



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

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR TO DATE ENDED 31 MARCH 2025**

N2N CONNECT BERHAD 200001020530 (523137-K)

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**FOR THE QUARTER AND YEAR TO DATE ENDED 31 MARCH 2025**

Remark:

The results for the quarter ended 31 March 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	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM'000	RM'000	RM'000	RM'000
1 Revenue	25,944	27,062	25,944	27,062
2 Profit before taxation	5,424	5,562	5,424	5,562
3 Profit for the period	4,572	4,979	4,572	4,979
4 Profit attributable to owners of the Company	4,639	5,055	4,639	5,055
5 Basic earnings per share (sen)	0.83	0.91	0.83	0.91
6 Diluted earnings per share (sen)	0.83	0.91	0.83	0.91
7 Proposed/Declared dividend per share (sen)	-	1.00	-	1.00

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR TO DATE ENDED 31 MARCH 2025**

	Note	Quarter Ended			Year-To-Date Ended		
		31 Mar 2025	31 Mar 2024	Changes	31 Mar 2025	31 Mar 2024	Changes
		RM'000 (UNAUDITED)	RM'000 (UNAUDITED)	%	RM'000 (UNAUDITED)	RM'000 (UNAUDITED)	%
Revenue		25,944	27,062	-4%	25,944	27,062	-4%
Cost of sales		(11,563)	(11,903)	-3%	(11,563)	(11,903)	-3%
Gross profit		14,381	15,159	-5%	14,381	15,159	-5%
Other operating income		1,472	1,859	-21%	1,472	1,859	-21%
Administrative expenses		(11,798)	(12,157)	-3%	(11,798)	(12,157)	-3%
Finance costs		(17)	(30)	-43%	(17)	(30)	-43%
Share of associate's results		1,386	731	90%	1,386	731	90%
Profit before taxation		5,424	5,562	-2%	5,424	5,562	-2%
Taxation	B6	(852)	(583)	46%	(852)	(583)	46%
Profit for the period		4,572	4,979	-8%	4,572	4,979	-8%
Items that may be reclassified subsequently to profit or loss:							
- Exchange differences arising from translation of foreign operations		(708)	2,325		(708)	2,325	
- Share of associate's other comprehensive income on fair value reserves		(1,137)	(603)		(1,137)	(603)	
Total comprehensive income for the period		2,727	6,701		2,727	6,701	
Profit / (Loss) for the period attributable to:							
- Owners of the Company		4,639	5,055		4,639	5,055	
- Non-controlling interests		(67)	(76)		(67)	(76)	
		4,572	4,979		4,572	4,979	
Total comprehensive income / (expense) for the period:							
- Owners of the Company		2,794	6,777		2,794	6,777	
- Non-controlling interests		(67)	(76)		(67)	(76)	
		2,727	6,701		2,727	6,701	
Earnings per share ("EPS") attributable to owners of the Company:							
- Basic EPS (sen)	B11	0.83	0.91		0.83	0.91	
- Diluted EPS (sen)	B11	0.83	0.91		0.83	0.91	

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.

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2025**

		As at 31 Mar 2025 RM'000 (UNAUDITED)	As at 31 Dec 2024 RM'000 (AUDITED)
ASSETS			
Non-current assets			
Property, plant and equipment		33,323	34,159
Investment properties		8,733	8,791
Right-of-use assets		1,687	2,011
Intangible assets		45,917	44,709
Investment in an associate		11,950	11,702
		<u>101,610</u>	<u>101,372</u>
Current assets			
Trade receivables		13,932	10,310
Other receivables	A11	6,650	8,069
Tax recoverable		8,109	7,973
Marketable securities	B7	73,937	73,810
Financial assets at fair value through profit or loss	A13	57	73
Cash and bank balances		75,152	75,934
		<u>177,837</u>	<u>176,169</u>
		<u>279,447</u>	<u>277,541</u>
EQUITY AND LIABILITIES			
Total equity			
Share capital		243,669	243,669
Exchange reserve		(2,632)	(1,924)
Fair value reserve		(1,384)	(247)
Long term incentive plan ("LTIP") reserve		2,612	2,590
Retained profits		12,810	8,171
Equity attributable to owners of the Company		<u>255,075</u>	<u>252,259</u>
Non-controlling interests		(1,438)	(1,371)
		<u>253,637</u>	<u>250,888</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2025**

