



**TIME ENGINEERING BERHAD (10039-P)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009**

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**THE FIGURES HAVE NOT BEEN AUDITED**

**I CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2009 RM'000	Preceding year corresponding quarter 31/12/2008 RM'000	Twelve months to 31/12/2009 RM'000	Twelve months to 31/12/2008 RM'000
1. (a) Revenue	29,627	30,448	123,996	151,040
(b) Cost of sales	(5,324)	(3,686)	(25,091)	(35,745)
(c) Gross profit	24,303	26,762	98,905	115,295
(d) Other income	5,990	6,684	8,748	10,617
(e) Expenses	(22,447)	(17,031)	(71,497)	(70,407)
(f) Impairment loss on investment	-	(50,561)	-	(50,561)
(g) Finance cost	(3,489)	(7,186)	(5,500)	(29,454)
(h) Gain on disposal of investments	-	-	-	9,382
<b>(i) Profit/(Loss) before income tax</b>	<b>4,357</b>	<b>(41,332)</b>	<b>30,656</b>	<b>(15,128)</b>
(j) Zakat	(335)	(200)	(335)	(200)
(k) Income tax (Note 17)	(1,797)	(12,747)	(8,789)	(15,168)
<b>(l) Profit/(Loss) for the year</b>	<b>2,225</b>	<b>(54,279)</b>	<b>21,532</b>	<b>(30,496)</b>
<b>Attributable to:</b>				
(m) Shareholders of the Company	804	(55,524)	14,835	(37,381)
(n) Minority interests	1,421	1,245	6,697	6,885
	<b>2,225</b>	<b>(54,279)</b>	<b>21,532</b>	<b>(30,496)</b>
2. Earnings/(Loss) per share based on 1(m) above (Note 24)				
(a) Basic	0.10 sen	(7.16) sen	1.91 sen	(4.82) sen
(b) Diluted	NA	NA	NA	NA

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

Note: NA denotes "Not Applicable"



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<b>II CONDENSED CONSOLIDATED BALANCE SHEET</b>		<b>Unaudited</b>	<b>Audited</b>
		<b>As at</b>	<b>As at</b>
		<b>31/12/2009</b>	<b>31/12/2008</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
1.	Non-current assets		
	Property, plant and equipment	11,275	7,730
	Intangible assets	3,944	6,610
	Investment property	303	303
	Other investments	348,599	348,599
	Non-current receivables	-	17,078
		<hr/>	<hr/>
		364,121	380,320
2.	Current assets		
	Receivables, deposits and prepayments	26,533	49,103
	Inventories	211	317
	Tax recoverable	14,438	14,472
	Cash and cash equivalents	82,666	112,093
		<hr/>	<hr/>
		123,848	175,985
		<hr/>	<hr/>
	<b>Total assets</b>	<b>487,969</b>	<b>556,305</b>
		=====	=====
<b>EQUITY AND LIABILITIES</b>			
3.	Equity		
	Share capital	155,049	775,245
	Reserves	(21,652)	(656,683)
		<hr/>	<hr/>
	<b>Total equity attributable to the shareholders of the Company</b>	<b>133,397</b>	<b>118,562</b>
4.	Minority interests	21,477	19,008
		<hr/>	<hr/>
	Total equity	154,874	137,570
		<hr/>	<hr/>
5.	Non-current liabilities		
	Redeemable Secured Loan Stocks (Note 6)	342,000	-
	Less: interest in suspend	(38,439)	-
		<hr/>	<hr/>
		303,561	-
	Deferred tax liabilities	138	138
		<hr/>	<hr/>
		303,699	138
6.	Current liabilities		
	Payables and accruals	27,198	45,857
	Bank borrowings (Note 6)	-	335,474
	Tax payable	2,125	2,343
	Deferred income	73	34,923
		<hr/>	<hr/>
		29,396	418,597
		<hr/>	<hr/>
	Total liabilities	333,095	418,735
		<hr/>	<hr/>
	<b>Total equity and liabilities</b>	<b>487,969</b>	<b>556,305</b>
		=====	=====
7.	<b>Net assets per share attributable to the shareholders of the Company (RM)</b>	<b>0.17</b>	<b>0.15</b>
		=====	=====

