



N2N CONNECT BERHAD 200001020530 (523137-K)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2025**

N2N CONNECT BERHAD 200001020530 (523137-K)

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2025**

Remark:

The results for the quarter ended 30 June 2025 should be read in conjunction with the Annual Audited Financial Statements of N2N Connect Berhad and its subsidiaries ("Group") for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

	Quarter Ended		Year-To-Date Ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	RM'000	RM'000	RM'000	RM'000
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
1 Revenue	22,395	27,664	48,339	54,726
2 Profit before taxation	3,738	2,742	9,162	8,304
3 Profit for the period	3,146	2,204	7,718	7,183
4 Profit attributable to owners of the Company	3,193	2,264	7,832	7,319
5 Basic earnings per share (sen)	0.57	0.41	1.40	1.31
6 Diluted earnings per share (sen)	0.57	0.41	1.40	1.31
7 Proposed/Declared dividend per share (sen)	1.00	-	1.00	1.00

N2N CONNECT BERHAD 200001020530 (523137-K)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2025**

	Note	Quarter Ended			Year-To-Date Ended		
		30 Jun 2025	30 Jun 2024	Changes	30 Jun 2025	30 Jun 2024	Changes
		RM'000 (UNAUDITED)	RM'000 (UNAUDITED)	%	RM'000 (UNAUDITED)	RM'000 (UNAUDITED)	%
Revenue		22,395	27,664	-19%	48,339	54,726	-12%
Cost of sales		(10,514)	(11,825)	-11%	(22,077)	(23,728)	-7%
Gross profit		11,881	15,839	-25%	26,262	30,998	-15%
Other operating income		829	1,200	-31%	2,301	3,059	-25%
Administrative expenses		(11,432)	(14,609)	-22%	(23,230)	(26,766)	-13%
Finance costs		(13)	(27)	-52%	(30)	(57)	-47%
Share of associate's results		2,473	339	629%	3,859	1,070	261%
Profit before taxation		3,738	2,742	36%	9,162	8,304	10%
Taxation	B6	(592)	(538)	10%	(1,444)	(1,121)	29%
Profit for the period		3,146	2,204	43%	7,718	7,183	7%
Items that may be reclassified subsequently to profit or loss:							
- Exchange differences arising from translation of foreign operations		(4,769)	72		(5,477)	2,397	
- Share of associate's other comprehensive income / (expense) on fair value reserves		(2,987)	1,369		(4,124)	766	
Total comprehensive income / (expense) for the period		(4,610)	3,645		(1,883)	10,346	
Profit / (Loss) for the period attributable to:							
- Owners of the Company		3,193	2,264		7,832	7,319	
- Non-controlling interests		(47)	(60)		(114)	(136)	
		3,146	2,204		7,718	7,183	
Total comprehensive (expense) / income for the period:							
- Owners of the Company		(4,563)	3,705		(1,769)	10,482	
- Non-controlling interests		(47)	(60)		(114)	(136)	
		(4,610)	3,645		(1,883)	10,346	
Earnings per share ("EPS") attributable to owners of the Company:							
- Basic EPS (sen)	B11	0.57	0.41		1.40	1.31	
- Diluted EPS (sen)	B11	0.57	0.41		1.40	1.31	

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

N2N CONNECT BERHAD 200001020530 (523137-K)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2025**

		As at 30 Jun 2025 RM'000 (UNAUDITED)	As at 31 Dec 2024 RM'000 (AUDITED)
ASSETS			
Non-current assets			
Property, plant and equipment		32,760	34,159
Investment properties		7,968	8,791
Right-of-use assets		1,315	2,011
Intangible assets		45,513	44,709
Investment in an associate		11,437	11,702
		<u>98,993</u>	<u>101,372</u>
Current assets			
Trade receivables		12,933	10,310
Other receivables	A11	6,679	8,069
Tax recoverable		7,967	7,973
Marketable securities	B7	59,268	73,810
Financial assets at fair value through profit or loss (FVTPL)	A13	6,252	73
Deposit, cash and bank balances		76,822	75,934
		<u>169,921</u>	<u>176,169</u>
		<u>268,914</u>	<u>277,541</u>
EQUITY AND LIABILITIES			
Total equity			
Share capital		243,669	243,669
Exchange reserve		(7,401)	(1,924)
Fair value reserve		(4,371)	(247)
Long term incentive plan ("LTIP") reserve		2,661	2,590
Retained profits		10,421	8,171
Equity attributable to owners of the Company		<u>244,979</u>	<u>252,259</u>
Non-controlling interests		(1,485)	(1,371)
		<u>243,494</u>	<u>250,888</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2025**