		As at 31 Mar 2025 RM'000 (UNAUDITED)	As at 31 Dec 2024 RM'000 (AUDITED)
Non-current liabilities			
Lease liabilities		490	193
Provision for retirement benefits	A14	1,750	1,716
Deferred tax liabilities		4,448	4,461
		<u>6,688</u>	<u>6,370</u>
Current liabilities			
Trade payables		3,948	2,643
Other payables	A12	13,240	15,200
Amount owing to related companies		15	2
Lease liabilities		1,330	2,015
Provision for taxation		589	423
		<u>19,122</u>	<u>20,283</u>
Total liabilities		<u>25,810</u>	<u>26,653</u>
TOTAL EQUITY AND LIABILITIES		<u>279,447</u>	<u>277,541</u>
Net assets per share attributable to owners of the Company (sen) *		<u>46</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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR TO DATE ENDED 31 MARCH 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	-	-	-	-	4,639	4,639	(67)	4,572
Other comprehensive expense	-	(708)	-	(1,137)	-	(1,845)	-	(1,845)
Total comprehensive income / (expense) for the period	-	(708)	-	(1,137)	4,639	2,794	(67)	2,727
Dividend paid	-	-	-	-	-	-	-	-
LTIP charged	-	-	54	-	-	54	-	54
LTIP lapsed	-	-	(32)	-	-	(32)	-	(32)
At 31 March 2025	243,669	(2,632)	2,612	(1,384)	12,810	255,075	(1,438)	253,637
At 1 January 2024	243,669	2,194	2,395	258	45,249	293,765	(1,033)	292,732
Profit / (Loss) for the period	-	-	-	-	5,055	5,055	(76)	4,979
Other comprehensive income / (expense)	-	2,325	-	(603)	-	1,722	-	1,722
Total comprehensive income / (expense) for the period	-	2,325	-	(603)	5,055	6,777	(76)	6,701
Dividend paid	-	-	-	-	(5,582)	(5,582)	-	(5,582)
LTIP charged	-	-	56	-	-	56	-	56
At 31 March 2024	243,669	4,519	2,451	(345)	44,722	295,016	(1,109)	293,907

Notes:

(i) 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 31 MARCH 2025**

	Year-To-Date Ended	
	31 Mar 2025	31 Mar 2024
	RM'000	RM'000
	(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities		
Profit before taxation	5,424	5,562
Adjustments for:		
Amortisation of intangible assets	577	1,897
Bad debts written off	-	509
Depreciation of property, plant and equipment	1,220	962
Depreciation of investment properties	59	59
Depreciation of right-of-use assets	305	345
Fair value changes on financial assets at fair value through profit or loss	16	(3)
Long term incentive plan expenses	22	56
Provision for long service payments	54	53
Reversal of Impairment loss on trade receivables	-	(551)
Share of associate's results	(1,386)	(731)
Unrealised foreign exchange gain	(596)	(478)
Finance costs	17	30
Finance income	(246)	(585)
Dividend income	(435)	(530)
Operating profit before working capital changes	5,283	6,595
Changes in working capital		
Trade receivables	(3,624)	(6,014)
Other receivables	1,419	(75)
Trade payables	1,134	(324)
Other payables	(1,960)	(864)
Amount owing to related companies	13	21
Cash generated from / (used in) operations	2,265	(661)
Dividend received	435	530
Interest paid	(17)	(30)
Interest received	246	585
Net tax (paid) / refund	(834)	591
Net cash generated from operating activities	2,095	1,015

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR TO DATE ENDED 31 MARCH 2025**

	Year-To-Date Ended	
	31 Mar 2025	31 Mar 2024
	RM'000	RM'000
	(UNAUDITED)	(UNAUDITED)
Cash flows from investing activities		
Computer software development cost	(2,407)	(1,895)
Purchase of property, plant and equipment	(420)	(287)
Net changes in marketable securities	(127)	(535)
Net cash used in investing activities	(2,954)	(2,717)
Cash flows from financing activities		
Dividend paid	-	(5,582)
Repayment of lease liabilities	(1,457)	(447)
Net cash used in financing activities	(1,457)	(6,029)
Net decrease in cash and cash equivalents	(2,316)	(7,731)
Effect of exchange rate changes	1,534	820
Cash and cash equivalents at beginning of the period	75,934	93,389
Cash and cash equivalents at end of the period	75,152	86,478
Cash and cash equivalents at end of the period comprises:		
Cash and bank balances	75,152	86,478

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 SIGNIFICANT 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 except for the Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability which was adopted at the beginning of the current financial period. 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

There is no dividend paid during the current period under review.

