

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM'000	RM'000	RM'000	RM'000
Operating revenue	81,260	70,060	81,260	70,060
Operating expenses				
- depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	(13,257)	(13,143)	(13,257)	(13,143)
- other operating expenses	(58,513)	(47,505)	(58,513)	(47,505)
Other operating income (net)	751	45	751	45
Profit from operations	10,241	9,457	10,241	9,457
Investment income	19,388	13,426	19,388	13,426
Profit before income tax	29,629	22,883	29,629	22,883
Income tax expense	(377)	-	(377)	-
Profit for the period attributable to owners of the Company	29,252	22,883	29,252	22,883
Other comprehensive income:				
Fair value gain on available-for-sale financial assets	49,500	110,000	49,500	110,000
Other comprehensive income for the period	49,500	110,000	49,500	110,000
Total comprehensive income for the period attributable to owners of the Company	78,752	132,883	78,752	132,883
Earnings per share				
Basic and diluted (based on 2012: 2,530,775,000 [2011: 2,530,775,000] ordinary shares)	1.16 sen	0.90 sen	1.16 sen	0.90 sen

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 2011.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 31/3/2012 RM'000	As at preceding financial year ended 31/12/2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	35,569	34,205
Telecommunications network	445,540	426,972
Deferred tax assets	18,504	18,504
Available-for-sale financial assets	1,116,540	1,067,040
Trade receivables*	6,156	10,802
	1,622,309	1,557,523
Current assets		
Trade and other receivables	177,304	157,944
Tax recoverable	-	705
Restricted cash	18,336	17,084
Deposit, cash and bank balances	212,532	217,442
	408,172	393,175
Total assets	2,030,481	1,950,698
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	2,530,775	2,530,775
Share premium	1,570,758	1,570,758
Available-for-sale reserve	517,000	467,500
Accumulated losses	(2,782,124)	(2,811,376)
Total equity	1,836,409	1,757,657
Non-current liabilities		
Trade payables**	119	238
	119	238
Current liabilities		
Trade and other payables	193,572	192,581
Provision for tax	381	222
	193,953	192,803
Total liabilities	194,072	193,041
Total equity and liabilities	2,030,481	1,950,698
Net assets per share attributable to ordinary owners of the Company	RM0.73	RM0.69

* 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 by the customer 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 2011.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 31/3/2012 RM'000	Unaudited Three months to 31/3/2011 RM'000
Operating Activities		
Cash receipts from customers	74,010	76,126
Transfer to restricted cash and bank balances	(1,252)	(1,200)
Cash payments to suppliers	(43,647)	(43,914)
Cash payments to employees and for administrative expenses	(15,520)	(13,912)
Cash generated from operations	13,591	17,100
Tax paid	(204)	-
Tax refund	788	-
Net cash generated from operating activities	14,175	17,100
Investing Activities		
Purchase of property, plant and equipment and telecommunications network	(37,921)	(10,066)
Investment income received	18,836	13,552
Net cash (used in)/generated from investing activities	(19,085)	3,486
Net change in Cash and Cash Equivalents	(4,910)	20,586
Cash and Cash Equivalents as at beginning of financial period	217,442	199,661
Cash and Cash Equivalents as at end of financial period	Note (a) 212,532	220,247
Note:		
(a) Cash and Cash Equivalents comprise the following amounts:		
Bank and cash balances	49,331	9,447
Deposits with licensed banks	181,537	212,000
	230,868	221,447
Restricted cash	(18,336)	(1,200)
	212,532	220,247

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

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Attributable to owners of the Company -----→				Total Equity
	←-----Non-distributable-----→		Available- for- Sale reserve	Accumulated Losses	
Three months to 31 March 2012 (unaudited)	Share Capital RM'000	Share Premium RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2012	2,530,775	1,570,758	467,500	(2,811,376)	1,757,657
Profit for the period	-	-	-	29,252	29,252
Fair value gain on available-for-sale financial assets	-	-	49,500	-	49,500
Total comprehensive income for the period	-	-	49,500	29,252	78,752
Balance as at 31 March 2012	2,530,775	1,570,758	517,000	(2,782,124)	1,836,409

	←----- Attributable to owners of the Company -----→				Total Equity
	←-----Non-distributable-----→		Available- for- Sale reserve	Accumulated Losses	
Three months to 31 March 2011 (unaudited)	Share Capital RM'000	Share Premium RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2011	2,530,775	1,570,758	77,000	(2,928,730)	1,249,803
Profit for the period	-	-	-	22,883	22,883
Fair value gain on available-for-sale financial assets	-	-	110,000	-	110,000
Total comprehensive income for the period	-	-	110,000	22,883	132,883
Balance as at 31 March 2011	2,530,775	1,570,758	187,000	(2,905,847)	1,382,686

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 2011.

