



N2N CONNECT BERHAD (523137-K)

SUMMARY OF KEY FINANCIAL INFORMATION
For The Three Months Ended 31 March 2015-unaudited

Remark:

The results for the three months ended 31 March 2015 should be read in conjunction with the Annual Audited Financial Statements of N2N and its subsidiaries ("Group") for the financial year ended 31 December 2014.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
1 Revenue	9,301	7,590	9,301	7,590
2 Profit before tax	2,255	1,573	2,255	1,573
3 Profit for the period	2,218	1,554	2,218	1,554
4 Profit attributable to owners of the Company	2,218	1,554	2,218	1,554
5 Basic earnings per share (sen)	0.50	0.50	0.50	0.50
6 Diluted earnings per share (sen)	0.44	0.45	0.44	0.45
7 Proposed/Declared dividend per share (sen)	-	1.50	-	1.50



N2N CONNECT BERHAD (523137-K)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Three Months Ended 31 March 2015-unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To date	Corresponding Period
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Revenue	9,301	7,590	9,301	7,590
Direct costs	(4,543)	(3,199)	(4,543)	(3,199)
Gross profit	4,758	4,391	4,758	4,391
Other operating income	1,267	251	1,267	251
Administrative expenses	(3,688)	(2,799)	(3,688)	(2,799)
Finance costs	(82)	(270)	(82)	(270)
Profit before taxation	2,255	1,573	2,255	1,573
Taxation	(37)	(19)	(37)	(19)
Profit for the period	2,218	1,554	2,218	1,554
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
- Exchange differences arising from translation of foreign operations	49	(2)	49	(2)
Total comprehensive income for the period attributable to owners of the Company	2,267	1,552	2,267	1,552
Profit for the period attributable to:				
Owners of the Company	2,218	1,554	2,218	1,554
Earnings per share ("EPS") attributable to the owners of the Company (sen):				
Basic EPS (sen)	0.50	0.50	0.50	0.50
Diluted EPS (sen)	0.44	0.45	0.44	0.45

Note:

The above Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income was prepared based on the consolidated results of the Group for the financial period ended 31 March 2015 and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



N2N CONNECT BERHAD (523137-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three Months Ended 31 March 2015-unaudited

	Attributable to owners of the Company					Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Reserve RM'000	Treasury Shares RM'000	Warrants Reserve		
At 1 January 2015	43,969	106,225	309	(4,881)	1,678	10,884	158,184
Net profit for the period	-	-	-	-	-	2,218	2,218
Other comprehensive income	-	-	49	-	-	-	49
Total comprehensive income for the period	-	-	49	-	-	2,218	2,267
Shares purchased during the period held as treasury shares	-	-	-	(716)	-	-	(716)
Issuance of shares pursuant to conversion of Warrants ⁱ⁾	32	97	-	-	(7)	-	122
At 31 March 2015	44,001	106,322	358	(5,597)	1,671	13,102	159,857
At 1 January 2014	30,407	6,634	246	(1,657)	1,938	11,594	49,162
Net profit for the period	-	-	-	-	-	1,554	1,554
Other comprehensive income	-	-	(2)	-	-	-	(2)
Total comprehensive income for the period	-	-	(2)	-	-	1,554	1,552
Shares purchased during the period held as treasury shares	-	-	-	(122)	-	-	(122)
Resale of treasury shares during the period	-	-	-	2	-	-	2
Issuance of shares pursuant to ESOS Exercise ⁱⁱ⁾	43	50	-	-	-	-	93
Issuance of shares pursuant to conversion of Warrants ⁱⁱⁱ⁾	1,300	3,121	-	-	(260)	-	4,161
At 31 March 2014	31,750	9,805	244	(1,777)	1,678	13,148	54,848



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For The Three Months Ended 31 March 2015-unaudited

Notes:

- i) 322,900 new N2N Shares issued from 27 January 2015 to 25 March 2015 pursuant to the conversion of Warrants at exercise price of RM0.32 per ordinary share.
- ii) 395,600; and 33,000 new N2N Shares issued from 20 January 2014 to 31 March 2014 pursuant to the Company's Employee Share Option Scheme ("ESOS") at exercise price of RM0.22 and RM0.18 per ordinary share respectively.
- iii) 13,000,665 new N2N Shares issued from 08 March 2014 to 15 March 2014 pursuant to the conversion of Warrants at exercise price of RM0.32 per ordinary share.

