TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010.

THE FIGURES HAVE BEEN AUDITED.

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Operating revenue	**85,520**	**74,977**	**321,083**	**286,811**
Operating expenses				
- depreciation, impairment and amortization of property, plant and equipment and telecommunications network	(13,109)	(12,805)	(50,719)	(47,223)
- other operating expenses	(62,209)	(54,056)	(236,113)	(228,421)
Other operating income (net)	726	1,974	1,864	4,536
Profit from operations	**10,928**	**10,090**	**36,115**	**15,703**
Loss on disposal of quoted investment	-	-	-	(17,409)
Payment for voluntary separation scheme	-	-	-	(11,664)
Investment income	15,279	21,402	52,829	66,514
Finance expenses	-	(109)	(38)	(20,048)
Profit before income tax	**26,207**	**31,383**	**88,906**	**33,096**
Income tax	18,165	-	18,165	(10)
Profit for the period attributable to equity holders of the Company	**44,372**	**31,383**	**107,071**	**33,086**
Other comprehensive income:				
Fair value gain on available-for- sale financial assets	8,250	-	72,600	**-**
Other comprehensive income for the period	8,250	-	72,600	**-**
Total comprehensive income for the period attributable to equity holders of the Company	**52,622**	**31,383**	**179,671**	**33,086**
Earnings per share				
Basic and diluted (based on 2010: 2,530,775,000 [2009: 2,530,775,000] ordinary shares)	1.75 sen	1.24 sen	4.23 sen	1.31 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

	Audited As at financial year ended 31/12/2010 RM'000	Audited As at preceding financial year ended 31/12/2009 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant & equipment	28,160	31,950
Telecommunications network	349,548	314,829
Other investment	-	599,500
Deferred Tax Assets	18,504	-
Available-for-Sale financial assets	676,500	-
Trade Receivables*	19,706	-
	1,092,418	946,279
Current assets		
Trade and other receivables	142,821	98,410
Tax recoverable	833	1,230
Cash and cash equivalents	199,661	173,553
	343,315	273,193
Total assets	1,435,733	1,219,472
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	77,000	-
Accumulated losses	(2,928,730)	(3,035,801)
Total equity	1,249,803	1,065,732
Non-current liabilities		
Trade payables**	4,259	-
	4,259	-
Current liabilities		
Trade and other payables	181,671	153,740
	181,671	153,740
Total liabilities	185,930	153,740
Total equity and liabilities	1,435,733	1,219,472
Net assets per share attributable to ordinary equity holders of the Company	RM0.49	RM0.42

* Non-current trade receivables relate to accrued income for certain long term global bandwidth contracts entered into by the Group whereby the payment terms have been mutually agreed to be made over a period of up to 3 years.

** Non-current trade payables relate to accrued expenses for certain long term global bandwidth contracts entered into by the Group whereby the payment terms have been mutually agreed to be made over a period of up to 3 years.

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

		Audited Twelve months to 31/12/2010 RM'000	Audited Twelve months to 31/12/2009 RM'000
Operating Activities			
Cash receipts from customers		302,609	262,942
Transfer from restricted cash and bank balances		-	58,083
Cash payments to suppliers		(196,657)	(159,680)
Cash payments to employees and for administrative expenses		(57,648)	(67,947)
Cash generated from operations		48,304	93,398
Tax refund		58	516
Net cash generated from operating activities		**48,362**	**93,914**
Investing Activities			
Purchase of property, plant and equipment and telecommunications network		(74,468)	(53,051)
Interest received		4,402	3,131
Dividend received		47,850	33,377
Cash received on disposal of assets held for sale		-	6,643
Net cash used in investing activities		**(22,216)**	**(9,900)**
Financing Activities			
Finance charges paid		(38)	(109)
Net cash used in financing activities		**(38)**	**(109)**
Net change in Cash and Cash Equivalents		**26,108**	**83,905**
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)**	**199,661**	**173,553**

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

	31/12/2010	31/12/2009
Bank and cash balances	6,461	1,923
Deposits with licensed banks	193,200	171,630
As per Condensed Consolidated Statement of Cash flows/Condensed Consolidated Statement of Financial Position	**199,661**	**173,553**

