



**TIME DOTCOM BERHAD**  
(413292-P)  
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/9/2009</b> RM'000	Preceding year corresponding quarter <b>30/9/2008</b> RM'000	Nine months to <b>30/9/2009</b> RM'000	Nine months to <b>30/9/2008</b> RM'000
1. (a) <b>Operating revenue</b>	<b>69,931</b>	<b>76,235</b>	<b>211,834</b>	<b>213,524</b>
(b) Operating expenses				
- depreciation, impairment and amortisation	(11,040)	(41,957)	(34,418)	(124,105)
- other operating expenses	(51,267)	(70,622)	(174,365)	(210,318)
(c) Other operating income (net)	394	2,231	2,562	7,112
(d) <b>Profit / (loss) from operations</b>	<b>8,018</b>	<b>(34,113)</b>	<b>5,613</b>	<b>(113,787)</b>
(e) Gain / (loss) on disposal of asset	5,643	-	(17,409)	616,985
(f) Payment for voluntary separation scheme	(11,664)	-	(11,664)	-
(g) Investment income	14,046	45,798	45,112	94,033
(h) Finance expenses	(4,102)	(15,552)	(19,939)	(55,012)
(i) <b>Profit / (loss) before income tax</b>	<b>11,941</b>	<b>(3,867)</b>	<b>1,713</b>	<b>542,219</b>
(j) Income tax	-	409	(10)	214
(k) <b>Profit / (loss) for the period</b>	<b>11,941</b>	<b>(3,458)</b>	<b>1,703</b>	<b>542,433</b>
Attributable to:				
(l) Equity holders of the Company	<b>11,941</b>	<b>(3,458)</b>	<b>1,703</b>	<b>542,433</b>
2. <b>Earning / (loss) per share based on 1(l) above</b>				
(a) Basic (based on 2009: 2,530,775,000 [2008: 2,530,775,000] ordinary shares) (RM)	0.47 sen	(0.14) sen	0.07 sen	21.43 sen

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



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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited As at end of current quarter 30/9/2009 RM'000</b>	<b>Audited As at preceding financial year end 31/12/2008 RM'000</b>
<b>ASSETS</b>		
1. Non-current assets		
Property, plant & equipment	30,512	30,664
Prepaid land lease payments	2,328	2,609
Telecommunications network	298,820	297,471
Other Investment	599,500	1,196,722
	931,160	1,527,466
2. Current assets		
Receivables, deposits and prepayments	105,250	135,532
Cash and cash equivalents	147,640	138,595
	252,890	274,127
3. Assets of disposal group classified as held for sale	-	504,670
<b>Total assets</b>	1,184,050	2,306,263
<b>EQUITY AND LIABILITIES</b>		
4. Equity attributable to equity holders of the Company		
Share capital	2,530,775	2,530,775
Share premium	1,570,758	1,570,758
Accumulated losses	(3,067,184)	(3,068,887)
<b>Total equity</b>	1,034,349	1,032,646
5. Non-current liabilities		
Loans and borrowings	-	613,410
	-	613,410
6. Current liabilities		
Payables and accruals	143,201	142,171
Loans and borrowings	6,500	505,900
	149,701	648,071
7. Liabilities of disposal group classified as held for sale	-	12,136
<b>Total liabilities</b>	149,701	1,273,617
<b>Total equity and liabilities</b>	1,184,050	2,306,263
8. <b>Net assets per share attributable to ordinary equity holders of the Company</b>	<b>RM 0.41</b>	<b>RM 0.41</b>

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



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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Nine months to 30/9/2009</b>	<b>Unaudited Nine months to 30/9/2008</b>
	RM'000	RM'000
<b>Operating Activities</b>		
Cash receipts from customers	194,936	220,124
Transfer from restricted cash and bank balances	58,253	50,000
Cash payments to suppliers	(126,516)	(142,983)
Cash payments to employees and for administrative expenses	(56,851)	(70,520)
Cash generated from operations	69,822	56,621
Taxes paid	-	(649)
<b>Net cash generated from operating activities</b>	<b>69,822</b>	<b>55,972</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment and telecommunications network	(39,847)	(52,641)
Cash received on disposal of subsidiary	6,643	-
Dividend income received	13,475	-
Interest received	1,399	1,646
<b>Net cash used in investing activities</b>	<b>(18,330)</b>	<b>(50,995)</b>
<b>Financing Activities</b>		
Loans and borrowings	6,500	-
<b>Net cash used in financing activities</b>	<b>6,500</b>	<b>-</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>57,992</b>	<b>4,977</b>
Cash and Cash Equivalents as at beginning of financial period	89,648	92,172
<b>Cash and Cash Equivalents as at end of financial period</b>	<b>147,640</b>	<b>97,149</b>

