang Boon Hwa
Lai Su Ping
Elaine Foong Sooi Jade
Goh Ching Chee
Chua Hock Seng
Dato' Sim Kia Ju
Lin, Lin

The names of Directors of subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part thereof.

Directors' Interests in Shares or Debentures

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Acquired	Disposed	
Interest in the Company:				
N2N Connect Berhad				
Direct interest				
Tiang Boon Hwa	17,421,033	-	-	17,421,033
Lai Su Ping	18,040,857	-	-	18,040,857
Goh Ching Chee	6,630,800	-	-	6,630,800
Indirect interest				
Tiang Boon Hwa ¹	109,662,952	-	-	109,662,952
Lai Su Ping ²	109,043,128	-	-	109,043,128

Directors' Interests in Shares or Debentures (Continued)

	Number of warrants 2019/2024			At 31.12.2024
	At 1.1.2024	Acquired	Lapsed	
Interest in the Company:				
N2N Connect Berhad				
Direct interest				
Tiang Boon Hwa	4,355,257	-	(4,355,257)	-
Lai Su Ping	4,510,214	-	(4,510,214)	-
Goh Ching Chee	3,315,200	-	(3,315,200)	-
Indirect interest				
Tiang Boon Hwa ¹	27,415,737	-	(27,415,737)	-
Lai Su Ping ²	27,260,780	-	(27,260,780)	-
Chua Hock Seng ³	20,000	-	(20,000)	-

Notes:

1. *Deemed interest through his spouse's direct interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016 and his direct interest in N2N Connect Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*
2. *Deemed interest through her spouse's direct interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016 and her direct interest in N2N Connect Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*
3. *Deemed interest through his spouse's direct interest in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.*

By virtue of their substantial interests in the shares of the Company, Tiang Boon Hwa and Lai Su Ping are also deemed to have interests in the shares of all its subsidiary companies to the extent the Company has an interest.

Elaine Foong Sooi Jade, Dato' Sim Kia Ju and Lin, Lin who held office at the end of the financial year do not have any interest in shares or debentures in the Company or its subsidiaries during the financial year under review.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company or its subsidiary companies a party to any arrangement the object of which is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

Directors' remuneration is as follows:

	Group (RM)	Company (RM)
Directors' remuneration:		
- fees	890,508	890,508
- salaries and other emoluments	7,997,604	722,083
- defined contribution plan	63,434	22,593
	<u>8,951,546</u>	<u>1,635,184</u>

Subsidiary Companies

Details of subsidiary companies are disclosed in Note 6 to the financial statements.

Auditors' Remuneration

Auditors' remuneration is as follows:

	Group (RM)	Company (RM)
HLB Ler Lum Chew PLT:		
- Statutory audit	144,400	67,500
- Other services	17,000	5,000
	<u>161,400</u>	<u>72,500</u>

Indemnity and Insurance Costs

During the financial year, the total amount of insurance premium paid for the Directors and officers was RM10,610.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) 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 Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) any amount stated in the financial statements of the Group and of the Company misleading.
- (c) No contingent or other liability of any company in the Group 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 affect the ability of the Group and of the Company to meet their obligations when they fall due.

Other Statutory Information (Continued)

- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (e) In the opinion of the Directors:
- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Auditors

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TIANG BOON HWA

LAI SU PING

KUALA LUMPUR

N2N CONNECT BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, TIANG BOON HWA and LAI SU PING, being two of the Directors of N2N CONNECT BERHAD, do hereby state that, in the opinion of the Directors, the 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 true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TIANG BOON HWA

LAI SU PING

KUALA LUMPUR

N2N CONNECT BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

I, TIANG BOON HWA, being the Director primarily responsible for the financial management of N2N CONNECT BERHAD, do solemnly and sincerely declare that the financial statements are to the best of my knowledge and belief, 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.

Subscribed and solemnly declared by)
the above named TIANG BOON HWA)
at KUALA LUMPUR)
on this date of 27 MARCH 2025)

TIANG BOON HWA

Before me,

COMMISSIONER FOR OATHS

Registration No.: 200001020530 (523137-K)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N2N CONNECT BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of N2N Connect Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 104.

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 at 31 December 2024, and of their financial performance and their cash flows for the financial 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N2N CONNECT BERHAD (CONTINUED)

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report in the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Goodwill impairment assessment
(Refer to Note 2.3(i), Note 2.4(e)(i) and Note 8 to the financial statements)

The risk

As at 31 December 2024, the Group recognised goodwill amounting to RM32,358,612 arising from business combination

Pursuant to MFRS 136 "Impairment of Assets", the Group is required to perform annual impairment assessment on its goodwill. The Group estimated the recoverable amount of the cash-generating unit ("CGU") to which goodwill is allocated based on its value-in-use ("VIU").

In view of the significant carrying amount of the CGU (including goodwill), coupled with the complexity and subjectivity of the assumption involved in the annual impairment test, we consider this to be an audit focus.

How our audit addressed the key audit matter

We evaluated management's impairment assessment and the process by which they were developed and its oversight of the impairment assessment by the Board of Directors.

We challenged assumptions used in the impairment assessment model which, amongst others, include:

- forecast revenue;
- forecast cost of sales and operating costs; and
- discount rates.

Sensitivity analysis was performed on key assumptions used by management and we assessed the impact on the recoverable amount of the goodwill within a reasonable range.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N2N CONNECT BERHAD (CONTINUED)

Key Audit Matters (Continued)

2. Revenue recognition (Refer to Note 2.4(m) and Note 24 to the financial statements)

The risk

We focused on this area because there is an inherent risk over the accuracy of application solutions revenue recorded, given the complexity of the pricing models for different customers and the varying tier-based charges arising from the volume of matched trades processed by the system.

How our audit addressed the key audit matter

Our audit procedures included controls testing and substantive procedures covering, in particular, the following:

- We engaged an external independent IT audit expert to test the IT control environment, including application controls over the systems that processed matched trade information;
- We assessed the appropriateness of the external independent IT audit experts' scope of work and evaluated whether they had sufficient expertise, capabilities and objectivity to perform the work;
- We discussed with the management and the external independent IT audit experts on the IT environment and application controls over the processing of matched trade transactions;
- We reviewed the working papers of the external independent IT audit experts and the reports they issued;
- We traced a sample of matched trade information log back to the system's database used for raising bills;
- We performed tests on accuracy of customer bill generation on a sample basis based on the pricing model and charges based on the signed contract terms; and
- We traced and matched cash receipts on a sample of customers back to the sales invoice.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N2N CONNECT BERHAD (CONTINUED)

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 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.

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 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N2N CONNECT BERHAD (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF N2N CONNECT BERHAD (CONTINUED)**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 and regulations preclude 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 6 to the financial statements.

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.

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

WONG CHEE HONG
03160/09/2026 J
Chartered Accountant

Dated: 27 MARCH 2025
KUALA LUMPUR

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Non-Current Assets					
Property, plant and equipment	3	34,158,321	30,004,615	22,234,558	21,961,395
Investment properties	4	8,791,251	9,025,567	8,791,251	9,025,567
Right-of-use assets	5	2,010,817	3,368,674	-	-
Investment in subsidiary companies	6	-	-	120,774,277	96,901,712
Investment in an associate	7	11,701,529	13,053,932	8,330,840	8,330,840
Intangible assets	8	44,708,925	82,059,191	-	-
		101,370,843	137,511,979	160,130,926	136,219,514
Current Assets					
Trade receivables	9	10,310,013	13,103,541	-	-
Other receivables	10	8,069,448	9,702,388	784,232	6,439,070
Amount owing by subsidiary companies	11	-	-	67,196,602	49,099,475
Amount owing by related companies	12	-	238,789	9,686	221,047
Tax recoverable		7,972,660	8,465,881	192,371	1,385,164
Marketable securities	13	73,809,773	61,389,337	57,334,590	61,389,337
Financial assets at fair value through profit or loss	14	73,260	109,405	73,260	109,405
Cash and bank balances		75,934,486	93,389,353	9,520,654	15,871,382
		176,169,640	186,398,694	135,111,395	134,514,880
Current Liabilities					
Trade payables	15	2,642,456	4,186,952	149,285	155,219
Other payables	16	15,200,203	15,659,586	1,265,644	858,165
Amount owing to a subsidiary company	11	-	-	7	-
Amount owing to related companies	12	1,722	222,815	-	424
Lease liabilities	17	2,015,250	1,552,140	-	-
Provision for taxation		422,666	474,882	-	-
		20,282,297	22,096,375	1,414,936	1,013,808
Net current assets		155,887,343	164,302,319	133,696,459	133,501,072
		257,258,186	301,814,298	293,827,385	269,720,586

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONTINUED)

	Note	Group		Company	
		2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Financed By					
Share capital	18	243,668,577	243,668,577	243,668,577	243,668,577
Exchange reserves	19	(1,924,195)	2,193,956	-	-
Fair value reserve	20	(246,438)	258,112	-	-
Long term incentive plan reserve	21	2,589,660	2,395,180	2,589,660	2,395,180
Retained profits		8,170,852	45,248,890	47,569,148	23,656,829
Equity attributable to owners of the Company		252,258,456	293,764,715	293,827,385	269,720,586
Non-controlling interests		(1,371,468)	(1,033,075)	-	-
Total equity		250,886,988	292,731,640	293,827,385	269,720,586
Non-Current Liabilities					
Lease liabilities	17	193,800	2,243,451	-	-
Provision for retirement benefits	22	1,716,387	1,356,246	-	-
Deferred tax liabilities	23	4,461,011	5,482,961	-	-
		6,371,198	9,082,658	-	-
		257,258,186	301,814,298	293,827,385	269,720,586

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

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Group		Company	
		2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Revenue	24	107,729,202	105,240,708	-	-
Cost of sales		(45,941,344)	(47,538,665)	-	-
Gross profit		61,787,858	57,702,043	-	-
Other operating income		5,879,847	6,729,254	47,388,174	36,476,027
Administration expenses		(93,957,389)	(46,369,093)	(12,694,000)	(7,918,657)
Finance costs		(100,383)	(73,891)	-	-
Share of associate's results		652,371	1,337,960	-	-
(Loss)/Profit before taxation	25	(25,737,696)	19,326,273	34,694,174	28,557,370
Taxation	26	(773,304)	(5,594,019)	(30,441)	13,306
(Loss)/Profit for the financial year		(26,511,000)	13,732,254	34,663,733	28,570,676
Other comprehensive (loss)/ income:					
Item that may be reclassified subsequently to profit or loss:					
- Exchange differences arising from translation of foreign operations		(4,118,151)	5,082,030	-	-
- Share of an associate's other comprehensive income on fair value reserves		(504,550)	258,112	-	-
Item that may not be reclassified subsequently to profit or loss:					
- Remeasurement for long service payments, net of tax		(154,017)	438,508	-	-
Total comprehensive income for the financial year		(31,287,718)	19,510,904	34,663,733	28,570,676

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	Note	Group		Company	
		2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
(Loss) / Profit for the financial year attributable to:					
- Owners of the Company		(26,172,607)	14,056,988	34,663,733	28,570,676
- Non-controlling interests		(338,393)	(324,734)	-	-
		(26,511,000)	13,732,254	34,663,733	28,570,676
Total comprehensive (expense) / income attributable to:					
- Owners of the Company		(30,949,325)	19,835,638	34,663,733	28,570,676
- Non-controlling interests		(338,393)	(324,734)	-	-
		(31,287,718)	19,510,904	34,663,733	28,570,676
(Loss) / Earnings per share attributable to owners of the Company:					
- Basic (sen)	27(a)	(4.69)	2.52		
- Diluted (sen)	27(b)	(4.69)	2.52		

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

Group	Note	Attributable to Owners of the Company							Total Equity (RM)
		Non-distributable			Distributable		Non- Controlling Interest (RM)	Sub-Total (RM)	
		Share Capital (RM)	Exchange Reserve (RM)	Fair Value Reserve (RM)	Long Term Incentive Plan Reserve (RM)	Retained Profits (RM)			
At 1 January 2024		243,668,577	2,193,956	258,112	2,395,180	45,248,890	293,764,715	(1,033,075)	292,731,640
Loss for the financial year		-	-	-	-	(26,172,607)	(26,172,607)	(338,393)	(26,511,000)
Other comprehensive expense:									
- Exchange differences arising from translation of foreign operations		-	(4,118,151)	-	-	-	(4,118,151)	-	(4,118,151)
- Remeasurement for long service payments, net of tax		-	-	-	-	(154,017)	(154,017)	-	(154,017)
- Share of an associate's other comprehensive income on fair value reserves		-	-	(504,550)	-	-	(504,550)	-	(504,550)
Total comprehensive expense for the financial year		-	(4,118,151)	(504,550)	-	(26,326,624)	(30,949,325)	(338,393)	(31,287,718)
Long term incentive plan charged	21	-	-	-	607,150	-	607,150	-	607,150
Long term incentive plan lapsed	21	-	-	-	(412,670)	412,670	-	-	-
Dividends	28	-	-	-	-	(11,164,084)	(11,164,084)	-	(11,164,084)
At 31 December 2024		243,668,577	(1,924,195)	(246,438)	2,589,660	8,170,852	252,258,456	(1,371,468)	250,886,988

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

Group	Note	Attributable to Owners of the Company										Total Equity (RM)
		Non-distributable					Distributable					
		Share Capital (RM)	Treasury Shares (RM)	Exchange Reserve (RM)	Long Term Incentive Plan Reserve (RM)	Retained Profits (RM)	Sub-Total (RM)	Non- Controlling Interest (RM)	Total Equity (RM)			
At 1 January 2023		243,668,577	(2,888,074)	-	2,034,144	41,917,478	284,732,125	(1,039,162)	283,692,963			
Profit/(Loss) for the financial year		-	-	-	-	14,056,988	14,056,988	(324,734)	13,732,254			
Other comprehensive income:												
- Exchange differences arising from translation of foreign operations		-	5,082,030	-	-	-	5,082,030	-	5,082,030			
- Remeasurement for long service payments, net of tax		-	-	-	-	438,508	438,508	-	438,508			
- Share of an associate's other comprehensive income on fair value reserves		-	-	258,112	-	-	258,112	-	258,112			
Total comprehensive income for the financial year		-	5,082,030	258,112	-	14,495,496	19,835,638	(324,734)	19,510,904			
Acquisition of a subsidiary company		-	-	-	-	-	-	330,821	330,821			
Long term incentive plan charged	21	-	-	-	361,036	-	361,036	-	361,036			
Dividends	28	-	-	-	-	(11,164,084)	(11,164,084)	-	(11,164,084)			
At 31 December 2023		243,668,577	2,193,956	258,112	2,395,180	45,248,890	293,764,715	(1,033,075)	292,731,640			