The Condensed 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 2014 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 2015-unaudited

	As at 31 Mac 2015 RM'000	As at 31 Dec 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	46,338	46,020
Intangible asset	13,851	12,212
	<u>60,189</u>	<u>58,232</u>
Current assets		
Trade receivables	9,394	9,785
Other receivables	1,143	2,297
Amount owing by related company	16	16
Tax Recoverable	125	136
Marketable securities	84,698	86,538
Fixed Deposit	6,307	6,287
Cash and bank balances	8,135	4,506
	<u>109,818</u>	<u>109,565</u>
TOTAL ASSETS	<u>170,007</u>	<u>167,797</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	44,001	43,969
Share premium	106,322	106,225
Exchange reserve	358	309
Warrants reserve	1,671	1,678
Treasury Shares	(5,597)	(4,881)
Retained profits	13,102	10,884
Total equity	<u>159,858</u>	<u>158,185</u>
Non-current liabilities		
Term loan	4,107	4,282
Hire Purchase creditor	32	38
Deferred tax liabilities	244	244
	<u>4,383</u>	<u>4,564</u>
Current liabilities		
Trade payables	1,749	1,537
Other payables	3,289	2,744
Term loan	704	704
Hire Purchase creditor	24	24
Amount owing to directors	-	39
	<u>5,766</u>	<u>5,048</u>
Total liabilities	<u>10,149</u>	<u>9,612</u>
TOTAL EQUITY AND LIABILITIES	<u>170,007</u>	<u>167,797</u>
Net Assets ("NA") per share attributable to owners of the Company (sen) *	<u>37</u>	<u>45</u>



N2N CONNECT BERHAD (523137-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2015-unaudited

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 Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



N2N CONNECT BERHAD (523137-K)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For The Three Months Ended 31 March 2015-unaudited

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,255	1,573
Adjustments for:		
Amortisation of intangible asset	596	512
Allowance for impairment loss on other receivables	-	-
Depreciation of property, plant and equipment	1,010	883
Depreciation of investment properties	47	-
Gain on disposal of property, plant and equipment	-	-
Property, plant and equipment written off	-	-
Unrealised foreign exchange gain	-	-
Dividend income	(660)	-
Interest income	(12)	(4)
Interest expense	82	270
Operating profit before working capital changes	<u>3,318</u>	<u>3,234</u>
(Increase)/Decrease in working capital		
Trade receivables	391	(865)
Other receivables	1,154	144
Trade payables	212	512
Other payables	545	1,558
Amount owing to directors	(39)	(52)
Amount owing by related company	-	-
Amount owing by holding company	-	(2)
Cash generated from operations	<u>5,581</u>	<u>4,529</u>
Interest received	12	4
Interest paid	(82)	(270)
Dividend received	660	-
Income tax paid	(26)	(19)
Net cash from operating activities	<u>6,145</u>	<u>4,244</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Computer software development cost	(2,234)	(735)
Purchase of property, plant and equipment	(1,376)	(723)
Net changes in marketable securities	1,840	-
Net cash used in investing activities	<u>(1,770)</u>	<u>(1,458)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	122	4,513
Proceeds from issue of warrants	-	(260)
Proceeds from resale of treasury shares	-	2
Shares buyback	(716)	(122)
Dividend payment	-	-
Repayment of term loan	(175)	(511)
Net hire purchase financing	(6)	-
Net cash (used in)/from financing activities	<u>(775)</u>	<u>3,622</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,600	6,408
EFFECT OF EXCHANGE RATE CHANGES	49	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	10,793	2,244
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>14,442</u>	<u>8,650</u>



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Cash and cash equivalents at end of the period comprises:

Cash and bank balances	8,135	8,640
Deposits with licensed bank	-	24
Fixed Deposits	6,307	-
Bank overdraft	-	(14)
	<u>14,442</u>	<u>8,650</u>

Note:

The above Condensed Consolidated Statement of Cash Flow was prepared based on the consolidated results of the Group for the financial period ended 31 March 2015 and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



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**INTERIM FINANCIAL REPORT
For The Three Months Ended 31 March 2015**

A NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

The unaudited condensed consolidated interim financial statements for the three months ended 31 March 2015 have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting Issued by the Malaysian Accounting Standard Board, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The unaudited condensed consolidated financial statements should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

A2 Significant accounting policies

The accounting policies and presentation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2014, except for changes arising from the adoption of following Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretations that are effective for financial period beginning on or after 1 January 2015:

- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011 - 2013 Cycle)
- Amendments to MFRS 2: Share-based Payment (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 3: Business Combinations (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)
- Amendments to MFRS 8: Operating Segments (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 13: Fair Value Measurement (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)
- Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 119: Employee Benefits - Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124: Related Party Disclosures (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 138: Intangible Assets (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 140: Investment Property (Annual Improvements 2011 - 2013 Cycle)

The adoption of the above pronouncements did not have any significant impact on the financial statements of the Group.