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 RM'000	Regional RM'000	Eliminations RM'000	Total RM'000
Financial period ended 31 March 2025				
<u>Revenue</u>				
Sales to external customers	13,806	12,147	-	25,953
Inter-segment sales	(9)	-	-	(9)
Total	<u>13,797</u>	<u>12,147</u>	<u>-</u>	<u>25,944</u>
<u>Results</u>				
EBITDA *	5,090	193	-	5,283
Amortisation of intangible assets	(577)	-	-	(577)
Depreciation of property, plant and equipment	(918)	(302)	-	(1,220)
Depreciation of investment properties	(59)	-	-	(59)
Depreciation of right-of-use assets	(17)	(288)	-	(305)
Dividend income	330	105	-	435
Finance income	180	66	-	246
Finance costs	(2)	(15)	-	(17)
Long term incentive plan	(6)	(16)	-	(22)
Property, plant and equipment written off	(252)	-	-	(252)
Share of associate's results	-	1,386	-	1,386
Unrealised foreign exchange gain/(loss)	717	(121)	-	596
Other non-cash items	(16)	(54)	-	(70)
Taxation	(719)	(133)	-	(852)
Segment profit for the period	<u>3,751</u>	<u>821</u>	<u>-</u>	<u>4,572</u>

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

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A9 SEGMENT INFORMATION (CONT)

	Malaysia RM'000	Regional RM'000	Eliminations RM'000	Total RM'000
Financial period ended 31 March 2024				
<u>Revenue</u>				
Sales to external customers	11,913	15,156	-	27,069
Inter-segment sales	(7)	-	-	(7)
Total	<u>11,906</u>	<u>15,156</u>	<u>-</u>	<u>27,062</u>
<u>Results</u>				
EBITDA *	4,128	2,467	-	6,595
Amortisation of intangible assets	(1,897)	-	-	(1,897)
Bad debt written off	(509)	-	-	(509)
Depreciation of property, plant and equipment	(691)	(271)	-	(962)
Depreciation of investment properties	(59)	-	-	(59)
Depreciation of right-of-use assets	(17)	(328)	-	(345)
Dividend income	530	-	-	530
Finance income	132	453	-	585
Finance costs	(4)	(26)	-	(30)
Long term incentive plan	(26)	(30)	-	(56)
Reversal of impairment loss on trade receivables	551	-	-	551
Share of associate's results	-	731	-	731
Unrealised foreign exchange gain/(loss)	59	419	-	478
Other non-cash items	3	(53)	-	(50)
Taxation	(332)	(251)	-	(583)
Segment profit for the period	<u>1,868</u>	<u>3,111</u>	<u>-</u>	<u>4,979</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 31 Mar 2025 RM'000	As At 31 Dec 2024 RM'000
Prepayments	3,308	4,686
Deposits paid	2,972	2,950
Other receivables	370	433
	<u>6,650</u>	<u>8,069</u>

A12 OTHER PAYABLES

	As At 31 Mar 2025 RM'000	As At 31 Dec 2024 RM'000
Accruals	3,995	3,669
Deposit received	3,437	3,431
Other payables	5,808	8,100
	<u>13,240</u>	<u>15,200</u>

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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:

	As At	As At
	31 Mar 2025	31 Dec 2024
	Level 1	Level 1
	Fair Value	Fair Value
	RM'000	RM'000
Financial assets at fair value through profit or loss	<u>57</u>	<u>73</u>

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.

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 29 May 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.

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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	
	31 Mar 2025	31 Mar 2024
	RM'000	RM'000
Revenue	25,944	27,062
Profit after taxation	4,572	4,979
Core profit *	<u>3,858</u>	<u>3,475</u>

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

The Group recorded a revenue of RM25.94 million for the quarter ended 31 March 2025 in comparison to the revenue of RM27.06 million in the preceding year's corresponding quarter. The comparatively lower revenue of 4.1% in current quarter is due to lower revenue on business and trading solutions & transactional based fee but softened by higher one time implementation fees and managed service revenue.

The Group posted a profit after taxation of RM4.57 million for the current quarter which was 8.2% lower compared to a profit after taxation of RM4.98 million in the preceding year's corresponding quarter. The lower profit after taxation was mainly due to combination of lower gross profit, lower other operating income offset by lower operating expenses and higher share of associate's results for the current quarter.

