



**N2N CONNECT BERHAD (523137-K)**

**SUMMARY OF KEY FINANCIAL INFORMATION**

**For The Quarter and Year-To-Date Ended 31 March 2011**

(the figures have not been audited)

Remark:

**The results for the current quarter ended 31 March 2011 should be read in conjunction with the Annual Audited Financial Statements of N2N and its subsidiaries ("Group") for the financial year ended 31 December 2010.**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31 Mar 2011 RM'000	31 Mar 2010 RM'000	31 Mar 2011 RM'000	31 Mar 2010 RM'000
1 Revenue	3,893	3,917	3,893	3,917
2 Loss before tax	(1,172)	(485)	(1,172)	(485)
3 Loss for the period	(1,172)	(485)	(1,172)	(485)
4 Loss attributable to ordinary equity holders of the parent	(1,172)	(485)	(1,172)	(485)
5 Basic loss per share (sen)	(0.39)	(0.16)	(0.39)	(0.16)
6 Diluted loss per share (sen)	(0.36)	(0.15)	(0.36)	(0.15)
7 Proposed/Declared dividend per share (sen)	-	-	-	-



**N2N CONNECT BERHAD (523137-K)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For The Quarter and Year-To-Date Ended 31 March 2011**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31 Mar 2011 RM'000	31 Mar 2010 RM'000	31 Mar 2011 RM'000	31 Mar 2010 RM'000
Revenue	3,893	3,917	3,893	3,917
Direct costs	(1,437)	(1,108)	(1,437)	(1,108)
Gross profit	2,456	2,809	2,456	2,809
Other operating income	102	101	102	101
Administrative expenses	(3,730)	(3,395)	(3,730)	(3,395)
Finance costs	-	-	-	-
<b>Loss before taxation</b>	<b>(1,172)</b>	<b>(485)</b>	<b>(1,172)</b>	<b>(485)</b>
Taxation	-	-	-	-
<b>Loss for the period/Total comprehensive loss</b>	<b>(1,172)</b>	<b>(485)</b>	<b>(1,172)</b>	<b>(485)</b>
<b>Loss/Total comprehensive loss attributable to:</b>				
Equity holders of the Company	(1,172)	(485)	(1,172)	(485)
Minority interests	-	-	-	-
	<b>(1,172)</b>	<b>(485)</b>	<b>(1,172)</b>	<b>(485)</b>
<b>Loss per share ("LPS") attributable to the equity holders of the Company (sen):</b>				
Basic LPS (sen)	(0.39)	(0.16)	(0.39)	(0.16)
Diluted LPS (sen)	(0.36)	(0.15)	(0.36)	(0.15)

**Note:**

The above Condensed Consolidated Statement of Comprehensive Income were prepared based on the consolidated results of the Group for the financial period ended 31 March 2011 and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



**N2N CONNECT BERHAD (523137-K)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As At 31 March 2011

(the figures have not been audited)

	Current Year 1st Quarter as at 31 Mar 2011 RM'000	Audited as at 31 Dec 2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,078	12,918
Intangible asset	8,156	7,799
	<u>19,234</u>	<u>20,717</u>
<b>Current assets</b>		
Inventories	2	2
Trade receivables	5,570	5,485
Other receivables	1,635	776
Marketable securities	11,381	12,301
Tax recoverable	17	17
Cash and bank balances	2,538	2,723
	<u>21,143</u>	<u>21,304</u>
<b>TOTAL ASSETS</b>	<u>40,377</u>	<u>42,021</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	29,894	29,894
Share premium	5,229	5,229
Exchange reserves	190	214
Retained profits	3,926	5,098
<b>Total equity</b>	<u>39,239</u>	<u>40,435</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	29	29
	<u>29</u>	<u>29</u>
<b>Current liabilities</b>		
Trade payables	387	373
Other payables	671	1,148
Amount owing to directors	51	36
	<u>1,109</u>	<u>1,557</u>
<b>Total liabilities</b>	<u>1,138</u>	<u>1,586</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>40,377</u>	<u>42,021</u>
Net Assets ("NA") per share attributable to equity holders of the Company (sen)	<u>13.13</u>	<u>13.53</u>

**Note:**

NA per share is arrived at based on the Group's NA of RM39,239,000 (2010: RM40,435,000) over the number of ordinary shares of 298,939,000 (2010: 298,939,000) shares of RM0.10 each in N2N ("N2N Shares").

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



**N2N CONNECT BERHAD (523137-K)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For The Year-To-Date Ended 31 March 2011**

(the figures have not been audited)

	Attributable to equity holders of the parent				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Reserve RM'000	Distributable Retained Profits RM'000	
<b>At 1 January 2011</b>	29,894	5,229	214	5,098	40,435
Total comprehensive loss for the period	-	-	(40)	(1,172)	(1,212)
<b>At 31 March 2011</b>	<b>29,894</b>	<b>5,229</b>	<b>174</b>	<b>3,926</b>	<b>39,223</b>
<b>At 1 January 2010</b>	29,876	5,206	271	11,544	46,897
Total comprehensive loss for the period	-	-	(40)	(485)	(525)
<b>At 31 March 2010</b>	<b>29,876</b>	<b>5,206</b>	<b>231</b>	<b>11,059</b>	<b>46,372</b>

*The Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*



**N2N CONNECT BERHAD (523137-K)**

**CONSOLIDATED STATEMENT OF CASH FLOW**

**For The Year-To-Date Ended 31 March 2011**

(the figures have not been audited)

	<b>3 months ended 31 Mar 2011 RM'000</b>	<b>3 months ended 31 Mar 2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,172)	(485)
Adjustments for:		
Amortisation of intangible asset	317	257
Depreciation of property, plant and equipment	2,010	1,975
Loss on disposal of property, plant and equipment	*	-
Property, plant and equipment written off	-	3
Unrealised foreign exchange loss	(14)	231
Interest income	(79)	(62)
Dividend income	-	(38)
Operating profit before working capital changes	<u>1,062</u>	<u>1,881</u>
(Increase)/Decrease in working capital		
Trade receivables	(85)	(705)
Other receivables	(861)	160
Trade payables	14	65
Other payables	(472)	(247)
Amount owing to directors	15	(44)
Amount owing by holding company	3	(1)
Cash (used in)/generated from operations	<u>(324)</u>	<u>1,109</u>
Interest received	79	62
Net cash (used in)/from operating activities	<u>(245)</u>	<u>1,171</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Computer software development cost	(674)	(522)
Purchase of property, plant and equipment	(165)	(617)
Proceeds from disposal of property, plant and equipment	*	-
Net sales of marketable securities	921	438
Net cash from/(used in) investing activities	<u>82</u>	<u>(701)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(163)	470
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(22)	(220)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	2,723	5,357
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>2,538</u>	<u>5,607</u>
Cash and cash equivalents at end of the period comprises		
Cash and bank balances	<u>2,538</u>	<u>5,607</u>

**Note:**

The above Consolidated Statement of Cash Flow was prepared based on the consolidated results of the Group for the financial period ended 31 March 2011 and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

\* Less than RM1,000.