



**TIME ENGINEERING BERHAD (10039-P)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012**

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THE FIGURES HAVE NOT BEEN AUDITED

I CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
Revenue	69,860	16,010	144,594	65,340
Cost of sales	(56,703)	(3,346)	(90,393)	(15,886)
Gross profit	13,157	12,664	54,201	49,454
Other income	1,743	1,297	4,414	3,852
Expenses	(14,355)	(13,598)	(57,963)	(47,807)
Finance cost	(538)	(22)	(538)	(1,517)
Gain on disposal of investment	-	-	-	91,927
<b>Profit before income tax</b>	<b>7</b>	<b>341</b>	<b>114</b>	<b>95,909</b>
Zakat	(281)	(295)	(281)	(295)
Income tax (Note 13)	(770)	(1,449)	(2,999)	(4,488)
<b>(Loss)/Profit for the period</b>	<b>(1,044)</b>	<b>(1,403)</b>	<b>(3,166)</b>	<b>91,126</b>
<b>Other comprehensive expenses for the period, net of tax</b>				
Loss arising during the period	-	-	-	(62,618)
Less : Reversal of gain on fair value of available for sale financial assets upon disposal	-	-	-	(197,247)
Other comprehensive loss for the period	-	-	-	(259,865)
<b>Total comprehensive expense for the period</b>	<b>(1,044)</b>	<b>(1,403)</b>	<b>(3,166)</b>	<b>(168,739)</b>



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I CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
<b>(Loss)/Profit attributable to:</b>				
- Owners of the Company	(1,897)	(1,814)	(7,779)	87,490
- Non-controlling Interests	853	411	4,613	3,636
<b>(Loss)/Profit for the period</b>	<b>(1,044)</b>	<b>(1,403)</b>	<b>(3,166)</b>	<b>91,126</b>
<b>Total comprehensive income/ (expense) attributable to:</b>				
- Owners of the Company	(1,897)	(1,814)	(7,779)	(172,375)
- Non-controlling Interests	853	411	4,613	3,636
<b>Total comprehensive expense for the period</b>	<b>(1,044)</b>	<b>(1,403)</b>	<b>(3,166)</b>	<b>(168,739)</b>
<b>(Loss)/Earnings per share</b>				
- Basic	(0.24) sen	(0.23) sen	(1.00) sen	11.29 sen
- Diluted	NA	NA	NA	NA

Note: NA denotes "Not Applicable"

REMARKS TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
<b>Profit before income tax is arrived at after charging /(crediting):</b>				
Interest income	(491)	(1,296)	(2,658)	(3,156)
Other income	(1,252)	(1)	(1,756)	(696)
Interest expenses	538	22	538	1,517
Depreciation and amortisation	2,680	1,653	9,867	5,640
Impairment loss of receivables	545	165	911	243
Provision for legal claim	-	-	4,500	-
Gain on disposal of quoted investment	-	-	-	(91,927)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



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Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2012

II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/12/2012 RM'000	Audited As at 31/12/2011 RM'000
<b>ASSETS</b>		
Non-current assets		
Plant and equipment	34,606	27,540
Intangible assets	3,313	4,697
Investment property	-	303
Trade and other receivables	73,157	-
	<hr/> 111,076	<hr/> 32,540
Current assets		
Trade and other receivables	48,548	16,058
Inventories	1,808	331
Tax recoverable	1,723	1,370
Cash and cash equivalents	78,761	135,382
	<hr/> 130,840	<hr/> 153,141
<b>Total assets</b>	<hr/> <b>241,916</b>	<hr/> <b>185,681</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Owners of the Company		
Share capital	155,049	155,049
Reserves	(51,846)	(20,810)
	<hr/> 103,203	<hr/> 134,239
Non-controlling Interests	11,845	18,396
	<hr/> 115,048	<hr/> 152,635
<b>Total equity</b>	<hr/> <b>115,048</b>	<hr/> <b>152,635</b>
Non-current liabilities		
Deferred tax liabilities	2,598	1,334
Borrowing- long term portion	48,886	-
Deferred Income	12,169	-
	<hr/> 63,653	<hr/> 1,334
Current liabilities		
Borrowing – short term portion	18,500	-
Trade and other payables	44,710	14,731
Dividend payable	-	15,505
Tax payable	5	1,476
	<hr/> 63,215	<hr/> 31,712
Total liabilities	<hr/> 126,868	<hr/> 33,046
<b>Total equity and liabilities</b>	<hr/> <b>241,916</b>	<hr/> <b>185,681</b>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<hr/> <b>0.13</b>	<hr/> <b>0.17</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



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Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2012

