

KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD

(Company No. 643114-X)

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 OCTOBER 2013**

KEY WEST GLOBAL TELECOMMUNICATIONS BERHAD (643114-X)

(Incorporated in Malaysia)

**Quarterly report on consolidated results for the third quarter ended 31 October 2013
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

The Board of Directors of Key West Global Telecommunications Berhad would like to announce the following unaudited condensed consolidated results for the third quarter ended 31 October 2013

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Oct-13	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-12	CURRENT YEAR TO DATE 31-Oct-13	PRECEDING YEAR CORRESPONDING PERIOD 31-Oct-12
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	A4	-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Other income		-	-	-	-
Administrative expenses		(345)	(60)	(636)	(389)
Other expenses		(2)	-	(6)	-
Depreciation		-	-	-	(2)
Finance costs		(30)	(15)	(60)	(57)
Loss before tax		(377)	(75)	(702)	(448)
Taxation	B5	-	-	-	-
Loss from continuing operations, net of tax		(377)	(75)	(702)	(448)
Discontinued operations					
Gain on disposal of discontinued operations	A12	-	(1,738)	-	(1,505)
Profit/(Loss) for the period		(377)	(1,813)	(702)	(1,953)
Other comprehensive income/(loss):					
Foreign currency translation		-	-	-	18
Total comprehensive income/(loss) for the period		(377)	(1,813)	(702)	(1,935)
Earnings/(Loss) per share attributable to equity holders of the Company					
- Basic (sen)	B13	(0.25)	(1.22)	(0.47)	(1.32)
Basic loss per share attributable to equity holders of the Company (sen)					
- continuing operations	B13	(0.25)	(0.05)	(0.47)	(0.30)
- discontinued operations	B13	-	(1.17)	-	(1.01)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial statements.

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The Board of Directors of Key West Global Telecommunications Berhad would like to announce the following unaudited condensed consolidated balance sheet as at 31 October 2013.

		Unaudited	Audited
		As at 31 October	As at 31 January 2013
		2013	2013
		RM'000	RM'000
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	A9	<u>18</u>	<u>18</u>
		<u>18</u>	<u>18</u>
CURRENT ASSETS			
Trade and other receivables		2,673	252
Tax recoverable		49	49
Cash and bank balances		<u>11</u>	<u>9</u>
		<u>2,733</u>	<u>310</u>
TOTAL ASSETS		<u>2,751</u>	<u>328</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	A10	14,850	14,850
Share premium		409	409
Accumulated losses		<u>(17,899)</u>	<u>(17,197)</u>
Equity attributable to equity holders of the parent		<u>(2,640)</u>	<u>(1,938)</u>
Total equity		<u>(2,640)</u>	<u>(1,938)</u>
NON-CURRENT LIABILITIES			
Borrowings	B24	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables		4,612	1,487
Provision for liabilities		-	-
Deferred revenue		-	-
Borrowings	B24	<u>779</u>	<u>779</u>
		<u>5,391</u>	<u>2,266</u>
Liabilities for subsidiaries held for sale		<u>-</u>	<u>-</u>
		<u>5,391</u>	<u>2,266</u>
Total liabilities		<u>5,391</u>	<u>2,266</u>
TOTAL EQUITY AND LIABILITIES		<u>2,751</u>	<u>328</u>
Net assets per share (RM)		<u>(0.02)</u>	<u>(0.01)</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial statements.

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	Attributable to Equity Holders of the Parent			Accumulated Losses RM'000	Minority Interest RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Other Reserves RM'000			
At 1 February 2012	14,850	409	(1,353)	(10,913)	-	2,993
Total comprehensive loss	-	-	1,353	(6,284)	-	(4,931)
At 31 January 2013	14,850	409	-	(17,197)	-	(1,938)
At 1 February 2013	14,850	409	-	(17,197)	-	(1,938)
Total comprehensive loss	-	-	-	(702)	-	(702)
At 31 October 2013	14,850	409	-	(17,899)	-	(2,640)