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

Twelve months to 31 December 2010 (audited)	←------ Attributable to equity holders of the Company ------→				
		Non-distributable			
	Share Capital	Share Premium	Available- for-Sale reserve	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
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 year	-	-	-	107,071	107,071
Fair value gain on available-for-sale financial assets	-	-	72,600	-	72,600
Balance as at 31 December 2010	2,530,775	1,570,758	77,000	(2,928,730)	1,249,803

Twelve months to 31 December 2009 (audited)	←------ Attributable to equity holders of the Company ------→				
		Non-distributable			
	Share Capital	Share Premium	Available- for-Sale reserve	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2009	2,530,775	1,570,758	-	(3,068,887)	1,032,646
Profit for the year	-	-	-	33,086	33,086
Balance as at 31 December 2009	2,530,775	1,570,758	-	(3,035,801)	1,065,732

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.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

The audited 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 new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations, with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs, Amendments to FRSs, Improvements to FRSs (2009) and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

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 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, FRS 139 and improvements to FRSs (2009) FRS117 – Leases, the application of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of 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.

(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 profit and loss or if determined to be impaired, at which time the cumulative loss is recognised in profit and loss 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 and loss for the financial year.

(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

The Group however, has not applied the following new/revised accounting standards (including the consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group:

FRS/Interpretations	***Effective for annual periods beginning on or after***
Amendments to FRS 132, *Financial Instruments: Presentation*	1 March 2010
FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)	1 July 2010
FRS 3 – Business Combinations (revised)	1 July 2010
FRS 127 – Consolidated and separate Financial Statements (revised)	1 July 2010
Amendments to FRS 2, *Share-based Payment*	1 July 2010
Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 138, *Intangible Assets*	1 July 2010
IC Interpretation 12, *Service Concession Agreements*	1 July 2010
IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17, *Distribution of Non-cash Assets to Owners*	1 July 2010
Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*	1 July 2010
Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*	1 January 2011
Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*	1 January 2011
IC Interpretation 4, *Determining whether an Arrangement contains a Lease*	1 January 2011
IC Interpretation 18, *Transfers of Assets from Customers*	1 January 2011
Improvements to FRSs (2010)	1 January 2011
Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*	1 July 2011
IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
FRS 124, *Related Party Disclosures* (revised)	1 January 2012
IC Interpretation 15, *Agreements for the Construction of Real Estate*	1 January 2012

The Group plans to apply the abovementioned FRSs (and its consequential amendments) and Interpretations in the respective annual periods based on their effective dates and applicability.

The initial application of the above standards (and its consequential amendments) and interpretations, is not expected to have any material impact on the financial statements of the Group other than as disclosed below:

FRS 3 (revised), Business Combinations

FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations.

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognized in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2011 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

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	Twelve months to	Twelve months to
Income Statement	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss on disposal of DiGi shares	-	-	-	(17,409)
	-	-	-	(17,409)

On 15 January 2009, the Group through its subsidiary, Hakikat Pasti Sdn Bhd disposed 22,500,000 shares held in DiGi representing about 2.9% of the then existing issued and paid-up share capital of DiGi. The total cost of investment for the shares disposed was RM484.23 million (equivalent to RM21.52 per DiGi share). On 26 August 2009, the Group again disposed another 27,750,000 DiGi shares, representing about 3.6% of the existing issued and paid-up share capital of DiGi. The total cost of investment for the shares disposed was RM597.22 million (equivalent to RM21.52 per DiGi share).

Since it first held the said shares (i.e. totaling 50,250,000 DiGi shares) in November 2007, the Group has received an aggregate net dividend income of RM111.7 million (or equivalent to about RM2.22 per share) in respect of these shares.

b) *Disposal of payphone business*

The disposal of the Company's entire equity interest in Time Reach Sdn Bhd to PayComm Sdn Bhd was completed on 15 April 2009. The payphone business was presented as a disposal group held for sale in the first quarter of 2009.

c) *Payment for voluntary separation scheme ("VSS")*

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
Income Statement	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Payment for voluntary separation scheme ("VSS")	-	-	-	(11,664)
	-	-	-	(11,664)

A VSS was undertaken in August 2009 resulting in the departure of 227 employees of the Group. The VSS exercise was conducted with the intention to provide an exit option for staff members with competency mismatch. This initiative had enabled the Group to inject fresh talents with the right competencies aligned with the business direction of the Group.

