TIME

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

THE FIGURES HAVE 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	Twelve months to	Twelve months to
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Operating revenue	**121,831**	**83,184**	**419,088**	**313,872**
Operating expenses				
- depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	(17,436)	(16,146)	(64,361)	(56,436)
- other operating expenses	(87,547)	(53,885)	(286,478)	(188,416)
Other operating income (net)	2,365	469	5,052	1,167
Profit from operations	**19,213**	**13,622**	**73,301**	**70,187**
Investment income	34,284	11,974	88,841	48,833
Finance expense	(1,984)	-	(5,126)	-
Profit before income tax	**51,513**	**25,596**	**157,016**	**119,020**
Income tax benefit/(expense)	39,752	(426)	36,713	(1,666)
Profit for the period attributable to owners of the Company	**91,265**	**25,170**	**193,729**	**117,354**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(107)	-	(1,005)	-
Fair value gain on available-for-sale financial assets	2,750	230,450	387,750	390,500
Other comprehensive income for the period	**2,643**	**230,450**	**386,745**	**390,500**
Total comprehensive income for the period attributable to owners of the Company	**93,908**	**255,620**	**580,474**	**507,854**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
		(Adjusted)*		(Adjusted)*
Earnings per share				
Basic and diluted (based on weighted average number of ordinary shares)	15.94 sen	4.97 sen	35.39 sen	23.19 sen

* Please see Note 27 for further details of the adjustment.

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

	Audited As at 31/12/2012 RM'000	Audited As at 31/12/2011 RM'000	Audited As at 1/1/2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	717,215	448,957	365,488
Deferred tax assets	61,140	18,504	18,504
Available-for-sale financial assets	1,454,850	1,067,040	676,500
Intangible assets	213,959	-	-
Trade and other receivables	11,315	23,022	31,926
	2,458,479	1,557,523	1,092,418
Current assets			
Trade and other receivables	154,278	157,944	142,821
Tax recoverable	885	705	833
Restricted cash	22,660	17,084	-
Deposit, cash and bank balances	223,845	217,442	199,661
	401,668	393,175	343,315
Total assets	2,860,147	1,950,698	1,435,733
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	286,547	2,530,775	2,530,775
Reserves	2,193,297	(773,118)	(1,280,972)
Total equity	2,479,844	1,757,657	1,249,803
Non-current liabilities			
Deferred tax liability	3,668	-	-
Loan and borrowings	143,000	-	-
Trade payables	377	238	4,259
	147,045	238	4,259
Current liabilities			
Trade and other payables	221,104	192,581	181,671
Loan and borrowings	11,532	-	-
Provision for tax	622	222	-
	233,258	192,803	181,671
Total liabilities	380,303	193,041	185,930
Total equity and liabilities	2,860,147	1,950,698	1,435,733
Net assets per share attributable to ordinary owners of the Company	RM4.33	* RM3.47	* RM2.47

* *For comparison purposes, the number of shares in the Company (or "TdC") has been adjusted to reflect a capital reduction of RM0.90 of the initial par value of RM1.00 for each share and share consolidation of 2,530,775,000 ordinary shares of RM0.10 each (pursuant to the abovementioned capital reduction) into 506,155,000 shares on the basis of 5 ordinary shares of RM0.10 each in the Company into 1 ordinary share of RM0.50 each in the Company.*