		As at 30 Jun 2025 RM'000 (UNAUDITED)	As at 31 Dec 2024 RM'000 (AUDITED)
Non-current liabilities			
Lease liabilities		212	193
Provision for retirement benefits	A14	1,699	1,716
Deferred tax liabilities		4,384	4,461
		<u>6,295</u>	<u>6,370</u>
Current liabilities			
Trade payables		3,728	2,643
Other payables	A12	13,406	15,200
Amount owing to related companies		20	2
Lease liabilities		1,167	2,015
Provision for taxation		804	423
		<u>19,125</u>	<u>20,283</u>
Total liabilities		<u>25,420</u>	<u>26,653</u>
TOTAL EQUITY AND LIABILITIES		<u>268,914</u>	<u>277,541</u>
Net assets per share attributable to owners of the Company (sen) *		<u>44</u>	<u>45</u>

Note:

* Based on number of shares net of treasury shares ('000)

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

N2N CONNECT BERHAD 200001020530 (523137-K)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2025**

Note	Attributable to owners of the Company						Non-Controlling Interests RM'000	Total Equity RM'000
	Non-distributable				Distributable			
	Share Capital RM'000	Exchange Reserve RM'000	LTIP Reserve RM'000	Fair value Reserve RM'000	Retained Profits RM'000	Total RM'000		
At 1 January 2025	243,669	(1,924)	2,590	(247)	8,171	252,259	(1,371)	250,888
Profit / (Loss) for the period	-	-	-	-	7,832	7,832	(114)	7,718
Other comprehensive expense	-	(5,477)	-	(4,124)	-	(9,601)	-	(9,601)
Total comprehensive (expense) / income for the period	-	(5,477)	-	(4,124)	7,832	(1,769)	(114)	(1,883)
Dividend paid (i)	-	-	-	-	(5,582)	(5,582)	-	(5,582)
LTIP charged	-	-	103	-	-	103	-	103
LTIP lapsed	-	-	(32)	-	-	(32)	-	(32)
At 30 June 2025	243,669	(7,401)	2,661	(4,371)	10,421	244,979	(1,485)	243,494
At 1 January 2024	243,669	2,194	2,395	258	45,249	293,765	(1,033)	292,732
Profit / (Loss) for the period	-	-	-	-	7,319	7,319	(136)	7,183
Other comprehensive income	-	2,397	-	766	-	3,163	-	3,163
Total comprehensive income / (expense) for the period	-	2,397	-	766	7,319	10,482	(136)	10,346
Dividend paid (ii)	-	-	-	-	(5,582)	(5,582)	-	(5,582)
LTIP charged	-	-	113	-	-	113	-	113
At 30 June 2024	243,669	4,591	2,508	1,024	46,986	298,778	(1,169)	297,609

Notes:

(i) The Company paid a Final Dividend of 1 sen per share (Single Tier Dividend) in respect of the financial year ended 31 December 2024 on 23 June 2025.

(ii) The Company paid a Second Interim Dividend of 1 sen per share (Single Tier Dividend) in respect of the financial year ended 31 December 2023 on 29 March 2024.