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted by the Group:

Effective for annual periods beginning on or after 1 January 2016

- MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 10 and 128: Sale or Contribution of Assets between an investor and its Associate or Joint Venture
- Amendments to MFRS 10 and MFRS 12, and MFRS 128, investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 11: Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 116: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141: Agriculture- Bearer Plants
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- Amendments to MFRS 138: Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation
- Annual Improvements to MFRSs 2012-2014 Cycle



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Effective for annual periods beginning on or after 1 January 2017

MFRS 15: Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2018

MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014)

A3 Audit report of preceding annual financial statements

There were no audit qualifications on the annual audited financial statements for the year ended 31 December 2014.

A4 Seasonal or cyclical factors

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

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 quarter under review.

A7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current quarter under review except for the following:

(a) *Share buyback by the Company*

During the quarter under review, the Company repurchased 347,000 units of its issued ordinary shares from the open market at an average price of RM0.84 per share. Total consideration paid for the repurchase including transaction cost was RM293,265 and this was financed by internally generated funds. Cumulative total number of shares repurchased at the end of the quarter was 7,863,600. There was no resale or cancellation of treasury shares for the quarter under review. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A8 Dividend paid or proposed

There is no dividend being proposed in the current quarter under review.

A9 Segmental information

Business segment

The principal businesses of the Group are researcher and developer of software package and provision of design, programming, consultancy services and related services which are substantially within a single business segment, and therefore, segmental reporting by business segment is deemed not necessary. Accordingly, the information regarding its financial position and results is represented by the financial statements as a whole.



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Geographical segment

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31 Mar 2015 RM'000	31 Mar 2014 RM'000	31 Mar 2015 RM'000	31 Mar 2014 RM'000
Malaysia	7,666	6,554	7,666	6,554
Singapore	1,440	883	1,440	883
Indonesia	13	148	13	148
Philippines	182	5	182	5
	<u>9,301</u>	<u>7,590</u>	<u>9,301</u>	<u>7,590</u>

A10 Provision for doubtful debts

There was no provision for doubtful debts in the current quarter under review.

A11 Other receivables

	Current Year 1st Quarter As At 31 Mar 2015 RM'000	As at 31 Dec 2014 RM'000
Other receivables	636	1,351
Deposits	399	399
Prepayments	330	770
	<u>1,365</u>	<u>2,520</u>
Less: Allowance for impairments losses	(222)	(222)
	<u>1,143</u>	<u>2,298</u>

A12 Other payables

	Current Quarter 1st Quarter As At 31 Mar 2015 RM'000	As at 31 Dec 2014 RM'000
Other payables	916	1,207
Accruals	1,932	1,223
Deposit received	441	314
	<u>3,289</u>	<u>2,744</u>

A13 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 quarter under review.

A14 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current quarter under review up to 21 May 2015.



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A15 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review except for:

(i) On 12 February 2015, Influx Biotech Sdn. Bhd., wholly-owned subsidiary of N2N Global Solutions Sdn. Bhd., wholly-owned subsidiary of the Company had increased its authorised share capital from RM400,000 comprising of 400,000 ordinary shares of RM1 each to RM5,000,000 comprising of 5,000,000 ordinary shares of RM1 each by creation of an additional 4,600,000 new ordinary shares.

(ii) On 12 February 2015, N2N Global Solutions Sdn. Bhd. had further acquired the entire issued and paid-up share capital in Influx Biotech Sdn. Bhd. comprising 2,199,998 ordinary shares of RM1 each for a cash consideration of RM2,199,998.

A16 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 21 May 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

A17 Capital commitments

As at 31 March 2015, the Group has no material capital commitment in respect of property, plant and equipment.

A18 Significant related party transactions

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

B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

B1 Review of performance

1st Quarter 2015 versus 1st Quarter 2014

For the current quarter under review, the Group recorded revenue of RM 9.3 million, 22% higher compared to that achieved in the preceding year corresponding quarter of RM 7.6 million. The increase is mainly due to implementation of TC Pro application with various securities houses to enable Direct Market Access ("DMA") capability including one time implementation charges for infrastructures, as well as increased transactions of the online stock trading platform provided by the Group.

The Group recorded a profit attributable to the owners of the Company of approximately RM2.218 million, 42% higher compared to that achieved in the preceding year corresponding quarter of RM1.554 million. This was mainly due to the reason as stated above, mitigated by increase in other operating income.

B2 Material changes in the quarterly results as compared with the preceding quarter

The Group recorded a profit before taxation of RM2.255 million in the current quarter under review which was 21% Higher than the profit before taxation of RM1.868 million registered in the immediate preceding quarter mainly due to the reasons mentioned in Note B1 above.

B3 Prospects

The Group continues to attract new businesses from other equities and derivatives solution users to adopt its new and enhanced flagship products and services. Regionally the Group continues to secure new engagements from ASEAN and beyond to implement its solution and services. The Group is also actively pursuing a few merger and acquisition targets it has identified that will be complementary to the Group business activities. Barring any unforeseen circumstances, the Directors of N2N believe that the Group's performance for year 2015 will continue to remain favourable.