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

		Audited Twelve months to 31/12/2012 RM'000	Audited Twelve months to 31/12/2011 RM'000
Operating Activities			
Cash receipts from customers		450,017	325,059
Transfer to restricted cash and bank balances		(2,012)	(17,084)
Cash payments to suppliers		(199,111)	(154,610)
Cash payments to employees and for administrative expenses		(100,900)	(67,145)
Cash generated from operations		147,994	86,220
Tax paid		(6,812)	-
Tax refund		788	(1,317)
Net cash generated from operating activities		**141,970**	**84,903**
Investing Activities			
Purchase of property, plant and equipment		(149,527)	(116,859)
Proceeds from disposal of property, plant and equipment		148	125
Acquisition of GTC, GTL, GT entities and AIMS Group, net of cash	**Note (b)**	(81,994)	-
Investment income received		88,334	49,612
Net cash used in investing activities		**(143,039)**	**(67,122)**
Financing Activities			
Proceeds from loan drawdown		110,389	-
Transaction cost paid for loan drawdown		(708)	-
Repayment of loan		(46,725)	-
Finance charges paid		(4,824)	-
Capital repayment		(50,616)	-
Net cash generated from financing activities		**7,516**	**-**
Net change in Cash and Cash Equivalents		**6,447**	**17,781**
Effect of exchange rate fluctuations on cash held		(44)	-
Cash and Cash Equivalents as at beginning of financial year		217,442	199,661
Cash and Cash Equivalents as at end of financial year	**Note (a)**	**223,845**	**217,442**

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

Cash and bank balances	64,218	22,357
Deposits with licensed banks	182,287	212,169
	246,505	**234,526**
Restricted cash	(22,660)	(17,084)
	223,845	**217,442**

(b) Acquisition of GTC, GTL, GT entities and AIMS Group, net of cash

The fair values of the identifiable assets and liabilities of GTC, GTL, GT entities and AIMS Group as of 17 May 2012 (the completion date of acquisition) are as follows:

	RM'000
Property, plant and equipment	174,326
Deferred tax asset	637
Available-for-sale	50
Trade and other receivable	117,385
Tax recoverable	71
Restricted cash	3,564
Deposit, cash and bank balances	6,370
Deferred tax liability	(2,554)
Lease liabilities	(8,639)
Loan and borrowings	(83,989)
Bank overdraft	(364)
Trade and other payables	(140,797)
Provision for tax	(2,668)
Total net tangible assets/(liabilities) acquired	63,392
Goodwill and intangible assets	213,959
Negative goodwill	(173)
Net assets acquired/purchase consideration*	277,178
Less: Cash and Cash Equivalent acquired**	(6,006)
Total net assets acquired, net of Cash and Cash Equivalent	271,172
Issuance of new shares	(189,178)
Cash outflow from acquisition	81,994

* The purchase consideration for the abovementioned acquiree companies was derived based on the following:

	GTC	GTL	GT entities	AIMS Group	Total
No of shares (units)	28,732,394	17,070,421	-	20,112,676	65,915,491
Market price of shares as of 17 May 2012	2.87	2.87	-	2.87	2.87
Share consideration (RM'000)	82,462	48,992	-	57,724	189,178
Cash consideration (RM'000)	-	40,400	-	47,600	88,000
Total consideration (RM'000)	82,462	89,392	-	105,324	277,178

Note: The purchase consideration paid for the two GT entities was RM1.00 for each entity.

** Cash and Cash Equivalent includes deposits, cash and bank balances and bank overdraft.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←---- Attributable to owners of the Company ----→						
	←---- Non-distributable ----→						
Twelve months to 31 December 2012 (audited)	**Share Capital RM'000**	**Share Premium RM'000**	**Available-for-Sale Reserve RM'000**	**Foreign Currency Translation Reserve RM'000**	**Capital Reserve RM'000**	**(Accumulated Losses) / Retained Earnings RM'000**	**Total Equity RM'000**
Balance as at 1 January 2012	2,530,775	1,570,758	467,500	-	-	(2,811,376)	1,757,657
Capital repayment	-	(50,616)	-	-	-	-	(50,616)
Capital reduction	(2,277,698)	-	-	-	-	2,277,698	-
Set-off share premium	-	(834,315)	-	-	8,760	825,555	-
Acquisition of GTC, GTL and the AIMS Group	32,958	156,220	-	-	-	-	189,178
Issuance of ordinary shares pursuant to Share Grant Plan ("SGP")	512	2,639	-	-	-	-	3,151
Exchange differences recognised directly in equity	-	-	-	(1,005)	-	-	(1,005)
Profit for the year	-	-	-	-	-	193,729	193,729
Fair value gain on available-for-sale financial assets	-	-	387,750	-	-	-	387,750
Total comprehensive income for the period	-	-	387,750	(1,005)	-	193,729	580,474
Balance as at 31 December 2012	**286,547**	**844,686**	**855,250**	**(1,005)**	**8,760**	**485,606**	**2,479,844**