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

Company	Note	Non-distributable			Total (RM)
		Share Capital (RM)	Long Term Incentive Plan Reserve (RM)	Retained Profits (RM)	
At 1 January 2024		243,668,577	2,395,180	23,656,829	269,720,586
Profit/Total comprehensive income for the financial year		-	-	34,663,733	34,663,733
Long term incentive plan charged	21	-	607,150	-	607,150
Long term incentive plan lapsed	21	-	(412,670)	412,670	-
Dividends	28	-	-	(11,164,084)	(11,164,084)
At 31 December 2024		243,668,577	2,589,660	47,569,148	293,827,385

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

Company	Note	Non-distributable			Total (RM)
		Share Capital (RM)	Long Term Incentive Plan Reserve (RM)	Retained Profits (RM)	
At 1 January 2023		243,668,577	2,034,144	6,250,237	251,952,958
Profit/Total comprehensive income for the financial year		-	-	28,570,676	28,570,676
Long term incentive plan charged	21	-	361,036	-	361,036
Dividends	28	-	-	(11,164,084)	(11,164,084)
At 31 December 2023		243,668,577	2,395,180	23,656,829	269,720,586

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Group	
	2024 (RM)	2023 (RM)
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(25,737,696)	19,326,273
Adjustments for:		
Amortisation of intangible assets	13,757,618	7,438,001
Bad debts written off	863,517	17,941
Depreciation of property, plant and equipment	4,113,703	4,085,540
Depreciation of investment properties	234,316	234,317
Depreciation of right-of-use assets	1,295,842	1,286,838
Fair value change on financial assets at fair value through profit and loss	36,145	35,816
Gain on disposal of intangible assets	-	(587,016)
Gain on lease termination	(580)	-
Goodwill written off	-	50,209
Long term incentive plan expenses	607,150	361,036
Impairment loss on:		
- goodwill	27,000,000	-
- trade receivables	1,309,462	880,621
- intangible assets	-	403,769
Intangible assets written off	3,812,197	-
Property, plant and equipment written off	-	68,000
Provision for long service payments	209,092	249,442
Reversal of impairment loss on trade receivables and contract assets	(1,637,212)	(662,073)
Share of associate's results	(652,371)	(1,337,960)
Unrealised foreign exchange loss/(gain)	1,327,214	(1,188,200)
Finance costs	100,383	73,891
Finance income	(2,183,456)	(1,271,764)
Dividend income	(1,901,497)	(2,004,413)
Operating profit before working capital changes	22,553,827	27,460,268
Trade receivables	2,146,959	(1,866,659)
Other receivables	1,632,940	(4,063,756)
Trade payables	(1,512,011)	697,204
Other payables	50,031	(499,801)
Amount owing by/to related companies	17,696	277,124
	2,335,615	(5,455,888)
Cash generated from operations	24,889,442	22,004,380

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	Group	
	2024	2023
	(RM)	(RM)
Dividends received	1,901,497	2,004,413
Interest paid	(100,383)	(73,891)
Interest received	2,183,456	1,271,764
Tax refund	2,411,838	843,932
Tax paid	(3,726,454)	(3,683,021)
	<u>2,669,954</u>	<u>363,197</u>
Net cash generated from operating	<u>27,559,396</u>	<u>22,367,577</u>
 Cash Flows From Investing Activities		
Computer software development cost	(8,431,528)	(6,463,095)
Proceeds from disposal of intangible assets	-	1,133,480
Purchase of property, plant and equipment	(8,356,840)	(2,078,518)
Net cash outflow from acquisition of a subsidiary	-	(8,745)
Net changes in marketable securities	(12,420,436)	(2,018,488)
Net cash used in investing activities	<u>(29,208,804)</u>	<u>(9,435,366)</u>
 Cash Flows From Financing Activities		
Dividends paid	(11,164,084)	(11,164,084)
Repayment of lease liabilities	(1,522,710)	(1,435,962)
Net cash used in financing activities	<u>(12,686,794)</u>	<u>(12,600,046)</u>
Net (decrease)/increase in cash and cash equivalents	(14,336,202)	332,165
Effect of exchange rate changes	(3,118,665)	2,809,390
Cash and cash equivalents at beginning of the financial year	93,389,353	90,247,798
Cash and cash equivalents at end of the financial year	<u>75,934,486</u>	<u>93,389,353</u>
 Cash and cash equivalents at end of the financial year comprises:		
Deposits with licensed banks		
Cash and bank balances	75,934,486	93,389,353

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

**COMPANY STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Company	
	2024 (RM)	2023 (RM)
Cash Flows From Operating Activities		
Profit before taxation	34,694,174	28,557,370
Adjustments for:		
Impairment loss on amount owing by a subsidiary company	1,564,894	-
Depreciation of property, plant and equipment	635,396	619,570
Depreciation of investment properties	234,316	234,317
Fair value change on financial assets at fair value through profit and loss	36,145	35,816
Gain on disposal of subsidiaries	(24,984,428)	-
Long term incentive plan expenses	118,515	206,175
Reversal of impairment loss on trade receivables	(27,666)	(215)
Unrealised foreign exchange gain	795,260	(313,113)
Finance income	(406,196)	(278,010)
Dividend income	(16,863,179)	(31,887,223)
Operating loss before working capital changes	(4,202,769)	(2,825,313)
Changes in working capital:		
Trade receivables	27,666	16,987
Other receivables	654,838	(5,381,201)
Trade payables	(86)	(156)
Other payables	407,479	(189,154)
Amount owing by/to subsidiary companies	(3,652,351)	(23,885,569)
Amount owing by/to related companies	210,937	121,356
	(2,351,517)	(29,317,737)
Cash used in operations	(6,554,286)	(32,143,050)
Dividends received	6,863,179	47,387,223
Interest received	406,196	278,010
Tax paid	(107,905)	(19,952)
Tax refund	1,270,257	841,850
	8,431,727	48,487,131
Net cash generated from operating activities	1,877,441	16,344,081

**COMPANY STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	Company	
	2024	2023
	(RM)	(RM)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(908,559)	(741,295)
Investment in a subsidiary company	(7)	-
Net changes in marketable securities	4,054,747	(2,018,488)
Net cash generated from/(used in) investing activities	<u>3,146,181</u>	<u>(2,759,783)</u>
 Cash Flows From Financing Activity		
Dividends paid	(11,164,084)	(11,164,084)
Net cash used in financing activity	<u>(11,164,084)</u>	<u>(11,164,084)</u>
 Net (decrease)/increase in cash and cash equivalents	 (6,140,462)	 2,420,214
Effect of exchange rate changes	(210,266)	(65,033)
Cash and cash equivalents at beginning of the financial year	15,871,382	13,516,201
Cash and cash equivalents at end of the financial year	<u>9,520,654</u>	<u>15,871,382</u>
 Cash and cash equivalents at end of the financial year comprises:		
Cash and bank balances	<u>9,520,654</u>	<u>15,871,382</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, carrying on the business as researcher and developer of software packages, provider of design, programming, consultancy services and related activities and management of investment properties.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

The Company is a public limited company, incorporated under the Companies Act, 1965 and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 3rd Floor, No. 17, Jalan Ipoh Kecil, 50350 Kuala Lumpur.

The principal place of business of the Company is located at Wisma N2N, Level 9, Tower 2, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in material accounting policy information.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3 to the financial statements.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (continued)

Amendments to accounting standards that are effective for the Group and the Company's financial year beginning on or after 1 January 2024 are as follows:

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)
- Amendments to MFRS 107, "Statement of Cash Flows" and MFRS 7, "Financial Instruments: Disclosures" (Supplier Finance Arrangements)

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

Accounting standards and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121, "The Effect of Changes in Foreign Exchange Rates" (Lack of Exchangeability)

Annual periods beginning on/after 1 January 2026

- Annual Improvements to MFRS Accounting Standards - Volume 11
 - * Amendments to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards"
 - * Amendments to MFRS 7, "Financial Instruments: Disclosures"
 - * Amendments to MFRS 9, "Financial Instruments"
 - * Amendments to MFRS 10, "Consolidated Financial Statements"
 - * Amendments to MFRS 107, "Statement of Cash Flows"
- Amendments to MFRS 9, "Financial Instruments" and MFRS 7, "Financial Instruments: Disclosures" (Classification and Measurement of Financial Instruments)

Annual periods beginning on/after 1 January 2027

- MFRS 18, "Presentation and Disclosure in Financial Statements"
- MFRS 19, "Subsidiaries without Public Accountability: Disclosures"

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, "Consolidated Financial Statements" and MFRS 128, "Investments in Associates and Joint Ventures" (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Basis of consolidation

(a) Subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Basis of consolidation (continued)

(a) Subsidiary companies (continued)

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Basis of consolidation (continued)

(b) Associates (continued)

If the ownership interest in an associate is reduced but significant influence is retained, the proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Dilution gains or losses arising from investments in associates are recognised in profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment if the carrying value exceeds the recoverable amount of the associate and recognises the difference as impairment losses in profit or loss.

2.3 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that 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) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Significant accounting estimates and judgements (continued)

(ii) Impairment of software development costs

Software development costs comprise salaries of personnel involved in the development and design of products.

The Group reviews the carrying amounts of software development costs as at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value-in-use is estimated. Determining the value-in-use of software development costs requires the determination of future cash flows expected to be generated from the continued use, and ultimate disposition of such assets. Any resulting impairment loss could have a material adverse impact on the Group's financial position and results of operations.

Significant judgement in the estimation of the present value of future cash flows generated by the software development costs, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's assessment for impairment of software development costs.

(iii) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

(iv) Provision for long service payments

The Group estimates the liability in respect of the long service payments to its employees which require assumptions to be made in respect of future income levels, inflation and discount rate at the end of the reporting period to estimate the future cash outflows. The discount rate used in respect of the long service payments is 3.40% (2023: 4.50%). Where expectations differ from the original estimates, the differences will impact the carrying amount of provision for long service payments.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information

(a) Investment in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as net in the profit or loss.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(b) Property, plant and equipment (Continued)

(ii) Depreciation and impairment

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold land are amortised over the period of the lease. The estimated useful lives are as follows:

Leasehold land	99 years
Leasehold building	50 years
Computer equipment	3 to 5 years
Office equipment	5 to 10 years
Furniture and fittings	5 to 10 years
Renovation	3 to 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(c) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. Properties that are occupied by the Group and the Company are accounted for as owner-occupied rather than as investment properties. Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2.4(b) to the financial statements.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful life of the properties. Leasehold land is amortised over the period of lease of 99 years and building is depreciated over their estimated useful life of 50 years.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(c) Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the financial year in which they arise.

(d) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(e) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Research and development costs

Internally generated development costs incurred for computer software that are directly attributable to a plan or design for the production of new or substantially improved identifiable products and processes are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(e) Intangible assets (continued)

(ii) Research and development costs (continued)

Directly attributable costs that are recognised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as assets are amortised over its estimated useful lives of 5 to 10 years.

(iii) Club membership

Club membership that has an indefinite useful life held by the Group is stated at cost less provision for impairment.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(g) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(g) Foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the exchange reserve.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the exchange reserve.

Goodwill and fair value adjustments arising on the acquisitions of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(g) Foreign currencies (continued)

(iii) Foreign operations (continued)

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the exchange reserve.

(h) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(h) Financial assets (continued)

(i) Classification (continued)

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade and other receivables, amount owing by subsidiary companies, amount owing by related companies, marketable securities and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(h) Financial assets (continued)

(iii) Subsequent measurement (continued)

Debt instruments (continued)

- FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method in profit or loss.

- FVTPL

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all its equity investments at fair value. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are recognised in OCI. Dividends from equity investments are recognised in profit or loss when the Group's and Company's right to receive payments is established.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(h) Financial assets (continued)

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables and contract assets, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is overdue above one year, when the debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial recognition
- The debtor is insolvent

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(h) Financial assets (continued)

(iv) Impairment (continued)

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

(i) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Finance liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(k) Leases (Continued)

(i) Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(k) Leases (Continued)

(ii) Accounting by lessor

The Group and the Company determines at lease inception whether each lease is a finance lease or operating lease. To classify each lease, the Group and the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

Operating leases

The Group and the Company classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognised lease payments received under operating leases as lease income on a straight-line basis over the lease term.

(l) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(i) Current and deferred income tax (continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and its customer has approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

The Group and the Company derives its revenue from providing business application solutions, financial network services and equipment rental. Revenue from provision of business application solutions includes income for installation of computer hardware and implementation of the Group's trading solution platform and service income for the subsequent usage of the managed service products. Revenue from provision of financial network services includes income for providing leased line and data center management services.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(m) Revenue and income recognition (continued)

(i) Revenue from contracts with customers (continued)

Implementation revenue

Revenue from implementation of trading solutions products and software is recognised when the Group satisfies a performance obligation by transferring a promised goods or services to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

Recurring revenue

Recurring revenue primarily consists of the service income for subsequent maintenance of the managed service products. This service is generally provided under subscription arrangements. Recurring revenue is recognised over the contract period.

Transaction revenue

Transaction revenue includes volume-based fees related to online trading transactions based on usage and recognised at a point in time. Transactions revenues may be billed in arrears and are classified as contract assets.

Managed network revenue

Managed network revenue includes service income for leased-line services and data center management to contract customers. A promised service is transferred as and when the service is delivered to customer and acceptance obtained from customers. Managed network revenue may be billed in advance and classified as contract liabilities.

Equipment rental

Equipment rental consists of monthly rental income for leasing of computer hardware to contract customers and recognised over the contract period. Equipment rental is billed in arrears and classified as contract assets.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(m) Revenue and income recognition (continued)

(i) Revenue from contracts with customers (continued)

Sales of hardware

Revenue from sale of hardware is recognised when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

(ii) Other revenue and income

(i) Dividend income

Dividend income is recognised when the right to receive payment is established.

(ii) Rental income

Rental income is recognised on a straight-line basis over the tenure of the lease.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company and its subsidiary companies. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the statement of financial position date.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(n) Employee benefits (continued)

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). The Group's foreign subsidiary company makes contributions to its respective country's statutory pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred.