B4 Variation of actual profit from forecast profit

Not applicable as no profit forecast was published.



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B5 Items in the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter 31 Mar 2014 RM'000	Current Year To date 31 Mar 2015 RM'000	Preceding Year Corresponding Period 31 Mar 2014 RM'000
(a) Interest income	15	4	15	4
(b) Dividend Income from marketable securities	660	-	660	-
(c) Interest expense	82	270	82	270
(d) Depreciation and amortisation	1,653	1,395	1,653	1,395
(e) Net foreign exchange loss	-	3	-	3

Other than the above, there were no other income including gain or loss on disposal of property, plant and equipment, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items included in the results for the current quarter 2015 and financial period ended 31 March 2015.

B6 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2015 RM'000	Preceding Year Corresponding Quarter 31 Mar 2014 RM'000	Current Year To date 31 Mar 2015 RM'000	Preceding Year Corresponding Period 31 Mar 2014 RM'000
Income tax:				
Current year	37	19	37	19
	<u>37</u>	<u>19</u>	<u>37</u>	<u>19</u>

The effective tax rate of the Group for the current quarter under review was lower than the statutory tax rate of 24% mainly due to availability of unabsorbed capital allowance brought forward.

B7 Quoted securities

	Current Year 1st Quarter As At 31 Mar 2015 RM'000	As At 31 Dec 2014 RM'000
At cost		
Quoted unit trusts *	<u>84,698</u>	<u>86,538</u>

Note * : These relate to quoted unit trusts, namely AmlIncome and AmCash, which are exempted from corporate tax and management fees, and has the flexibility of withdrawal as well as higher yields.

B8 Group's borrowings and debt securities

	Current Year 1st Quarter As At 31 Mar 2015 RM'000	As At 31 Dec 2014 RM'000
Secured		
Short-term borrowings		
Term loan	704	704
Hire Purchase creditor	24	24
	<u>728</u>	<u>728</u>



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Long-term borrowings

Term loan	4,107	4,282
Hire Purchase creditor	32	38
Grand total	4,867	5,048

All borrowings are denominated in Ringgit Malaysia.

B9 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.

B10 Material litigation

Neither the Company nor its subsidiary is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary and the Board of Directors does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary.

B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2015	Preceding Year Corresponding Quarter 31 Mar 2014	Current Year Quarter 31 Mar 2015	Preceding Year Corresponding Quarter 31 Mar 2014
(a) Basic earnings per share				
Net profit attributable to owners of the Company (RM'000)	2,218	1,554	2,218	1,554
Weighted average number of ordinary shares in issue ('000)	439,753	307,866	439,753	307,866
Basic earnings/(loss) per share (sen)	0.50	0.50	0.50	0.50
(b) Diluted earnings per share				
Net profit attributable to owners of the Company (RM'000)	2,218	1,554	2,218	1,554
Weighted average number of ordinary shares	439,753	307,866	439,753	307,866
Adjusted for:				
Assumed exercise of ESOS at no consideration ('000)	17,143	12,185	17,143	12,185
Assumed exercise of Warrants at no consideration ('000)	52,724	22,862	52,724	22,862
Adjusted number of ordinary shares ('000)	509,620	342,913	509,620	342,913
Diluted earnings/(loss) per share (sen)	0.44	0.45	0.44	0.45



N2N CONNECT BERHAD (523137-K)

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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 were no corporate proposals announced but not completed as at 21 May 2015.

B13 Utilisation of proceeds from Rights Issue of Warrants

The status of utilisation of the gross proceeds raised from the Rights Issue of Warrants of RM1.998 million as at 31 March 2015 is as follows:-

<u>Purpose</u>	Proposed to be utilised	Actual utilisation as at 31 March 2015	Intended timeframe for utilisation from date of listing of the Warrants	Unutilised
	RM'000	RM'000		RM'000
Working capital	1,548	1,548	Within two (2) years	-
Estimated expenses for the Rights Issue of Warrants	450	450	Within one (1) month	-
	<u>1,998</u>	<u>1,998</u>		<u>-</u>

B13 Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, was as follows:

	Current Year 1st Quarter As At 31 Mar 2015 RM'000	As at 31 Dec 2014 RM'000
Total retained profits		
Realised	13,236	10,921
Unrealised	(204)	(204)
	<u>13,032</u>	<u>10,717</u>
Add: Consolidation adjustments	70	167
Total retained profits as per consolidated statement of financial position	<u>13,102</u>	<u>10,884</u>

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 May 2015

By Order of the Board

Tiang Boon Hwa
Managing Director

Date : 21 May 2015