	←---- Attributable to owners of the Company ----→				
	←----Non-distributable----→				
Twelve months to 31 December 2011 (audited)	**Share Capital RM'000**	**Share Premium RM'000**	**Available-for-Sale Reserve RM'000**	**Accumulated Losses RM'000**	**Total Equity 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 year	-	-	-	117,354	117,354
Fair value gain on available-for-sale financial assets	-	-	390,500	-	390,500
Total comprehensive income for the period	-	-	390,500	117,354	507,854
Balance as at 31 December 2011	**2,530,775**	**1,570,758**	**467,500**	**(2,811,376)**	**1,757,657**

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 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The audited 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 Group has early adopted the amendments to MFRS 101, *Presentation of Financial Statements* which are only effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements other than the presentation format of the statement of profit or loss and other comprehensive income.

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 3	Business Combinations	1 January 2013
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 1	First Time Adoption of MFRSs - Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvement 2009-2011 Cycle)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRSs	Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	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 as follows, and/or as disclosed elsewhere in this report:

(i) 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.

(ii) adjustments made amounting to RM22.9 million for expenses recognised previously for certain projects and service contracts in 2011. The adjustments made resulted in a one-time reduction of operating expenses in the previous financial year. The adjustments arose as part of the Group's regular review of its current obligations at each Statement of Financial Position date. The adjustments reflect the Group's assessment and best estimate of its current obligations at the time.

(iii) in May 2012, the Group set-off RM834,315,000 from TdC's share premium account against accumulated losses of RM825,555,126. The set-off also resulted in the creation of a distributable capital reserve account of RM8,759,874. The set-off was done as part of a capital restructuring exercise to rationalise TdC's statement of financial position by writing off share capital and share premium that is not representative of TdC's available assets.

(iv) completion of the Special Restricted Share Plan ("Special RSP") in November 2012, which resulted in the issuance of 1,022,900 ordinary shares of RM0.50 each to selected employees of the Group, in recognition of their past services and/or who had contributed significantly to the turnaround of the Group. The Special RSP had the effect of reducing profit and loss by approximately RM3,513,000 in the fourth quarter of 2012.

6. Material changes in estimates used

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

7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial year ended 31 December 2012 other than as follows:

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

(ii) 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;

(iii) share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC after the abovementioned capital reduction into 506,155,000 TdC shares, on the basis of 5 ordinary shares of RM0.10 each in TdC into 1 ordinary share of RM0.50 each in TdC;

(iv) issuance of 28,732,394 new TdC shares as full and final settlement for the acquisition of 100% equity stake in Global Transit Communications Sdn Bhd ("GTC");

(v) issuance of 17,070,421 new TdC shares as part settlement for the acquisition of 100% equity stake in Global Transit Limited ("GTL"). The remaining portion of the purchase consideration was settled via a cash payment of RM40.4 million; and

(vi) issuance of 20,112,676 new TdC shares as part settlement for the acquisition of 100% equity stake in The AIMS Asia Group Sdn Bhd and its subsidiaries, AIMS Data Centre 2 Sdn Bhd and AIMS Cyberjaya Sdn Bhd (collectively "AIMS Group"). The remaining portion of the purchase consideration was settled via a cash payment of RM47.6 million.

The above corporate exercises were completed in May 2012.

During the year, the Company also issued 1,022,900 new ordinary share of RM0.50 each as part of its Special RSP to reward certain employees of the Group (as disclosed in Note 5(iv) above).

8. Dividend

The Company has not declared or paid any dividend in the year ended 31 December 2012.