(iii) Defined benefit plans

The defined benefit liability recognised in the statements of financial position is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, by discounting the estimated future cash outflows using market yields at the end of the reporting period on government bonds which have currency and terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in retained earnings in other comprehensive income in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to profit or loss in subsequent period.

Past service costs are recognised immediately in profit or loss, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(n) Employee benefits (continued)

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised on the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as services provided to the subsidiaries. The fair value of options granted to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as payables from subsidiaries, with a corresponding credit to equity of the Company.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Material accounting policy information (Continued)

(o) Provisions (Continued)

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(p) Equity instruments

(i) Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(ii) Treasury shares

Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs, net of tax, is included in equity attributable to the Company's equity holders as treasury shares until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, are included in equity attributable to the Company's equity holders.

(q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director that makes strategic decisions.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land (RM)	Leasehold building (RM)	Computer equipment (RM)	Office equipment and fittings (RM)	Furniture and fittings (RM)	Renovation (RM)	Motor vehicles (RM)	Total (RM)
2024								
Cost								
At 1.1.2024	12,366,833	13,017,854	109,119,752	1,041,667	1,054,392	4,757,167	869,236	142,226,901
Additions	-	-	7,464,190	24,320	-	868,330	-	8,356,840
Exchange differences	-	-	(1,212,050)	(6,859)	(4,701)	(41,332)	-	(1,264,942)
At 31.12.2024	12,366,833	13,017,854	115,371,892	1,059,128	1,049,691	5,584,165	869,236	149,318,799
Accumulated depreciation								
At 1.1.2024	1,547,401	2,989,224	101,655,329	884,935	872,775	4,047,859	224,763	112,222,286
Charge for the financial year	129,852	260,357	3,371,348	39,875	31,474	132,572	148,225	4,113,703
Exchange differences	-	-	(1,123,031)	(6,690)	(4,696)	(41,094)	-	(1,175,511)
At 31.12.2024	1,677,253	3,249,581	103,903,646	918,120	899,553	4,139,337	372,988	115,160,478
Carrying amount								
At 31.12.2024	10,689,580	9,768,273	11,468,246	141,008	150,138	1,444,828	496,248	34,158,321

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold land (RM)	Leasehold building (RM)	Computer equipment (RM)	Office equipment (RM)	Furniture and fittings (RM)	Renovation (RM)	Motor vehicles (RM)	Total (RM)
2023								
Cost								
At 1.1.2023	12,366,833	13,017,854	106,028,828	976,350	906,555	4,112,289	160,563	137,569,272
Additions	-	-	1,167,156	23,663	124,739	554,287	708,673	2,578,518
Written off	-	-	(120,000)	-	-	-	-	(120,000)
Acquisition of a subsidiary company	-	-	44,266	27,811	12,740	-	-	84,817
Exchange differences	-	-	1,999,502	13,843	10,358	90,591	-	2,114,294
At 31.12.2023	12,366,833	13,017,854	109,119,752	1,041,667	1,054,392	4,757,167	869,236	142,226,901
Accumulated depreciation								
At 1.1.2023	1,417,549	2,728,867	96,407,463	814,911	829,893	3,836,429	133,896	106,169,008
Charge for the financial year	129,852	260,357	3,419,536	38,831	24,038	122,059	90,867	4,085,540
Written off	-	-	(52,000)	-	-	-	-	(52,000)
Acquisition of a subsidiary company	-	-	17,248	18,092	8,566	-	-	43,906
Exchange differences	-	-	1,863,082	13,101	10,278	89,371	-	1,975,832
At 31.12.2023	1,547,401	2,989,224	101,655,329	884,935	872,775	4,047,859	224,763	112,222,286
Carrying amount								
At 31.12.2023	10,819,432	10,028,630	7,464,423	156,732	181,617	709,308	644,473	30,004,615

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land (RM)	Leasehold building (RM)	Computer equipment (RM)	Office equipment (RM)	Furniture and fittings (RM)	Renovation (RM)	Total (RM)
2024							
Cost							
At 1.1.2024	12,366,833	13,017,854	34,729,126	617,580	765,961	2,513,100	64,010,454
Additions	-	-	15,909	24,320	-	868,330	908,559
At 31.12.2024	12,366,833	13,017,854	34,745,035	641,900	765,961	3,381,430	64,919,013
Accumulated depreciation							
At 1.1.2024	1,547,401	2,989,224	34,541,764	520,082	600,276	1,850,312	42,049,059
Charge for the financial year	129,852	260,357	78,754	25,914	27,741	112,778	635,396
At 31.12.2024	1,677,253	3,249,581	34,620,518	545,996	628,017	1,963,090	42,684,455
Carrying amount							
At 31.12.2024	10,689,580	9,768,273	124,517	95,904	137,944	1,418,340	22,234,558

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land (RM)	Leasehold building (RM)	Computer equipment (RM)	Office equipment (RM)	Furniture and fittings (RM)	Renovation (RM)	Total (RM)
2023							
Cost							
At 1.1.2023	12,366,833	13,017,854	34,625,055	617,580	641,222	2,000,615	63,269,159
Additions	-	-	104,071	-	124,739	512,485	741,295
At 31.12.2023	12,366,833	13,017,854	34,729,126	617,580	765,961	2,513,100	64,010,454
Accumulated depreciation							
At 1.1.2023	1,417,549	2,728,867	34,468,297	494,468	582,003	1,738,305	41,429,489
Charge for the financial year	129,852	260,357	73,467	25,614	18,273	112,007	619,570
At 31.12.2023	1,547,401	2,989,224	34,541,764	520,082	600,276	1,850,312	42,049,059
Carrying amount							
At 31.12.2023	10,819,432	10,028,630	187,362	97,498	165,685	662,788	21,961,395

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) The aggregate additional cost for the property, plant and equipment of the Group during the financial year under hire purchase arrangement and cash payments are as follows:

	Group		Company	
	2024	2023	2024	2023
	(RM)	(RM)	(RM)	(RM)
Aggregate costs	8,356,840	2,578,518	908,559	741,295
Hire purchase financing	-	(500,000)	-	-
Cash payments	<u>8,356,840</u>	<u>2,078,518</u>	<u>908,559</u>	<u>741,295</u>

- (b) Included in the property, plant and equipment of the Group are motor vehicles acquired under hire purchase financing with carrying amount of RM496,248 (2023: 637,805).
- (c) The remaining lease period of the leasehold land and building of the Group and the Company is 83 (2023: 84) years.

4. INVESTMENT PROPERTIES

	Group/Company	
	2024	2023
	(RM)	(RM)
Leasehold land and building		
Cost		
At 1 January/31 December	11,715,814	11,715,814
Accumulated depreciation		
At 1 January	2,690,247	2,455,930
Charge for the financial year	234,316	234,317
At 31 December	2,924,563	2,690,247
Carrying amount	8,791,251	9,025,567
Fair value	17,132,004	17,849,128

The remaining lease period of the investment properties is 83 (2023: 84) years.

The income earned by the Group from rental of investment properties amounted to RM1,225,089 (2023: RM898,463). Direct operating expenses incurred on the investment properties during the financial year amounted to RM296,966 (2023: RM306,918).

The fair values of the investments as at the end of the reporting periods are arrived at by reference to market evidence of transaction prices for similar properties, adjusted for factors specific to the investment properties.

5. RIGHT-OF-USE ASSETS

Group	Office Rental (RM)	Equipment (RM)	Total (RM)
2024			
Cost			
At 1 January	3,715,763	334,077	4,049,840
Lease termination	(163,252)	-	(163,252)
Exchange differences	(64,725)	-	(64,725)
At 31 December	<u>3,487,786</u>	<u>334,077</u>	<u>3,821,863</u>
Accumulated depreciation			
At 1 January	670,051	11,115	681,166
Charge for the financial year	1,229,022	66,820	1,295,842
Expiry	(112,588)	-	(112,588)
Exchange differences	(53,374)	-	(53,374)
At 31 December	<u>1,733,111</u>	<u>77,935</u>	<u>1,811,046</u>
Carrying amount			
At 31 December	<u>1,754,675</u>	<u>256,142</u>	<u>2,010,817</u>
2023			
Cost			
At 1 January	6,328,137	-	6,328,137
Additions	3,601,365	334,077	3,935,442
Lease termination	(6,328,137)	-	(6,328,137)
Exchange differences	114,398	-	114,398
At 31 December	<u>3,715,763</u>	<u>334,077</u>	<u>4,049,840</u>
Accumulated depreciation			
At 1 January	5,701,785	-	5,701,785
Charge for the financial year	1,275,723	11,115	1,286,838
Expiry	(6,328,137)	-	(6,328,137)
Exchange differences	20,680	-	20,680
At 31 December	<u>670,051</u>	<u>11,115</u>	<u>681,166</u>
Carrying amount			
At 31 December	<u>3,045,712</u>	<u>322,962</u>	<u>3,368,674</u>

6. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2024	2023
	(RM)	(RM)
Unquoted shares, at cost		
In Malaysia	5,000,000	6,000,000
Outside Malaysia	120,704,648	94,720,213
	125,704,648	100,720,213
Less: Impairment loss	(5,297,000)	(5,297,000)
	120,407,648	95,423,213
Advances to subsidiary companies treated as quasi-investment	366,629	1,478,499
	<u>120,774,277</u>	<u>96,901,712</u>

The advances to subsidiary companies are unsecured, non-interest bearing with no fixed terms of repayment. The Company does not anticipate repayment of the advances and they are determined to form part of the Company's net investment in the subsidiary companies.

Movement on the provision for impairment of investment in subsidiary companies is as follows:

	Company	
	2024	2023
	(RM)	(RM)
At 1 January/31 December	5,297,000	5,297,000

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) The subsidiary companies and shareholding therein are as follows:

Name of company	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Direct holding:				
* N2N Connect Pte. Ltd.	Singapore	100	100	Provide consultancy services, sales, marketing and related activities
^ N2N Global Solutions Sdn. Bhd.	Malaysia	-	100	Research and development of software packages and provision of design, programming, consultancy services and related services
^ NGN Connection Sdn. Bhd.	Malaysia	-	100	Provision of managed network services, consultancy services, sales, marketing and related activities
^/*N2N-AFE (Hong Kong) Limited	Hong Kong SAR, China	-	100	Provision of on-line stock market information, on-line securities trading systems and business solutions, and associated sales and maintenance services on microcomputers.
N2N-AFE International Limited	Hong Kong SAR, China	100	-	Investment holding
NGN-AFE International Limited	Hong Kong SAR, China	100	-	Investment holding
Asianext Sdn. Bhd.	Malaysia	100	100	Dormant
# Asia Trading Hub Pty Ltd	Australia	100	-	Dormant

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) The subsidiary companies and shareholding therein are as follows (Continued):

Name of company	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Indirect holding:				
Subsidiaries of N2N-AFE International Limited				
[^] N2N Global Solutions Sdn. Bhd.	Malaysia	100	-	Research and development of software packages and provision of design, programming, consultancy services and related services
^{^/*} N2N-AFE (Hong Kong) Limited	Hong Kong SAR, China	100	-	Provision of on-line stock market information, on-line securities trading systems and business solutions, and associated sales and maintenance services on microcomputers
Subsidiaries of NGN-AFE International Limited				
[^] NGN Connection Sdn. Bhd.	Malaysia	100	-	Provision of managed network services, consultancy services, sales, marketing and related activities
Subsidiaries of N2N Global Solutions Sdn. Bhd.				
Hermes Bos Sdn. Bhd.	Malaysia	70	70	Researcher and developer of software packages and provider of design, programming, consultancy services and related activities
X8NET Sdn Bhd.	Malaysia	70	70	Providing information technology system and solutions services to online internet platforms

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) The subsidiary companies and shareholding therein are as follows (Continued):

Name of company	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiary of NGN Connection Sdn. Bhd.				
Global Fin Net Sdn. Bhd.	Malaysia	100	100	Providing infrastructure for hosting, data processing services and related activities
Ironhorse Asia Sdn. Bhd. ("Ironhorse")	Malaysia	60	60	Providing system, information and communication technology services
Subsidiaries of N2N Connect Pte. Ltd.				
# PT. NGS Services Indonesia	Indonesia	70	70	Consulting services related to the analysis, design and programming of ready-to-use systems including analysis of computer user needs, creating and implementing software applications
Subsidiaries of N2N-AFE (Hong Kong) Limited				
*/+ The Stock Market Channel (Macau) Limited	Macau	-	100	Sale of computer hardware and software and provision of online financial information in Macau

* Subsidiary not audited by HLB Ler Lum Chew PLT.

^ Internal group restructuring as disclosed in Note 6(c) to the financial statements.

+ Dissolved during the financial year.

The subsidiary companies are not statutorily required to be audited. However, the Directors are of the opinion that the financial results of this subsidiary companies are not material to the Group as the said subsidiary companies are inactive. Hence, the management accounts of the said subsidiary companies for the financial year ended 31 December 2024 have been used for consolidation purposes.

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Incorporation and internal restructuring

In February 2024, the Group implemented an internal restructuring and as part of this initiative, two new subsidiaries, namely N2N-AFE International Limited (“N2N-AFE International”) and NGN-AFE International Limited (“NGN-AFE International”) were incorporated in Hong Kong, SAR China.

Through this restructuring, N2N-AFE International assumed ownership of N2N Global Solutions Sdn. Bhd. and N2N-AFE (Hong Kong) Limited, which were previously held by N2N Connect Berhad. Similarly, NGN-AFE International acquired NGN Connection Sdn. Bhd., also previously held by N2N Connect Berhad.

This strategic reorganisation consolidates key subsidiaries under the newly established Hong Kong entities, enhancing operational efficiency, corporate alignment, and market positioning. The restructuring is not expected to have a material financial impact on the Group.

At the company level, the disposal of the subsidiaries pursuant to the internal restructuring exercise resulted in a gain of RM24,984,428. The total disposal consideration amounted to RM119,312,639, which was principally satisfied through the issuance of shares by the newly incorporated Hong Kong subsidiaries.

The carrying amount of the disposed subsidiaries at the date of disposal was RM94,328,213. Following the completion of the restructuring, the Company recognised an increase in its investment in subsidiaries amounting to RM 24,948,428, corresponding to the net gain arising from the transaction.

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(d) Non-controlling interests ("NCI") in subsidiaries

As at 31 December 2024, the net cumulative losses attributable to non-controlling interest at the Group is RM1,371,468 (2023: RM1,033,075), of which a cumulative loss of RM1,989,521 (2023: RM1,882,882) is attributable to the non-controlling interest of Hermes Bos Sdn. Bhd. ("Hermes BOS"). The remaining non-controlling interest of the Group are immaterial individually.