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

	RM'000	RM'000
Bank and cash balances	4,178	4,446
Deposits with licensed banks	143,462	92,703
<b>As per Condensed Consolidated Cash flow</b>	<b>147,640</b>	<b>97,149</b>
Restricted deposit	-	89,444
<b>As per Condensed Consolidated Balance Sheet</b>	<b>147,640</b>	<b>186,593</b>

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



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

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>Nine months to 30 September 2009 (unaudited)</b>				
Balance as at 1 January 2009	2,530,775	1,570,758	(3,068,887)	1,032,646
Profit for the period	-	-	1,703	1,703
Balance as at 30 September 2009	<u>2,530,775</u>	<u>1,570,758</u>	<u>(3,067,184)</u>	<u>1,034,349</u>

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>Nine months to 30 September 2008 (unaudited)</b>				
Balance as at 1 January 2008	2,530,775	1,570,758	(2,119,257)	1,982,276
Profit for the period	-	-	542,433	542,433
Balance as at 30 September 2008	<u>2,530,775</u>	<u>1,570,758</u>	<u>(1,576,824)</u>	<u>2,524,709</u>

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 2008.



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

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

**1. Accounting policies and methods of computation**

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

**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 significant 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 except as disclosed below:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
<b>Income Statement</b>	<b>30/9/2009</b>	<b>30/9/2008</b>	<b>30/9/2009</b>	<b>30/9/2008</b>
	RM'000	RM'000	RM'000	RM'000
Gain / (Loss) on disposal of DiGi shares (note 15)	5,643	-	(17,409)	-
Gain from transfer of 3G spectrum to DiGi Telecom	-	-	-	616,985
Payment for voluntary separation scheme ("VSS")	(11,664)	-	(11,664)	-
	<u>(6,021)</u>	<u>-</u>	<u>(29,073)</u>	<u>616,985</u>

**5. Material changes in estimates used**

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

**6. Debt and equity securities**

The Group did not undertake any issuance of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2009.

**7. Dividend**

The Directors do not recommend the payment of an interim dividend for the current financial period ended 30 September 2009 (2008: Nil).



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**8. Segment information for the current financial period**

No segment analysis is prepared as the Group is principally engaged in the telecommunications industry business in Malaysia.

**9. Material events subsequent to the end of the current financial quarter**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2009 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2009.

**10. Changes in the composition of the Group**

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

**11. Disposal group asset held for sales**

Other investment held by the Group through its subsidiary, Hakikat Pasti Sdn Bhd ("HPSB") which was classified as held for sales in immediate preceding quarter financial statements has been disposed off as disclosed in Note 15.

**12. Contingent liabilities**

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

**13. Capital commitments**

There are no other material capital commitments except as disclosed below:

	<b>RM'000</b>
a) Approved and contracted for:	
Purchase and construction of telecommunications infrastructure	54,950
b) Approved but not contracted for:	
Purchase and construction of telecommunications infrastructure and license	21,063

**14. Income tax**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter <b>30/9/2009</b> RM'000	Preceding year corresponding quarter <b>30/9/2008</b> RM'000	Nine months to <b>30/9/2009</b> RM'000	Nine months to <b>30/9/2008</b> RM'000
Malaysian taxation				
- Current taxation	-	409	(10)	214

Tax expense was provided for interest income earned during the period.



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**15. Disposal of unquoted/quoted investments and/or properties**

There were no disposals of unquoted investments and/or properties in the current period except as disclosed below.

On 26 August 2009, the Groups through its subsidiary, Hakikat Pasti Sdn Bhd ("HPSB") has disposed a total of 27,750,000 DiGi Shares ("Disposal Shares"), representing about 3.6% of the existing issued and paid-up share capital of DiGi. The total cost of investment for the Disposal Shares was RM597.22 million or equivalent to RM21.52 per DiGi Share. Since it first held the Disposal Shares (i.e. the 27,750,000 DiGi Shares) in November 2007, the Group has received an aggregate net dividend income of RM68.3 million (or equivalent to about RM2.46 per share) in respect of these shares. The proceeds from the disposal were used to repay the bank loan secured over the shares as disclosed in Note 20.

**16. Acquisitions and disposals of quoted securities**

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

**17. Investments in quoted securities**

Total investments in quoted securities are as follows:-

	RM'000
Other Investment at Cost	684,750
Less: Provision for diminution in value	<u>(85,250)</u>
Other Investment at carrying value	<u>599,500</u>
Other Investment at market value	<u>589,050</u>

The Directors are in the opinion that the higher carrying value of other investment against market value is temporary, as such no additional provision is required to reflect such amount to market value.

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

There are no corporate proposals announced but not completed as at the date of this announcement.

**19. Post Balance Sheet event**

There are no post balance sheet events announced as at the date of this announcement.

**20. Loans and Borrowings**

Group borrowings as at 30 September 2009 are as follows.

