



N2N CONNECT BERHAD (523137-K)

SUMMARY OF KEY FINANCIAL INFORMATION

For The Quarter and Year-To-Date Ended 31 December 2011

(the figures have not been audited)

Remark:

The results for the current quarter ended 3 December 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 Dec 2011 RM'000	31 Dec 2010 RM'000	31 Dec 2011 RM'000	31 Dec 2010 RM'000
1 Revenue	5,820	4,239	20,724	14,949
2 Profit/(Loss) before tax	589	134	(1,118)	(6,442)
3 Profit/(Loss) for the period	565	133	(1,350)	(6,446)
4 Profit/(Loss) attributable to ordinary equity holders of the parent	565	133	(1,350)	(6,446)
5 Basic earnings/(loss) per share (sen)	0.19	0.04	(0.45)	(2.16)
6 Diluted earnings/(loss) per share (sen)	0.17	0.04	(0.42)	(1.99)
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 December 2011

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To date	Corresponding Period
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
CONTINUING OPERATIONS:				
Revenue	5,820	4,239	20,724	14,949
Direct costs	(1,748)	(688)	(8,367)	(4,378)
Gross profit	4,072	3,551	12,357	10,571
Other operating income	57	500	679	769
Administrative expenses	(3,540)	(3,917)	(14,154)	(17,782)
Profit/(Loss) before taxation	589	134	(1,118)	(6,442)
Taxation	(24)	(1)	(232)	(1)
Profit/(Loss) for the period from continuing operations	565	133	(1,350)	(6,443)
DISCONTINUED OPERATIONS:				
Loss for the period from discontinued operations	-	-	-	(3)
Profit/(Loss) for the period/Total comprehensive profit/(loss)	565	133	(1,350)	(6,446)
Profit/(Loss)/Total comprehensive profit/(loss) attributable to:				
Equity holders of the Company	565	133	(1,350)	(6,446)
Minority interests	-	-	-	-
	565	133	(1,350)	(6,446)
Earnings/(Loss) per share ("EPS"/"LPS") attributable to the equity holders of the Company (sen):				
Basic EPS/(LPS) (sen)	0.19	0.04	(0.45)	(2.16)
Diluted EPS/(LPS) (sen)	0.17	0.04	(0.42)	(1.99)

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 December 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 December 2011

(the figures have not been audited)

	Current Year 4th Quarter as at 31 Dec 2011 RM'000	Audited as at 31 Dec 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,886	12,918
Intangible asset	8,999	7,799
	<u>16,885</u>	<u>20,717</u>
Current assets		
Inventories	2	2
Trade receivables	4,739	5,485
Other receivables	15,219	776
Marketable securities	858	12,301
Tax recoverable	17	17
Cash and bank balances	2,674	2,723
	<u>23,509</u>	<u>21,304</u>
TOTAL ASSETS	<u>40,394</u>	<u>42,021</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	29,894	29,894
Share premium	5,229	5,229
Exchange reserves	190	214
Treasury Shares	(434)	-
Retained profits	3,748	5,098
Total equity	<u>38,627</u>	<u>40,435</u>
Non-current liabilities		
Deferred tax liabilities	29	29
	<u>29</u>	<u>29</u>
Current liabilities		
Trade payables	807	373
Other payables	905	1,148
Amount owing to directors	26	36
	<u>1,738</u>	<u>1,557</u>
Total liabilities	<u>1,767</u>	<u>1,586</u>
TOTAL EQUITY AND LIABILITIES	<u>40,394</u>	<u>42,021</u>
Net Assets ("NA") per share attributable to equity holders of the Company (sen)	<u>12.92</u>	<u>13.53</u>

Note:

NA per share is arrived at based on the Group's NA of RM38,627,000 (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 December 2011

(the figures have not been audited)

	Share Capital RM'000	Attributable to equity holders of the parent			Distributable Retained Profits RM'000	Total Equity RM'000
		Non-distributable		Treasury		
	Share Premium RM'000	Exchange Reserve RM'000	Shares RM'000			
At 1 January 2011	29,894	5,229	214	-	5,098	40,435
Total comprehensive loss for the period	-	-	(24)		(1,350)	(1,374)
Treasury shares acquired				(434)		(434)
At 31 December 2011	29,894	5,229	190	(434)	3,748	38,627
At 1 January 2010	29,876	5,206	271	-	11,544	46,897
Total comprehensive loss for the period	-	-	(57)	-	(6,446)	(6,503)
Transactions with owners in their capacity as owners:						
Issuance of shares pursuant to ESOS Exercise ⁱ⁾	18	23	-	-	-	41
At 31 December 2010	29,894	5,229	214	-	5,098	40,435

Notes:

- i) 62,000 and 56,600 new N2N Shares issued between 21 April 2010 to 19 May 2010 pursuant to the Company's Employee Share Option Scheme ("ESOS") at exercise price of RM0.20 and RM0.25 per ordinary share respectively.

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 December 2011
 (the figures have not been audited)

	12 months ended 31 Dec 2011 RM'000	12 months ended 31 Dec 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,118)	(6,446)
Adjustments for:		
Allowance for impairment of trade receivables	-	2,906
Amortisation of intangible asset	1,364	1,114
Depreciation of property, plant and equipment	6,766	7,921
Loss on disposal of property, plant and equipment	*	-
Property, plant and equipment written off	-	7
Inventories written off	-	2
Impairment loss on trade receivables	-	272
Impairment loss of marketable securities	(142)	-
Fair value gain on marketable securities	-	(50)
Unrealised foreign exchange gain	(80)	-
Interest income	(216)	(283)
Dividend income	-	(38)
Operating profit before working capital changes	<u>6,574</u>	<u>5,405</u>
(Increase)/Decrease in working capital		
Trade receivables	741	(2,063)
Other receivables	(14,426)	909
Trade payables	434	(462)
Other payables	(239)	(177)
Amount owing to directors	(10)	(22)
Amount owing by holding company	(17)	(1)
Cash (used in)/generated from operations	<u>(6,943)</u>	<u>3,589</u>
Interest received	216	283
Income tax paid	(232)	(*)
Net cash (used in)/from operating activities	<u>(6,959)</u>	<u>3,872</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Computer software development cost	(2,564)	(2,315)
Purchase of property, plant and equipment	(1,667)	(2,696)
Disposal of property, plant and equipment	*	-
Proceeds on investment of marketable securities	709	-
Net changes in marketable securities	10,877	(1,529)
Net cash from/(used in) investing activities	<u>7,355</u>	<u>(6,540)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	41
Purchase of treasury shares	(434)	-
Net cash (used in)/from financing activities	<u>(434)</u>	<u>41</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(38)	(2,627)
EFFECT OF EXCHANGE RATE CHANGES	(11)	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,723	5,357
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>2,674</u>	<u>2,723</u>
Cash and cash equivalents at end of the period comprises:		
Cash and bank balances	<u>2,674</u>	<u>2,723</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 December 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.