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V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. First-time adoption of Malaysian Financial Reporting Standards (MFRS)

The unaudited interim financial statements have been prepared in accordance with *MFRS 134: Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This quarterly consolidated financial statements also complies with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board (IASB). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

These interim financial statements are the Group's first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the year ended 31 December 2011.

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2011. 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 2011.

2. Significant accounting policies

As at the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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

The initial application of the above applicable standards (and its consequential amendments) and interpretations, is not expected to have any material impact on the financial statements of the Group.

3. Audit report in respect of the 2011 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

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 2011 other than the reduction of scheduled wayleave payments in 2011. In the prior year, the Group had negotiated a revision of the wayleave fee payments resulting in a reduction of RM3.5 million of 2010's wayleave fee, which was adjusted in the first quarter of 2011. The revised payment schedule agreed also revises the wayleave fees for years subsequent to 2010. The revised payment schedule was agreed upon after taking into consideration the Group's future cash flows and commitments.

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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.

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 current financial period ended 31 March 2012.

8. Dividend

The Group has not declared or paid any dividend during the current financial period ended 31 March 2012 (2011: Nil).

9. Segmental Reporting

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM'000	RM'000	RM'000	RM'000
Operating Revenue				
Voice	18,207	18,414	18,207	18,414
Data	61,954	51,139	61,954	51,139
Others	1,099	507	1,099	507
	81,260	70,060	81,260	70,060
Operating Expenses				
Depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	(13,257)	(13,143)	(13,257)	(13,143)
Other operating expenses	(58,513)	(47,505)	(58,513)	(47,505)
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Investment income	19,388	13,426	19,388	13,426
Profit before income tax	29,629	22,883	29,629	22,883

10. Valuation of Property, Plant and Equipment

There were no material changes to the valuation of property, plant and equipment since the financial year ended 31 December 2011.

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 March 2012 to the date of this announcement, other than those disclosed in Note 18, which would substantially affect the financial results of the Group for the three months ended 31 March 2012 that have not been reflected in the condensed financial statements.

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12. Changes in the composition of the Group

There were no changes in the composition of the Group during the three months period ended 31 March 2012. Please refer to Note 18 for status of corporate proposals announced but not completed as at the date of this announcement.

13. Contingent liabilities/assets

There are no changes in the contingent liabilities or contingent assets since 31 December 2011.

14. Capital commitments

	As at 31/3/2012 RM'000
a) Approved and contracted but not provided for in the interim financial statements	<u>95,372</u>
b) Approved but not contracted for	<u>29,816</u>

15. Income tax

The taxation charge for the Group for current quarter and financial period ended 31 March 2012 was made up as follows:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	<u>377</u>	<u>-</u>	<u>377</u>	<u>-</u>

The effective tax rate of the Group for the current and previous corresponding quarter and financial year-to-date was lower than the statutory tax rate of 25% principally due to certain non-taxable income and utilisation of unabsorbed capital allowances.

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 31/3/2012 RM'000
Quoted Securities in Malaysia:	
- Cost	684,750
- At book value	1,116,500
- At market value (fair value)	1,116,500

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 agreement for the following proposals:

- (i) Proposed acquisition of 100% equity stake in Global Transit Communications Sdn Bhd ("GTC") for a purchase consideration of RM106 million to be fully settled through issuance of approximately 29.86 million new TIME dotCom Berhad ("TdC") shares ("Proposed Acquisition of GTC");
- (ii) Proposed acquisition of 100% equity stake in Global Transit Limited ("GTL"), for a purchase consideration of RM105 million to be settled through 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 (collectively defined as "Global Transit Entities"), 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 (collectively defined as "AIMS Group"), for a total purchase consideration of RM128 million to be settled through issuance of approximately 25.24 million new TdC shares and a cash consideration of RM38.40 million ("Proposed Acquisition of AIMS Group").