Group	Hermes BOS	
	2024 (RM)	2023 (RM)
Non-current assets	-	176,387
Current assets	40,681	32,471
Current liabilities	(6,472,416)	(6,285,132)
Net liabilities	(6,431,735)	(6,076,274)
Carrying amount of NCI as at 31 December	(1,989,521)	(1,882,882)
Revenue	-	-
Loss/Total comprehensive expense during the financial year	(355,463)	(558,904)
Loss/Total comprehensive expense allocated to NCI during the financial year	(106,639)	(167,671)
Cash flows generated from/(used in) operating activities	8,210	(5,623)
Net increase/(decrease) in cash and cash equivalents	8,210	(5,623)
Ownership interest and voting rights percentage held by NCI	30%	30%

7. INVESTMENT IN AN ASSOCIATE

(a) Investment in an associates:

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
At cost				
Unquoted shares outside Malaysia	8,330,840	8,330,840	8,330,840	8,330,840
Share of post-acquisition reserves	3,370,689	4,723,092	-	-
	<u>11,701,529</u>	<u>13,053,932</u>	<u>8,330,840</u>	<u>8,330,840</u>

(b) The associate and shareholding therein are as follows:

Name of company	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Direct holding:				
* OurMoneyMarket Holdings Pty. Ltd. ("OMM")	Australia	24.71	24.71	Provision of personal loans and range of "buy now, pay later" credit solutions to retail customers

*Associate not audited by HLB Ler Lum Chew PLT.

7. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The summarised financial information of the associate are as follows:

	Group	
	2024	2023
	(RM)	(RM)
Assets and liabilities		
Non-current assets	23,184,755	23,862,802
Current assets	2,107,675,065	1,855,672,134
Non-current liabilities	(2,082,414,673)	(20,581,202)
Current liabilities	(17,404,583)	(1,824,489,356)
Net assets	<u>31,040,564</u>	<u>34,464,378</u>
Revenue	<u>249,214,348</u>	<u>185,031,111</u>
Profit/(Loss) for the financial year	2,640,233	(843,315)
Other comprehensive income	(2,041,985)	1,044,616
Total comprehensive income for the financial year	<u>598,248</u>	<u>201,301</u>
Cash flows generated from operating activities	19,759,031	13,251,309
Cash flows used in investing activities	(529,459,260)	(461,064,154)
Cash flows generated from financing activities	507,332,475	464,408,625
Net changes in cash and cash equivalents	<u>(2,367,754)</u>	<u>16,595,780</u>

(d) The reconciliation of net assets of the associate to the carrying amount of the investment in associate is as follows:

	Group	
	2024	2023
	(RM)	(RM)
The Group's share of total comprehensive income during the financial year	<u>147,820</u>	<u>23,629</u>
Net assets	<u>31,040,564</u>	<u>34,464,378</u>
The Group's share of net assets	7,669,748	8,515,733
Goodwill	4,031,781	4,538,199
	<u>11,701,529</u>	<u>13,053,932</u>

8. INTANGIBLE ASSETS

	Note	Goodwill on consolidation (RM)	Club membership (RM)	Computer software (RM)	Total (RM)
Group					
2024					
Cost					
At 1 January		60,968,242	499,459	78,799,988	140,267,689
Addition during the financial year					
- capitalised staff costs	29	-	-	8,431,528	8,431,528
Written off		-	-	(4,436,904)	(4,436,904)
Exchange differences		(816,518)	(9,499)	(20,074)	(846,091)
At 31 December		60,151,724	489,960	82,774,538	143,416,222
Accumulated Amortisation					
At 1 January		-	-	57,608,276	57,608,276
Amortisation during the financial year		-	-	13,757,618	13,757,618
Written off		-	-	(624,707)	(624,707)
Exchange differences		-	-	(19,719)	(19,719)
At 31 December		-	-	70,721,468	70,721,468
Accumulated Impairment					
At 1 January		403,769	196,453	-	600,222
Impairment during the financial year		27,000,000	-	-	27,000,000
Exchange differences		389,343	(3,736)	-	385,607
At 31 December		27,793,112	192,717	-	27,985,829
Carrying amount					
31 December		32,358,612	297,243	12,053,070	44,708,925

8. INTANGIBLE ASSETS (CONTINUED)

Group	Note	Goodwill on consolidation (RM)	Club membership (RM)	Computer software (RM)	Total (RM)
2023					
Cost					
At 1 January		58,076,763	1,860,693	72,055,267	131,992,723
Addition during the financial year					
- capitalised staff costs	29	-	-	6,463,095	6,463,095
- acquisition of a subsidiary company		403,769	-	-	403,769
Disposal during the financial year		-	(1,382,164)	-	(1,382,164)
Written off		(50,209)	-	-	(50,209)
Exchange differences		2,537,919	20,930	281,626	2,840,475
At 31 December		60,968,242	499,459	78,799,988	140,267,689
Accumulated					
Amortisation					
At 1 January		-	-	50,122,362	50,122,362
Amortisation during the financial year		-	-	7,438,001	7,438,001
Exchange differences		-	-	47,913	47,913
At 31 December		-	-	57,608,276	57,608,276
Accumulated					
Impairment					
At 1 January		-	1,023,920	-	1,023,920
Impairment during the financial year		403,769	-	-	403,769
Disposal during the financial year		-	(835,700)	-	(835,700)
Exchange differences		-	8,233	-	8,233
At 31 December		403,769	196,453	-	600,222
Carrying amount					
31 December		60,564,473	303,006	21,191,712	82,059,191

(a) Computer software

The Group capitalise costs on development works relating to the software and development of new software packages which management expects will contribute to the generation of additional future economic benefits. During the financial year, the Group recognised an amortisation of RM13,757,618 (2023: RM7,438,001) which has been charged to cost of sales.

8. INTANGIBLE ASSETS (CONTINUED)

(a) Computer software (continued)

During the financial year, the Group reassessed the useful lives of certain computer software, resulting in a change in accounting estimate. This revision was necessitated by a strategic shift in the Group's software development approach, whereby all programming resources have been dedicated to the development of a new software platform. Consequently, all customers have successfully migrated to the new platform, rendering the older software obsolete and no longer subject to active enhancements. As a result, the amortisation charge for the financial year ended 31 December 2024 increased by RM7,830,697, and the carrying amount of the older software has been fully amortised to nil.

(b) Impairment test for goodwill on consolidation

During the financial year, the Group conducted its annual impairment assessment on the goodwill arising from the acquisition of a subsidiary in Hong Kong. The assessment considered a combination of factors, including the declining demand for financial information terminals and a more cautious economic outlook in Hong Kong. Adopting a prudent approach in light of these developments, the Group revised the projected cash flows of the cash-generating unit ("CGU") accordingly. As a result, an impairment loss on goodwill amounting to RM27,000,000 (2023: Nil) was recognised and charged to administrative expenses. This is a non-cash accounting adjustment and does not affect the Group's ongoing operations or future strategic direction.

Key assumptions used to determine recoverable amount

The recoverable amount of the Group's CGU has been determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

The key assumptions used for the value-in-use calculations are as follows:

	Group	
	2024	2023
	(%)	(%)
Revenue growth rate over 5 years (per annum)	-2.32	2.00
Operating expenditure growth rate (per annum)	-0.71	2.00
Terminal growth rate	0.00	0.00
Pre-tax discount rate	8.92	7.16

Management determined the revenue and direct costs during the budget period based on future expectations of changes in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

8. INTANGIBLE ASSETS (CONTINUED)

(b) Impairment test for goodwill on consolidation (Continued)

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGU to equal the corresponding carrying amounts assuming no change in the other variables are as follows:

	2024
	(%)
Revenue growth rate	-2.15
Terminal growth rate	-6.54
Pre-tax discount rate	11.56

9. TRADE RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	(RM)	(RM)	(RM)	(RM)
Trade receivables	12,192,901	15,143,869	120,682	148,348
Less: Impairment loss	(3,137,730)	(3,539,370)	(120,682)	(148,348)
	9,055,171	11,604,499	-	-
Contract assets in relation to application solutions:				
- Accrued income	1,254,842	1,499,042	-	-
	10,310,013	13,103,541	-	-

The Group's and the Company's normal trade credit terms range from 30 to 90 days (2023: 30 to 90 days).

The movement on the impairment loss during the financial year is disclosed in Note 33 to the financial statements.

10. OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	(RM)	(RM)	(RM)	(RM)
Other receivables	433,229	78,950	67,202	5,000,000
Deposits	2,950,100	2,226,322	526,429	162,847
Prepayments	4,686,119	7,397,116	190,601	1,276,223
	8,069,448	9,702,388	784,232	6,439,070

Included in the prepayments of the Group is an amount of RM1,368,770 (2023: RM3,438,532) paid to supplier for the purchase of computer equipment which is expected to complete in next financial year.

Included in other receivables of the Company is an amount of Nil (2023: RM5,000,000) relating to dividend receivables from subsidiary companies.

11. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	Company	
	2024	2023
	(RM)	(RM)
Amount owing by subsidiary companies	68,761,496	49,099,475
Less: Impairment loss	(1,564,894)	-
	<u>67,196,602</u>	<u>49,099,475</u>
 Amount owing to subsidiary companies	 (7)	 -

These amounts owing by/(to) the subsidiary companies are non-trade in nature, interest-free and are repayable on demand.

Movement on the provision for impairment of amount owing by subsidiary companies is as follows:

	Company	
	2024	2023
	(RM)	(RM)
At 1 January	-	-
Impairment loss during the financial year	1,564,894	-
At 31 December	<u>1,564,894</u>	<u>-</u>

12. AMOUNT OWING BY/(TO) RELATED COMPANIES

These amounts are non-trade in nature, unsecured, interest-free and is repayable on demand.

13. MARKETABLE SECURITIES

	Group		Company	
	2024	2023	2024	2023
	(RM)	(RM)	(RM)	(RM)
Quoted unit trusts in Malaysia	<u>73,809,773</u>	<u>61,389,337</u>	<u>57,334,590</u>	<u>61,389,337</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group/Company	
	2024	2023
	(RM)	(RM)
Quoted shares in Malaysia	73,260	109,405

Fair value losses of financial assets at fair value through profit or loss amounting to RM36,145 (2023: RM35,816) is presented within administration expenses (2023: administration expenses) in profit or loss.

15. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company range from 15 to 90 days (2023: 15 to 90 days).

16. OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	(RM)	(RM)	(RM)	(RM)
Other payables	8,100,203	7,881,655	183,230	200,567
Accruals	3,669,481	4,304,977	661,261	330,015
Deposits received	3,430,519	3,472,954	421,153	327,583
	15,200,203	15,659,586	1,265,644	858,165

17. LEASE LIABILITIES

	Group	
	2024	2023
	(RM)	(RM)
At 1 January	3,795,591	695,134
Additions	-	4,435,442
Repayment during the year	(1,522,710)	(1,435,962)
Lease termination	(51,244)	-
Exchange differences	(12,587)	100,977
At 31 December	2,209,050	3,795,591
Analysed as:		
Repayable within twelve months	2,015,250	1,552,140
Repayable after twelve months	193,800	2,243,451
	2,209,050	3,795,591

Included in lease liabilities is an amount of RM148,479 (2023: RM397,954) relating to hire purchase payables which bears an effective interest rate which ranges from 1.30% to 4.4% (2023: 1.30% to 4.4%) per annum.

18. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares		Amount	
	2024 (Units)	2023 (Units)	2024 (RM)	2023 (RM)
Issued and fully paid				
At 1 January/ 31 December	558,204,201	558,204,201	243,668,577	243,668,577

Warrants 2019/2024

On 15 January 2019, the Company issued 140,089,954 free Warrants pursuant to a bonus issue of one warrant for every four existing ordinary shares held in the Company. The Warrants are constituted by a deed poll dated 19 December 2018. The Warrants were listed on Bursa Malaysia on 15 January 2019.

The main features of the Warrants are as follows:

- Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM0.83 per ordinary share.
- The exercise price and the number of Warrants is subject to adjustment in the event of alteration to the share capital, bonus issue, capital distribution and rights issue by the Company in accordance with the conditions provided in the deed poll.
- The Warrants shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants and ending on the date of preceding the fifth anniversary of the date of issue of the Warrants.
- Upon exercise of the Warrants into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants are exercised or any interim dividend declared prior to the date of exercise of the Warrants.
- At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purposes.

The Warrants 2019/2024 expired on 8 January 2024 and the remaining 140,089,694 unexercised warrants had lapsed.

19. EXCHANGE RESERVES

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

20. FAIR VALUE RESERVE

The fair value reserve represents the share of associate's cumulative fair value changes, net of tax of the derivative contracts that applied hedge accounting.

21. LONG TERM INCENTIVE PLAN RESERVE

	Group/Company	
	2024	2023
	(RM)	(RM)
At 1 January	2,395,180	2,034,144
Charged during the financial year	607,150	361,036
Lapsed during the financial year	(412,670)	-
At 31 December	<u>2,589,660</u>	<u>2,395,180</u>

On 12 December 2018, the shareholders of the Company approved the Long-Term Incentive Plan ("LTIP") comprise of Employee Share Grant Plan ("SGP") and Employee Share Option Plan ("SOP") to the Executive Directors, senior management and eligible employees of N2N Connect Berhad ("N2N") and its subsidiary companies (excluding subsidiary companies which are dormant) (collectively known as "Eligible Persons") and the LTIP was implemented on 1 May 2020.

The SGP is intended to award the Company's shares to Executive Directors and senior management of the Group with no consideration whilst the SOP is intended to allow the Group to award share options to Eligible Persons with an option price based on the volume weighted average price of N2N's shares for the 5 market days immediately preceding the date of the SOP with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Malaysia") or any other relevant authorities from time to time during the tenure of the LTIP.

21. LONG TERM INCENTIVE PLAN RESERVE (CONTINUED)

The salient features and terms of the LTIP are as follows:

(a) Maximum number of new N2N Shares available under the LTIP

The maximum number of N2N Shares which may be made available under the LTIP shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the tenure of the LTIP.

The allocation of N2N Shares to be made available for the LTIP shall be determined by the LTIP Committee annually, or such other period as determined by the LTIP Committee.