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR TO DATE ENDED 30 JUNE 2025**

	Year-To-Date Ended	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
	(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities		
Profit before taxation	9,162	8,304
Adjustments for:		
Amortisation of intangible assets	1,778	3,848
Bad debts written off	-	369
Depreciation of property, plant and equipment	2,447	1,911
Depreciation of investment properties	108	117
Depreciation of right-of-use assets	606	667
Fair value changes on financial assets at FVTPL	(18)	2
Long term incentive plan expenses	71	99
Gain on disposal of property, plant and equipment	-	(42)
Impairment loss on trade receivables	-	53
Provision for long service payments	107	106
Reversal of impairment loss on trade receivables	-	(551)
Share of associate's results	(3,859)	(1,070)
Unrealised foreign exchange loss / (gain)	84	(328)
Net gain on disposal of financial assets at FVTPL	(133)	-
Finance costs	30	57
Interest income	(746)	(1,121)
Dividend income	(933)	(1,044)
Operating profit before working capital changes	8,704	11,377
Changes in working capital		
Trade receivables	(2,663)	(3,892)
Other receivables	1,390	(3,402)
Trade payables	1,088	3,865
Other payables	(1,794)	1,539
Amount owing by related companies	18	72
Cash generated from operations	6,743	9,559

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR TO DATE ENDED 30 JUNE 2025**

	Year-To-Date Ended	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
	(UNAUDITED)	(UNAUDITED)
Dividend received	933	1,044
Interest paid	(30)	(57)
Interest received	746	1,121
Net tax (paid) / refund	(1,119)	260
Net cash generated from operating activities	7,273	11,927
Cash flows from investing activities		
Computer software development cost	(4,828)	(4,001)
Purchase of property, plant and equipment	(516)	(1,972)
Net changes in marketable securities	14,542	(1,053)
Net changes in financial assets at FVTPL	(6,028)	-
Net cash used in investing activities	3,170	(7,026)
Cash flows from financing activities		
Dividend paid	(5,582)	(5,582)
Repayment of lease liabilities	(577)	(750)
Net cash used in financing activities	(6,159)	(6,332)
Net decrease in cash and cash equivalents	4,284	(1,431)
Effect of exchange rate changes	(3,396)	762
Cash and cash equivalents at beginning of the period	75,934	93,389
Cash and cash equivalents at end of the period	76,822	92,720
Cash and cash equivalents at end of the period comprises:		
Deposit, cash and bank balances	76,822	92,720

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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A NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A1 BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") No. 134: Interim Financial Reporting, and Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2024.

A2 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those in the preparation of the Group's audited financial statements for the financial year ended 31 December 2024. As at the date of authorisation of these financial statements, the following Standards and amendments to standards have been issued by the Malaysian Accounting Standards Board ("MASB"):

Standards issued but not yet effective

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9, "Financial Instruments" and MFRS 7, "Financial Instruments: Disclosures" (Classification and Measurement of Financial Instruments)

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, "Statements of Cash Flows"

Amendments to MFRS 9, "Financial Instruments and MFRS 7, Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity"

Effective for annual periods beginning on or after 1 January 2027

MFRS 18, "Presentation and Disclosure in Financial Statements"

MFRS 19, "Subsidiaries without Public Accountability: Disclosures"

Effective date of these amendments to Standards has been deferred and yet to be announced

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 Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition.

A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the audited financial statements for the financial year ended 31 December 2024.

A4 SEASONAL OR CYCLICAL FACTORS

The Group's operations were not materially affected by seasonal or cyclical changes during the current period under review.

A5 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current period under review.

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A6 MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current period under review.

A7 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current period under review.

A8 DIVIDEND PAID

The Company paid a Final Dividend of 1 sen per share (Single Tier Dividend) in respect of the financial year ended 31 December 2024 on 23 June 2025.

A9 SEGMENT INFORMATION

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. The Board of Directors considers the business from a geographical perspective.

The Group's operations by key operating companies are segmented into these main geographic segments: Malaysia and Regional. The Regional areas consist of Hong Kong SAR China, Singapore, Australia and Indonesia.