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31-Oct-13 RM'000	9 months ended 31-Oct-12 RM'000
Cash flows from operating activities		
Loss before tax from continuing operations	(702)	(448)
Profit/(Loss) before tax from discontinued operations	-	(1,505)
Profit/(Loss) before tax	<u>(702)</u>	<u>(1,953)</u>
Adjustments for:		
Loss on disposal of subsidiaries	-	1,505
Depreciation	-	2
Net foreign exchange loss	-	1,335
Interest expenses	60	57
Operating loss before working capital changes	<u>(642)</u>	<u>946</u>
Changes in current assets and liabilities:		
Trade and other receivables	(2,421)	(206)
Trade and other payables	3,125	1,526
Cash flows used in operations	<u>62</u>	<u>2,266</u>
Interest paid	<u>(60)</u>	<u>(57)</u>
Net cash generated from/(used in) operating activities	<u>2</u>	<u>2,209</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from disposal of assets held for sale	-	-
Net cash (used in)/generated from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Repayment of finance lease payables	-	(1,723)
Net cash (used in)/generated from financing activities	<u>-</u>	<u>(1,723)</u>
Net increase in cash and cash equivalents	2	486
Cash and cash equivalents at beginning of period	<u>(770)</u>	<u>(1,196)</u>
Cash and cash equivalents at end of period	<u><u>(768)</u></u>	<u><u>(710)</u></u>
Cash and cash equivalents comprise the following		
Cash and bank balances	11	43
Bank overdraft	<u>(779)</u>	<u>(753)</u>
	<u><u>(768)</u></u>	<u><u>(710)</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial statements.

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A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of the Financial Reporting Standard (FRS) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of Key West Global Telecommunications Berhad ("KGTB" or "the Company") for the year ended 31 January 2013.

The accounting policies and methods of computation adopted by KGTB and its subsidiary corporations in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 January 2013. The explanatory notes attached to the interim financial report provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

A2 Changes in accounting policies

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2013 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- MFRS 10 - Consolidated Financial Statements
- MFRS 11 - Joint Arrangements
- MFRS 12 - Disclosure of Interests in Other Entities
- MFRS 13 - Fair Value Measurement
- MFRS 101 - Presentation of Items of Other Comprehensive Income
- MFRS 127 - Separate Financial Statements
- Amendments to MFRS 1 - First-time adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 7 - Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10 - Consolidated Financial Statements - Transition Guidance
- Amendments to MFRS 11 – Joint Arrangement – Transition Guidance
- Amendments to MFRS 12 – Disclosure of Interest in Other Entities – Transition Guidance
- Amendments to MFRS 101- Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116 – Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132 – Financial Instruments – Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134 – Interim Financial Reporting (Annual improvements 2009-2011 Cycle)
- IC Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above standards and amendments are not expected to have any impact on the financial statements of the Group and of the Company.

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

The following MFRSs, Amendments to MFRSs and IC Interpretations issued by MASB are relevant to the Group and the Company, however, they have not been early adopted in this set of financial statements.

Amendments effective for annual periods beginning on or after 1 February 2014

- Amendments to MFRS 10 – Consolidated Financial Statements – Investment Entities
- Amendments to MFRS 12 – Disclosure of Interest in Other Entities – Investment Entities
- Amendments to MFRS 127 – Separate Financial Statements – Investment Entities
- Amendments to MFRS 132 – Financial Instruments – Presentation – Offsetting Financial Assets and Financial Liabilities

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A2 Changes in accounting policies (cont'd)

MFRS and Amendments effective for annual periods beginning on or after 1 February 2015

- MFRS 9 – Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9 – Financial Instruments (IFRS 9 issued by IASB in October 2010)

The Directors anticipate that the adoption of above new/revised MFRS, amendments to MFRS and IC Interpretation will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

A3 Auditors' report on preceding annual financial statements

The Auditors' Report on the financial statements for the year ended 31 January 2013 was qualified with a disclaimer opinion. Set out below is the extract of the Auditors' Report for the year ended 31 January 2013 with regards to the qualification:

Basis for Disclaimer of Opinion

As disclosed in Note 2.6 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The application of going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and discharge their liabilities in the normal course of business.