The Company is proposing a special dividend-in-specie of up to 137.5 million ordinary shares it currently holds in DiGi.Com Berhad ("DiGi shares") to its shareholders. The proposed special dividend-in-specie is subject to the sufficiency of distributable reserves in the Company after completion of an internal restructuring exercise of the Group and after having obtained the necessary approvals required for the proposed special dividend-in-specie. Barring any unforeseen circumstances and subject to the required approvals, the proposed special dividend-in-specie is expected to be completed in the first half of 2013.

9. Segmental Reporting

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
Group	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating Revenue				
Voice	18,180	19,563	74,074	77,270
Data	88,191	62,960	305,708	233,801
Data Centre	13,639	-	33,602	-
Others	1,821	661	5,704	2,801
	121,831	**83,184**	**419,088**	**313,872**
Operating Expenses:				
Depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	(17,436)	(16,146)	(64,361)	(56,436)
Other operating expenses	(87,547)	(53,885)	(286,478)	(188,416)
Other operating income (net)	2,365	469	5,052	1,167
Profit from operations	**19,213**	**13,622**	**73,301**	**70,187**
Investment income	34,284	11,974	88,841	48,833
Finance expense	(1,984)	-	(5,126)	-
Profit before tax	**51,513**	**25,596**	**157,016**	**119,020**

Geographical locations

Operating Revenue				
Within Malaysia	119,457	83,184	408,484	313,872
Outside Malaysia	2,374	-	10,604	-
	121,831	**83,184**	**419,088**	**313,872**

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

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 2012 to the date of this announcement, which would substantially affect the financial results of the Group for the twelve months ended 31 December 2012 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the Group

The Group completed its acquisition of a 100% equity stake each in GTC, GTL, Global Transit Singapore Pte Ltd ("GTS"), Global Transit (Hong Kong) Limited ("GTHK") (GTS and GTHK collectively referred as "GT entities") and AIMS Group on 17 May 2012.

13. Contingent liabilities/assets

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

14. Capital commitments

	As at 31/12/2012 RM'000
a) Approved and contracted but not provided for in the financial statements	217,558
b) Approved but not contracted for	35,347

15. Income tax

The taxation benefit/(charge) for the Group for current quarter and financial period ended 31 December 2012 was made up as follows:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
Group	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax:				
- Current year taxation	(226)	(426)	(4,172)	(1,666)
Deferred tax:				
- Arising from current year	(14,502)	-	(13,595)	-
- Recognition of prior year unrecognised deferred tax assets	54,480	-	54,480	-
Total	39,752	(426)	36,713	(1,666)

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 recognition of prior year unrecognised deferred tax and certain non-taxable income and utilisation of unabsorbed capital allowances and tax losses available to the Group. The lower effective tax rate is also due to the lower tax rates prevailing in some of the jurisdictions/countries in which the Group operates.

16. Disposal of unquoted investments and/or properties

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

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 31/12/2012
	RM'000
Quoted Securities in Malaysia:	
- Cost	684,750
- At book value	1,454,750
- At market value (fair value)	1,454,750

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

Other than the proposed special dividend-in-specie of up to 137.5 million DiGi shares (disclosed in Note 8), there were no other corporate proposals announced but not completed in the interval from the date of the last report and the date of this announcement.

19. Loans and Borrowings

The loans and borrowings as at 31 December 2012 are as follows:

	Amount repayable in one year	Amount repayable after one year	Total
	RM'000	RM'000	RM'000
Secured:			
Finance lease liabilities in RM	3,513	3,325	6,838
Loans and borrowings			
- Denominated in RM	-	109,666	109,666
- Denominated in USD	8,019	30,009	38,028
	11,532	143,000	154,532

The Group did not have any loans and borrowings as at 31 December 2011 and 2010 respectively.