	Malaysia	Regional	Total
	RM'000	RM'000	RM'000
Financial period ended 30 June 2025			
<u>Revenue</u>			
Sales to external customers	25,532	22,827	48,359
Inter-segment sales	(20)	-	(20)
Total	<u>25,512</u>	<u>22,827</u>	<u>48,339</u>
<u>Results</u>			
EBITDA *	6,484	2,403	8,887
Amortisation of intangible assets	(1,778)	-	(1,778)
Depreciation of property, plant and equipment	(1,856)	(591)	(2,447)
Depreciation of investment properties	(108)	-	(108)
Depreciation of right-of-use assets	(33)	(573)	(606)
Dividend income	731	202	933
Finance costs	(4)	(26)	(30)
Interest income	323	423	746
Long term incentive plan expenses	(44)	(27)	(71)
Share of associate's results	-	3,859	3,859
Unrealised foreign exchange loss	(127)	(7)	(134)
Other non-cash items	18	(107)	(89)
Taxation	(1,199)	(245)	(1,444)
Segment profit for the period	<u>2,407</u>	<u>5,311</u>	<u>7,718</u>

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

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A9 SEGMENT INFORMATION (CONT'D)

	Malaysia RM'000	Regional RM'000	Total RM'000
Financial period ended 30 June 2024			
<u>Revenue</u>			
Sales to external customers	24,531	30,215	54,746
Inter-segment sales	(20)	-	(20)
Total	<u>24,511</u>	<u>30,215</u>	<u>54,726</u>
<u>Results</u>			
EBITDA *	7,598	3,779	11,377
Amortisation of intangible assets	(3,848)	-	(3,848)
Bad debt (written off) / recovered	(673)	304	(369)
Depreciation of property, plant and equipment	(1,366)	(545)	(1,911)
Depreciation of investment properties	(117)	-	(117)
Depreciation of right-of-use assets	(33)	(634)	(667)
Dividend income	1,044	-	1,044
Finance costs	(8)	(49)	(57)
Gain on disposal of property, plant and equipment	42	-	42
Interest income	229	892	1,121
Long term incentive plan expenses	(53)	(46)	(99)
Net impairment reversed / (loss) in trade receivables	551	(53)	498
Share of associate's results	-	1,070	1,070
Unrealised foreign exchange (loss) / gain	(43)	371	328
Other non-cash items	(2)	(106)	(108)
Taxation	(664)	(457)	(1,121)
Segment profit for the period	<u>2,657</u>	<u>4,526</u>	<u>7,183</u>

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

A10 PROVISION FOR DOUBTFUL DEBTS

The Group applies a simplified approach in calculating ECL (Expected Credit Losses). The Group has established a provision matrix that is based on its client's historical payment trend, adjusted for forward-looking factors specific to the debtors and the economic environment.

A11 OTHER RECEIVABLES

	As At 30 Jun 2025 RM'000	As At 31 Dec 2024 RM'000
Prepayments	3,242	4,686
Deposits paid	2,966	2,950
Other receivables	471	433
	<u>6,679</u>	<u>8,069</u>

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A12 OTHER PAYABLES

	As At 30 Jun 2025 RM'000	As At 31 Dec 2024 RM'000
Accruals	4,291	3,669
Deposit received	3,106	3,431
Other payables	6,009	8,100
	<u>13,406</u>	<u>15,200</u>

A13 FAIR VALUE HIERARCHY

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 statement of financial position:

	Level 1 Fair Value RM'000	Level 2 Fair Value RM'000	Total RM'000
Financial assets at fair value through profit or loss			
30 Jun 2025			
Quoted Shares in Malaysia	2,427	-	2,427
Quoted Shares outside Malaysia	1,769	-	1,769
Unquoted Corporate Sukuk in Malaysia	-	2,056	2,056
	<u>4,196</u>	<u>2,056</u>	<u>6,252</u>
31 Dec 2024			
Quoted Shares in Malaysia	73	-	73

A14 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 a subsidiary company upon termination of their employment, subject to completion of number of continuous year of service and meeting certain qualifying conditions. The benefit is based on final wages and service at leaving employment.

A15 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current period under review.

A16 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There was no material event subsequent to the current financial period ended up to the date of the announcement of this report which is likely to substantially affect the results of the operations of the Group.

A17 CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group for the current period under review.

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A18 CONTINGENT LIABILITIES

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 14 August 2025 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

A19 CAPITAL COMMITMENTS

There were no material capital commitments in the current period under review.

A20 SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions in the current period under review.

B ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

Performance of current quarter against the preceding year's corresponding quarter

	Quarter Ended	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
Revenue	22,395	27,664
Profit after taxation	3,146	2,204
Core profit *	<u>2,539</u>	<u>1,709</u>

* Core profit represents the profits of N2N excluding unrealised gains/losses on foreign exchange and non-recurring gains or losses (which are not expected to recur).

The Group recorded a revenue of RM22.40 million for the quarter ended 30 June 2025 in comparison to the revenue of RM27.66 million in the preceding year's corresponding quarter. The comparatively lower revenue of 19% in current quarter is due to lower one-time implementation, info terminal business, managed networks and subscription and transaction-based trading solution.

The Group posted a profit after taxation of RM3.15 million for the current quarter which was 42% higher compared to a profit after taxation of RM2.20 million in the preceding year's corresponding quarter. The higher profit after taxation was mainly due to combination lower operating expenses and higher share of results of associate offset by lower gross profit and other operating income for the current quarter.

The Group has registered a core profit of RM2.54mil for the current quarter compared to a core profit of RM1.71 million in the corresponding quarter. The core profits was higher mainly due to higher share of results from associate.

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B1 REVIEW OF PERFORMANCE (CONT'D)

(b) Performance of the current financial period against the preceding year's corresponding period

	Year-To-Date Ended	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
Revenue	48,339	54,726
Profit for the period	7,718	7,183
Core profit *	<u>6,397</u>	<u>5,184</u>

* Core profit represents the profits of N2N excluding unrealised gains/losses on foreign exchange and non-recurring gains or losses (which are not expected to recur).

The Group recorded a revenue of RM48.34 million for the period ended 30 June 2025 in comparison to revenue of RM54.73 million in the preceding year's corresponding period. The revenue decreased by 12% mainly due to lower revenue on info terminal business, subscription and transaction-based trading solution and managed networks.

The Group posted a profit after taxation for the current period amounted to RM7.72 million was 7% higher than the profit after taxation of RM7.18 million recorded in the corresponding period mainly due to lower operating expenses and higher share of associate's results offset by lower gross profit and other operating income.

The Group recorded a core profit of RM6.4 million for the current period compared to RM5.18 million in the corresponding period. The core profit was 23% higher mainly due to higher share of associate's results.

B2 MATERIAL CHANGES IN THE CURRENT QUARTER RESULTS COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Quarter Ended	
	30 Jun 2025	31 Mar 2025
	RM'000	RM'000
Revenue	22,395	25,944
Profit after taxation	3,146	4,572
Core profit *	<u>2,539</u>	<u>3,858</u>

* Core profit represents the profits of N2N excluding unrealised gains/losses on foreign exchange and non-recurring gains or losses (which are not expected to recur).

The Group recorded a higher revenue of RM22.39 million for the quarter ended 30 June 2025 compared to the revenue of RM25.94 million in the immediate preceding quarter. The comparatively lower revenue of 14% was mainly due to lower one-time implementation, managed networks and subscription-based trading solution for the current quarter.

The Group's profit after taxation of RM3.15 million for the current quarter was 31% lower compared to the profit after taxation of RM4.57 million in the immediate preceding quarter. This was mainly due to the combination of lower revenue, lower other income softened by lower operating expenses, lower taxation and higher of share of associate's results.

The Group registered a core profit of RM2.54 million for the current quarter higher than the core profit of RM3.86 million in the immediate preceding quarter. The decrease in core profit is mainly due to lower gross profit softened by higher share of associate's results.

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B3 PROSPECTS

The July 2025 World Economic Outlook report issued by the International Monetary Fund (IMF) projected that the global growth at 3.0% for 2025, an upward revision from the April 2025 World Economic Outlook. This reflects front-loading ahead of tariffs, lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions.

Despite the challenges faced by the global economic front, Malaysia's economic growth continues to be projected to grow moderately between 4% to 5%. The IMF has updated its forecast economic growth for Malaysia to 4.5% in 2025, a 0.4 percentage point increase from its April forecast.

On the domestic front, as at 31 July 2025, the main stock market index in Malaysia (KLCI) declined by 129 points or 7.9% since the beginning of 2025, amid continued uncertainties surrounding US trade policies.