The Group and the Company have capital deficiency of RM1,938,224 and RM1,944,237 respectively. The Group and the Company incurred net losses of RM6,284,057 and RM4,334,634 respectively during the financial year ended 31 January 2013 and as at that date, the Group's and the Company's current liabilities exceeded their current assets by RM1,956,680 and RM1,944,240 respectively. There is no revenue generated by the Group and the Company during the financial year ended 31 January 2013 as disclosed in Note 21 to the financial statements. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's and the Company's ability to continue as going concern. The going concern basis of preparing the financial statements of the Groups and of the Company as stated in Note 2.6 to the financial statements may be inappropriate.

On 31 May 2012 the Company announced that it becomes an Affected Listed Issuer pursuant to Guidance Note 3 ("GN 3") of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market. The Company is in the midst of evaluating various options in its endeavour to formulate a regularisation plan to meet its obligations pursuant to GN 3 of the Listing Requirements of Bursa Securities.

The Directors had not performed a detailed assessment on the Group's and the Company's ability to continue as going concern, and we were not made available of any management's plan to deal with these events or conditions. We were unable to obtain sufficient appropriate audit evidence regarding to the ability of the Group and of the Company to achieve sustainable and viable operations and to generate adequate cash flows for its operating activities. Accordingly, we are unable to satisfy ourselves as to whether the use of going concern basis in the preparation of the financial statements of the Group and of the Company is appropriate. Had the going concern basis used in the preparation of the financial statements of the Group and of the Company is considered inappropriate, adjustments relating to the amounts and classifications of assets and liabilities may be required.

Disclaimer of Opinion

Because of the significant of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis of an audit opinion. Accordingly, we do not express an opinion on the financial statements.

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A4 Segment information

The Group was a provider of network products and services to telecommunications companies ("Telcos") as well as corporate and individual subscribers. The business segments which can be broken down as Telco sales and Retail sales have been discontinued since the financial year ended 31 January 2012.

	Discontinued		Continued		Adjustments/ eliminations RM'000	Consolidated RM'000
	Telco and services RM'000	Retail products and services RM'000	Retail products and services RM'000	Others RM'000		
9 months ended 31 October 2013						
Revenue						
External sales	-	-	-	-	-	-
Inter-segment sales	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-
Result						
Segment results						(642)
Finance costs						(60)
Profit before tax						(702)
Taxation						-
Net profit for the period						(702)

	Discontinued		Continued		Adjustments/ eliminations RM'000	Consolidated RM'000
	Telco and services RM'000	Retail products and services RM'000	Retail products and services RM'000	Others RM'000		
9 months ended 31 October 2012						
Revenue						
External sales	-	-	-	-	-	-
Inter-segment sales	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-
Result						
Segment results						(1,878)
Finance costs						(57)
Loss before tax						(1,935)
Taxation						-
Net loss for the period						(1,935)

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in a prior financial quarter or a prior financial year that have a material effect on the quarter under review.

A7 Seasonal or cyclical factors

This is not applicable as the Group has minimal business operations.

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No dividends have been paid during the current financial year to-date.

A9 Carrying amount of revalued assets

There were no changes in the valuation of the property, plant and equipment reported in the quarter under review.

A10 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12 Discontinued operations

	Quarter ended		Year-to-date ended	
	31-Oct-13	31-Oct-12	31-Oct-13	31-Oct-12
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of discontinued operations	-	1,738	-	1,505

A13 Capital commitments

There were no capital commitments as at 10 December 2013.

A14 Contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets since the end of the last financial year.

A15 Material events during the period under review

There is no material events during the quarter under review.