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



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**III CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Twelve months to 31/12/2009 RM'000</b>	<b>Audited Twelve months to 31/12/2008 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	128,440	232,852
Cash payments to suppliers	(58,228)	(41,296)
Cash payments to employees and other expenses	(29,844)	(47,900)
	<hr/>	<hr/>
Cash from operations	40,368	143,656
Net income tax paid	(8,931)	(16,330)
Zakat paid	-	(200)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>31,437</b>	<b>127,126</b>
<b>CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(7,084)	(8,365)
Proceeds from disposal of quoted investments	-	39,684
Proceeds from disposal of plant and equipment	-	9
Interest received	1,932	3,586
	<hr/>	<hr/>
<b>Net cash (used in)/from investing activities</b>	<b>(5,152)</b>	<b>34,914</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	-	2,780
Repayment of bank borrowings	(35,474)	(64,764)
Interest paid	(16,010)	(74,043)
Decrease/(Increase) in deposits pledged	3,304	2,250
Dividend paid by a subsidiary to its minority shareholders	(4,228)	(3,790)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(52,408)</b>	<b>(137,567)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(26,123)</b>	<b>24,473</b>
Cash and Cash Equivalents as at beginning of financial year	94,479	70,006
	<hr/>	<hr/>
<b>Cash and Cash Equivalents as at end of financial year</b>	<b>(a) 68,356</b>	<b>94,479</b>
	=====	=====

(a) **Cash and Cash Equivalents comprise the following amounts:**

	<b>As at 31/12/2009 RM'000</b>	<b>As at 31/12/2008 RM'000</b>
<b>Non-current</b>		
Deposits with licensed banks		
– Restricted	-	-
<b>Current</b>		
Deposits with licensed banks and cash and bank balances		
- Unrestricted	68,356	94,479
- Restricted	14,310	17,614
	<hr/>	<hr/>
	82,666	112,093
	<hr/>	<hr/>
Less: Fixed deposit pledged as security	82,666 (14,310)	112,093 (17,614)
	<hr/>	<hr/>
Cash and Cash Equivalents at end of the financial year	68,356	94,479
	=====	=====

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



**TIME ENGINEERING BERHAD (10039-P)**  
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**IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

In RM'000	Attributable to the shareholders of the Company				Total	Minority interests	Total equity
	Share Capital	Share Premium	Other Reserves	Accumulated Losses			
← Non-distributable →							
<b>Twelve months to 31 December 2009 (Unaudited)</b>							
Balance as at 1 January 2009	775,245	1,717,012	18,419	(2,392,114)	118,562	19,008	137,570
Profit for the year, representing total recognised income for the year	-	-	-	14,835	14,835	6,697	21,532
Reduction in share capital	(620,196)	-	-	620,196	-	-	-
Reduction in share premium	-	(1,717,012)	-	1,717,012	-	-	-
Reduction in capital reserve	-	-	(18,419)	18,419	-	-	-
Dividend paid by subsidiary to minority interests	-	-	-	-	-	(4,228)	(4,228)
<b>Balance as at 31 December 2009</b>	<b>155,049</b>	<b>-</b>	<b>-</b>	<b>(21,652)</b>	<b>133,397</b>	<b>21,477</b>	<b>154,874</b>
<b>Twelve months to 31 December 2008 (Audited)</b>							
Balance as at 1 January 2008	775,245	1,717,012	18,419	(2,354,733)	155,943	15,913	171,856
Profit/(Loss) for the year, representing total recognised income/expense for the year	-	-	-	(37,381)	(37,381)	6,885	(30,496)
Dividend paid by subsidiary to minority interests	-	-	-	-	-	(3,790)	(3,790)
<b>Balance as at 31 December 2008</b>	<b>775,245</b>	<b>1,717,012</b>	<b>18,419</b>	<b>(2,392,114)</b>	<b>118,562</b>	<b>19,008</b>	<b>137,570</b>

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS134, PARAGRAPH 16**

**V NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The notes to the condensed Consolidated Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

**1 Accounting policies and methods of computation**

The quarterly consolidated financial statements have been prepared in accordance with Financial Reporting Standards 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"), and should be read in conjunction with the Group's financial statements for the year ended 31 December 2008. The accounting policies, methods of computation and basis of consolidation adopted for the interim financial reports are consistent with those adopted for the annual financial statements for the year ended 31 December 2008.

