



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

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**For The Year-To-Date Ended 31 December 2012**  
 (the figures have not been audited)

	<b>12 months ended 31 Dec 2012 RM'000</b>	<b>12 months ended 31 Dec 2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	1,948	(1,155)
Adjustments for:		
Amortisation of intangible asset	1,580	1,364
Depreciation of property, plant and equipment	4,957	6,765
(Gain)/Loss on disposal of property, plant and equipment	(14)	*
Property, plant and equipment written off	21	-
Impairment loss on trade receivables written off	-	1
Allowance for diminution in value of marketable securities	-	(142)
Loss on strike-off of a subsidiary company	-	3
Unrealised foreign exchange loss	48	-
Interest income	(8)	(218)
Interest expense	1,478	-
Operating profit before working capital changes	<u>10,010</u>	<u>6,618</u>
(Increase)/Decrease in working capital		
Inventories	2	-
Trade receivables	(2,500)	768
Other receivables	14,114	(14,272)
Trade payables	1,343	82
Other payables	651	36
Amount owing to directors	(8)	50
Amount owing by holding company	(15)	(17)
Cash generated from/(used in) operations	<u>23,597</u>	<u>(6,735)</u>
Interest received	8	218
Interest paid	(1,478)	-
Income tax paid	(17)	(232)
Net cash from/(used in) operating activities	<u>22,110</u>	<u>(6,749)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Computer software development cost	(2,694)	(2,564)
Purchase of property, plant and equipment	(42,677)	(1,707)
Proceeds from disposal of property, plant and equipment	19	*
Proceeds on investment of marketable securities	-	709
Net changes in marketable securities	802	10,877
Net cash (used in)/from investing activities	<u>(44,550)</u>	<u>7,315</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	183	-
Purchase of treasury shares	(482)	(434)
Drawdown from term loan	18,400	-
Net cash from/(used in) financing activities	<u>18,101</u>	<u>(434)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,339)	132
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(10)	(22)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	2,841	2,731
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>(1,508)</u>	<u>2,841</u>
<b>Cash and cash equivalents at end of the period comprises:</b>		
Cash and bank balances	3,395	2,674
Deposits with licensed bank	11	167
Bank overdraft	(4,914)	-
	<u>(1,508)</u>	<u>2,841</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 2012 and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

\* Less than RM1,000.