GTC, GTL, Global Transit Entities and AIMS Group are collectively referred to as "Acquiree Companies" while 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 each TdC ordinary share 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") with the following parties:

- (i) PKV, for the Proposed Acquisition of GTC;
- (ii) Megawisra Sdn Bhd ("Megawisra"), Halfmoon Bay Capital Limited, Accurate Gain Profits Limited, Continuum Capital Sdn. Bhd. and Nicholas Lim Ping (collectively referred as "GTL Vendors"), for the Proposed Acquisition of GTL;

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

- (iii) Global Transit International Sdn Bhd (“GTI”), a wholly owned subsidiary of Megawisra, for the Proposed Acquisitions of the Global Transit Entities; and
- (iv) Megawisra, for the Proposed Acquisition of AIMS Group

for their respective equity interests in the Acquiree Companies.

On 15 March 2011, the Company announced that pursuant to the completion of the due diligence exercise undertaken on the Acquiree Companies, an independent valuation for and only for the non-interested directors of TdC was undertaken and by letters of agreement executed on 15 March 2011 which are supplemental to the respective SPAs between TdC and PKV, the GTL Vendors and Megawisra, the transacting parties have mutually agreed to revise the purchase consideration as follows:

- (i) the Proposed Acquisition of GTC will be for a purchase consideration of RM102 million, to be fully settled through the issuance of 28,732,394 new TdC shares;
- (ii) the Proposed Acquisition of GTL will be for a purchase consideration of RM101 million, to be fully settled via the issuance of 17,070,421 new TdC shares and a cash payment of approximately RM40.4 million;
- (iii) the Proposed Acquisition of the AIMS Group will be for a purchase consideration of RM119 million to be fully settled via the issuance of 20,112,676 new TdC shares and a cash payment of approximately RM47.6 million.

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 (approval from the shareholders was obtained on 22 November 2011);
- (ii) the High Court of Malaya, for the Proposed Capital Repayment and Proposed Capital Restructuring pursuant to Section 64 of the Companies Act 1965; (order was obtained on 20 April 2012)
- (iii) Bursa Securities for the listing and quotation of the securities to be issued pursuant to the Proposed Acquisitions (approval was obtained on 9 June 2011);
- (iv) the Securities Commission of Malaysia (“SC”), for the Proposed Dispensation (detailed below) (approval was obtained on 19 September 2011);
- (v) the SC, for the Proposed Exemptions (detailed below) (approval was obtained on 29 December 2011);
- (vi) the creditors of TdC, if necessary; and
- (vii) any other relevant parties / authorities, if required.

The SC had on 30 September 2008, inter alia, ruled that GTI will not trigger a mandatory offer obligation in TdC in connection with PKV’s acquisition of thirty point zero four percent (30.04%) voting shares in TdC from KNB and the grant of the call or put options provided that GTI’s effective equity stake in TdC through their shareholding in PKV remains below twenty percent (20%) (“20% Condition”). The dispensation or waiver of the 20% Condition by GTI (“Proposed Dispensation”) was granted by the SC on 19 September 2011 subject to certain disclosure requirements. The Proposed Dispensation is not subject to shareholders’ approval but is a condition precedent to the Proposals.

Further, pursuant to the Proposed Acquisitions:

- (i) in addition to Megawisra’s indirect stake of thirty one point six percent (31.60%) in TdC held by PKV through GTI, Megawisra will obtain a direct shareholding of four point three four percent (4.34%) in TdC. Therefore, the TdC shares that Megawisra controls will increase from thirty point zero four percent (30.04%) to thirty five point nine four percent (35.94%), i.e. an increase by a single entity to more than thirty three percent (33%) and accordingly, Megawisra will trigger a mandatory general offer obligation under the Malaysian Code of Take-Overs and Mergers, 2010 (“Code”); and
- (ii) Megawisra and the persons acting in concert with Megawisra (“PAC Group”) shareholding in TdC will increase from forty two point three nine percent (42.39%) to forty seven point three five percent (47.35%), i.e. an increase in TdC’s shareholding by more than two percent (2%) within a period of six (6) months and, accordingly, the PAC Group will trigger a mandatory general offer obligation under the Code.

