



TIME ENGINEERING BERHAD (10039-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

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THE FIGURES HAVE NOT BEEN AUDITED

I CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000	Twelve months to 31/12/2013 RM'000	Twelve months to 31/12/2012 RM'000
Revenue	20,125	69,860	85,800	144,594
Cost of sales	(4,272)	(56,703)	(24,324)	(90,393)
Gross profit	15,853	13,157	61,476	54,201
Other income	453	1,743	2,997	4,414
Expenses	(22,475)	(14,355)	(57,127)	(57,963)
Finance cost	(808)	(538)	(3,442)	(538)
(Loss)/Profit before income tax	(6,977)	7	3,904	114
Zakat	(266)	(281)	(266)	(281)
Income tax (Note 14)	(844)	(770)	(3,659)	(2,999)
Loss for the period	(8,087)	(1,044)	(21)	(3,166)
Other comprehensive income/(expenses) for the period, net of tax	-	-	-	-
Total comprehensive expense for the period	(8,087)	(1,044)	(21)	(3,166)



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I CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000	Twelve months to 31/12/2013 RM'000	Twelve months to 31/12/2012 RM'000
(Loss)/Profit attributable to:				
- Owners of the Company	(8,383)	(1,897)	(5,971)	(7,779)
- Non-controlling Interests	296	853	5,950	4,613
Loss for the period	(8,087)	(1,044)	(21)	(3,166)
	=====	=====	=====	=====
Total comprehensive (expense)/income attributable to:				
- Owners of the Company	(8,383)	(1,897)	(5,971)	(7,779)
- Non-controlling Interests	296	853	5,950	4,613
Total comprehensive expense for the period	(8,087)	(1,044)	(21)	(3,166)
	=====	=====	=====	=====
Loss per share				
- Basic	(1.08) sen	(0.24) sen	(0.77) sen	(1.00) sen
- Diluted	NA	NA	NA	NA

Note: NA denotes "Not Applicable"

REMARKS TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000	Twelve months to 31/12/2013 RM'000	Twelve months to 31/12/2012 RM'000
Profit before income tax is arrived at after charging /(crediting):				
Interest income	(384)	(491)	(1,851)	(2,658)
Gain on disposal of plant and equipment	-	-	(120)	-
Interest expenses	808	538	3,442	538
Depreciation and amortisation	3,386	2,680	12,920	9,867
Impairment loss of plant and equipment	9,781	-	9,781	-
Impairment loss of receivables	788	724	966	1,090
Reversal of impairment loss of receivables	(631)	(179)	(949)	(179)
Provision for legal claim	540	-	3,044	4,500
Foreign exchange loss	(4)	0	15	13

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.



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II CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/12/2013 RM'000	Audited As at 31/12/2012 RM'000
ASSETS		
Non-current assets		
Plant and equipment	15,639	34,606
Intangible assets	2,889	3,313
Trade and other receivables	52,713	73,157
	<hr/> 71,241	<hr/> 111,076
Current assets		
Trade and other receivables	43,633	48,548
Inventories	65	1,808
Tax recoverable	2,867	1,723
Cash and cash equivalents	64,401	78,761
	<hr/> 110,966	<hr/> 130,840
Total assets	<hr/> 182,207	<hr/> 241,916
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	155,049	155,049
Reserves	(81,074)	(51,846)
	<hr/> 73,975	<hr/> 103,203
Non-controlling Interests	17,795	11,845
	<hr/> 91,770	<hr/> 115,048
Total equity	<hr/> 91,770	<hr/> 115,048
Non-current liabilities		
Deferred tax liabilities	3,388	2,598
Borrowing- long term portion	38,530	48,886
Deferred Income	8,112	12,169
	<hr/> 50,030	<hr/> 63,653
Current liabilities		
Borrowing – short term portion	18,494	18,500
Trade and other payables	21,908	44,710
Tax payable	5	5
	<hr/> 40,407	<hr/> 63,215
Total liabilities	<hr/> 90,437	<hr/> 126,868
Total equity and liabilities	<hr/> 182,207	<hr/> 241,916
Net assets per share attributable to Owners of the Company (RM)	<hr/> 0.10	<hr/> 0.13

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.