	Secured Bank Loan	Unsecured Bank Loan
<b>Loans and Borrowings</b>	RM'000	RM'000
As at 1 January 2009	1,119,310	-
Loan addition	-	6,500
Loan repayment	<u>( 1,119,310)</u>	<u>-</u>
<b>As at 30 September 2009</b>	<u>-</u>	<u>6,500</u>

On 1<sup>st</sup> September 2009, The Group has fully settled all secured bank loan through disposal of DiGi Shares as disclosed in note 15.



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**21. Off Balance Sheet financial instruments**

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

**22. Material litigation**

There are no outstanding material litigations as at the date of this announcement.

**23. Comparison between the current quarter and the immediate preceding quarter**

Revenue for the current quarter of RM69.9 million has increased by 2.9% as compared to the immediate preceding quarter of RM67.9 million. The increase was mainly due to increase in data, managed services and internet revenue by RM4.1 million. The increase however was offset by the decrease in voice revenue of RM2.1 million mainly due to non recognition of payphone revenue as a result of completion on disposal of payphone business in the immediate preceding quarter.

Profit after tax for the current quarter was RM11.9 million as compared to RM24.5 million in the immediate preceding quarter. The lower profit after tax was mainly due to the one time payment for voluntary separation scheme ("VSS") of RM11.7 million as well as lower investment income received following the disposal of DIGi shares in the current quarter.

**24. Review of performance for the current quarter and year-to-date**

Revenue for the current quarter and year to date under review was RM69.9 million and RM211.8 million respectively as compared to RM76.2 million and RM213.5 million in the corresponding quarter and year 2008. The decrease in current quarter revenue was mainly due to lower voice revenue of RM16.2 million mainly due to the disposal of payphone business in the early part of second quarter of 2009. The decrease however was mitigated by the increase in data, managed services and internet revenue by RM9.9 million.

The Group posted current quarter and year to date profit after tax of RM11.9 million and RM1.7 million respectively as compared to a loss of RM3.5 million in the corresponding quarter and year to date profit of RM542.4 million in the corresponding year 2008. The improvement in current quarter profit was mainly due to the improvement in operating result offset by the one time VSS payment.

The decrease in year to date profit after tax was mainly due to gain on transfer of 3G spectrum of RM617.0 million in the corresponding period 2008. Without the gain on transfer in 2008, 2009 year to date profit after tax has improved by RM76.3 million from loss of RM74.6 million in 2008.

**25. Economic profit / (loss) statement**

	Individual Quarter		Cumulative Quarter	
	Current year quarter <b>30/9/2009</b> RM'000	Preceding year corresponding quarter <b>30/9/2008</b> RM'000	Nine months to <b>30/9/2009</b> RM'000	Nine months to <b>30/9/2008</b> RM'000
<u>Net operating profit / (loss) after tax</u> <u>("NOPLAT") computation:</u>				
Profit / (loss) before interest and tax ("PLBIT")	21,013	7,973	43,514	(28,730)
Adjusted tax	-	-	-	-
<b>a) NOPLAT</b>	<b>21,013</b>	<b>7,973</b>	<b>43,514</b>	<b>(28,730)</b>
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	1,258,843	3,281,121	1,534,840	3,195,839
Weighted average cost of capital ("WACC") (%) (Note 2)	12.4%	7.4%	12.4%	7.4%
<b>b) Economic charge</b>	<b>39,024</b>	<b>(60,701)</b>	<b>142,740</b>	<b>(177,369)</b>
<b>c) Economic loss ( a – b )</b>	<b>(18,011)</b>	<b>(52,728)</b>	<b>(99,226)</b>	<b>(206,099)</b>

The Economic Profit statement is as prescribed under the GLC Transformation Program, and is disclosed on a voluntary basis.

Economic profit is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital. For the current quarter ended 30 September 2009, economic loss has reduced by RM34.7 million to RM18.0 million from RM52.7 million. The improvement in Economic loss was due to the improvement in Net Operating Profit. (Loss) after tax





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("NOPLAT") as well as lower average invested capital following the disposal of DiGi shares albeit higher weighted average cost of capital (WACC).

Note 1: Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2: WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of year.

**26. Prospects**

During the period under review, the Group has continued to improve on its operating margin. This trend is expected to sustain in the following quarter.

**27. Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

**28. Loss Earning per share**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
Weighted average number of shares in issue (RM'000)	2,530,775	2,530,775	2,530,775	2,530,775
Profit / (loss) for the year (RM'000)	11,941	(3,458)	1,703	542,433
<b>Basic Earning / (loss) per share (RM)</b>	0.47 sen	(0.14) sen	0.07 sen	21.43 sen

The diluted earnings per share is not shown as it is not applicable to the Group.

**By Order of the Board**

**Kuala Lumpur**  
**12 November 2009**

**MISNI ARYANI MUHAMAD**  
**(LS 0009413)**  
**Secretary**