20. Off Balance Sheet financial instruments

As at date of statement of financial position, the cash and cash equivalents of the Group does not include a bank balance amounting to RM2,500,000 (31.12.2011 and 1.1.2011: Nil) held by the Group in trust for consortium members of the Asia Pacific Gateway submarine cable project to pay the supplier under the terms of supply contract.

Other than above, 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 RM121.8 million was RM11.7 million or 11% higher than the consolidated revenue of RM110.1 million recognised in the quarter ended 30 September 2012. The increase was mainly due to higher contributions from both voice and data revenues by RM0.6 million and RM10.3 million respectively in the current quarter. Data revenues were higher in the current quarter due to continued demand from the mobile operators for increased bandwidth, increasing take-up from Astro IPTV subscribers and new global bandwidth business and enterprise sales.

The Group's profit before tax for the current quarter of RM51.5 million was RM14.3 million higher than the consolidated profit before tax recorded in the third quarter of 2012 of RM37.2 million. The higher consolidated profit before tax could be attributed to higher sales revenues and dividend income from the Group's investments in quoted securities during the quarter, offset by the RM3.5 million Special RSP (see Note 5(iv)) granted to certain employees in the current quarter.

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

(a) Quarter 4, 2012 versus Quarter 4, 2011

Revenue grew by RM38.6 million or 46% from RM83.2 million as recorded in the fourth quarter of 2011 to RM121.8 million in the current quarter. The improvement in the current quarter was mainly due to new revenue contribution of RM24.7 million from the Group's acquisitions and higher data revenue from the Group's existing business. Voice revenue was however RM1.4 million lower in the current quarter due to lower international interconnect traffic.

The Group posted a current quarter consolidated profit before tax of RM51.5 million, which was an increase of RM25.9 million or 101% compared to the consolidated profit before tax of RM25.6 million in the corresponding period in 2011. The increase was mainly due to profit attributable to the acquisitions of RM3.7 million, higher revenue from the Group's existing businesses, higher dividend income and lower allowances made for long outstanding construction deposits despite higher depreciation charge on additional capital expenditure incurred on the Group's network expansion, a Special RSP expense of RM3.5 million and increased finance expenses on borrowings.

(b) Financial year ended 31 December 2012 ("YTD 2012") versus financial year ended 31 December 2011 ("YTD 2011")

The Group's consolidated revenue for YTD 2012 of RM419.1 million has out-performed YTD 2011's consolidated revenue by RM105.2 million or 34%, mainly due to an increase of RM40.0 million in data revenue from existing business and RM65.7 million additional revenue from the new acquisitions.

The Group posted a consolidated profit before tax of RM157.0 million in YTD 2012, which was an increase of RM38.0 million or 32% compared to the consolidated profit before tax of RM119.0 million in YTD 2011. The improved results could be attributed mainly to profit contributions of RM16.3 million from the acquisitions, higher revenue from existing businesses, lower allowance made for long outstanding construction deposits and higher dividend income from the Group's available-for-sale financial asset, notwithstanding the adjustment made to operating expenses of RM22.9 million and reduction in 2010 wayleave fees of RM3.5 million (see Notes 5(i) and 5(ii)) in the previous year, Special RSP grant of RM3.5 million and higher financial expenses on borrowings incurred in YTD 2012. Should the one-time adjustment made to operating expenses of RM22.9 million and the reduction of 2010's wayleave fees of RM3.5 million be excluded from the 2011's comparative results, the Group would have recorded a RM64.4 million or 70% improvement in consolidated profit before tax in YTD 2012.

24. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	**Preceding year corresponding quarter**	**Twelve months to**	**Twelve months to**
Group	**31/12/2012**	**31/12/2011**	**31/12/2012**	**31/12/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax is arrived at after (charging)/crediting:				
Depreciation of property, plant and equipment	(17,436)	(14,045)	(64,361)	(54,335)
Impairment loss on property, plant and equipment	-	(2,101)	-	(2,101)
Write off of telecommunication networks	(295)	(57)	(295)	(57)

Group	Individual Quarter Current year quarter 31/12/2012 RM'000	Individual Quarter Preceding year corresponding quarter 31/12/2011 RM'000	Cumulative Quarter Twelve months to 31/12/2012 RM'000	Cumulative Quarter Twelve months to 31/12/2011 RM'000
Allowance for long outstanding construction deposits	(358)	(3,006)	(358)	(3,006)
Allowance for long outstanding rental deposits	(753)	-	(753)	-
Special RSP expense	(3,513)	-	(3,513)	-
Interest expense	(1,984)	-	(5,126)	-
Interest income from short term deposits	1,279	1,799	5,516	6,758
Dividend income from quoted shares	33,005	10,175	83,325	42,075
Rental income	55	42	208	149
Bad debt recovered	63	74	393	378
Net gain/(loss) on foreign exchange	882	386	1,089	(1,369)
Net reversal of allowance for doubtful debt	1,067	474	1,453	275
Net gain on disposal of property, plant and equipment	27	-	148	125
Reduction in 2010 wayleave fees	-	-	-	3,537
Negative goodwill on acquisition	-	-	173	-
Adjustment to operating expenses recognised previously	-	3,220	-	22,921

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.

25. Prospects

The Group will continue its efforts to increase market share in 2013 by improving its product and solution offerings, enhancing operational and cost efficiencies throughout the Group while further expanding and strengthening its network and coverage footprints. Demand for higher speed bandwidth services and fibre connectivity requirements by mobile operators for their network modernization and LTE network rollout are expected to provide avenues for additional data revenue to the Group in 2013.

The Group will also leverage on the growth of its data centre and global bandwidth businesses in 2013, which will be the first year that both businesses are fully integrated into the Group. In addition to organic growth, the Group will seek out new growth opportunities with an emphasis on regional wholesale bandwidth, international submarine cable systems and data centre markets, particularly in the ASEAN region.

Coverage and network expansion into the small-to-medium enterprise and consumer space via the Group's Fibre-to-the-Office ("FTTO") and Fibre-to-the-Home ("FTTH") initiatives and partnership with Astro may require higher costs for initial set up and deployment. Further, new data centre and other potential expansion initiatives may in the initial stage also result in some margin compression whilst revenue growth is expected to be progressive. The said initiatives are, however, expected to benefit the Group in the longer term.

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 ("EPS")

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
		(Adjusted)*		(Adjusted)*
Weighted average number of shares in issue ('000)*	572,531	506,155	547,445	506,155
Profit for the period attributable to owners of the Company (RM'000)	91,265	25,170	193,729	117,354
Basic and diluted earnings per share	15.94 sen	4.97 sen	35.39 sen	23.19 sen

* For comparison purposes, the weighted average number of shares in the Company for the preceeding year corresponding quarter and twelve months ended 31 December 2011 have been adjusted to reflect:

i. The capital reduction of RM0.90 of the initial par value of RM1.00 for each TdC share; and

ii. Share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC (after the abovementioned capital reduction) into 506,155,000 TdC shares on the basis of 5 ordinary shares of RM0.10 each in TdC into 1 ordinary share of RM0.50 each in TdC.

28. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation as disclosed below:

	As restated	Previously stated
	RM'000	RM'000
31/12/2011		
Non-current assets		
Property, plant and equipment	448,957	461,177
Trade and other receivables	23,022	10,802
1/1/2011		
Non-current assets		
Property, plant and equipment	365,488	377,708
Trade and other receivables	31,926	19,706

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

The breakdown of retained profits or losses 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 31/12/2012	As at 31/12/2011
	RM'000	RM'000
Total retained earnings/(accumulated losses) of the Group		
- Realised	428,030	(2,827,523)
- Unrealised	57,576	16,147
Total retained earnings/(accumulated losses)	485,606	(2,811,376)

The determination of realised and unrealised profits or losses 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.

29. Supplementary information on the breakdown of realised and unrealised profits or losses (continued)

The disclosure of realised and unrealised profits or losses 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
27 February 2013