(b) Basis of allotment and maximum allowable allocation

Subject to the By-Laws, the maximum number of N2N Shares awarded to any one Eligible Person under the LTIP at any point of time shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:

- (i) the total number of N2N Shares made available under the LTIP shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the LTIP tenure;
- (ii) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued N2N Shares made available under the LTIP shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares);
- (iii) up to 100% of the total number of N2N Shares which may be made available under the Proposed LTIP could be allocated, in aggregate, to the Executive Directors and senior management of the N2N Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time). This is intended to incentivise the Executive Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of N2N Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance; and
- (iv) the Executive Directors and senior management of the Group shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any.

21. LONG TERM INCENTIVE PLAN RESERVE (CONTINUED)

(c) Eligibility

The eligibility under the LTIP however, does not confer on an Eligible Person any claim or right to participate in or any rights whatsoever under the LTIP and an Eligible Person does not acquire any or has any right over or in connection with the LTIP unless the LTIP have been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP in accordance with the provisions of the By-Laws.

(d) Duration and termination

The LTIP shall in force for a period of 5 years from the effective date of implementation, being a date of full compliance with relevant requirements by Bursa Securities or any other relevant authorities. The Company may extend the LTIP for a period of 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the effective date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

Upon expiry or termination of the Proposed LTIP, any LTIP Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) shall be deemed cancelled and be null and void.

(e) Ranking of the LTIP shares

The new shares to be allotted and issued pursuant to the LTIP shall, upon allotment and issuance, rank equally in all respects with the existing issued shares. The LTIP participants shall not be entitled to any rights, dividends or other distributions attached to the Company's share prior to the date on which the Company's shares are credited into their respective Central Depository System accounts.

21. LONG TERM INCENTIVE PLAN RESERVE (CONTINUED)

The fair value of the LTIP granted in which MFRS 2 applies, were determined using the Black-Scholes valuation model. The significant inputs in the model are as follows:

	Share option
Exercise price (RM)	0.705
Underlying share price at grant date (RM)	0.870
Expected dividend yield (%)	5.96
Risk free interest rate (%)	2.735
Option life	1 - 5 years
Vesting period ¹	1 - 5 years
Expected volatility (%)	44.403

¹The N2N Shares to be issued under SOP shall vest to the eligible persons in stages over 5 years once the vesting conditions are fully and duly satisfied.

The assumptions above are based on historical data and is not necessarily be reflective of the actual outcome.

The movement during the financial year in the number of LTIP options of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

	Fair value at grant date RM	← Number of share options →			
		At 1 January	Granted	Lapsed/ Forfeited	At 31 December
2024					
Group	0.2159 - 0.3113	10,522,500	-	(325,000)	10,197,500
Company	0.2159 - 0.3113	2,572,500	-	(50,000)	2,522,500
2023					
Group	0.2159 - 0.3113	11,472,500	-	(950,000)	10,522,500
Company	0.2159 - 0.3113	2,832,500	-	(260,000)	2,572,500

22. PROVISION FOR RETIREMENT BENEFITS

Provision for retirement benefits of the Group relate to long service payments ("LSP") provisions as prescribed under the Hong Kong Employment Ordinance. LSP is paid to employees of subsidiary companies upon termination of their employment, subject to completion of number of continuous service and meeting certain qualifying conditions. The benefit is based on final wages and service at leaving employment.

The movements during the financial year of the amount recognised in the statements of financial position in respect of the long service payments are as follows:

	Group	
	2024	2023
	(RM)	(RM)
At 1 January	1,356,246	1,555,984
Recognised in profit or loss	209,092	249,442
Remeasurements		
- changes in experience	6,897	(159,865)
- changes in demographic assumptions	-	(53,935)
- changes in financial assumptions	184,521	(308,080)
	191,418	(521,880)
Exchange differences	(40,369)	72,700
At 31 December	<u>1,716,387</u>	<u>1,356,246</u>

The total expenses recognised in profit or loss is as follows:

	Group	
	2024	2023
	(RM)	(RM)
Current service cost	146,961	177,142
Interest cost	62,131	72,300
	<u>209,092</u>	<u>249,442</u>

The principal assumptions used are as follows:

	Group	
	2024	2023
	(%)	(%)
Increase in maximum amount of relevant salary for contribution	2.5	2.5
Discount rate	3.4	4.5
Salary growth rate	<u>3.5</u>	<u>4.0</u>

There are no explicit assets held in respect of the long service payment obligations.

22. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

Remeasurements recognised in other comprehensive income during the financial year is as follows:

	Group	
	2024	2023
	(RM)	(RM)
Long service payments	191,418	(521,880)

Expected maturity analysis of undiscounted benefit payments is as follows:

	Group	
	2024	2023
	(RM)	(RM)
Long service payments		
Within one year	91,790	-
Between two and five years	449,611	-
More than five years	5,922,227	6,777,561
	6,463,628	6,777,561

The sensitivity analysis on a change in key assumptions while holding all other assumptions constant on the provision for retirement benefits increase/(decrease) as follows:

	Group	
	Increase/(Decrease)	
	2024	2023
	(RM)	(RM)
Effect on provision for retirement benefits		
Discount rate		
- 0.25% increase	(43,245)	(36,145)
- 0.25% decrease	44,969	39,360
Salary growth rate		
- 0.25% increase	366	1,096
- 0.25% decrease	(361)	(1,044)

The above sensitivity analysis is based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the provision for defined benefits obligation, the same method (present value of the defined obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the provision for retirement benefits recognised within the statement of financial position.

There have been no changes in the methods and type of assumptions used in preparing the sensitivity analysis during the financial year.

23. DEFERRED TAX LIABILITIES

	Group	
	2024	2023
	(RM)	(RM)
At 1 January	5,482,961	1,603,319
Recognised in profit or loss (Note 26):		
- property, plant and equipment	116,266	(732)
- unabsorbed capital allowances	(2,000)	(10,038)
- provisions and others	(1,112,760)	3,763,963
	(998,494)	3,753,193
Recognised in other comprehensive income:		
- remeasurement of long service payments	(31,584)	83,372
- exchange differences	8,128	43,077
At 31 December	4,461,011	5,482,961

The components of deferred tax liabilities of the Group during the financial year are as follows:

	Group	
	2024	2023
	(RM)	(RM)
Deferred tax assets		
- property, plant and equipment	-	89,142
- unabsorbed capital allowances	12,000	10,038
- provisions and others	82,613	-
	94,613	99,180
Offsetting	(94,613)	(99,180)
Net deferred tax assets	-	-
Deferred tax liabilities:		
- property, plant and equipment	1,234,479	1,122,288
- provision for retirement benefits	750,146	795,713
- provisions and others	2,570,999	3,664,140
	4,555,624	5,582,141
Offsetting	(94,613)	(99,180)
Net deferred tax liabilities	4,461,011	5,482,961

The unutilised tax losses and unabsorbed capital allowance of the Group and of the Company for which no deferred tax assets were recognised in the statements of financial position are as follows:

23. DEFERRED TAX LIABILITIES (CONTINUED)

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Unutilised tax losses	3,014,622	2,712,338	-	288,851
Unabsorbed capital allowance	608,034	604,367	-	-
	<u>3,622,656</u>	<u>3,316,705</u>	<u>-</u>	<u>288,851</u>
Deferred tax assets not recognised at 24% (2023: 24%)	<u>869,437</u>	<u>796,009</u>	<u>-</u>	<u>69,324</u>

The Group's and the Company's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessment 2018 to 2028). Unutilised tax losses from year of assessment 2019 onwards can be carry forward for a maximum period of 10 consecutive years.

24. REVENUE

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	2024 (RM)	2023 (RM)
Application solutions:		
- Implementation fees	5,579,622	5,773,216
- Managed services	71,038,652	69,890,308
	<u>76,618,274</u>	<u>75,663,524</u>
Financial network services:		
- Implementation fees	215,165	468,290
- Managed network services	29,522,238	27,969,400
	<u>29,737,403</u>	<u>28,437,690</u>
Equipment rental	1,030,199	1,119,667
Hardware sales	343,326	19,827
	<u>107,729,202</u>	<u>105,240,708</u>
Geographical market		
Malaysia	49,198,995	45,174,418
Hong Kong SAR, China	50,506,609	52,300,563
Others	8,023,598	7,765,727
	<u>107,729,202</u>	<u>105,240,708</u>
Timing of revenue recognition		
Over time	86,724,644	85,841,890
At a point in time	21,004,558	19,398,818
	<u>107,729,202</u>	<u>105,240,708</u>

25. (LOSS)/PROFIT BEFORE TAXATION

(Loss/Profit before taxation is derived after charging/(crediting):

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Amortisation of intangible assets	13,757,618	7,438,001	-	-
Auditors' remuneration:				
- statutory audit	337,937	312,056	67,500	65,000
- others	17,000	17,000	5,000	5,000
Bad debts written off	863,517	17,941	-	-
Depreciation of property, plant and equipment	4,113,703	4,085,540	635,396	619,570
Depreciation of investment properties	234,316	234,317	234,316	234,317
Directors' remuneration:				
- fees	890,508	809,550	890,508	809,550
- salaries and other emoluments	7,997,604	6,265,567	722,083	330,567
- defined contribution plan	63,434	48,527	22,593	18,718
Dividend income	(1,901,497)	(2,004,413)	(16,863,179)	(31,887,223)
Rental of assets:				
- depreciation of right-of-use assets	1,295,842	1,286,838	-	-
- short term leases	264,036	169,950	27,600	55,200
Foreign exchange loss/(gain):				
- realised	(48,549)	(133,374)	(2,129)	(208,180)
- unrealised	1,327,214	(1,188,200)	795,260	(313,113)
Fair value change on financial assets at fair value through profit or loss	36,145	35,816	36,145	35,816
Gain on disposal of subsidiary companies	-	-	(24,984,428)	-
Gain on disposal of intangible assets	-	(587,016)	-	-
Gain on lease termination	(580)	-	-	-
Goodwill written off	-	50,209	-	-
Interest expense	100,383	73,891	-	-
Interest income	(2,183,456)	(1,271,764)	(406,196)	(278,010)
Impairment loss on:				
- goodwill	27,000,000	-	-	-
- intangible assets	-	403,769	-	-
- trade receivables	1,309,462	880,621	-	-
- amount owing by a subsidiary company	-	-	1,564,894	-
Intangible assets written off	3,812,197	-	-	-
Long term incentive plan expenses	607,150	361,036	118,515	206,175
Property, plant and equipment written off	-	68,000	-	-
Provision for long service payments	209,092	249,442	-	-
Reversal of impairment loss on trade receivables	(1,637,212)	(662,073)	(27,666)	(215)
Rental income	(1,255,089)	(898,463)	(1,750,425)	(1,423,799)
Management fee:				
- related party	(60,000)	(60,000)	(60,000)	(60,000)
- subsidiary companies	-	-	(3,566,782)	(2,582,028)

26. TAXATION

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Current taxation:				
- Current year provision	1,702,502	2,749,060	-	17,392
- Under/(Over) provision in prior years	69,296	(908,234)	30,441	(30,698)
	1,771,798	1,840,826	30,441	(13,306)
Deferred taxation (Note 23):				
- Origination and reversal of temporary differences	(821,941)	3,753,193	-	-
- Over provision in prior year	(176,553)	-	-	-
	(998,494)	3,753,193	-	-
Taxation for the financial year	773,304	5,594,019	30,441	(13,306)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable (loss)/profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
(Loss)/Profit before taxation	(25,737,696)	19,326,273	34,694,174	28,557,370
Taxation at statutory tax rate of 24% (2023: 24%)	(6,177,047)	4,638,306	8,326,602	6,853,769
Effect of different tax rates in other countries	(338,707)	(936,661)	-	-
Expenses not deductible for tax purposes	12,122,738	1,402,673	1,771,960	879,673
Tax incentive arising from pioneer status	(491,517)	(1,299,556)	-	-
Income not subject to tax	(4,290,028)	(1,031,265)	(10,029,238)	(7,652,934)
Deferred tax assets not recognised	124,446	101,872	-	-
Utilisation of previously unrecognised deferred tax assets	(69,324)	(63,116)	(69,324)	(63,116)
Recognition of deferred tax liabilities due to expiry of Pioneer status	-	3,690,000	-	-
Under/(Over) provision of current taxation in prior years	69,296	(908,234)	30,441	(30,698)
Over provision of deferred taxation in prior year	(176,553)	-	-	-
Taxation for the financial year	773,304	5,594,019	30,441	(13,306)

27. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the financial year.

	Group	
	2024	2023
(Loss)/Profit for the financial year attributable to the owners of the Company (RM)	<u>(26,172,607)</u>	<u>14,056,988</u>
Weighted average number of ordinary shares issued	<u>558,204,201</u>	<u>558,204,201</u>
Basic (loss)/earnings per share (sen)	<u>(4.69)</u>	<u>2.52</u>

(b) Diluted earnings per share

For the purposes of calculating diluted earnings per share, consolidated profit attributable to owners of the Company is divided by weighted average number of ordinary shares in issue during the financial year, adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2024	2023
(Loss)/Profit for the financial year attributable to the owners of the Company (RM)	<u>(26,172,607)</u>	<u>14,056,988</u>
Weighted average number of ordinary shares issued	558,204,201	558,204,201
Adjusted for:		
Assumed exercise of Warrants at no consideration	-	-*
Assumed exercise of SOP at no consideration	-*	-*
	<u>558,204,201</u>	<u>558,204,201</u>
Diluted (loss)/earnings per share (sen)	<u>(4.69)</u>	<u>2.52</u>

* No warrants and SOP are assumed to be exercised at no consideration as the average fair value of the Company's quoted share price during the financial year is below the exercise price of the warrants and SOP.

