

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 30/6/2015	Preceding year corresponding quarter 30/6/2014	Six months to 30/6/2015	Six months to 30/6/2014
	RM'000	RM'000	RM'000	RM'000
Operating revenue	163,767	155,743	335,476	287,624
Operating expenses				
- depreciation and amortisation of property, plant and equipment	(23,291)	(21,470)	(45,624)	(41,703)
- other operating expenses	(110,902)	(98,300)	(222,979)	(187,859)
Other operating income (net)	6,855	863	16,686	1,323
Profit from operations	36,429	36,836	83,559	59,385
Investment income	8,823	10,350	20,755	21,663
Realisation of fair value gain reclassified from available-for-sale reserve to profit or loss	274,024	38	274,024	38
Finance expense	(1,749)	(1,934)	(3,264)	(3,978)
Share of results on equity-accounted investment	(534)	-	(534)	-
Profit before income tax	316,993	45,290	374,540	77,108
Income tax expense	(2,346)	(1,630)	(4,006)	(4,122)
Profit for the period	314,647	43,660	370,534	72,986
Attributable to owners of:				
- the Company	315,434	44,001	372,013	73,416
- non-controlling interests	(787)	(341)	(1,479)	(430)
Profit for the period	314,647	43,660	370,534	72,986
Other comprehensive (loss)/income:				
Foreign currency translation	178	(1,276)	6,546	(1,060)
Fair value (loss)/gain on available-for-sale financial assets	(73,747)	46,763	(55,877)	105,917
Realisation of fair value gain from available-for-sale reserve to profit or loss	(274,024)	(38)	(274,024)	(38)
Other comprehensive (loss)/income for the period	(347,593)	45,449	(323,355)	104,819
Total comprehensive (loss)/income for the period	(32,946)	89,109	47,179	177,805
Attributable to owners of:				
- the Company	(32,159)	89,450	48,658	178,235
- non-controlling interests	(787)	(341)	(1,479)	(430)
Total comprehensive (loss)/income for the period	(32,946)	89,109	47,179	177,805
Earnings per share				
Basic and diluted (based on weighted average number of ordinary shares)	54.97 sen	7.68 sen	64.83 sen	12.81 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 2014.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/6/2015 RM'000	Audited As at 31/12/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,078,711	965,693
Deferred tax assets	210,471	210,599
Equity-accounted investment	3,057	-
Other investments	368,490	848,222
Intangible assets	213,959	213,959
Trade and other receivables	10,370	10,564
	<u>1,885,058</u>	<u>2,249,037</u>
Current assets		
Trade and other receivables	261,585	177,758
Tax recoverable	1,442	983
Restricted cash	11,851	10,033
Deposits, cash and bank balances	646,826	307,538
	<u>921,704</u>	<u>496,312</u>
Total assets	<u>2,806,762</u>	<u>2,745,349</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	286,932	286,932
Reserves	2,093,382	2,069,999
Attributable to owners of the Company	2,380,314	2,356,931
Non-controlling interests	(2)	1,477
Total equity	<u>2,380,312</u>	<u>2,358,408</u>
Non-current liabilities		
Deferred tax liabilities	5,753	5,683
Loans and borrowings	84,411	88,494
Deferred income	63,489	21,852
	<u>153,653</u>	<u>116,029</u>
Current liabilities		
Trade and other payables	214,252	218,431
Loans and borrowings	55,805	51,731
Provision for tax	2,740	750
	<u>272,797</u>	<u>270,912</u>
Total liabilities	<u>426,450</u>	<u>386,941</u>
Total equity and liabilities	<u>2,806,762</u>	<u>2,745,349</u>
Net assets per share attributable to ordinary owners of the Company	<u>RM4.15</u>	<u>RM4.11</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months to 30/6/2015 RM'000	Unaudited Six months to 30/6/2014 RM'000
Operating Activities		
Cash receipts from customers	364,613	291,779
Transfer to restricted cash and bank balances	(1,818)	(1,331)
Cash payments to suppliers	(108,774)	(95,739)
Cash payments to employees and for administrative expenses	(99,586)	(97,816)
Cash generated from operations	154,435	96,893
Tax paid	(2,279)	(2,833)
Net cash generated from operating activities	152,156	94,060
Investing Activities		
Purchase of property, plant and equipment	(169,520)	(74,010)
Proceeds from disposal of property, plant and equipment	3,910	191
Proceeds from sale on other investments	423,854	145
Investment in equity-accounted investment	(2,895)	-
Placement in escrow account pending completion of a foreign investment	(43,860)	-
Investment income received	19,824	21,536
Net cash generated from/(used in) investing activities	231,313	(52,138)
Financing Activities		
Proceeds from term loans and other borrowings	30,000	1,246
Repayment of term loans and other borrowings	(40,914)	(26,292)
Repayment of finance lease liabilities	(2,903)	(1,786)
Finance charges paid	(3,101)	(3,892)
Dividend paid	(32,136)	-
Net cash used in financing activities	(49,054)	(30,724)
Net change in Cash and Cash Equivalents	334,415	11,198
Effect of exchange rate fluctuations on cash held	4,873	(485)
Cash and Cash Equivalents as at beginning of financial period	307,538	227,917
Cash and Cash Equivalents as at end of financial period	Note (a) 646,826	238,630
Note:		
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash and bank balances	69,458	37,757
Deposits with licensed banks	589,219	237,121
	658,677	274,878
Restricted cash	(11,851)	(36,248)
	646,826	238,630

Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Attributable to owners of the Company -----→							←----- Distributable-----→	Non-controlling interests	Total Equity
	Share Capital	Share Premium	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant Reserves	Capital Reserve	Retained Earnings			
Six months to 30 June 2015 (unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2015	286,932	847,735	548,461	7,988	5,383	8,760	651,672	2,356,931	1,477	2,358,408
Dividend paid	-	-	-	-	-	-	(32,136)	(32,136)	-	(32,136)
Employee share grant plan	-	-	-	-	6,861	-	-	6,861	-	6,861
Profit/(loss) for the period	-	-	-	-	-	-	372,013	372,013	(1,479)	370,534
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	-	(274,024)	-	-	-	-	(274,024)	-	(274,024)
Fair value gain on available-for-sale financial assets	-	-	(55,877)	-	-	-	-	(55,877)	-	(55,877)
Exchange differences recognised directly in equity	-	-	-	6,546	-	-	-	6,546	-	6,546
Total comprehensive (expense)/income for the period	-	-	(329,901)	6,546	-	-	372,013	48,658	(1,479)	47,179
Balance as at 30 June 2015	286,932	847,735	218,560	14,534	12,244	8,760	991,549	2,380,314	(2)	2,380,312

	←----- Attributable to owners of the Company -----→							←----- Distributable-----→	Non-controlling interests	Total Equity
	Share Capital	Share Premium	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Capital Reserve	Retained Earnings	Attributable to owners of the Company			
Six months to 30 June 2014 (unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2014	286,547	844,686	382,136	3,753	8,760	477,747	2,003,629	2,003,629	-	2,003,629
Sale of subsidiary shares to non-controlling interests	-	-	-	-	-	-	-	-	1,500	1,500
Profit/(loss) for the period	-	-	-	-	-	73,416	73,416	73,416	(430)	72,986
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	-	(38)	-	-	-	-	(38)	-	(38)
Fair value gain on available-for-sale financial assets	-	-	105,917	-	-	-	-	105,917	-	105,917
Exchange differences recognised directly in equity	-	-	-	(1,060)	-	-	-	(1,060)	-	(1,060)
Total comprehensive income/(expense) for the period	-	-	105,879	(1,060)	-	73,416	178,235	178,235	(430)	177,805
Balance as at 30 June 2014	286,547	844,686	488,015	2,693	8,760	551,163	2,181,864	2,181,864	1,070	2,182,934

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 2014.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial statements are 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"). The interim financial statements also comply with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2014. 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 2014.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2014, except for the adoption of the following amendments to MFRSs:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119 <i>Employee Benefits - Defined Benefit Plans: Employee Contributions</i>	1 July 2014
<i>Annual Improvements to MFRSs, 2010 – 2012 cycle</i>	1 July 2014
<i>Annual Improvements to MFRSs, 2011 – 2013 cycle</i>	1 July 2014

At the date of this report, the following standards, amendments and improvements were issued but not yet effective and have not been adopted by the Group:

Description	Effective for annual periods beginning on or after
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 10 and MFRS 128 <i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to MFRS 10, MFRS12 and MFRS 128 <i>Consolidated Financial Statements, Disclosures of Interests in Other Entities and Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11 <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Property, Plant and Equipment and Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Separate Financial Statements – Equity Method in Separate Financial Statements</i>	1 January 2016
<i>Annual Improvements to MFRSs, 2012 – 2014 cycle</i>	1 January 2016

The Group will adopt the above standards, amendments and improvements when they became effective in the respective financial periods. These standards, amendments and improvements are not expected to have any material financial impact on the financial statements of the Group, except for MFRS 9, Financial Instruments and MFRS 15, Revenue from Contracts with Customers. The Group is currently assessing the impact of adopting both MFRS 9 and MFRS 15.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

3. Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 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 other than the realisation of available-for-sale reserve amounting to approximately RM274.0 million arising from the disposals of a quoted equity investment held by the Company. The disposals comprising 49,900,000 ordinary shares of DiGi.Com Berhad ("DiGi shares") at a price of RM6.23 per share and 18,829,500 DiGi shares at a price of RM6.00 per share were completed on 10 April 2015 and 12 May 2015 respectively via private placements to eligible third party institutional/sophisticated investors. Total gross proceeds received from the said disposals amounted to approximately RM423.9 million and were satisfied entirely in cash.

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 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 quarter ended 30 June 2015.

On 14 July 2015, TIME dotCom Berhad vested and issued 1,736,878 ordinary shares of RM0.50 each in the Company to eligible employees under the Annual Restricted Share Plan and Annual Performance Share Plan portion of the Company's Share Grant Plan ("SGP"). The closing share price on vesting date was RM6.60 per share. The vesting of the shares under the SGP were subject to the Group achieving certain financial targets and upon the eligible employees meeting the minimum grading criteria in accordance with the performance management system adopted by the Group.

8. Dividend

The Group paid an interim tax exempt (single tier) dividend of 5.60 sen per ordinary share in respect of the financial year ended 31 December 2014 on 31 March 2015.

The Group has also declared a special interim tax exempt (single tier) dividend of 73.50 sen per ordinary share for the financial year ending 31 December 2015. The special interim tax exempt (single tier) dividend was paid on 29 July 2015.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

9. Segmental Reporting

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Operating Revenue				
Voice	19,531	18,011	37,107	35,477
Data	123,867	120,846	259,613	219,200
Data Centre	18,845	15,969	36,367	31,156
Others	1,524	917	2,389	1,791
	163,767	155,743	335,476	287,624
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment	(23,291)	(21,470)	(45,624)	(41,703)
Other operating expenses	(110,902)	(98,300)	(222,979)	(187,859)
Other operating income (net)	6,855	863	16,686	1,323
Profit from operations	36,429	36,836	83,559	59,385
Investment income	8,823	10,350	20,755	21,663
Realisation of fair value gain from available-for-sale reserve to profit or loss	274,024	38	274,024	38
Finance expense	(1,749)	(1,934)	(3,264)	(3,978)
Share of results on equity-accounted investment	(534)	-	(534)	-
Profit before income tax	316,993	45,290	374,540	77,108
Geographical locations				
Operating Revenue				
Within Malaysia	156,341	136,650	301,378	267,718
Outside Malaysia	7,426	19,093	34,098	19,906
	163,767	155,743	335,476	287,624

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 2014.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

11. Material events subsequent to the end of the current financial quarter

The Group completed its subscription of a 25.37% stake in CMC Telecommunication Infrastructure Corporation (“CMC Telecom”) on 1 July 2015 for VND255 billion. CMC Telecom is one of Vietnam’s largest telecommunications service providers and provides broadband services for businesses and home users.

In the opinion of the Directors, saved as disclosed above and in Notes 7 and 8 respectively, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2015 to 14 August 2015 (being the latest practicable date) which would substantially affect the financial results of the Group.

12. Changes in the composition of the Group during the six month period ended 30 June 2015

- a) On 21 January 2015, the Company acquired the entire issued and paid-up share capital of a shelf company known as TIME dotCom International Sdn. Bhd. (formerly known as Integrasi Intelek Sdn Bhd) (“TIME International”). TIME International has an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2.00 each comprising 2 ordinary shares of RM1.00 each. The principal activity of TIME International is investment holding.
- b) During the period, the Group acquired a 25.0% stake in Campana Group Pte. Ltd. (“Campana”) for USD1.0 million. Campana is a newly set-up company that is registered in Singapore, whose business is intended to be that of a telecommunications provider.

13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since 31 December 2014.

