



TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2010	31/3/2009	31/3/2010	31/3/2009
	RM'000	RM'000	RM'000	RM'000
Operating revenue	65,040	74,005	65,040	74,005
Operating expenses				
- depreciation, impairment and amortisation	(12,768)	(11,465)	(12,768)	(11,465)
- other operating expenses	(49,523)	(66,633)	(49,523)	(66,633)
Other operating income (net)	241	1,330	241	1,330
Profit/(loss) from operations	2,990	(2,763)	2,990	(2,763)
Loss on disposal of an investment	-	(23,052)	-	(23,052)
Investment income	15,778	1,050	15,778	1,050
Finance expenses	-	(9,917)	-	(9,917)
Profit/(loss) before income tax	18,768	(34,682)	18,768	(34,682)
Income tax	-	(10)	-	(10)
Profit/(loss) for the period attributable to equity holders of the Company	18,768	(34,692)	18,768	(34,692)
Other comprehensive income:				
Fair value gain on available-for- sale financial assets	17,050	-	17,050	-
Other comprehensive income for the period	17,050	-	17,050	-
Total comprehensive income for the period attributable to equity holders of the Company	35,818	(34,692)	35,818	(34,692)
Earning/(loss) per share				
Basic and diluted (based on 2010: 2,530,775,000 [2009: 2,530,775,000] ordinary shares)	0.74 sen	(1.37 sen)	0.74 sen	(1.37 sen)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at end of current quarter 31/3/2010 RM'000	Audited As at preceding financial year end 31/12/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	31,217	31,950
Telecommunications network	321,022	314,829
Other investment	-	599,500
Available-for-Sale financial assets	620,950	-
	<u>973,189</u>	<u>946,279</u>
Current assets		
Receivables, deposits and prepayments	120,162	99,640
Cash and cash equivalents	174,873	173,553
	<u>295,035</u>	<u>273,193</u>
Total assets	<u>1,268,224</u>	<u>1,219,472</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	2,530,775	2,530,775
Share premium	1,570,758	1,570,758
Available-for-Sale reserve	21,450	-
Accumulated losses	(3,017,033)	(3,035,801)
Total equity	<u>1,105,950</u>	<u>1,065,732</u>
Current liabilities		
Payables and accruals	162,274	153,740
	<u>162,274</u>	<u>153,740</u>
Total liabilities	<u>162,274</u>	<u>153,740</u>
Total equity and liabilities	<u>1,268,224</u>	<u>1,219,472</u>
Net assets per share attributable to ordinary equity holders of the Company	<u>RM0.44</u>	<u>RM0.42</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 31/3/2010 RM'000	Unaudited Three months to 31/03/2009 RM'000
Operating Activities		
Cash receipts from customers	67,614	62,702
Cash payments to suppliers	(29,620)	(38,577)
Cash payments to employees and for administrative expenses	(16,805)	(17,828)
Net cash used in operations of disposal group classified as held for sale	-	(1,545)
Net cash generated from operating activities	21,189	4,752
Investing Activities		
Purchase of property, plant and equipment and telecommunications network	(20,800)	(11,083)
Interest received	931	422
Purchase of property, plant and equipment by disposal group classified as held for sale	-	(1,196)
Net cash used in investing activities	(19,869)	(11,857)
Net change in Cash and Cash Equivalents	1,320	(7,105)
Cash and Cash Equivalents as at beginning of financial period	173,553	89,648
Cash and Cash Equivalents as at end of financial period	Note (a) 174,873	82,543
Note:		
(a) Cash and Cash Equivalents comprise the following amounts:		
Bank and cash balances	2,123	2,253
Deposits with licensed banks	172,750	80,290
As per Condensed Consolidated Statement of Cash flows	174,873	82,543
Restricted deposit	-	45,115
As per Condensed Consolidated Statement of Financial Position	174,873	127,658

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

←----- Attributable to equity holders of the Company ----->					
	Share Capital RM'000	Non-distributable		Accumulated Losses RM'000	Total Equity RM'000
		Share Premium RM'000	Available- for-Sale reserve RM'000		
Three months to 31 March 2010 (unaudited)					
Balance as at 1 January 2010 as previously stated	2,530,775	1,570,758	-	(3,035,801)	1,065,732
Adoption of FRS 139	-	-	4,400	-	4,400
Balance as at 1 January 2010 as restated	2,530,775	1,570,758	4,400	(3,035,801)	1,070,132
Profit for the period	-	-	-	18,768	18,768
Fair value gain on available-for-sale financial assets	-	-	17,050	-	17,050
Balance as at 31 March 2010	2,530,775	1,570,758	21,450	(3,017,033)	1,105,950