**2 Audit report in respect of the 2008 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2008 was not qualified.

**3 Seasonal or cyclical factors**

The Group's operations are not subject to any seasonal or cyclical factors.

**4 Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current year.

**5 Material changes in estimates used**

There were no changes in estimates of amounts reported in prior interim period of the prior financial years that have a material effect to the financial statements of the current year.

**6 Debt and equity securities**

The Group did not undertake any issuance and/or redemption of debt and equity securities, share buy-backs, cancellations, repurchases, shares held as treasury shares and resale of treasury shares for the current year ended 31 December 2009, other than stated below:

In accordance with the guideline under the Amended Practice Note No. 17/2005 pursuant to the Paragraph 8.14C of the Listing requirements, the Company had on 18 February 2009 made the requisite announcement and subsequently submitted to the Securities Commission ("SC") a regularization plan on 20 February 2009 detailing the following proposals to be undertaken by the Company:

- (i) Proposed Capital Restructuring;
- (ii) Proposed Debt Restructuring; and
- (iii) Proposed Private Placement.

The Proposed Capital Restructuring, the Proposed Debt Restructuring and the Proposed Private Placement are collectively referred to as the "Proposed Restructuring Exercise". The Proposed Restructuring Exercise was approved by Securities Commission on 29 June 2009.

- (a) The Proposed Capital Restructuring was fully implemented on 8 October 2009, after obtaining the necessary approvals from the shareholders and the High Court of Malaya.



Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2009

**PART A – EXPLANATORY NOTES PURSUANT TO FRS134, PARAGRAPH 16**

- (b) The Proposed Debt Restructuring was fully implemented, subsequent to the issuance of 712,500,000 TIME RSLs at RM0.48 per unit totaling RM342,000,000 on 11 June 2009.
- (c) TIME had on 3 November 2009, submitted a letter to the Securities Commission (“SC”) informing the SC that the Company does not intend to implement the Proposed Private Placement, as such, with the notification to the SC on the discontinuance of the Proposed Private Placement, TIME had completed all proposals for its Proposed Restructuring Exercise.

Bursa Malaysia Securities Berhad had on 4 November 2009, approved the upliftment of the Company from its PN17 status effective on 5 November 2009.

**7 Dividend**

The Directors do not recommend the payment of any dividend for the current year ended 31 December 2009 (2008: Nil).

**8 Segmental information for the current financial year**

There is no segmental reporting for the financial year ended 31 December 2009, as the Group's activity is mainly carried out within Malaysia and is operated within the Information Communications & Technologies' industry.

**9 Material events subsequent to the current financial year**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2009 to the date of this announcement which would substantially affect the financial results of the Group for the current year ended 31 December 2009.

**10 Changes in the composition of the group**

There were no significant changes in the composition of the Group for the current year including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing operations, other than below:

- (a) The Company had on 11 September 2009 completed the disposal of its entire stake of 102,000 ordinary shares of RM1.00 each representing 51% of the issued and paid up capital of Smartcard Systems (M) Sdn Bhd for a nominal sum of RM1.00. The disposal has no material effect to the Group's financial position and results for the current financial year ended 31 December 2009.
- (b) The following TIME dormant Subsidiaries of the Company had on 30 November 2009 been placed under Members' Voluntary Winding Up:
  - i. Cyberplus Sdn Bhd
  - ii. Eternaland Sdn Bhd
  - iii. Krisbiz Sdn Bhd
  - iv. X-Calibre Online Sdn Bhd
  - v. Dagang Net Commerce Sdn Bhd
  - vi. Dagang Net Solutions Sdn Bhd
  - vii. Opbase Trading Sdn Bhd

The affairs and conduct of the subject companies are now placed under the control of the liquidators who will manage the entire process of liquidation.

The winding up have no material effect on the net assets, earnings and gearing of the TIME Group for the financial year ended 31 December 2009, nor any effect on the share capital, shareholding structure and operations of the Company.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS134, PARAGRAPH 16**

**11 Contingent liabilities**

There are no material changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2008.

**12 Capital commitments**

There are no material capital commitments as at the date of this announcement.



Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2009

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

**13 Comparison between the current quarter and the immediate preceding quarter**

The Group's recorded a lower revenue of RM29.6 million in current quarter compared to the immediate preceding quarter of RM30.6 million. The variance was mainly attributable to lower revenue of the Group's e-Commerce business due to the reduction in transaction rates following the award of new National Single Window five years concession ending 2014 of the Group's e-Commerce business.