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A16 Material events subsequent to the end of the quarter under review

(a) Proposed Regularisation Plan

On 10 December 2013, Bursa Securities Malaysia Berhad had approved the proposed regularisation plan of the Company, which consists of the following:

- (i) Proposed increase in the authorised share capital of Keywest from RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each ("Keywest Shares") to RM500,000,000 comprising 5,000,000,000 Keywest Shares ("Proposed Increase in the Authorised Share Capital");
- (ii) Proposed amendments to the Memorandum and Articles of Association of Keywest ("Proposed Amendment");
- (iii) Proposed acquisition of the entire issued and fully paid-up share capital of Supreme Global Group Limited from Testa Holdings Limited ("Testa"), Fox Empire Group Ltd, Hong Kong Hengsheng Investment Company Limited and Superb First Limited for a total purchase consideration of RM210,000,000 to be wholly satisfied via the issuance of 1,900,000,000 new Keywest Shares at an issue price of approximately of RM0.1105 per Keywest share ("Proposed Acquisition");
- (iv) Proposed exemption to be sought by Testa, Ms Li Hui Jun and persons acting-in-concert under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers, 2010 from the obligation to undertake a mandatory general offer for all remaining Keywest Shares not already owned by them after the completion of the Proposed Acquisition ("Proposed Exemption");
- (v) Proposed offer for sale of up to 200,000,000 Keywest Shares to selected investors by Testa ("Proposed Offer for Sale");
- (vi) Proposed private placement of 300,000,000 new Keywest Shares to selected investors upon completion of the Proposed Acquisition ("Proposed Private Placement"); and
- (vii) Proposed change of name from Keywest to XingHe Holdings Berhad.

(collectively referred to as the "Proposed Regularisation Plan")

Bursa Securities has also resolved to:

- (i) Exempt up to 200,000,000 Keywest Shares which are placed out to selected investors pursuant to the Proposed Offer for Sale from the moratorium requirement pursuant to Rule 3.19 (1) of the ACE LR; and
- (ii) Approve the listing of:
 - (a) 1,900,000,000 new Keywest Shares to be issued pursuant to the Proposed Acquisition; and
 - (b) 300,000,000 new Keywest Shares to be issued pursuant to the Proposed Private Placementon the ACE Market of Bursa Securities.

The Proposed Regularisation Plan is expected to be completed by 1st half of calendar year 2014.

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A16 Material events subsequent to the end of the quarter under review (cont'd)

(b) Proposed disposal of wholesale Group

On 27 May 2011, the Company announced that it has entered into a conditional sales and purchase agreement dated 26 May 2011 (27 May 2011, Malaysia time) ("SPA") with Sifa Technology Limited ("STL" or the "Purchaser") for the disposal of 100% equity interest in Keywest Communications Inc. ("KCI") and Keywest Networks (Canada) Inc. ("KNI"). ("Proposed Disposal").

The main details of the Proposed Disposal pursuant to the SPA are as follows:

- The sale of the entire issued and paid-up share capital of KCI and KNI (collectively known as ("Sale Shares") for a consideration of RM1.00 ("Sale Price").
- STL agrees and undertakes to repay the aggregate amount outstanding of the intercompany loans to KCI Group and KNI of RM4,225,000 (repayment sum as at 30 April 2011 (the Loans) on behalf of KCI Group and KNI to the Company being the full and final settlement of the Loans.
- Keywest agrees and undertakes to waive any and other outstanding amount arising from or incidental to the Loans in event the Repayment Sum is insufficient to repay the Loans in full on completion date.

The completion of the SPA is dependant on the following:

- (i) The completion of a due diligence exercise over the business, affairs, operations, assets, financial condition, prospects and records of the KCI Group and KNI, and the results of the due diligence exercise must be satisfactory to the Purchaser;
- (ii) Keywest's procurement of the approval from the shareholders of Keywest for the sale of the Sale Shares by Keywest to the Purchaser on the terms and conditions contained in the SPA being obtained at a general meeting of such shareholders on or before the completion date.
- (iii) Keywest's procurement of such other authorisations, consents or approvals as may be required of any third party or governmental, regulatory body or competent authority or under any and all applicable laws having jurisdiction over the sale of the Sale Shares, including without limitation to governmental, regulatory bodies and competent authorities in the jurisdiction of Canada, United States of American and British Virgin Island.