In view of the above:

- (i) Megawisra has sought an exemption under paragraph 16 of Practice Note 9 of the Code from having to undertake a mandatory general offer on TdC Shares not already held by it upon completion of the Proposed Acquisitions (Proposed Megawisra Exemption); and
- (ii) The PAC Group has sought an exemption under paragraph 16 of Practice Note 9 of the Code from having to undertake a mandatory general offer on TdC Shares not already held by them upon completion of the Proposed Acquisitions (“Proposed PAC Group Exemptions”).

Collectively referred as “Proposed Exemptions”

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

The Proposed Exemptions were sought and approved by SC on 29 December 2011 as it was not Megawisra's and the PAC Group's intention to undertake a take-over offer as a result of the Proposals. The grant of the Proposed Exemptions constitutes one of the conditions precedent for the Proposals (save for the Proposed Capital Restructuring and proposed amendment to TdC's Memorandum of Association ("Proposed Amendment"). The Proposed Amendment is made to facilitate the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring).

The Proposed Capital Repayment, the Proposed Exemptions and the Proposed Acquisitions are inter-conditional upon one another. The Proposed Capital Repayment, the Proposed Exemptions and the Proposed Acquisitions are conditional upon the Proposed Capital Restructuring and Proposed Amendment. The Proposed Capital Restructuring and the Proposed Amendment are inter-conditional upon one another. The Proposed PAC Group Exemption and the Proposed Megawisra Exemption are not inter-conditional upon one another.

On 10 June 2011, the Company announced that Bursa Securities has, via its letter dated 9 June 2011, approved the following:

- (a) Proposed Share Consolidation; and
- (b) the listing and quotation of 65,915,491 new ordinary shares of RM0.50 each in TdC to be issued pursuant to the Proposed Acquisition on the Main Market of Bursa Securities;

subject to the following conditions:

- (a) TdC and its advisor must fully comply with the relevant provisions under the Main Listing Requirements of Bursa Securities pertaining to the implementation of the Proposals;
- (b) TdC and its advisor to inform Bursa Securities upon completion of the Proposals;
- (c) TdC to incorporate Bursa Securities' comments on the circular to shareholders;
- (d) TdC to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
- (e) TdC to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals; and
- (f) TdC or its advisor is also required to make the relevant announcements pursuant to paragraph 13.10(2) of the Main Market Listing Requirements of Bursa Securities.

On 22 November 2011, the Company held an extraordinary general meeting ("EGM") for the purpose of considering and, if thought fit, passing (with or without modifications), the Proposals. The shareholders approved the Proposals during the EGM.

On 29 December 2011, the Securities Commission approved the Proposed Exemptions subject to Megawisra and the PAC Group disclosing the holding and dealings in the securities of TdC in accordance with Paragraph 16.10 of the Code.

On 19 January 2012, the Company submitted its application to the High Court of Malaya for the Proposed Capital Repayment and Proposed Capital Structuring.

On 20 April 2012, the High Court of Malaya, Kuala Lumpur granted an order confirming the Proposed Capital Restructuring and Proposed Capital Repayment by TdC pursuant to Sections 60 and 64 of the Companies Act, 1965.

On 15 May 2012, the Company announced that the Capital Restructuring and Capital Repayment has taken effect with the lodgement of the order of the High Court. Payments to the entitled shareholders of TdC pursuant to the Capital Repayment shall be despatched (or credited to their nominated banking accounts, as applicable) on 30 May 2012.

On 16 May 2012:

- (a) the Capital Repayment was completed with payments being due pursuant to book closure on 15 May 2012 to the entitled shareholders of TdC; and
- (b) the Capital Restructuring was completed with the listing of and quotation for the 506,155,000 ordinary shares of RM0.50 each in TdC.

On 17 May 2012, the Acquisitions have been completed in accordance with the terms of the respective sale and purchase agreements. The Corporate Proposals have been completed with the listing of 65,915,491 new TdC Shares on 18 May 2012.

19. Loans and Borrowings

The Group has no loans and/or borrowings as at 31 March 2012.

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.

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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 RM81.3 million is RM1.9 million or 2% lower than the consolidated revenue of RM83.2 million recognised in the quarter ended 31 December 2011. The reduction mainly arises from lower voice and data usage. Voice revenue in the current quarter had been affected by lower usage due to the number of public holidays in the first quarter of the year.

The Group's profit before tax for the current quarter of RM29.6 million was, however, RM4.0 million higher than the consolidated profit before tax recorded in the fourth quarter of 2011 of RM25.6 million mainly due to one-time adjustments of operating expenses recognized in the previous quarter. The increase in profit before tax also due to lower depreciation charged during the quarter and higher dividend income from available-for-sale financial asset in the current quarter.