Taking these into consideration, the Group is cautiously optimistic for a improve performance for the financial year of 2025.

Barring any unforeseeable circumstances, the Group remain resilient and have positive outlook for 2025.

B4 VARIATION OF ACTUAL PROFIT FROM FORECAST PROFIT

Not applicable as no profit forecast was published.

B5 ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

The following items have been charged/(credited) in arriving at the profit from operations:

	Quarter Ended		Year-To-Date Ended	
	30 Jun 2025 RM'000	30 Jun 2024 RM'000	30 Jun 2025 RM'000	30 Jun 2024 RM'000
(a) Interest income	(500)	(536)	(746)	(1,121)
(b) Dividend income	(498)	(514)	(933)	(1,044)
(c) Finance costs	13	27	30	57
(d) Depreciation and amortisation	2,778	3,280	4,939	6,543
(e) Loss / (Gain) on foreign exchange	774	159	216	(360)
(f) Fair value changes on financial assets at fair value through profit or loss	13	5	29	2

B6 TAXATION

	Quarter Ended		Year-To-Date Ended	
	30 Jun 2025 RM'000	30 Jun 2024 RM'000	30 Jun 2025 RM'000	30 Jun 2024 RM'000
Current tax:				
- Current year provision	(592)	(538)	(1,444)	(1,121)
Total Taxation	(592)	(538)	(1,444)	(1,121)

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods. Taxation for other jurisdictions is calculated at the tax rates prevailing in the respective jurisdictions.

The Group's effective tax rate for the current and previous corresponding periods was lower than the statutory tax rate, principally due to certain capitalised expenses being deductible for tax purposes.

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B7 MARKETABLE SECURITIES

	As At 30 Jun 2025 RM'000	As At 31 Dec 2024 RM'000
Quoted unit trusts in Malaysia	<u>59,268</u>	<u>73,810</u>

B8 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at the date of this announcement applicable to the Group.

B9 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.

On 25 July 2023, the Plaintiffs have 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. Subsequently, the High Court has granted a Consent Order dated 10.02.2025 for Plaintiffs' access to discovery documents.

On 27 May 2024, the Plaintiffs filed an application in the High Court for directions to extract and analyse the APO Information pursuant to the decision by the Federal Court in reinstating the Plaintiffs' APO. The High Court had on 7 April 2025 granted the order for Extraction and Analysis of the APO Information.

The Plaintiffs have 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 Originating Summons was heard on 20th March 2025 and was struck off. The Plaintiffs have filed a Notice of Appeal to the Court of Appeal on 18 April 2025 and have discontinued the Appeal on 16 June 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.

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B10 PROPOSED DIVIDENDS

The Company had proposed a final single-tier dividend of 1 sen per share in respect of the financial year ended 31 December 2024 on 16 April 2025. The proposed dividend was approved by the shareholders at the Annual General Meeting held on 29 May 2025 and was paid on 23 June 2025.

B11 EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
(a) Basic earnings per share				
Profit attributable to owners of the Company (RM'000)	3,193	2,264	7,832	7,319
Weighted average number of ordinary shares in issue ('000)	558,204	558,204	558,204	558,204
Basic EPS (sen)	0.57	0.41	1.40	1.31
(b) Diluted earnings per share				
Profit attributable to owners of the Company (RM'000)	3,193	2,264	7,832	7,319
Weighted average number of ordinary shares in issue ('000)	558,204	558,204	558,204	558,204
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	558,204	558,204	558,204	558,204
Diluted EPS (sen)	0.57	0.41	1.40	1.31

B12 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED AT THE LATEST PRACTICABLE DATE WHICH MUST NOT BE EARLIER THAN 7 DAYS FROM THE DATE OF ISSUE OF THE QUARTERLY REPORT

There are no corporate proposals announced by the Group as at the date of this announcement.

B13 AUTHORISATION FOR ISSUE

The unaudited condensed consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 14 August 2025.

By Order of the Board

Tiang Boon Hwa
Managing Director

Date : 14 August 2025