The Group has registered a core profit of RM3.86million for the current quarter compared to a core profit of RM3.48 million in the corresponding quarter. The core profits was 11.0% 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	
	31 Mar 2025	31 Dec 2024
	RM'000	RM'000
Revenue	25,944	26,720
Profit after taxation	4,572	6,216
Core profit *	<u>3,858</u>	<u>221</u>

* Core profit represents the profits of N2N excluding impairment of intangible asset, 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 RM25.94 million for the quarter ended 31 March 2025 compared to the revenue of RM26.72 million in the immediate preceding quarter. The comparatively lower revenue of 2.9% was mainly due to lower subscription fee revenue softened by higher one time implementation from managed services for the current quarter.

The Group's profit after taxation of RM4.57 million for the current quarter was 26.5% lower compared to the profit after taxation of RM6.22 million in the immediate preceding quarter. This was mainly due to the combination of lower gross profits, lower other income and higher taxation softened by lower operating expenses and absence of share of associate losses.

The Group registered a core profit of RM3.86 million for the current quarter higher than the core profit of RM0.22 million in the immediate preceding quarter. The increase in core profit is mainly due to higher share of associate gains and lower operating expenses.

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B3 PROSPECTS

The World Economic Outlook April 2025 report issued by the International Monetary Fund (IMF) projected the global growth to drop to 2.8% in 2025. This is in view of the swift escalation of trade tensions and tariff war amid continued uncertainties surrounding US trade policies which are expected to have a significant impact on global economic activity. Despite the challenges faced by the global economic front, with economic activities from foreign direct investments on manufacturing, renewable energy, data centres and technology services, Malaysia's economic growth is projected to continue growing moderately between 4% to 5% which is in tandem with IMF updated forecast economic growth for Malaysia of 4.1% in 2025.

On the domestic front, the main stock market index in Malaysia (KLCI) declined by 123 points or 7.5% since the beginning of 2025. However, certain sectors on Bursa Malaysia are expected to hit new highs in 2025, underpinned by the country's progressive investment policies and good corporate earnings growth.

As growth is expected to continue this year for the local bourse, the Group is cautiously optimistic for an improved performance for the financial year of 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	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	(246)	(585)	(246)	(585)
(b) Dividend Income	(435)	(530)	(435)	(530)
(c) Finance costs	17	30	17	30
(d) Depreciation and amortisation	2,161	3,263	2,161	3,263
(e) Gain on foreign exchange	(558)	(519)	(558)	(519)
(f) Fair value changes on financial assets at fair value through profit or loss	16	(3)	16	(3)

B6 TAXATION

	Quarter Ended		Year-To-Date Ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Current year provision	(852)	(583)	(852)	(583)
- Under provision in prior years	-	-	-	-
Total Taxation	(852)	(583)	(852)	(583)

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 31 Mar 2025 RM'000	As At 31 Dec 2024 RM'000
Quoted unit trusts in Malaysia*	<u>73,937</u>	<u>73,810</u>

Note * : These relate to quoted Islamic unit trusts, which are exempted from corporate tax and have the flexibility of withdrawal.

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.

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

No dividend has been declared or recommended during the current period under review.

B11 EARNINGS PER SHARE ("EPS")

	Quarter Ended		Year-To-Date Ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
(a) Basic earnings per share				
Profit attributable to owners of the Company (RM'000)	4,639	5,055	4,639	5,055
Weighted average number of ordinary shares in issue ('000)	558,204	558,204	558,204	558,204
Basic EPS (sen)	0.83	0.91	0.83	0.91
(b) Diluted earnings per share				
Profit attributable to owners of the Company (RM'000)	4,639	5,055	4,639	5,055
Weighted average number of ordinary shares in issue ('000)	558,204	558,204	558,204	558,204
Assumed exercise of Warrants at no consideration ('000)	.*	.*	.*	.*
Assumed exercise of LTIP at no consideration ('000)	.*	.*	.*	.*
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	558,204	558,204	558,204	558,204
Diluted EPS (sen)	0.83	0.91	0.83	0.91

* No warrants and LTIP are assumed to be exercised at no consideration as the average fair value of the Company's quoted share price during the financial period is below the exercise price of the warrants. The Warrants 2019/2024 expired on 8 January 2024 and the remaining 140,089,694 unexercised warrants had lapsed.

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 29 May 2025.

By Order of the Board

Tiang Boon Hwa
Managing Director

Date : 29 May 2025