23. Review of performance for the current quarter against preceding year corresponding quarter

Revenue grew by RM11.2 million or 16% from RM70.1 million as recorded in the first quarter of 2011 to RM81.3 million in the current quarter. The improvement in the current quarter is mainly due to higher revenue from the Group's data business.

The Group posted a current quarter consolidated profit before tax of RM29.6 million, which is an increase of RM6.7 million or 29% compared to the consolidated profit before tax of RM22.9 million in the corresponding period in 2011. The improved results would be attributed mainly to higher revenue and higher dividend income from its available-for-sale financial asset. Note also that included in the consolidated profit before tax of the corresponding period in 2011 was a one time reduction of 2010's wayleave fees amounting to RM3.5 million. Excluding this one time reduction in wayleave fees, the Group would have registered a RM10.2 million increase or 53% in the current quarter when compared against the preceding year corresponding quarter.

24. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
Group	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Depreciation of telecommunication networks and property, plant and equipment	13,257	13,143	13,257	13,143
Write off of telecommunication networks	-	54	-	54
Net realised loss on foreign exchange	-	329	-	329
Unrealised loss on foreign exchange	-	54	-	54
Realised loss on foreign exchange	-	329	-	329
Interest expense	-	-	-	-
Net allowance for doubtful debt	-	211	-	211
and after crediting:				
Interest income from short term deposits	1,513	1,601	1,513	1,601
Dividend income from quoted shares	17,875	11,825	17,875	11,825
Rental Income	42	32	42	32
Bad debt recovered	52	71	52	71
Unrealised gain on foreign exchange	393	-	393	-
Realised gain on foreign exchange	152	-	152	-
Net reversal of allowance for doubtful debt	152	-	152	-
Reduction in 2010 wayleave fees	-	3,500	-	3,500

There were no gains/losses on disposal or impairment of quoted and unquoted securities, investments, properties and/or derivatives included in the results for the current quarter and preceding year corresponding quarter.

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25. Prospects

The Group expects 2012 to be challenging. To meet these challenges, the Group will focus its efforts to gain market share by improving its product and solution offerings, managing costs, further expanding and strengthening its network and coverage in key yield areas and seeking out potential new growth opportunities within the telecommunications and its related sectors. The above will include initiatives to strategically grow product and service offerings in the consumer segment which may require higher costs for initial set up and deployment. The said initiatives are expected to benefit the Group in the longer term.

The Group is also in the global bandwidth business which offers wholesale services to the industry. 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.

With the completion of the Proposed Acquisitions, the Group will now be able to tap into its new acquiree companies' regional wholesale customer base, strengthen its presence in the global bandwidth business, access international bandwidth at international submarine cable owner price and provide IP transit services. The Proposed Acquisitions will also enable the Group to integrate its domestic network with GTC's and GTL's domestic and international networks respectively and together with the data centres operated by the AIMS Group, will be able to produce a more complete range of services for the Group's existing and potential customers. The effective integration of these companies is expected to lead to benefits such as economies of scale and cost savings.

Barring any unforeseen circumstances, the results of the Group for 2012 is expected to remain positive.

26. Profit Forecast and Profit Guarantee

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

27. Earnings per share

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding year	Three	Three
	quarter	corresponding quarter	months to	months to
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
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 for the period attributable to owners of the Company (RM'000)	<u>29,252</u>	<u>22,883</u>	<u>29,252</u>	<u>22,883</u>
Basic and diluted earnings per share	<u>1.16 sen</u>	<u>0.90 sen</u>	<u>1.16 sen</u>	<u>0.90 sen</u>

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

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, as disclosed pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 25 March 2010, is as follows:

	As at end of current quarter 31/3/2012 RM'000	As at preceding financial year ended 31/12/2011 RM'000
Total accumulated losses of the Group		
- Realised	(2,798,260)	(2,827,523)
- Unrealised	16,136	16,147
Total accumulated losses	(2,782,124)	(2,811,376)

The determination of realised and unrealised profits is based on the Guidance on 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 the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group and the Bank, and are hence deemed as realised.

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

Selangor
18 May 2012

MISNI ARYANI MUHAMAD
(LS 0009413)
Secretary