III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Twelve months to 31/12/2012 RM'000	Audited Twelve months to 31/12/2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	76,481	76,793
Cash payments to suppliers	(101,550)	(10,339)
Cash payments to employees and other expenses	(40,194)	(54,191)
	<hr/>	<hr/>
Cash (used in)/from operations	(65,263)	12,263
Net income tax paid	(3,559)	(6,663)
Zakat	(281)	(295)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	(69,103)	5,305
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(16,093)	(26,221)
Proceeds from disposal of plant and equipment	2	10
Proceeds from disposal of investment	-	329,876
Interest received	2,658	3,156
	<hr/>	<hr/>
<b>Net cash (used in)/from investing activities</b>	(13,433)	306,821
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	67,386	-
Repayment of bank borrowings	-	(261,360)
Interest paid	(84)	(6,370)
(Increase)/Decrease in deposits pledged	(1,177)	1,251
Dividend paid to Owners of the Company	(38,762)	(7,752)
Dividend paid by a subsidiary to non-controlling interests	(2,625)	(3,479)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	24,738	(277,710)
	<hr/>	<hr/>
<b>Net Change in Cash and Cash Equivalents</b>	(57,798)	34,416
Cash and Cash Equivalents as at beginning of financial period	133,505	99,089
	<hr/>	<hr/>
<b>Cash and Cash Equivalents as at end of financial period</b> (a)	75,707	133,505
	=====	=====

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

	As at 31/12/2012 RM'000	As at 31/12/2011 RM'000
Cash and deposits with licensed banks		
- Unrestricted	75,707	133,505
- Restricted	3,054	1,877
	<hr/>	<hr/>
	78,761	135,382
	<hr/>	<hr/>
	78,761	135,382
Less: Cash and cash equivalents pledged as security	(3,054)	(1,877)
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period	75,707	133,505
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



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**IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

In RM'000	← Attributable to Owners of the Company →			Total	Non-controlling Interests	Total Equity
	Share Capital	Available-For-Sale Reserves	Accumulated Losses			
<b>Twelve months to 31 December 2012</b>						
Balance as at 1 January 2012	155,049	-	(20,810)	134,239	18,396	152,635
Total comprehensive (expenses)/income for the period	-	-	(7,779)	(7,779)	4,613	(3,166)
Dividend to Owners of the Company	-	-	(23,257)	(23,257)	-	(23,257)
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	(11,164)	(11,164)
Total distribution to owners	-	-	(23,257)	(23,257)	(11,164)	(34,421)
Balance as at 31 December 2012	155,049	-	(51,846)	103,203	11,845	115,048
<b>Twelve months to 31 December 2011</b>						
Balance as at 1 January 2011	155,049	259,865	(85,043)	329,871	18,239	348,110
Loss arising during the period	-	(62,618)	-	(62,618)	-	(62,618)
Reversal of gain on fair value of available for sale financial assets upon disposal	-	(197,247)	-	(197,247)	-	(197,247)
Profit for the period	-	-	87,490	87,490	3,636	91,126
Total comprehensive (expense)/income for the period	-	(259,865)	87,490	(172,375)	3,636	(168,739)
Dividend paid to Owners of the Parent	-	-	(23,257)	(23,257)	-	(23,257)
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	(3,479)	(3,479)
Total distribution to owners	-	-	(23,257)	(23,257)	(3,479)	(26,736)
Balance as at 31 December 2011	155,049	-	(20,810)	134,239	18,396	152,635

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.



## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2012

### V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 1 Significant accounting policies

These condensed consolidated interim financial statements, for the period ended 31 December 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These quarterly financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. In adopting the new framework, the Group applies MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1").

The adoption of MFRS 1 has no impact on the financial statements of the Group.

#### 2 Audit report in respect of the 2011 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2011 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 period.

#### 5 Material changes in estimates used

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

#### 6 Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current year ended 31 December 2012.

#### 7 Dividends

Since the end of the previous financial year, the Company paid a final dividend of 4.0 sen per ordinary share less tax at 25% totaling RM23,257,340 (3.0 sen net per ordinary share) in respect of the financial year ended 31 December 2011 on 1 June 2012.

The final dividend recommended by the Directors in respect of the financial year ended 31 December 2012 is 4.0 sen per ordinary share less tax at 25% totaling RM23,257,340 (3.0 sen net per ordinary share) subject to the shareholders' approval at the forthcoming Annual General Meeting.



## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2012

### 8 Segmental information for the current period

There is no disclosure of segmental information as the Group's activity is mainly carried out in Malaysia and within the Information Communications & Technologies' industry.

### 9 Material events subsequent to the current period

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 2012 to the date of this announcement which would substantially affect the financial results of the Group for the current year ended 31 December 2012.

### 10 Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

### 11 Contingent liabilities

There are no material contingent liabilities as at the date of this announcement.

### 12 Capital commitments

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

### 13 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current taxation	(210)	(1,138)	(2,439)	(5,304)
- Overprovision in prior year	704	(499)	704	628
Total current tax expense	494	(1,637)	(1,735)	(4,676)
Deferred tax expenses				
- Current period	(1,195)	486	(1,195)	486
- Under provision in prior year	(69)	(298)	(69)	(298)
Total deferred tax expenses	(1,264)	188	(1,264)	188
	(770)	(1,449)	(2,999)	(4,488)

The effective tax rate of the Group for current quarter was higher than the statutory tax rate, the provision for tax payable has been made by profitable subsidiary company.





## Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2012

### 14 Status of corporate proposals announced but not completed as at the date of this announcement

There were no announced corporate proposals not completed as at the date of this report.

### 15 Derivatives

There are no derivatives as at the date of this announcement.

### 16 Classification of financial assets

For period ended 31 December 2012, there was no change in the classification of financial assets as a result of a change in the purpose or use of those assets.

### 17 Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement, other than as follow:

A subsidiary is defending an action brought by a sub-contractor for a claim amount of RM4.2 million. The High Court had decided the case in favour of the sub-contractor and dismissed the subsidiary company's counter claim of RM3.2 million. On the instruction of the subsidiary company, the solicitors had on 15 August 2012 filed an appeal against the decision to the Court of Appeal.

The subsidiary had on 23 October 2012 received a Notice pursuant to Section 218 of the Companies Act, 1965 from the sub-contractor's solicitors. On the instruction of the subsidiary company, its solicitors had on 30 October 2012 filed an application for Stay of Execution of the Judgment. The matter came up for hearing on 24 December 2012 but the application had been dismissed by the High Court. In light of this decision, the subsidiary company's solicitors shall be filing the Notice of Motion to the Court of Appeal for an order of Stay of Execution pending the hearing of the appeal.

### 18 Comparison between the current quarter and the immediate preceding quarter

The Group recorded higher revenue of RM69.9 million in current quarter as compared to the immediate preceding quarter of RM33.6 million. Higher revenue was mainly contributed by recognising work related to the supply, delivery, installation, testing, commissioning, maintenance and support of ICT equipment to the local polytechnics and community colleges. The current quarter's profit before income tax was affected by higher operating expenses which include the provision for claim made by a subsidiary's sub-contractor (as disclosed in Paragraph 17 on Material Litigation) and depreciation charges on the Group's investment in Integrated Enterprise Centre (IEC) at Cyberjaya.

### 19 Detailed analysis of the performance for the current quarter and year-to-date

#### Quarter ended 31 December 2012 compared with quarter ended 31 December 2011

The Group recorded RM69.9 million in revenue for the current quarter as compared to the preceding year corresponding quarter of RM16.0 million. Higher revenue was mainly due to recognition for work related to the supply, delivery, installation, testing, commissioning, maintenance and support of ICT equipment to the local polytechnics and community colleges.

The Group recorded Earning Before Interest, Tax, Depreciation and Amortization ("EBITDA") of RM3.2million in the current quarter compared to RM2.0 million in the preceding year corresponding quarter mainly due to recognizing work related to the supply, delivery, installation, testing, commissioning, maintenance and support of ICT equipment to the local polytechnics and community colleges.

The gain on disposal of investment reported in preceding year corresponding quarter of RM91.9 million was in relation to the disposal of TIME dotcom Berhad share.



**Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2012**

**Year-to-date ended 31 December 2012 compared with year-to-date ended 31 December 2011**

The Group recorded RM144.6 million in revenue for the current year as compared to the preceding year of RM65.3 million. The higher revenue in the current year was mainly due to work related to the supply, delivery, installation, testing, commissioning, maintenance and support of ICT equipment to the local polytechnics and community colleges.

The Group recorded EBITDA of RM10.5 million in current year-to-date compared to RM11.1 million in the preceding year. The profit before tax in the current year-to-date was affected by the one-off provision for claim made by a subsidiary's sub-contractor of RM4.5 million and higher depreciation charges on the Group's investment in Integrated Enterprise Centre (IEC) at Cyberjaya.

**20 Prospects for 2013**

The Group is currently pursuing a number of significant projects particularly the expansion of trade facilitation and Customs services by leveraging on its Integrated Enterprise Centre (IEC) services.

**21 Variance for actual and forecast profit**

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

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

	<b>Current year quarter 31/12/2012</b>	<b>Preceding year corresponding quarter 31/12/2011</b>	<b>Twelve months to 31/12/2012</b>	<b>Twelve months to 31/12/2011</b>
(Loss)/Profit attributable to the Owners of the Company (RM'000)	(1,897)	(1,814)	(7,779)	87,490
Weighted average number of shares ('000)	775,245	775,245	775,245	775,245
Basic (loss)/earnings per share (sen)	(0.24)	(0.23)	(1.00)	11.29



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**23 Breakdown of realised and unrealised profits or losses**

The breakdown of the accumulated losses of the Group as at 31 December 2012, into realised and unrealised losses, pursuant to the directive, is as follows:

	<b>As at end of current financial period 31/12/2012 RM'000</b>	<b>As at preceding financial year end 31/12/2011 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(21,131)	9,504
- Unrealised	(7,374)	(1,522)
	<u>(28,505)</u>	<u>7,982</u>
Less: Consolidation adjustments	(23,341)	(28,792)
Total accumulated losses	<u>(51,846)</u>	<u>(20,810)</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

**24 Authorisation for issue**

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

Kuala Lumpur  
28 February 2013

By Order of the Board  
SAPIAH JAMALUDIN (MAICSA 0807355)  
KEH CHING TYNG (MAICSA 7050134)  
Company Secretaries