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 year.

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 during the twelve months period ended 31 December 2010.

8. Dividend

The Group has not declared or paid any dividend during the twelve months period ended 31 December 2010 (2009: Nil).

9. Segmental Reporting

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	**Preceding year corresponding quarter**	**Twelve months to**	**Twelve months to**
Group	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating Revenue				
Voice	18,807	21,119	77,564	90,023
Data	62,983	53,909	237,308	178,287
Payphone*	-	-	-	13,285
Others	3,730	(51)	6,211	5,216
	85,520	**74,977**	**321,083**	**286,811**
Operating Expenses				
Depreciation, impairment and amortization of property, plant and equipment and telecommunications network	(13,109)	(12,805)	(50,719)	(47,223)
Other operating expenses	(62,209)	(54,056)	(236,113)	(228,421)
Other operating income (net)	726	1,974	1,864	4,536
Profit from operations	**10,928**	**10,090**	**36,115**	**15,703**
Loss on disposal of quoted investment	-	-	-	(17,409)
Payment for voluntary separation scheme	-	-	-	(11,664)
Investment income	15,279	21,402	52,829	66,514
Finance expenses	-	(109)	(38)	(20,048)
Profit before income tax	**26,207**	**31,383**	**88,906**	**33,096**

* *No payphone revenue has been recognized in the current year ended 31 December 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.

11. Material events subsequent to the end of the current financial quarter/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 2010 to the date of this announcement, which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 during the twelve months period ended 31 December 2010.

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 31/12/2010
	RM'000
a) Approved and contracted for	65,727
b) Approved but not contracted for	10,590

15. Income tax

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	**Preceding year corresponding quarter**	**Twelve months to**	**Twelve months to**
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysian taxation				
- Current year tax	-	-	-	(10)
- Overprovision of tax benefit in prior years	(339)	-	(339)	-
- Deferred tax benefit	18,504	-	18,504	-
	18,165	-	18,165	(10)

There is no tax charge for the current quarter due to the availability of group relief and 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 year.

During the year, the Group recognised RM18,504,000 (2009: RM Nil) deferred tax assets arising principally from unabsorbed capital allowance available to the Group less temporary differences in respect of excess of capital allowance over book depreciation. The deferred tax asset has been recognised to the extent that it is probable that future taxable profits will be available to offset the temporarily differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

16. Disposal of unquoted investments and/or properties

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

17. Investments in quoted securities

(a) There were no acquisitions and disposals of any quoted securities in the current year.

(b) Particulars of investments in quoted securities are as follows:-

	As at 31/12/2010
	RM'000
Quoted Securities in Malaysia:	
- Cost	684,750
- At book value	676,500
- At market value (fair value)	676,500

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

The Company had, on 15 November 2010, announced that it had entered into two Memoranda of Agreements for the following proposed acquisitions:

(i) Proposed acquisition of 100% equity stake in Global Transit Communications Sdn Bhd for a purchase consideration of RM106 million to be fully settled via issuance of approximately 29.86 million new TIME dotCom Berhad ("TdC") shares ("Proposed Acquisition of GTC");

(ii) Proposed acquisition of 100% equity stake in GTL, for a purchase consideration of RM105 million to be settled via issuance of approximately 14.79 million new TdC shares and a cash consideration of RM52.50 million ("Proposed Acquisition of GTL");

(iii) Proposed acquisition of 100% equity stake in Global Transit (Hong Kong) Limited and Global Transit Singapore Pte Ltd, for a cash consideration of RM1 each ("Proposed Acquisitions of Global Transit Entities"); and

(iv) Proposed acquisition of AIMS Group which comprises 100% equity stakes in AIMS Data Centre 2 Sdn Bhd, The AIMS Asia Group Sdn Bhd and its subsidiaries and AIMS Cyberjaya Sdn Bhd, for a total purchase consideration of RM128 million to be settled via issuance of approximately 25.24 million new TdC shares and a cash consideration of RM38.40 million ("Proposed Acquisition of AIMS Group").

The Proposed Acquisition of GTC, Proposed Acquisition of GTL, Proposed Acquisitions of Global Transit Entities and Proposed Acquisition of AIMS Group are collectively referred to as the "Proposed Acquisitions".