The Group's operation remains profitable in current quarter, the Group reported a lower operating profit margin of 26.5%, after net of provision for doubtful trade debt of RM3.6 million in current quarter compared to 29% in the immediate preceding quarter.

**14 Performance review for the current quarter and year-to-date**

**Quarter ended 31 December 2009 compared with quarter ended 31 December 2008**

The Group recorded a lower revenue of RM29.6 million in the current year quarter compared to the preceding year's corresponding quarter of RM30.4 million. The revenue of the Group's e-Commerce business decreased in the current reporting quarter due to reduction in rates following the award of the new five years concession ending 2014.

The Group recorded a profit before tax of RM4.4 million compared to a loss before tax of RM41.3 million due to an impairment loss on investment of RM50.6 million in the preceding year's corresponding quarter.

**Twelve months ended 31 December 2009 compared with twelve months ended 31 December 2008**

The Group recorded lower revenue of RM124.0 million in the current year compared to RM151.0 million for the year ended 31 December 2008. The decrease was attributable to the completion of the Teaching and Learning of Science and Mathematics in English Programme ("PPSMI") project Phase V in Quarter 1 of 2008.

The Group's operation remains profitable with the current year operating profit margin of 29% despite the global economic downturn, lower Government budget and cutbacks in private sector spending.

**15 Prospects for 2010**

With the completion of the Company's debt restructuring and the award of the contract of National Single Window by the Government for 5 years on 18 September 2009, the Group is now poised to pursue growth opportunities in its business areas of e-commerce and ICT services.

The Group is confident of achieving a better performance in the financial year ending 31 December 2010.

**16 Variance for actual and forecast profit**

The Company did not issue any profit forecast or profit guarantee during the financial year.



Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2009

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

**17 Income taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2009 RM'000	Preceding year corresponding quarter 31/12/2008 RM'000	Twelve months to 31/12/2009 RM'000	Twelve months to 31/12/2008 RM'000
Malaysian taxation				
- Current taxation	(2,270)	(12,469)	(12,443)	(25,626)
- (Under)/Over provision in prior year	-	(278)	564	(123)
- Recovery of tax deducted at source on dividend received from subsidiary companies	473	-	3,090	10,581
	(1,797)	(12,747)	(8,789)	(15,168)

**18 Disposal of unquoted investments and/or properties**

There was no disposal of unquoted investments and/or properties in the current financial year.

**19 Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current financial year.

**20 Investment in quoted securities**

Details of the total investments in quoted securities held by the Group are as follows:

	Carrying value	Market value
	31 December 2009 RM'000	31 December 2009 RM'000
Investment in TIME dotcom Bhd ("TdC")	348,567	279,580

**21 Status of corporate proposals announced but not completed as at the date of this announcement**

The Company had on 17 July 2009 announced its proposal to seek a shareholders' approval, if deemed fit in the future, to dispose of up to 726,181,720 ordinary shares of RM1.00 each in TdC ("**TdC Shares**"), representing up to 28.69% of TdC's issued and paid-up share capital ("**Proposed Disposal of Subject Shares**"). The shareholders' approval for the Proposed Disposal of Subject Shares shall hereafter be referred to as the "**Proposed Shareholders' Mandate**".

The Proposed Shareholders' Mandate was duly passed at the Extraordinary General Meeting on 21 August 2009.

**22 Off balance sheet financial instruments**

There are no financial instruments with off-balance sheet risks as at the date of this announcement.



Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2009

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BMSB**

**23 Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

**24 Earnings/(Loss) per share**

	<b>Current year quarter 31.12.2009</b>	<b>Preceding year corresponding quarter 31.12.2008</b>	<b>Twelve months to 31.12.2009</b>	<b>Twelve months to 31.12.2008</b>
(Loss)/Profit attributable to the shareholders of the Company (RM'000)	804	(55,524)	14,835	(37,381)
Weighted average number of shares ('000)	775,245	775,245	775,245	775,245
Basic earnings/(loss) per share (sen)	0.10	(7.16)	1.91	(4.82)

**25 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

Kuala Lumpur  
23 February 2010

By Order of the Board  
SAPIAH JAMALUDIN  
(MAICSA 0807355)  
Company Secretary