The following are the events of default by the Company:

- (i) Keywest fails to complete the sale and purchase of the Sale Shares in accordance with the terms and conditions contained herein; or
- (ii) Keywest fails to observe and perform any of its obligations, covenants and undertakings contained herein; or
- (iii) A petition shall be presented against or an order be made against or a resolution be passed on the winding up of Keywest or Keywest goes into liquidation whether compulsorily or voluntarily or its it is proposed that any of the foregoing shall be done; or
- (iv) Keywest is reprimanded by any regulator or authority in respect of the SPA or is placed on list prescribed by Guidance Note No. 3.

On 24 August 2011, the Company announced that the Purchaser and the Company have mutually agreed to extend the Completion Date for the fulfillment of the conditions of completion of the SPA to 16 December 2011.

On 16 December 2011, the Company announced that the Purchaser and the Company have mutually agreed to further extend the Completion Date for the fulfilment of the conditions of completion of the SPA to 31 January 2012.

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On 29 February 2012, the Company announced that the Purchaser and the Company entered into a Letter of Agreement to vary the terms in the SPA to complete the transactions contemplated therein in two (2) tranches as follows:-

(a) 1st Tranche:-

- (i) The sale and purchase of the entire issued and paid-up share capital of KNI ("KNI Shares"); and
- (ii) The sale and purchase of 99% of the issued and paid-up share capital of Keywest Communications (HK) Limited (Company No. 751988) ("KCHK"), which is held by KCI ("KCHK Shares"), to be completed on 27 February 2012 ("1st Tranche Completion Date").

As the Federal Communications Commission's ("FCC") approval is not required to give effect to the transactions contemplated under the 1st Tranche, the Parties have agreed to waive the conditions to procure the FCC's approval for the completion of the transactions contemplated under the 1st Tranche.

(b) 2nd Tranche:-

The sale and purchase of the entire issued and paid-up share capital of KCI ("KCI Shares") (together with its remaining two (2) wholly-owned subsidiaries namely Keywest Communications (USA) Inc. (Company No. C-6518-2001) and KeyWest Data Network Inc. (Company No. CS200601119)) to be completed upon the approval from the FCC, which in any event shall fall within two (2) months from the date of the Letter of Agreement unless the Parties mutually agree in writing to extend the same ("2nd Tranche Completion Date").

On 2 May 2012, the Company announced that the Parties have mutually agreed to extend the 2nd Tranche Completion Date to procure the approval from the FCC for the fulfillment of the conditions of completion of the SPA to 30 June 2012 vide a letter requesting for extension of time duly executed on 30 April 2012.

On 2 July 2012, the Company announce that Keywest and STL have mutually agreed to further extend the 2nd Tranche Completion Date to 31 August 2012 as the approval from the FCC for the fulfillment of the conditions of completion of the SPA has not been obtained. All other terms and conditions in the SPA and the Letter of Agreement remained unchanged.

On 17 August 2012, the Company announced that the approval from the FCC has been obtained for the transaction contemplated under the 2nd tranche vide its letter dated 9 August 2012 (which was received on 14 August 2012). In view of the foregoing, Keywest shall deliver to STL the following in accordance with the Letter of Agreement:-

- (i) the original share certificates in respect of KCI Shares;
- (ii) valid and registrable instruments of transfer (subject only to stamp duty, if applicable) in respect of all KCI Shares duly executed by Keywest in favour of STL or its nominee(s) together with all other relevant documents required to effectively transfer KCI Shares to STL or its nominee(s) free from encumbrances; and
- (iii) certified extract of the resolution of the shareholders and directors of Keywest that approved the sale and transfer of KCI Shares to STL or its nominee(s) free from encumbrances.

In exchange for the documents set out above, STL shall pay Keywest the following amount:-

- (i) a sum of RM0.50 in favour of Keywest as the consideration for the sale and purchase of KCI Shares; and
- (ii) a sum of RM1,500,000.00 in favour of Keywest as full and final settlement and repayment of the inter-company loans provided by Keywest to KCI Group (excluding KCHK) and all other outstanding sums due and owing to Keywest by KCI Group (excluding KCHK).