The Company also announced on the same day that it had resolved to undertake the following proposals:

(i) Proposed capital repayment of RM50,615,500 representing RM0.02 per TdC share to the entitled shareholders of TdC ("Proposed Capital Repayment");

(ii) Proposed capital restructuring comprising:

- Proposed capital reduction of TdC's existing issued and paid-up share capital of RM2,530,775,000 comprising 2,530,775,000 ordinary shares of RM1.00 each in TdC via cancellation of RM0.90 of the par value of TdC pursuant to Section 64 of the Companies Act, 1965 ("Proposed Capital Reduction");
- Proposed set-off of TdC's share premium account against the accumulated losses of TdC ("Proposed Share Premium Reduction"); and
- Proposed share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC after the Proposed Capital Reduction into 506,155,000 TdC shares, on the basis of five (5) ordinary shares of RM0.10 each in TdC into one (1) ordinary share of RM0.50 each in TdC ("Proposed Share Consolidation").

The Proposed Capital Reduction, Proposed Share Premium Reduction and the Proposed Share Consolidation are collectively referred to as the "Proposed Capital Restructuring" while the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring are collectively referred to as the "Proposals".

Subsequently, the Company announced, on 6 December 2010, that it had entered into four (4) conditional sale and purchase agreements (referred to as "SPAs") for:

(i) the Proposed Acquisition of GTC;

(ii) the Proposed Acquisition of GTL;

(iii) the Proposed Acquisitions of the Global Transit Entities; and

(iv) the Proposed Acquisition of AIMS Group

(collectively referred to as "Acquiree Companies").

The Proposals are conditional upon obtaining the following approvals and other condition precedents for the Proposed Acquisitions:

(i) the shareholders of TdC at an extraordinary general meeting ("EGM") to be convened;
(ii) the High Court of Malaya, for the Proposed Capital Repayment and Proposed Capital Restructuring pursuant to Section 64 of the Companies Act 1965;
(iii) Bursa Securities for the listing and quotation of the securities to be issued pursuant to the Proposed Acquisitions;
(iv) the Securities Commission, for a waiver for Megawisra Sdn Bhd ("Megawisra") and its persons acting in concert from having to undertake a mandatory general offer on TdC ("Proposed Exemption");
(v) the creditors of TdC, if necessary; and
(vi) any other relevant parties / authorities, if required.

The completion of the Proposed Acquisitions are subject to the fulfilment (or waiver) of certain conditions precedent, including:

(i) the prior approval (or confirmation of no objection) of any other third parties as may be required pursuant to any obligation of each of the corporations which is identified during the due diligence exercise or otherwise under any instrument, agreement, contract or license by which it is bound, and agreed by the parties (acting reasonably) to be a condition precedent;

(ii) the completion of a financial and legal due diligence exercise and an operational review conducted in respect of the corporations and the results thereof being satisfactory;

(iii) the waiver of any right of pre-emption or other rights arising on the sale of any of the equity in the Acquiree Companies; and

(iv) the fulfilment of all conditions precedents in the other SPAs relating to the Proposed Acquisitions and in accordance with their respective terms.

The Proposed Capital Repayment and the Proposed Acquisitions are inter-conditional upon one another and are conditional upon the Proposed Capital Restructuring. The Proposed Capital Restructuring is not conditional upon the Proposed Capital Repayment, the Proposed Acquisitions and the Proposed Exemption.

On 24 February 2010, the Company announced that it has, together with Pulau Kapas Ventures Sdn Bhd ("PKV") and Megawisra (in respect of the Proposed Acquisition of GTC and Proposed Acquisition of AIMS Group respectively) mutually agreed that the time period for such mutual agreement to revise the purchase consideration is now fixed to expire on 21 March 2011, as opposed to the said twenty (20) business day period.

Further, the Company, PKV, Megawisra and Nicholas Lim Ping have in respect of the Proposed Acquisition of GTC, the Proposed Acquisition of GTL and the Proposed Acquisition of AIMS Group, mutually agreed that the time period within which TDC is to confirm in writing to the respective vendors whether or not TdC is satisfied with the results of the due diligence exercise is on or before 21 March 2011, as opposed to the ten (10) business day period after the completion of the due diligence exercise in respect of each Acquiree Company as originally provided in the relevant SPAs.