←----- Attributable to equity holders of the Company ----->					
	Share Capital RM'000	Non-distributable		Accumulated Losses RM'000	Total Equity RM'000
		Share Premium RM'000	Available- for-Sale reserve RM'000		
Three months to 31 March 2009 (unaudited)					
Balance as at 1 January 2009	2,530,775	1,570,758	-	(3,068,887)	1,032,646
Loss for the period	-	-	-	(34,692)	(34,692)
Balance as at 31 March 2009	2,530,775	1,570,758	-	(3,103,579)	997,954

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.



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V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited interim financial statements have been prepared under the historical cost convention except for available-for-sale financial assets which are stated at fair value. 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, other than as disclosed in Note 2 below, 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").

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 December 2009.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations, with effect from 1 January 2010.

On 1 January 2010 the Group adopted following FRSs, Amendments to FRSs, Improvements to FRSs (2009) and Interpretations:

FRS 4 - Insurance Contracts
FRS 7 - Financial Instruments: Disclosures
FRS 8 - Operating segments
FRS 101 - Presentation of Financial Statements (Revised)
FRS 123 - Borrowing Costs (Revised)
FRS 139 - Financial Instruments: Recognition and Measurements
Amendment to FRS 1 - First-time Adoption of Financial Reporting Standards
Amendment to FRS 2 - Share-based Payment -Vesting Conditions and Cancellations
Amendment to FRS 7 - Financial Instruments: Disclosures
Amendment to FRS 132 - Financial Instruments: Presentation
Amendment to FRS 139 - Financial Instruments: Recognition and Measurement
IC Interpretation 9 - Reassessment of Embedded Derivatives
IC Interpretation 10 - Interim Financial Reporting and Impairment
IC Interpretation 11 - FRS 2 - Group Treasury Share Transactions
IC Interpretation 13 - Customer Loyalty Programmes
IC Interpretation 14 - FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Improvements to FRSs (2009) FRS 117 – Leases

Other than for the application of FRS 8, FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group. FRS 4 and IC Interpretation 13 are currently not applicable to the Group.

(a) FRS 8: Operating Segments (FRS 8)

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements (FRS 101)

FRS 101 requires all changes in equity arising from transaction with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in the Condensed Consolidated Statement of Comprehensive Income. The Consolidated "Balance Sheet" and "Consolidated Cash Flow Statement" have been re-titled "Consolidated Statement of Financial Position" and "Consolidated Statement of Cash Flows" respectively. Comparatives for 2009 have been restated to conform to FRS 101. This standard does not have any impact on the financial position and results of the Group.



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2. Significant accounting policies (continued)

(c) FRS 139: Financial Instruments – Recognition and Measurement (FRS 139)

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are initially recognised in the financial statements when and only when, the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. Financial instruments are derecognised when the rights to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The Group determines the classification at the initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

The Group will also assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

Financial assets

Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits, receivables and available-for-sale financial assets.

Under FRS 139, available-for-sale financial assets are measured at fair value initially with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is de-recognised, at which time the cumulative gain or loss is recognised in the income statement or if determined to be impaired, at which time the cumulative loss is recognised in the income statement and removed from the available-for-sale reserve.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables.

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the statement of financial position as at 1 January 2010.

	Previously stated	Effect of FRS 139	As restated
	RM'000	RM'000	RM'000
Assets			
Other investment	599,500	(599,500)	-
Long term available-for-sale financial assets	-	603,900	603,900
Equity			
Available-for-sale reserve	-	4,400	4,400

The adoption of FRS 139 does not have any significant impact on the profit for the financial period.