Keywest has on 9 December 2013 delivered the duly executed instruments of transfer in respect of KCI Shares to STL and the Company will deliver the remaining document(s), as required under the Letter of Agreement, to STL in order to complete the Proposed Disposal.

A17 Significant Related Party Transactions

	Quarter ended		Year-to-date ended	
	31-Oct-13 RM'000	31-Oct-12 RM'000	31-Oct-13 RM'000	31-Oct-12 RM'000
Rental expenses payable to a Director	9	9	27	27

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

The Group had incurred a lower loss for the quarter, RM377,000 as compared to RM1,813,000 in the corresponding quarter in prior year. This is due to the losses incurred for the disposal of the discontinued operations in prior year.

B2 Material change in loss before taxation

The Group's loss for the current quarter was primarily attributable to expenses in relation to the Proposed Regularisation Plan.

B3 Current Year Prospects

As disclosed in Note A16 (a), Bursa Malaysia Securities Berhad had approved the Proposed Regularisation Plan on 10 December 2013. The Proposed Regularisation Plan is expected to be completed by first half of calendar year 2014 and as such, it will not have any effect on the current financial year's performance.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee announced, therefore there is no comparison between actual results and forecast.

B5 Income tax expense

The Group has no tax obligations for this quarter under review.

B6 Status of corporate proposals announced

The Proposed Regularisation Plan is expected to be completed by first half of calendar year 2014.

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B7 Unquoted investments and properties

There were no acquisitions or disposals of unquoted investments and properties during the current quarter under review.

B8 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter under review.

B9 Borrowings and debt securities

The Group's borrowings as at 31 October 2013:

	Current RM'000	Non-Current RM'000	Total RM'000
Unsecured			
Bank overdraft	779	-	779
	<hr/>	<hr/>	<hr/>
	779	-	779

All the borrowings is denominated in Ringgit Malaysia.

B10 Material litigation

There were no material litigations pending as of 10 December 2013.

B11 Dividend payable

No dividend has been declared or recommended during the current financial year to-date.

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B12 Loss per share

a) Basic loss per share ("LPS")

Basic loss per share is calculated by dividing the net loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Quarter ended		Year-to-date ended	
	31-Oct-13 RM'000	31-Oct-12 RM'000	31-Oct-13 RM'000	31-Oct-12 RM'000
Loss for the period attributable to equity holders of the Company (RM'000)	(377)	(1,813)	(702)	(1,953)
(Less)/Add back:				
Loss from discontinued operations, net of tax, attributable to equity holders of the Company	-	(1,738)	-	(1,505)
Loss from continuing operations, net of tax, attributable to equity holders of the Company	(377)	(75)	(702)	(448)
Weighted average number of ordinary shares in issue ('000)	148,500	148,500	148,500	148,500

b) Diluted LPS

The Company has no potential ordinary shares in issue as at the reporting date and therefore, diluted (loss)/earnings per share have not been presented.

B13 Realised and unrealised profits/losses

	As at 31-Oct-13 RM'000	As at 31-Jan-13 RM'000
Total accumulated losses of the Group:		
- Realised	(21,848)	(21,536)
- Unrealised	-	-
	(21,848)	(21,536)
Consolidation adjustments	3,949	4,339
	(17,899)	(17,197)

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B14 Profit before tax

Profit before tax is derived after taking into account of the following income / (expenses) items:

	Current Year Quarter RM'000	Current Year To-Date RM'000
Interest income	-	-
Interest expenses	30	60
Depreciation and amortisation	-	-
Provision for and write off for receivables	-	-
Provision for and write off for inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain or loss	-	-
Gain or loss on derivatives	-	-
Exceptional items	-	-
	<u>-</u>	<u>-</u>

By Order of the Board

Lim Chien Joo
Company Secretary

13 December 2013