28. DIVIDENDS

	Group/Company	
	2024 (RM)	2023 (RM)
Second interim single tier dividend of 1 sen (2023: 1 sen) per ordinary share paid in respect of the financial year ended 31 December 2023/2022	5,582,042	5,582,042
First interim single tier dividend of 1 sen (2023: 1 sen) per ordinary share paid in respect of the financial year ended 31 December 2024/2023	5,582,042	5,582,042
	<u>11,164,084</u>	<u>11,164,084</u>

29. STAFF COSTS

	Note	Group		Company	
		2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Salaries, bonus and other emoluments					
Contribution to defined contribution plan and social security		32,843,205	27,880,454	2,340,797	1,850,978
Long term incentive plan expenses		2,934,073	2,541,369	265,857	436,454
Provision for retirement benefits	22	607,150	361,036	118,515	206,175
Total staff costs		<u>209,092</u>	<u>249,442</u>	<u>-</u>	<u>-</u>
		<u>36,593,520</u>	<u>31,032,301</u>	<u>2,725,169</u>	<u>2,493,607</u>
Staff costs (excluding Directors) analysed as:					
- Charged to profit or loss		28,161,992	24,569,206	2,725,169	2,493,607
- Capitalised as intangible assets	8	8,431,528	6,463,095	-	-
Total staff costs		<u>36,593,520</u>	<u>31,032,301</u>	<u>2,725,169</u>	<u>2,493,607</u>

30. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Group	Lease liabilities (RM)	Total (RM)
At 1 January 2023	695,134	695,134
Additions during the financial year	4,435,442	4,435,442
Cash flows	(1,435,962)	(1,435,962)
Foreign exchange differences	100,977	100,977
At 31 December 2023	3,795,591	3,795,591
Cash flows	(1,522,710)	(1,522,710)
Lease termination	(51,244)	(51,244)
Foreign exchange differences	(12,587)	(12,587)
At 31 December 2024	2,209,050	2,209,050

31. SEGMENTAL INFORMATION

(a) Business segment

The reportable segments of the Group derive their revenue primarily from the provision of design, programming, consultancy services and related services which are substantially within a single business segment.

Management has determined the operating segments based on the reports reviewed by the Managing Director (Chief Operating Decision Maker). The Managing Director considers the business from a geographical perspective.

The Group's operations by key operating companies are segmented into these main geographic segments: Malaysia, Hong Kong SAR, China and others. Others comprise of investment holding companies and other operating companies in other countries that contributed less than 10% of consolidated revenue.

31. SEGMENTAL INFORMATION (CONTINUED)

(a) Business segment (Continued)

	Malaysia (RM)	Hong Kong SAR, China (RM)	Others (RM)	Total (RM)
2024				
<u>Revenue</u>				
Total revenue	49,239,195	50,506,609	8,023,598	107,769,402
Inter-segment elimination	(40,200)	-	-	(40,200)
External revenue	<u>49,198,995</u>	<u>50,506,609</u>	<u>8,023,598</u>	<u>107,729,202</u>
<u>Results</u>				
EBITDA *	228,214	20,520,588	1,805,024	22,553,826
Amortisation of intangible assets	(13,757,618)	-	-	(13,757,618)
Depreciation of property, plant and equipment	(2,976,361)	(805,044)	(332,298)	(4,113,703)
Depreciation of investment properties	(234,316)	-	-	(234,316)
Depreciation of right-of-use assets	(66,820)	(1,229,022)	-	(1,295,842)
Dividend income	1,863,179	-	38,318	1,901,497
Finance income	563,106	1,565,679	54,671	2,183,456
Finance costs	(14,119)	(86,264)	-	(100,383)
Impairment loss on goodwill	(27,000,000)	-	-	(27,000,000)
Intangible assets written off	-	-	(3,812,197)	(3,812,197)
Long term incentive plan	(401,538)	(205,612)	-	(607,150)
Net impairment reversed/(loss) on trade receivables	1,106,116	302,250	(1,080,616)	327,750
Share of associate's results	-	-	652,371	652,371
Unrealised foreign exchange loss	(922,758)	(197,171)	(207,285)	(1,327,214)
Other non-cash items	(795,479)	(312,694)	-	(1,108,173)
Taxation	(162,965)	(336,029)	(274,310)	(773,304)
Segment (loss)/profit for the financial year	<u>(42,571,359)</u>	<u>19,216,681</u>	<u>(3,156,322)</u>	<u>(26,511,000)</u>
Non-current assets	<u>60,401,545</u>	<u>37,253,646</u>	<u>3,715,652</u>	<u>101,370,843</u>

31. SEGMENTAL INFORMATION (CONTINUED)

(a) Business segment (continued)

	Malaysia (RM)	Hong Kong SAR, China (RM)	Others (RM)	Total (RM)
2023				
<u>Revenue</u>				
Total revenue	45,185,070	52,300,563	7,765,728	105,251,361
Inter-segment elimination	(10,653)	-	-	(10,653)
External revenue	<u>45,174,417</u>	<u>52,300,563</u>	<u>7,765,728</u>	<u>105,240,708</u>
<u>Results</u>				
EBITDA *	16,878,604	9,430,267	1,151,397	27,460,268
Amortisation of intangible assets	(7,215,791)	-	(222,210)	(7,438,001)
Depreciation of property, plant and equipment	(2,759,457)	(970,692)	(355,391)	(4,085,540)
Depreciation of investment properties	(234,317)	-	-	(234,317)
Depreciation of right-of-use assets	(11,137)	(1,275,701)	-	(1,286,838)
Dividend income	2,004,413	-	-	2,004,413
Finance income	528,316	690,136	53,312	1,271,764
Finance costs	(6,215)	(67,676)	-	(73,891)
Gain on disposal of intangible assets	-	587,016	-	587,016
Impairment loss on goodwill	(403,769)	-	-	(403,769)
Long term incentive plan	(311,208)	(49,828)	-	(361,036)
Net impairment loss on trade receivables	(41,018)	(111,959)	(65,571)	(218,548)
Share of associate's results	-	-	1,337,960	1,337,960
Unrealised foreign exchange gain	522,719	-	665,481	1,188,200
Other non-cash items	(154,025)	(267,383)	-	(421,408)
Taxation	(4,255,154)	(1,013,497)	(325,368)	(5,594,019)
Segment profit for the financial year	<u>4,541,961</u>	<u>6,950,683</u>	<u>2,239,610</u>	<u>13,732,254</u>
Non-current assets	<u>62,274,867</u>	<u>66,004,445</u>	<u>9,232,667</u>	<u>137,511,979</u>

* Earnings before interest, taxes, depreciation and amortisation (excluding other significant non-cash items).

31. SEGMENTAL INFORMATION (CONTINUED)

(b) Information about major customers

Revenue from 1 (2023: 1) major customer amount to RM12,628,249 (2023: RM11,037,157) arising from the Malaysia segment.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group monitors capital using gearing ratio, which is total equity plus net debt. The Group's policy is to keep the lower gearing ratio. The Group includes within net debt, trade and other payables, bank borrowings less cash and cash equivalents.

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Trade and other payables	17,842,659	19,846,538	1,414,929	1,013,384
Amount owing to a subsidiary company	-	-	7	-
Amount owing to related companies	1,722	222,815	-	424
Lease liabilities	2,209,050	3,795,591	-	-
Less: cash and cash equivalents	<u>(75,934,486)</u>	<u>(93,389,353)</u>	<u>(9,520,654)</u>	<u>(15,871,382)</u>
Net liquidity	<u>(55,881,055)</u>	<u>(69,524,409)</u>	<u>(8,105,718)</u>	<u>(14,857,574)</u>
Total equity	<u>250,886,988</u>	<u>292,731,640</u>	<u>293,827,385</u>	<u>269,720,586</u>
Capital and net liquidity	<u>195,005,933</u>	<u>223,207,231</u>	<u>285,721,667</u>	<u>254,863,012</u>
Gearing ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

33. FINANCIAL INSTRUMENTS

The following table analyses the financial assets and finance liabilities of the Group and of the Company by the classes and categories of financial instrument to which they are assigned, and therefore by the measurement basis:

	Financial assets at fair value through profit or loss (RM)	Financial assets and liabilities at amortised cost (RM)	Total (RM)
2024			
Group			
Financial assets			
Trade and other receivables	-	13,693,342	13,693,342
Marketable securities	-	73,809,773	73,809,773
Financial assets at fair value through profit or loss	73,260	-	73,260
Cash and cash equivalents	-	75,934,486	75,934,486
	<u>73,260</u>	<u>163,437,601</u>	<u>163,510,861</u>
Financial liabilities			
Trade and other payables	-	17,842,659	17,842,659
Amount owing to related companies	-	1,722	1,722
Lease liabilities	-	2,209,050	2,209,050
	<u>-</u>	<u>20,053,431</u>	<u>20,053,431</u>
Company			
Financial assets			
Other receivables	-	593,631	593,631
Amount owing by subsidiary companies	-	67,196,602	67,196,602
Amount owing by related companies	-	9,686	9,686
Marketable securities	-	57,334,590	57,334,590
Financial assets at fair value through profit or loss	73,260	-	73,260
Cash and cash equivalents	-	9,520,654	9,520,654
	<u>73,260</u>	<u>134,655,163</u>	<u>134,728,423</u>
Financial liabilities			
Trade and other payables	-	1,414,929	1,414,929
Amount owing to subsidiary companies	-	7	7
	<u>-</u>	<u>1,414,936</u>	<u>1,414,936</u>

33. FINANCIAL INSTRUMENTS (CONTINUED)

	Financial assets at fair value through profit or loss (RM)	Financial assets and liabilities at amortised cost (RM)	Total (RM)
2023			
Group			
Financial assets			
Trade and other receivables	-	13,909,771	13,909,771
Amount owing by related companies	-	238,789	238,789
Marketable securities	-	61,389,337	61,389,337
Financial assets at fair value through profit or loss	109,405	-	109,405
Cash and cash equivalents	-	93,389,353	93,389,353
	<u>109,405</u>	<u>168,927,250</u>	<u>169,036,655</u>
Financial liabilities			
Trade and other payables	-	19,846,538	19,846,538
Amount owing to related companies	-	222,815	222,815
Lease liabilities	-	3,795,591	3,795,591
	<u>-</u>	<u>23,864,944</u>	<u>23,864,944</u>
Company			
Financial assets			
Other receivables	-	5,162,847	5,162,847
Amount owing by subsidiary companies	-	49,099,475	49,099,475
Amount owing by related companies	-	221,047	221,047
Marketable securities	-	61,389,377	61,389,377
Financial assets at fair value through profit or loss	109,405	-	109,405
Cash and cash equivalents	-	15,871,382	15,871,382
	<u>109,405</u>	<u>131,744,128</u>	<u>131,853,533</u>
Financial liabilities			
Trade and other payables	-	1,013,384	1,013,384
Amount owing to related companies	-	424	424
	<u>-</u>	<u>1,013,808</u>	<u>1,013,808</u>

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade and other receivables and intercompany receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables and contract assets ageing. The Group monitors the results of the related parties regularly to safeguard credit risk on balance from intercompany receivables.

The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the statement of financial position.

The ageing analysis of the Group's and of the Company's trade receivables and contract assets is as follows:

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Neither past due nor individually impaired	5,448,632	4,685,240	-	-
Past due but not individually impaired:				
- Past due less than 1 year	6,736,329	8,348,235	-	-
- Past due more than 1 year	396,588	1,567,164	-	-
	7,132,917	9,915,399	-	-
Individually impaired	866,194	2,042,272	120,682	148,348
	13,447,743	16,642,911	120,682	148,348

The Group's trade receivables and contract assets of RM7,132,917 (2023: RM9,915,399) respectively were past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group's trade receivables and contract assets of RM866,194 and RM120,682 (2023: RM2,042,272 and RM148,348) respectively were individually impaired. The individually impaired receivables mainly relate to trade receivables, which are facing difficulties in cash flows. As at the end of the reporting date, the impairment loss for these receivables is RM866,194 and RM120,682 (2023: RM2,042,272 and RM148,348) respectively.

33. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)**Credit risk (continued)

Movements on the Group's loss allowance for impairment of trade receivables and other receivables are as follows:

	Trade receivables (RM)	Other receivables (RM)	Total (RM)
Group			
2024			
At 1 January	3,539,370	-	3,539,370
Impairment loss during the financial year	1,309,462	-	1,309,462
Reversal during the financial year	(1,637,212)	-	(1,637,212)
Exchange differences	(73,890)	-	(73,890)
At 31 December	<u>3,137,730</u>	<u>-</u>	<u>3,137,730</u>
Represented by:			
Individual impairment	866,194	-	866,194
Lifetime expected credit loss impairment	2,271,536	-	2,271,536
	<u>3,137,730</u>	<u>-</u>	<u>3,137,730</u>
2023			
At 1 January	5,287,408	3,443,276	8,730,684
Acquisition of a subsidiary	347,780	-	347,780
Impairment loss during the financial year	880,621	-	880,621
Reversal during the financial year	(662,073)	-	(662,073)
Written off during the financial year	(2,391,746)	(3,443,276)	(5,835,022)
Exchange differences	77,380	-	77,380
At 31 December	<u>3,539,370</u>	<u>-</u>	<u>3,539,370</u>
Represented by:			
Individual impairment	2,042,272	-	2,042,272
Lifetime expected credit loss impairment	1,497,098	-	1,497,098
	<u>3,539,370</u>	<u>-</u>	<u>3,539,370</u>

33. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)**Credit risk (continued)

Movements on the Company's loss allowance for impairment of trade receivables are as follows:

	Trade receivables (RM)	Total RM
Company		
2024		
At 1 January	148,348	148,348
Reversal during the financial year	(27,666)	(27,666)
At 31 December	<u>120,682</u>	<u>120,682</u>
Represented by:		
Individual impairment	120,682	120,682
Lifetime expected credit loss impairment	-	-
	<u>120,682</u>	<u>120,682</u>
2023		
At 1 January	158,077	158,077
Reversal during the financial year	(215)	(215)
Written off during the financial year	(9,514)	(9,514)
At 31 December	<u>148,348</u>	<u>148,348</u>
Represented by:		
Individual impairment	148,348	148,348
Lifetime expected credit loss impairment	-	-
	<u>148,348</u>	<u>148,348</u>

33. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)**Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, amount owing to related companies and lease liabilities.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount (RM)	Contractual interest rate %	Contractual cash flow (RM)	On demand or within one year (RM)	Between one to five years (RM)
2024					
Group					
Trade and other payables	17,842,659	-	17,842,659	17,842,659	-
Amount owing to related companies	1,722	-	1,722	1,722	-
Lease liabilities	2,209,050	1.30 - 4.40	2,222,048	1,403,573	818,475
	<u>20,053,431</u>		<u>20,066,429</u>	<u>19,247,954</u>	<u>818,475</u>
Company					
Trade and other payables	1,414,929	-	1,414,929	1,414,929	-
Amount owing to subsidiary companies	7	-	7	7	-
	<u>1,414,936</u>		<u>1,414,936</u>	<u>1,414,936</u>	<u>-</u>

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Liquidity risk (continued)