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(d) Improvements to FRSs (2009) - FRS 117 – Leases

The amendments to FRS 117 clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating leases. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. Impact of the above amendments to the closing balances in the statement of financial position as at 31 December 2009 will be as follows:

	Previously stated	Effect of improvements to FRS 117	As restated
	RM'000	RM'000	RM'000
Assets			
Prepaid land lease payments	2,234	(2,234)	-
Property, plant and equipment	29,716	2,234	31,950

3. Audit report in respect of the 2009 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2009 was not qualified.

4. Seasonal or cyclical factors

The Group's operations are not subject to any significant 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 period and in the corresponding period in 2009 except as disclosed below:

a) *Disposal of DiGi.Com Berhad ("DiGi") shares*

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
Income Statement	31/3/2010	31/3/2009	31/3/2010	31/3/2009
	RM'000	RM'000	RM'000	RM'000
Loss on disposal of DiGi shares	-	(23,052)	-	(23,052)
	-	(23,052)	-	(23,052)

On 15 January 2009, the Group through its subsidiary, Hakikat Pasti Sdn Bhd disposed 22,500,000 shares held in DiGi ("Disposal Shares"), representing about 2.9% of the then existing issued and paid-up share capital of DiGi. The total cost of investment for the Disposal Shares was RM484.23 million (equivalent to RM21.52 per DiGi share). Nevertheless, since it first held the Disposal Shares (i.e. 22,500,000 DiGi shares) in November 2007, the Group has received an aggregate net dividend income of RM43.43 million (equivalent to approximately RM1.93 per share) in respect of the said shares.

b) *Disposal of payphone business*

In the corresponding quarter in 2009, the payphone businesses was presented as a disposal group held for sale following the disposal of the Company's entire equity interest in Time Reach Sdn Bhd ("TRSB") to PayComm Sdn Bhd for a cash consideration of RM8,300,000. The disposal of the Company's entire equity interest in TRSB was completed on 15 April 2009.

6. Material changes in estimates used

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



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7. Debt and equity securities

The Group did not undertake any other 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 financial period ended 31 March 2010.

8. Dividend

The Group has not declared or paid any dividend in the current financial period ended 31 March 2010 (2009: Nil).

9. Segmental Reporting

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2010	31/3/2009	31/3/2010	31/3/2009
Income Statement	RM'000	RM'000	RM'000	RM'000
Operating Revenue				
Voice	19,831	22,316	19,831	22,316
Data	43,952	38,654	43,952	38,654
Payphone*	-	11,465	-	11,465
Others	1,257	1,570	1,257	1,570
	65,040	74,005	65,040	74,005
Operating Expenses				
Depreciation, impairment and amortisation	(12,768)	(11,465)	(12,768)	(11,465)
Other operating expenses	(49,523)	(66,633)	(49,523)	(66,633)
Other operating income (net)	241	1,330	241	1,330
Profit / (loss) from operations	2,990	(2,763)	2,990	(2,763)
Loss on disposal of investment	-	(23,052)	-	(23,052)
Investment income	15,778	1,050	15,778	1,050
Finance expenses	-	(9,917)	-	(9,917)
Profit / (loss) before income tax	18,768	(34,682)	18,768	(34,682)
Income tax	-	(10)	-	(10)
Profit / (Loss) for the period	18,768	(34,692)	18,768	(34,692)

* No payphone revenue has been recognised in the current quarter of 2010 as the payphone business was disposed with effect from 15 April 2009

10. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment since the financial year ended 31 December 2009.



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11. 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 31 March 2010 to the date of this announcement, which would substantially affect the financial results of the Group for the three months ended 31 March 2010 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the Group

There were no changes in the composition of the Group in the current financial period.

13. Contingent liabilities/assets

There are no changes in the contingent liabilities or contingent assets as at the date of this announcement since the last annual balance sheet date.

14. Capital commitments

	As at 31/3/2010 RM'000
a) Approved and contracted for	<u>56,465</u>
b) Approved but not contracted for:	<u>7,690</u>

15. Income tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2010	31/3/2009	31/3/2010	31/3/2009
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	-	10	-	10

There is no tax charge for the current quarter due to the utilization of unabsorbed tax losses and capital allowances. The tax charge provided for in the preceding year corresponding quarter was in relation to interest income earned during the period.