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III CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Twelve months to 31/12/2013 RM'000	Audited Twelve months to 31/12/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	110,600	76,481
Cash payments to suppliers	(22,786)	(101,550)
Cash payments to employees and other expenses	(51,394)	(40,194)
	<hr/>	<hr/>
Cash generated from operations	36,420	(65,263)
Income tax paid (net)	(4,013)	(3,559)
Zakat	(266)	(281)
	<hr/>	<hr/>
Net cash generated from operating activities	32,141	(69,103)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment, and intangible assets	(2,883)	(16,093)
Proceed from disposal of plant and equipment	-	2
Interest received	1,851	2,658
	<hr/>	<hr/>
Net cash used in investing activities	(1,032)	(13,433)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	6,592	67,386
Repayment of bank borrowings	(16,954)	-
Interest paid	(3,311)	(84)
Decrease/(Increase) in deposits pledged	1,386	(1,177)
Dividend paid to Owners of the Company	(23,257)	(38,762)
Dividend paid by a subsidiary to non-controlling interests	(8,539)	(2,625)
	<hr/>	<hr/>
Net cash used in financing activities	(44,083)	24,738
	<hr/>	<hr/>
Net Change in Cash and Cash Equivalents	(12,974)	(57,798)
Cash and Cash Equivalents as at beginning of financial period	75,707	133,505
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period (a)	62,733	75,707
	<hr/> <hr/>	<hr/> <hr/>

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

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Cash and deposits with licensed banks		
- Unrestricted	62,733	75,707
- Restricted	1,668	3,054
	<hr/>	<hr/>
	64,401	78,761
	<hr/>	<hr/>
	64,401	78,761
Less: Cash and cash equivalents pledged as security	(1,668)	(3,054)
	<hr/>	<hr/>
Cash and Cash Equivalents as at end of financial period	62,733	75,707
	<hr/> <hr/>	<hr/> <hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.



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IV CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Company →				
	Non-distributable				
In RM'000	Share Capital	Accumulated Losses	Total	Non-controlling Interests	Total Equity
Twelve months to 31 December 2013					
Balance as at 1 January 2013	155,049	(51,846)	103,203	11,845	115,048
Total comprehensive (expense)/income for the year	-	(5,971)	(5,971)	5,950	(21)
Dividend to Owners of the Company	-	(23,257)	(23,257)	-	(23,257)
Total Distribution to owners	-	(23,257)	(23,257)	-	(23,257)
Balance as at 31 December 2013	155,049	(81,074)	73,975	17,795	91,770
Twelve months to 31 December 2012					
Balance as at 1 January 2012	155,049	(20,810)	134,239	18,396	152,635
Total comprehensive (expense)/income for the year	-	(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

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 2012.



Quarterly Report On Consolidated Results For The Fourth Quarter Ended 31 December 2013

V NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2013, 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 2012.

2 Significant accounting policies

The Group has adopted the following accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2013:

- MFRS 10 : Consolidated Financial Statements
- MFRS 13 : Fair Value Measurement
- MFRS 119 : Employee Benefits (2011)
- Amendments to MFRS 7 : Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- 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)
- Amendments to MFRS 10 : Consolidated Financial Statements: Transition Guidance

The adoptions of above new/revised/amendment to MFRSs have not significant impact to the financial statements of the Group.

3 Audit report in respect of the 2012 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2012 was not qualified.

4 Seasonal or cyclical factors

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

5 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, except for the impairment loss of plant and equipment as disclosed in the page 3 "Remarks To Condensed Consolidated Statement Of Comprehensive Income".

6 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 year.



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7 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 2013.

8 Dividends

The Directors do not recommend the payment of any dividend for the current year ended 31 December 2013.

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 2012 on 12 July 2013.

9 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.

10 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 2013 to the date of this announcement which would substantially affect the financial results of the Group for the current year ended 31 December 2013.

11 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 discontinued operations.