	Carrying amount (RM)	Contractual interest rate %	Contractual cash flow (RM)	On demand or within one year (RM)	Between one to five years (RM)
2023					
Group					
Trade and other payables	19,846,538	-	19,846,538	19,846,538	-
Amount owing to related companies	222,815	-	222,815	222,815	-
Lease liabilities	3,795,591	1.30 - 4.40	3,990,323	1,682,522	2,307,801
	<u>23,864,944</u>		<u>24,059,676</u>	<u>21,751,875</u>	<u>2,307,801</u>
Company					
Trade and other payables	1,013,384	-	1,013,384	1,013,384	-
Amount owing to related companies	424	-	424	424	-
	<u>1,013,808</u>		<u>1,013,808</u>	<u>1,013,808</u>	<u>-</u>

33. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)**Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singapore Dollar, United States Dollar, Euro Dollar, Thai Baht, Australian Dollar and Hong Kong Dollar. The Group and the Company monitor the foreign currency risks on an ongoing basis

33. FINANCIAL INSTRUMENTS (CONTINUED)**FINANCIAL RISK MANAGEMENT (CONTINUED)**Market risk (Continued)

(a) Foreign currency exchange risk (continued)

The net unhedged financial assets and financial liabilities of the Group and the Company that are not denominated in their functional currencies are as follows:

	Financial Assets/(Liabilities) Held in Non-Functional Currency							Total (RM)
	Singapore Dollar (RM)	United States Dollar (RM)	Euro Dollar (RM)	Thai Baht (RM)	Australian Dollar (RM)	Hong Kong Dollar (RM)		
Group								
2024								
Trade receivables	-	800,103	-	-	-	-	-	800,103
Cash and bank balances	3,639,089	2,007,900	-	-	-	3,287	5,650,276	
Trade payables	-	(185,686)	(107,619)	-	(59,736)	-	(353,041)	
	3,639,089	2,622,317	(107,619)	-	(59,736)	3,287	6,097,338	
2023								
Trade receivables	-	2,659,811	-	-	-	-	2,659,811	
Cash and bank balances	3,747,452	1,235,195	-	-	-	14,962	4,997,609	
Trade payables	-	(374,997)	(117,180)	(17,127)	-	-	(509,304)	
	3,747,452	3,520,009	(117,180)	(17,127)	-	14,962	7,148,116	

33. FINANCIAL INSTRUMENTS (CONTINUED)**FINANCIAL RISK MANAGEMENT (CONTINUED)**Market risk (Continued)

(a) Foreign currency exchange risk (continued)

**Financial Assets/(Liabilities) Held in
Non-Functional Currency**

Company	Singapore Dollar (RM)	United States			Australian Dollar		Hong Kong Dollar		Total (RM)
		Dollar (RM)	Dollar (RM)	Dollar (RM)	Dollar (RM)	Dollar (RM)			
2024									
Amount owing by subsidiary companies	18,714,375	-	-	-	-	-	-	-	18,714,375
Cash and bank balances	3,639,069	5,511	-	-	3,287	-	-	-	3,647,867
Trade payables	-	(162,282)	(59,736)	-	-	-	-	-	(222,018)
	22,353,444	(156,771)	(59,736)	3,287	3,287	-	-	-	22,140,224
2023									
Amount owing by subsidiary companies	18,321,489	-	-	-	-	-	-	-	18,321,489
Cash and bank balances	3,747,452	11,991	-	-	14,962	-	-	-	3,774,405
Trade payables	-	(166,819)	-	-	-	-	-	-	(166,819)
	22,068,941	(154,828)	-	14,962	14,962	-	-	-	21,929,075

33. FINANCIAL INSTRUMENTS (CONTINUED)**FINANCIAL RISK MANAGEMENT (CONTINUED)**Market risk (Continued)

(a) Foreign currency exchange risk (continued)

Currency risk sensitivity analysis

The following table shows the sensitivity of the Group's and the Company's equity and loss net of tax to a reasonably possible change in the Singapore Dollar, United States Dollar, Euro Dollar and Hong Kong Dollar exchange rates against the functional currency of the Group, with all other variables remain constant.

	Group		Company	
	Profit net of tax		Profit net of tax	
	2024	2023	2024	2023
	(RM)	(RM)	(RM)	(RM)
SGD/RM -strengthened 5%	138,285	142,403	849,431	838,620
-weakened 5%	(138,285)	(142,403)	(849,431)	(838,620)
USD/RM -strengthened 5%	99,648	133,760	(5,957)	(5,883)
-weakened 5%	(99,648)	(133,760)	5,957	5,883
EUR/RM -strengthened 5%	(4,090)	(4,453)	-	-
-weakened 5%	4,090	4,453	-	-
THB/RM -strengthened 5%	-	(651)	-	-
-weakened 5%	-	651	-	-
AUD/RM -strengthened 5%	(2,270)	-	(2,270)	-
-weakened 5%	2,270	-	2,270	-
HKD/RM -strengthened 5%	125	569	125	569
-weakened 5%	(125)	(569)	(125)	(569)

33. FINANCIAL INSTRUMENTS (CONTINUED)**FINANCIAL RISK MANAGEMENT (CONTINUED)**Market risk (Continued)

(b) Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's lease liabilities.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

	Group/Company	
	2024 (RM)	2023 (RM)
Fixed rate instruments		
Hire purchase liabilities	(148,479)	(397,954)

Interest rate risk sensitivity analysis

Since the Group's fixed rate financial assets and liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group's profit or loss.

33. FINANCIAL INSTRUMENTS (CONTINUED)**FINANCIAL RISK MANAGEMENT (CONTINUED)**Fair Value Information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of long term borrowings carried on the statements of financial position reasonably approximate fair value as it is a floating rate instrument that is re-priced to market interest rates on or near the reporting date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that is not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statements of financial position:

Group/Company	2024 Level 1 Fair Value (RM)	2023 Level 1 Fair Value (RM)
Financial asset		
Financial assets at fair value through profit or loss	73,260	109,405

The Group does not anticipate the carrying amounts of other financial instruments recorded at the reporting date to be significant different from the values that would eventually settled.

34. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(a) The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:

	Group/Company	
	2024	2023
	(RM)	(RM)
Rental income received/receivable from related company:		
- Netinfinium Solutions Sdn. Bhd.	(54,000)	(54,000)
Management fees received/receivable from related company:		
- Netinfinium Solutions Sdn. Bhd.	(60,000)	(60,000)

	Company	
	2024	2023
	(RM)	(RM)
Management fees received/receivable from subsidiary companies:		
- N2N Connect Pte. Ltd.	(982,768)	(646,746)
- N2N Global Solutions Sdn. Bhd.	(1,389,206)	(1,008,026)
- NGN Connection Sdn. Bhd.	(1,134,808)	(839,822)
- Hermes Bos Sdn. Bhd.	(60,000)	(60,000)
Rental income received/receivable from subsidiary companies:		
- N2N Global Solutions Sdn. Bhd.	(193,698)	(193,698)
- NGN Connection Sdn. Bhd.	(307,638)	(307,638)
- Hermes Bos Sdn. Bhd.	(24,000)	(24,000)
Dividend received/receivable from subsidiary companies:		
N2N Global Solutions Sdn. Bhd.	-	(12,500,000)
NGN Connection Sdn. Bhd.	-	(2,500,000)
N2N-AFE (Hong Kong) Limited	-	(11,751,980)
N2N-AFE International Limited	(11,000,000)	-
NGN-AFE International Limited	(4,000,000)	-
N2N Connect Pte. Ltd.	-	(3,130,830)

34. RELATED PARTY DISCLOSURES (CONTINUED)

- (b) Information regarding outstanding balances arising from related party transactions as at the end of the reporting period are disclosed in Notes 10, 11 and 12 to the financial statements.
- (c) 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 include all the Directors of the Company, and certain members of senior management of the Group.

Information regarding the compensation of key management personnel is as follows:

	Group		Company	
	2024 (RM)	2023 (RM)	2024 (RM)	2023 (RM)
Salaries, bonus and other emoluments	12,146,487	9,793,678	2,747,176	1,806,652
Contribution to defined contribution plan and social security	362,636	232,776	127,251	89,240
	<u>12,509,123</u>	<u>10,026,454</u>	<u>2,874,427</u>	<u>1,895,892</u>

35. MATERIAL LITIGATION

On 31 March 2021, N2N Connect Berhad and a few of its subsidiaries (collectively referred to as "Plaintiffs") filed a civil suit at the High Court of Malaya at Kuala Lumpur ("High Court") against Chua Tiong Hoong, Ahmad Ashraf bin Azman, Shyam Sundar Rayudu, Wong Voon Fui, Finevo Technology Sdn Bhd and AK Partner Hybrid Connect Sdn Bhd (collectively referred to as "Defendants") inter alia for breach of N2N's intellectual property rights, including but not limited to the copyright and trade secrets in the source codes and marketing materials; breach of fiduciary duties and breach of confidence ("Main Suit").

On 2 April 2021, the Plaintiffs obtained an Anton Piller Order ("Order" or "APO") from the High Court. The Order allows the Plaintiffs, subject to the terms and conditions of the Order, to enter the Defendants' premises to inspect, take possession of documents, records or other items, which may form evidence in an action against the Defendants.

On 22 October 2021, the Defendants filed their appeals in the Court of Appeal against the High Court's dismissal of their applications to set aside the APO. The Court of Appeal had on 6 July 2023 allowed the Defendants' appeals and set aside the APO.

Following the decision of the Court of Appeal, the Plaintiffs had on 14 July 2023 filed the Notices of Motion for Leave to Appeal to the Federal Court. The Federal Court had on 7 December 2023 granted the Plaintiffs' Motions for Leave to Appeal. On 18 December 2023 the Plaintiffs filed their Notices of Appeal to the Federal Court. The Federal Court heard the Appeals on 29 April 2024 and allowed the Plaintiffs' Appeal against the 1st, 3rd, 4th, 5th and 6th Defendants with costs and set aside the Court of Appeal's Order dated 6 July 2023 and reinstated the Plaintiffs' Anton Piller Order granted by the High Court on 2 April 2021.

35. MATERIAL LITIGATION (CONTINUED)

On 27 May 2024, the Plaintiffs filed an application in the High Court for directions to extract and analyse the Anton Piller Order information pursuant to the decision by the Federal Court in reinstating the Plaintiffs' Anton Piller Order. The Application is fixed for hearing on 7th April 2025.

On 25 July 2023, the Plaintiffs filed an application for discovery in the High Court against the Defendants to obtain documents from Defendants to be used as evidence during the Trial. On 8 December 2023, the High Court dismissed the Plaintiffs' Discovery Application ("Encl. 423"). On 4 January 2024, the Plaintiffs filed a Notice of Appeal to the Court of Appeal against the dismissal of Encl. 423. The Court of Appeal has on 5 December 2024 allowed the Plaintiffs' Appeal.

The Plaintiffs filed an Originating Summons at the Kuala Lumpur High Court to set aside the Consent Judgment dated 1 March 2024 for the withdrawal of the 2nd, 3rd and 4th Defendants from the Main Suit. The hearing of the Originating Summons was fixed for hearing on 12 March 2025 and adjourned for continued hearing on 20th March 2025.

The High Court has fixed the dates for trial of the Main Suit from 18 August 2025 to 29 August 2025.

In the Directors opinion, based on its examination of the developments to date and discussions with its legal counsel, the ultimate outcome of legal proceedings is not expected to have a material adverse effect on the Group and the Company's financial position.

36. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated 27 March 2025.

LIST OF PROPERTY OF N2N CONNECT BERHAD AS OF 31 DECEMBER 2024

Postal Address	Approximate Age of Building	Tenure / Date of Acquisition	Remaining Lease Period (expiry of Lease)	Current Use	Land Area (SQ Feet)	Carrying Amount as of 31 December 2024 (RM '000)
Wisma N2N Tower 2, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur	15 years	Leasehold / 3 June 2011	83 Years (16 August 2106)	Corporate Offices	54,059	29,249

ANALYSIS OF SHAREHOLDINGS AS OF 28 MARCH 2025 (BASED ON RECORD OF DEPOSITORS)

Type of Securities	: Ordinary Shares
Total number of Shares issued	: 558,204,201 Ordinary Shares
Voting rights	: One vote per Ordinary Share
No. of shareholders	: 3,891

1. DISTRIBUTION SCHEDULE OF SHAREHOLDERS

<u>No. of Holders</u>	<u>Holdings</u>	<u>Total Holdings</u>	<u>%</u>
60	Less than 100	1,271	0.00
442	100 to 1,000	260,195	0.05
1,885	1,001 to 10,000	10,627,688	1.90
1,231	10,001 to 100,000	40,783,085	7.31
269	100,001 to less than 5% of issued shares	211,636,049	37.91
4	5% and above of issued shares	294,895,913	52.83
<u>3,891</u>		<u>558,204,201</u>	<u>100.00</u>

2. LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTHOLDERS

Name	No. of Shares	Percentage %
1. Amsec Nominees (Asing) Sdn Bhd <i>Pledged Securities Account For Hundsun Holdings Limited</i>	132,055,852	23.66
2. N2N Connect Holdings Sdn Bhd	91,622,095	16.41
3. TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Quah Choon Wah</i>	38,056,666	6.82
4. CGS International Nominees Malaysia (Asing) Sdn Bhd <i>Exempt An for CGS International Securities Singapore Pte. Ltd. (Retail Clients)</i>	33,161,300	5.94
5. Wong Kok Ping	19,015,266	3.41
6. Lai Su Ping	18,040,857	3.23
7. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for UBS Switzerland AG (Clients Assets)</i>	17,280,000	3.10
8. Tiang Boon Hwa	15,803,426	2.83
9. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Dana Makmur PHEIM (211901)</i>	14,137,000	2.53
10. Chua Hock Ann	7,061,362	1.27
11. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Kuan Teck</i>	6,609,100	1.18
12. CIMB Group Nominees (Asing) Sdn Bhd <i>Exempt An for DBS Bank Ltd (SFS)</i>	5,982,000	1.07
13. CGS International Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Goh Ching Chee (MY0605)</i>	5,630,800	1.01
14. Tan Kuan Teck	4,568,900	0.82
15. Chan See Wai	3,911,656	0.70
16. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Gan Sem Yam</i>	3,030,900	0.54
17. Lai Sok Kun	2,913,100	0.52
18. Lim Kok Tean	2,363,916	0.42

19. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siaw Teck Siong (E-PDG)</i>	1,752,600	0.31
20. Chen Boon Chew	1,667,800	0.30
21. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for PHEIM Asia Ex-Japan Islamic Fund (260508)</i>	1,604,600	0.29
22. Maybank Nominees (Tempatan) Sdn Bhd <i>PHEIM Asset Management Sdn Bhd for BENTA Wawasan Sdn Bhd (A/C 95-230135)</i>	1,554,100	0.28
23. Citigroup Nominees (Asing) Sdn Bhd <i>CEP for PHEIM SICAV-SIF</i>	1,518,000	0.27
24. Loh Lan Jin @ Loh Luan Eng	1,354,000	0.24
25. Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for PHEIM Emerging Companies Balanced Fund (211899)</i>	1,242,400	0.22
26. Liew Kim Loong	1,200,700	0.22
27. Koay Choon Chin	1,200,000	0.22
28. Maybank Nominees (Tempatan) Sdn Bhd <i>Exempt An for Tradeview Capital Sdn Bhd</i>	1,178,600	0.21
29. Tang Yim Heng	1,135,300	0.20
30. Lim Seng Keong	1,100,000	0.20
	437,752,296	78.42

3. LIST OF SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
1. Hundsun Holdings Limited	132,055,852	23.66	-	-
2. Hundsun Technologies Inc.	-	-	132,055,852 ⁽¹⁾	23.66
3. N2N Connect Holdings Sdn Bhd	91,622,095	16.41	-	-
4. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Quah Choon Wah	38,056,666	6.82	-	-
5. Tiang Boon Hwa	17,421,033	3.12	109,662,952 ⁽²⁾	19.65
6. Lai Su Ping	18,040,857	3.23	109,043,128 ⁽³⁾	19.53

4. DIRECTORS' INTEREST IN SHARES IN THE COMPANY AND ITS RELATED COMPANIES

Name	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
1. Tiang Boon Hwa	17,421,033	3.12	109,662,952 ⁽²⁾	19.65
2. Lai Su Ping	18,040,857	3.23	109,043,128 ⁽³⁾	19.53
3. Dato' Sim Kia Ju	-	-	-	-
4. Goh Ching Chee	6,630,800	1.19	-	-
5. Elaine Foong Sooi Jade	-	-	-	-
6. Chua Hock Seng	-	-	-	-
7. Lin, Lin	-	-	-	-

The above Directors by virtue of their shareholdings in the Company are also deemed interested in shares in the related corporations to the extent the Company has an interest.