16. Disposal of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties in the current quarter.



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17. Investments in quoted securities

- (a) There were no acquisitions and disposals of any quoted securities in the current quarter.
- (b) Particulars of investments in quoted securities are as follows:-

	As at 31/03/2010 RM'000
Quoted Securities in Malaysia:	
- Cost	684,750
- At book value	620,950
- At market value (fair value)	<u>620,950</u>

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. Loans and Borrowings

The Group has no loans and borrowings as at 31 March 2010.

20. Off Balance Sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this quarterly report.

21. Material litigation

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

22. Comparison between the current quarter and the immediate preceding quarter

Consolidated revenue for the current quarter of RM65.0 million is RM10.0 million or 13.3% lower than the consolidated revenue recognized in the quarter ended 31 December 2009 of RM75.0 million mainly due to decrease in revenue from voice business. The said decrease was somewhat mitigated by an improvement in revenue received from the data business.

The profit after tax for the current quarter was RM18.8 million as compared to RM31.4 million for the immediate preceding quarter. The decrease in profit before tax is mainly due to lower revenues, as mentioned above, and dividend income of RM20.5 million recognised in the immediate preceding quarter compared to dividend income of RM14.9 million recognised in the current quarter from the Group's investment in DiGi shares.

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

The Group recorded a consolidated revenue of RM65.0 million in the current quarter as compared to RM74.0 million in the corresponding quarter in the preceding financial year. The lower revenue recognized in the current quarter is primarily due to disposal of the Group's payphone business with effect from 15 April 2009. The payphone business had previously contributed revenue of RM11.5 million to the Group in the financial quarter ended 31 March 2009. On a like-to-like basis (i.e. excluding revenue from the payphone business), revenue in the current quarter would show a RM2.5 million or 4% growth from revenue in the corresponding quarter of 2009. The improvement in the current quarter is mainly due to higher revenue from the Group's data business offset by a reduction in revenue from voice business.

The Group posted a current quarter consolidated profit before income tax of RM18.8 million compared to a consolidated loss before tax of RM34.7 million in the corresponding period in 2009. The swing was mainly as a result of cost cutting and de-gearing measures undertaken by the Group which helped to reduce operating and finance expenses while at the same time improve profit margins. The Group also recognized a RM14.9 million dividend income from its investment in DiGi shares in the current quarter which helped to further improve its results. In the previous year corresponding quarter, the Group's results had also been affected by a loss on disposal of DiGi shares (see Note 5 for details).



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24. Prospects

The Malaysian economy is recovering quickly and is expected to benefit from a stabilising global economy. The recovery has so far been broad-based with all economic sectors registering strong turnarounds. This along with improving consumer and business confidence has resulted in the Malaysian Institute of Economic Research ("MIER") raising GDP growth rates for 2010 from 3.7% to 5.2% year-on-year (Source: MIER April 2010).

The improved economic outlook is expected to have a positive impact on consumer and business spending in the telecommunications industry. This coupled with the fact that the Malaysian Communications & Multimedia Commission ("MCMC") is embarking on a nationwide drive to increase penetration of broadband connectivity to at least half of all Malaysian households by the end of 2010, presents the Group with vast opportunities in the corporate and consumer market segments, particularly given the Group's all-fibre capabilities.

Notwithstanding this, the telecommunications industry is also expected to become more competitive and challenging in 2010. To meet these challenges, the Group will focus on expanding coverage in key market segments, strengthening and simplifying its network, offering more complete end-to-end communication solutions, managing its costs to improve operating margins, whilst at the same time aiming to increase its share in each of the Group's addressable market segments.

Barring any unforeseen circumstances, the results of the Group for the financial year ending 31 December 2010 is expected to remain positive.

25. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

26. Earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding	Three	Three
	quarter	year	months to	months to
	31/3/2010	corresponding	31/3/2010	31/3/2009
		quarter		
		31/3/2009		
Weighted average number of shares in issue ('000)	<u>2,530,775</u>	<u>2,530,775</u>	<u>2,530,775</u>	<u>2,530,775</u>
Profit/(loss) for the period attributable to equity holders of the Company (RM'000)	<u>18,768</u>	<u>(34,692)</u>	<u>18,768</u>	<u>(34,692)</u>
Basic and diluted earnings/(loss) per share	<u>0.74 sen</u>	<u>(1.37 sen)</u>	<u>0.74 sen</u>	<u>(1.37 sen)</u>

By Order of the Board

**Kuala Lumpur
27 May 2010**

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