At the date of this report, the above approvals are still pending from the respective parties.

19. Loans and Borrowings

The Group has no loans and/or borrowings as at 31 December 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 RM85.5 million is RM1.8 million or 2% lower than the consolidated revenue of RM87.3 million recognised in the quarter ended 30 September 2010. The reduction mainly comes from a decrease in revenue from the Group's data business arising mainly from lower global bandwidth sales as compared to the previous quarter.

The Group's profit before tax for the current quarter of RM26.2 million was RM5.3 million higher than the consolidated profit before tax recorded in the third quarter of 2010 of RM20.9 million mainly due to higher dividend income received in the current quarter and lower costs.

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

a) Current Quarter vs. Preceding Year Corresponding Quarter

The Group recorded a consolidated revenue of RM85.5 million in the current quarter as compared to RM75.0 million in the corresponding quarter of the preceding financial year. 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 tax of RM26.2 million compared to a consolidated profit before tax of RM31.4 million in the corresponding period in 2009 mainly due to lower dividend income received in the current quarter from its available-for-sale financial asset. Excluding investment income, the Group's profit from operations is RM838,000 or 8.3% higher in the current quarter than the corresponding period in 2009.

b) Current year-to-date vs. 2009 year-to-date

The Group recorded an improved consolidated revenue for the twelve months ended 31 December 2010 of RM321.1 million compared to RM286.8 million in the corresponding year to date of 2009 mainly resulting from the Group's entry into the global bandwidth business and higher data revenue. This is despite including revenue from the payphone business which was disposed with effect from 15 April 2009, in the 2009 comparative. Excluding revenue from the payphone business, the Group's revenue would have improved by RM47.6 million or 17% in the current year period.

The Group also recorded a sharp increase in its profit before tax from RM33.1 million for year ended 31 December 2009 to a profit before tax of RM88.9 million for the same period in 2010. The significant improvement can mainly be attributed to improvement in revenue, cost cutting and de-gearing measures undertaken by the Group. Note also that the Group's results in 2009 were also affected by a loss on disposal of DiGi shares amounting to RM17.4 million and VSS costs of RM11.7 million (2010: RMNil). Please refer to Note 5(a) and Note 5(c) for further details of the loss on disposal of DiGi shares and cost of VSS respectively.

24. Prospects

2011 is expected to be an exciting and challenging year for the Group. 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.

The TdC and Astro collaboration agreement, signed in late - 2010 is expected to extend the Group's reach in the consumer market while at the same time expand the Group's network coverage to include prime business and residential areas in key cities.

The Group expects that upon successful completion of the Proposed Acquisitions (detailed in Note 18), the Group is able to enhance and expand its product offerings and customer base as a regional and global wholesale player. The successful completion of the Proposed Acquisitions will also enable the Group to enter the fast growing hosting and co-location businesses to supplement its existing revenue streams.

The Group had entered the global bandwidth business in 2010, offering wholesale services to the industry. The Group expects this business to continue in 2011. The nature of transactions in this business constitutes both one-time and recurring revenues. As such, on a periodic reporting basis, the Group does not expect linear or consistent contributions from this area of business.

Barring any unforeseen circumstances, the results of the Group for the financial year ending 31 December 2011 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 per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter	**Preceding year corresponding quarter**	**Twelve months to**	**Twelve months to**
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Weighted average number of shares in issue ('000)	2,530,775	2,530,775	2,530,775	2,530,775
Profit for the period attributable to equity holders of the Company (RM'000)	**44,372**	**31,383**	**107,071**	**33,086**
Basic and diluted earnings per share	1.75 sen	1.24 sen	4.23 sen	1.31 sen

27. Supplementary information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the accumulated losses of the Group as at 31 December 2010 are as follows:

	As at 31/12/2010
	RM'000
Total accumulated losses of the Group	
- Realised	(2,944,402)
- Unrealised	15,672
Total accumulated losses	(2,928,730)

The determination of realised and unrealised profits 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.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

By Order of the Board

MISNI ARYANI MUHAMAD
(LS 0009413)
Secretary

Selangor
28 February 2011