14. Capital commitments

	As at 30/6/2015 RM'000
Property, plant and equipment	
a) Approved and contracted but not provided for in the financial statements	307,564
b) Approved but not contracted for	99,059

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

15. Income tax

The income tax expense for the Group for current quarter and financial period ended 30 June 2015 was made up as follows:

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current year	2,209	1,452	3,976	2,907
- Under provision in prior years	(168)	(3)	(168)	(3)
	<u>2,041</u>	<u>1,449</u>	<u>3,808</u>	<u>2,904</u>
Deferred tax:				
- Origination and reversal of temporary differences	305	181	198	1,218
Total	<u><u>2,346</u></u>	<u><u>1,630</u></u>	<u><u>4,006</u></u>	<u><u>4,122</u></u>

The effective tax rate of the Group for the current and preceding year corresponding quarter is lower than the statutory tax rate of 25% principally due to 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. Investments in quoted securities

a. There were no acquisitions or disposals of any quoted securities other than the disposals of 49,900,000 DiGi shares at a price of RM6.23 per share and 18,829,500 DiGi shares at a price of RM6.00 per share via private placement exercises to eligible third party institutional/sophisticated investors. The said disposals were completed on 10 April 2015 and 12 May 2015 respectively (see Note 5). Following the said disposals of DiGi shares held, the Group realised a fair value gain from available-for-sale reserve to profit and loss of RM274.0 million.

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

	As at 30/6/2015 RM'000
Quoted Securities in Malaysia:	
- Cost	171,137
- At book value	368,390
- At market value (fair value)	<u><u>368,390</u></u>

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

17. Status of corporate proposals not completed as at the latest practicable date

There are no corporate proposals, which have been announced but not completed as at 14 August 2015, being the latest practicable date.

18. Loans and Borrowings

The loans and borrowings as at 30 June 2015 are as follows:

	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
<u>Non-secured:</u>			
Loans and borrowings			
- Denominated in RM	2,494	-	2,494
<u>Secured:</u>			
Finance lease liabilities in RM	4,903	3,757	8,660
Loans and borrowings			
- Denominated in RM	29,615	59,740	89,355
- Denominated in USD	18,793	20,914	39,707
	55,805	84,411	140,216

19. Off Balance Sheet financial instruments

The cash and cash equivalents of the Group, as at 30 June 2015, do not include a bank balance amounting to RM2,883,500 (31.12.2014: RM8,304,000) 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 as stated above, the Group does not have any off balance sheet financial instruments as at the date of this quarterly report.

20. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at 14 August 2015, being the latest practicable date.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

21. Comparison between the current quarter (“Q2 2015”) and the immediate preceding quarter (“Q1 2015”)

The Group recorded a consolidated revenue in the current quarter of RM163.8 million, which is 4.6% lower when compared against Q1 2015 consolidated revenue of RM171.7 million. The higher revenue in the previous quarter was mainly due to the higher non-recurring revenues from global bandwidth sales and non-recurring contracts totalling RM31.6 million against RM11.0 million reported in the current quarter. Excluding these non-recurring revenues, the Group would have posted an adjusted consolidated revenue of RM152.8 million, which is a 9.1% or RM12.7 million higher than the adjusted revenue of RM140.1 million in Q1 2015 driven by stronger revenues from recurring data, voice and data centre businesses.

The Group reported a consolidated pre-tax profit of RM317.0 million in the current quarter. Included in the Group’s current quarter consolidated pre-tax profit is a fair value gain from the realisation of available-for-sale reserves of RM274.0 million following the disposals of a portion of quoted equity investment held by the Group in the current quarter (see Note 5) and the corresponding lower dividend income derived thereafter of RM4.2 million (Q1 2015: RM9.9 million). Excluding these, the Group’s adjusted consolidated pre-tax profit in the current quarter would have been RM38.8 million against the adjusted consolidated pre-tax profit in the immediate preceding quarter of RM47.6 million. The decline in adjusted consolidated pre-tax profit in Q2 2015 can be attributed mainly to the following:

- a) Higher non-recurring revenue from global bandwidth sales and non-recurring contracts in Q1 2015 of RM31.6 million against RM11.0 million reported in the current quarter;
- b) Higher net gain on foreign exchange of RM9.0 million in Q1 2015 against Q2 2015 of RM3.9 million due to the weakening of Ringgit Malaysia against the US Dollar; offset by

higher interest income on short-term deposits of RM4.6 million (Q1 2015: RM2.0 million) and a gain on compulsory land acquisition of RM2.4 million (Q1 2015: RM Nil).

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

(a) Current quarter (“Q2 2015”) versus preceding year corresponding quarter (“Q2 2014”)

The Group’s consolidated revenue for Q2 2015 increased by RM8.1 million or 5.2% from the RM155.7 million reported in Q2 2014 despite recording lower one-off revenues from global bandwidth sales and non-recurring contracts. All other product segments recorded higher revenue contributions during the quarter. Revenue from global bandwidth sales and non-recurring contracts amounted to RM11.0 million in Q2 2015 (Q2 2014: RM21.0 million).