12 Contingent liabilities

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

13 Capital commitments

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



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14 Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000	Twelve months to 31/12/2013 RM'000	Twelve months to 31/12/2012 RM'000
Malaysian income tax				
- Current taxation	432	(210)	(2,383)	(2,439)
- (Under)/Overprovision in prior year	(486)	704	(486)	704
Total current tax expense	(54)	494	(2,869)	(1,735)
Deferred tax expenses				
- Current period	(243)	(1,195)	(243)	(1,195)
- Under provision in prior year	(547)	(69)	(547)	(69)
Total deferred tax expenses	(790)	(1,264)	(790)	(1,264)
	(844)	(770)	(3,659)	(2,999)

The effective tax rate of the Group for current quarter and current year-to-date was higher than the statutory tax rate. Certain expenses of the Group were not deductible for tax purposes and the provision for tax payable has been made by the profitable subsidiary company.

15 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.

16 Derivatives

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

17 Classification of financial assets

For year ended 31 December 2013, there was no change in the classification of financial assets as a result of a change in the purpose or use of those assets.

18 Material litigation

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

19 Comparison between the current quarter and the immediate preceding quarter

The Group recorded revenue of RM20.1 million in current quarter as compared to the immediate preceding quarter of RM20.2 million. The revenue was mainly derived from its trade facilitation business.

The Group recorded a lower Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") of RM7.1 million in current quarter as compared to the immediate preceding quarter of RM7.9 million. A total provision of RM1.0 million were expensed off in current quarter for the additional legal claim made by a subcontractor of a subsidiary company and corporate exercise in relation to the conditional take-over offer by Censof Holdings Bhd.

The current quarter's loss was significantly attributed by the impairment loss of Plant and Equipment of RM9.8 million on the Group's investment in Integrated Enterprise Center at Cyberjaya.



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20 Detailed analysis of the performance for the current quarter

Quarter ended 31 December 2013 compared with quarter ended 31 December 2012

The Group recorded a revenue of RM20.1 million in the current quarter and RM69.9 million in the preceding year corresponding quarter. The higher revenue in preceding year correspondence quarter was contributed by one-off 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 RM7.1 million in the current quarter compared to RM3.2 million in the preceding year corresponding quarter. The favourable result was attributable to revenue growth in trade facilitation business and operational efficiency. However the current quarter's result was significantly affected by the impairment loss of Plant and Equipment of RM9.8 million on the Group's investment in Integrated Enterprise Center at Cyberjaya.

Year-to-date ended 31 December 2013 compared with year-to-date ended 31 December 2012

The Group recorded RM85.8 million in revenue for the current year as compared to the preceding year of RM144.6 million. The higher revenue in the preceding 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 an EBITDA of RM30.0 million in current year-to-date compared to RM10.5 million in the preceding year. The favourable EBITDA in current year-to-date was attributable to revenue growth in trade facilitation business and operational efficiency. However the current quarter's result was significantly affected by the impairment loss of Plant and Equipment of RM9.8 million on the Group's investment in Integrated Enterprise Center at Cyberjaya.

21 Prospects for 2014

The Group will leverage on the existing client-base and established presence in the trade facilitation business and will continue to enhance its services and broaden its product range both in domestic and overseas markets. The Group expects to deliver positive results for the year 2014 barring unforeseen circumstances.

22 Variance for actual and forecast profit

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

23 Earnings/(loss) per share

	Current year quarter 31/12/2013	Preceding year corresponding quarter 31/12/2012	Twelve months to 31/12/2013	Twelve months to 31/12/2012
Loss attributable to the Owners of the Company (RM'000)	(8,383)	(1,897)	(5,971)	(7,779)
Weighted average number of shares ('000)	775,245	775,245	775,245	775,245
Basic loss per share (sen)	(1.08)	(0.24)	(0.77)	(1.00)



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24 Breakdown of realised and unrealised profits or losses

The breakdown of the accumulated losses of the Group as at 31 December 2013, into realised and unrealised losses, pursuant to the directive, is as follows:

	As at end of current financial period 31/12/2013 RM'000	As at preceding financial year end 31/12/2012 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(47,831)	(21,131)
- Unrealised	(3,953)	(7,374)
	(51,784)	(28,505)
Less: Consolidation adjustments	(29,290)	(23,341)
Total accumulated losses	(81,074)	(51,846)

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.

25 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
25 February 2014

By Order of the Board
KEH CHING TYNG (MAICSA 7050134)
Company Secretary