NOTE:

- (1) Deemed interested by virtue of its interest in Hundsun Holdings Limited.
- (2) Deemed interested by virtue of his interest in N2N Connect Holdings Sdn Bhd and his spouse, Lai Su Ping's interest, pursuant to Sections 8 and 59 of the Companies Act 2016.
- (3) Deemed interested by virtue of her interest in N2N Connect Holdings Sdn Bhd and her spouse, Tiang Boon Hwa's interest, pursuant to Sections 8 and 59 of the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Fourth Annual General Meeting (“AGM”) of the Company will be held at Wisma N2N, Level 9, Tower 2, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 29 May 2025 at 10:00 a.m. to transact the following business:

Agenda

Ordinary Business

1. To lay before the Meeting the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.
[Please refer to Notes (i)]
2. To approve the payment of Directors’ Fees of RM890,508 for the financial year ending 31 December 2025.
[Please refer to Notes (ii)] *(Ordinary Resolution 1)*
3. To approve the payment of Directors’ benefits (excluding Directors’ Fees) up to an amount of RM20,000 payable from 1 January 2025 until the next Annual General Meeting of the Company to be held in the year 2026.
[Please refer to Notes (iii)] *(Ordinary Resolution 2)*
4. To approve a final dividend of 1 sen per share (Single Tier Dividend) for the financial year ended 31 December 2024. *(Ordinary Resolution 3)*
5. To re-elect the following Directors retiring in accordance with Clause 103(1) of the Company’s Constitution:
 - 5.1 Ms Elaine Foong Sooi Jade *(Ordinary Resolution 4)*
 - 5.2 Dato’ Sim Kia Ju *(Ordinary Resolution 5)*
6. To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration. *(Ordinary Resolution 6)*

Special Business

7. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“THAT, subject to the Companies Act, 2016, the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE LR”) and the approval of such relevant government and/or regulatory authorities where necessary, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue ordinary shares in the Company at any time until the conclusion of the next Annual General Meeting (“AGM”) and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of ordinary shares to be issued does not exceed ten percent (“10%”) of the total number of issued shares (excluding treasury shares) of the Company at the time of issue, and that the Directors be and are also empowered to obtain the approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued.

(Ordinary Resolution 7)

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act, 2016 and Clause 13 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares pursuant to this mandate by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotment and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new shares.

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

8. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES (“PROPOSED SHARE BUY-BACK”)

(Ordinary Resolution 8)

“THAT, subject to the Companies Act, 2016, the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE LR”) and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase its own ordinary shares (“Shares”) on the ACE Market of Bursa Securities (“Proposed Share Buy-Back”) at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:-

- a. The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company and in compliance with the public shareholding spread requirements as stipulated in Rule 8.02(1) of the ACE LR or such other requirements as may be determined by Bursa Securities from time to time;
- b. The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profit of the Company based on the latest Audited and unaudited Financial Statements of the Company (where applicable) available at the time of purchase(s);
- c. The authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-
 - i. the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
 - iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;whichever occurs first; and
- d. That upon completion of the purchase by the Company of its own ordinary shares, the Board of Directors be and are hereby authorized to deal with the ordinary shares purchased in their absolute discretion in the following manner:
 - i. cancel all or part of the Purchased Shares; and/or
 - ii. retain all or part of the Purchased Shares as Treasury Shares; and/or
 - iii. distribute all or part of the Treasury Shares as share dividends to the Company's shareholders; and/or
 - iv. resell all or part of the Treasury Shares on Bursa Securities; and/or
 - v. transfer all or part of the Treasury Shares for the purposes of or under an employees' share scheme; and/or
 - vi. transfer all or part of the Treasury Shares as purchase consideration; and /or
 - vii. sell, transfer or otherwise use all or part of the Treasury Shares for such other purposes as the Minister may by order prescribe.

AND THAT authority be and is hereby given to the Board of Directors to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

9. To consider and if thought fit, to pass the following as an ordinary resolution, with or without modification :-

RETENTION OF INDEPENDENT DIRECTOR

*(Ordinary
Resolution 9)*

“That Ms Elaine Foong Sooi Jade, who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine years be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.”

10. To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty Fourth AGM to be held on 29 May 2025, a Final Dividend of 1 sen per share (Single Tier Dividend) in respect of the financial year ended 31 December 2024 will be paid on 23 June 2025 to shareholders whose names appear in the Company’s Record of Depositors on 6 June 2025.

A Depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred into the Depositor’s Securities Account before 4:30 p.m. on 6 June 2025 in respect of transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Twenty Fourth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. (“Bursa Depository”) in accordance with Clause 71 of the Company’s Constitution and Section 34 (1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 22 May 2025. Only a depositor whose name appears on the Record of Depositors as at 22 May 2025 shall be entitled to attend the said meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

By order of the Board

HO MUN YEE (SSM PC NO. : 201908003292) (MAICSA 0877877)
CHO MEI THO (SSM PC NO. : 201908003284) (MAICSA 7036543)
Company Secretaries

Kuala Lumpur
30 April 2025

NOTES:

1. *A proxy may but need not be a member of the Company.*
2. *A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*
3. *The instrument appointing a proxy must be deposited at the Company’s Share Registrar’s office 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 time appointed for holding the Meeting or any adjournment thereof. Individual shareholders can also have the option to submit the proxy appointment electronically via the Share Registrar’s website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> before the proxy form submission cut-off time as mentioned above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.*

NOTES:

- (i) The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Companies Act 2016. Hence this matter will not be put for voting.
- (ii) The proposed Directors' Fees based on the current number of Directors are as follows:

CATEGORY	RM (per Director, per annum)
Chairperson of the Board and the Committees	RM148,418
Executive Director	RM148,418
Independent Non-Executive Director	RM127,050

- (iii) The benefits payable to the Directors (excluding Directors' Fees) comprises meeting allowances. The estimated meeting allowances payable to the Directors from 1 January 2025 until the next Annual General Meeting to be held in the year 2026, are calculated based on the number of scheduled meetings for Board of Directors, Board Committees and general meetings of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS**A. Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

Ordinary Resolution 7, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting ("AGM"), to issue ordinary shares in the Company up to and not exceeding ten percent ("10%") of the total number of issued shares (excluding treasury shares) of the Company at the time of issue. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

Ordinary Resolution 7, if passed, will exclude the statutory pre-emptive right of the Company's shareholders to be offered any new Shares to be issued by the Company pursuant to the authority given under Sections 75 and 76 of the Companies Act 2016.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 23 May 2024, in which the said mandate will lapse at the conclusion of this AGM.

The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisitions and/or such other applications that the Directors may in their absolute discretion deem fit.

B. Proposed Renewal of Authority to Buy-Back Shares

Ordinary Resolution 8, if passed, will provide mandate for the Company to buy-back its own shares up to a limit of ten percent ("10%") of the total number of issued shares of the Company. Further explanatory notes on Ordinary Resolution 8 is set out in the Share Buy-Back Statement to Shareholders dated 30 April 2025.

C. Retention of Independent Director

Ordinary Resolution 9, if passed, will enable Ms Elaine Foong Sooi Jade who was appointed on 15 March 2016 and has served the Board as Independent Non-Executive Directors for a cumulative term of more than nine (9) years, to be retained as an Independent Non-Executive Director of the Company.

The Board of Directors has vide the Nomination and Remuneration Committee conducted an assessment of independence on Ms Foong and recommended her to continue to act as an Independent Non-Executive Director based on the following justifications:-

Justifications

- a. She has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements and is therefore able to give independent opinion to the Board;
- b. Being director for more than nine years has enabled her to contribute positively during deliberations/discussions at meetings as she is familiar with the operations of the Company and possess knowledge of the Company's operations;
- c. She has contributed sufficient time and exercised due care during her tenure as an Independent Non-Executive Director;
- d. She has discharged her professional duties in good faith and also in the best interest of the Company and shareholders;
- e. She has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and
- f. She has never compromised on her independent judgement.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

A. Further Details of the Directors who are standing for re-election as Directors

The details of the Directors who are standing for re-election at the Twenty Fourth Annual General Meeting are set out in the Directors' Profile of the Company's 2024 Annual Report. No individual other than the retiring Directors are seeking election as Directors at the Twenty Fourth Annual General Meeting.

The retiring Directors have been assessed by the Nomination and Remuneration Committee and the Board of Directors. The Directors recommended the retiring Directors for re-election at the Twenty Fourth Annual General Meeting after considering their experience, integrity, competence, performance and commitment in discharging their roles as Directors of the Company.

B. Mandate for Issuance of Shares

Further details of the authority to Directors to issue ordinary shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are as stated above in the Explanatory Notes on Special Business.

Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at this AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for this AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to this AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"); (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure of the proxy(ies) and/or representative(s) personal data by the Company for the Purpose; and (iii) agrees that the member will indemnify the Company (or its agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note : The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

**N2N CONNECT BERHAD**

200001020530 (523137-K)

(Incorporated in Malaysia)

PROXY FORM

CDS Account No. :

No. of Shares held :

Tel No & Email :

I/We, _____
(Full name in Block Letters and NRIC/Passport/Company No.)

of _____
(Address)

being a member(s) of N2N CONNECT BERHAD, hereby appoint

Full Name (in Block Letters), tel no and address	NRIC/Passport No.	% of Shareholding

or failing him/her

Full Name (in Block Letters), tel no and address	NRIC/Passport No.	% of Shareholding

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 Twenty Fourth Annual General Meeting of the Company to be held at Wisma N2N, Level 9, Tower 2, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 29 May 2025 at 10:00 a.m. or at any adjournment thereof.

		FOR	AGAINST
Ordinary Resolution 1	Directors' fees for the year ending 31 December 2025		
Ordinary Resolution 2	Directors' benefits		
Ordinary Resolution 3	Declaration of final dividend		
Ordinary Resolution 4	Re-election of Ms Elaine Foong Sooi Jade		
Ordinary Resolution 5	Re-election of Dato' Sim Kia Ju		
Ordinary Resolution 6	Re-appointment of Auditors		
Ordinary Resolution 7	Authority to allot and issue shares pursuant to Sections 75 and 76		
Ordinary Resolution 8	Proposed Share Buy-Back		
Ordinary Resolution 9	Retention of Independent Director - Ms Elaine Foong Sooi Jade		

Subject to any voting instructions so given, the proxy will vote, or may abstain from voting on any resolution as he/she may think fit.

Signature(s)/Common Seal of Shareholder

Dated this _____ day of _____ 2025

NOTES

- A proxy may but need not be a member of the Company.*
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*
- The instrument appointing a proxy must be deposited at the Company's Share Registrar's office 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 time appointed for holding the Meeting or any adjournment thereof. Individual shareholders can also have the option to submit the proxy appointment electronically via the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/> before the proxy form submission cut-off time as mentioned above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.*

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2025.

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AFFIX
STAMP

The Share Registrar
N2N CONNECT BERHAD
200001020530 (523137-K)
Boardroom Share Registrars Sdn. Bhd.,
11th Floor , Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan

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CORPORATE INFORMATION

COMPANY SECRETARIES

Ho Mun Yee
MAICSA: 0877877
SSM PC NO: 201908003292

Cho Mei Tho
MAICSA: 7036543
SSM PC NO: 201908003284

REGISTERED OFFICE

3rd Floor, No. 17 Jalan Ipoh Kecil, 50350 Kuala Lumpur
T: 603. 4044 3235
F: 603. 4041 3959
email: esprit@espritms.com.my

HEAD OFFICE

Wisma N2N, Level 9, Tower 2, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
T: 603. 2241 1818
F: 603. 2241 1616
website: www.n2nconnect.com

AUDITORS

HLB Ler Lum Chew PLT (201906002362 & AF0276)
Chartered Accountants
Level 23, Hampshire Place Office 157, Hampshire, 1 Jalan Mayang Sari, Off, Jln Tun Razak, 50450 Kuala Lumpur
T: 603. 7890 5588

REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
199601006647 (Co. No. 378993-D)
11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor, Malaysia
T: 603. 7890 4700
F: 603. 7890 4670

PRINCIPAL BANKERS

Standard Chartered Saadiq Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name: N2N
Stock Code: 0108.KL

24TH ANNUAL GENERAL MEETING

N2N's 24th AGM will be held at Wisma N2N, Level 9 on Thursday, 29 May 2025 at 10 am.
Details of the meeting have been sent to shareholders separately.