The Group posted a current quarter consolidated profit before tax of RM317.0 million, which is an increase of RM271.7 million compared to the consolidated profit before tax of RM45.3 million in the corresponding period in 2014. Included in the current quarter consolidated profit before tax is RM274.0 million arising from the realisation of a fair value gain from available-for-sale reserve to profit and loss. The realisation of fair value gain arose pursuant to the disposals of a portion of quoted equity investments held by the Company (see Note 5). The said disposals of quoted equity investment also had the effect of reducing dividend income derived from the said equity investment to RM4.2 million in the current quarter from RM8.5 million in the previous year corresponding quarter. Should both the realisation of fair value gain and dividend income be excluded for comparison purposes from both periods, the Group’s adjusted consolidated profit before tax would have been up 5.4% in the current quarter. The Group also benefited from a RM2.4 million gain recorded on a compulsory land acquisition by the government and a net foreign exchange gain of RM3.9 million in Q2 2015.

(b) Half year period ended 30 June 2015 (“HY 2015”) versus half year period ended 30 June 2014 (“HY 2014”)

The Group reported a 16.7% increase in consolidated revenue in HY 2015 when compared against the RM287.6 million recorded in HY 2014. The increase can be attributed to higher revenue recorded in all product segments, led by revenues generated from data sales. Revenue from global bandwidth sales and non-recurring contracts for HY 2015 of RM42.6 million (HY 2014: RM21.0 million) helped contribute to the higher overall data revenues in the current period.

The Group reported a consolidated pre-tax profit of RM374.5 million for HY 2015. Excluding the realisation of fair value gain from available-for-sale reserve to profit and loss of RM274.0 million arising from the disposals of a portion of quoted equity investment held (see Note 5) and the corresponding lower dividend income derived thereafter of RM14.1 million (HY 2014: RM18.1 million), the Group would have reported an adjusted consolidated profit before tax of RM86.4 million in HY 2015, which is an increase of 46.4% or RM27.4 million, as compared to the similarly adjusted HY 2014 consolidated profit before tax of only RM59.0 million. The improvement in the Group’s results in HY 2015 is mainly attributable to the following:

- a) Higher data revenue underpinned by the stronger revenue contribution from global bandwidth sales and non-recurring contracts of RM42.6 million (HY 2014: RM21.0 million);
- b) Net gain on foreign exchange of RM12.8 million in HY 2015 against a net loss of foreign exchange of RM1.3 million in HY 2014;
- c) Gain on disposal of land pursuant to a compulsory land acquisition by the government of approximately RM2.4 million (HY 2014: RM Nil);
- d) Higher income on short term deposits of RM6.7 million (HY 2014: RM3.5 million);

offset by higher depreciation costs incurred in HY 2015.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

23. Profit before income tax

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
Profit before income tax is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment	(23,291)	(21,470)	(45,624)	(41,703)
Amortisation of borrowing costs	(165)	(145)	(263)	(306)
Interest expense	(1,584)	(1,789)	(3,001)	(3,672)
Interest income from short term deposits	4,630	1,828	6,665	3,519
Dividend income from quoted equity investment	4,193	8,522	14,090	18,144
Realisation of fair value gain from available-for-sale reserve to profit or loss	274,024	38	274,024	38
Rental income	69	48	118	94
Bad debt recovered	165	183	334	369
Net gain/(loss) on foreign exchange	3,860	(892)	12,823	(1,340)
Net allowance for doubtful debts	(477)	(301)	(1,112)	(716)
Net gain on disposal of property, plant and equipment	2,427	186	2,427	186

Other than as disclosed above, there were no other 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.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

24. Prospects

The Group continues to be excited about expansion and growth opportunities on both the domestic and regional fronts. The Group is looking to grow inorganically by exploring opportunities within the telecommunications and related sectors in Malaysia and the ASEAN region. The above may include strategic acquisitions, partnerships and/or joint ventures with other parties, with particular emphasis on regional wholesale bandwidth, international submarine cable and data centre businesses.

At home, the Group will continue to intensify its efforts to gain market share domestically and to deliver its customers a good and uninterrupted network experience, improve its product and solution offerings and enhance operational and cost efficiencies throughout the Group, while further expanding and strengthening its underlying fibre network and coverage footprints.

The Group has several investments in submarine cable systems that are currently being constructed including a stake in Asia-Pacific Gateway Cable System (APG) (connecting Malaysia to Korea and Japan and expected to be completed in 2016), Asia-Africa-Europe 1 Cable System (AAE-1) (connecting Asia, Africa, Europe and the Middle East via Malaysia and expected to be completed in 2017) and FASTER Cable System (connecting Japan to the United States and expected to be completed in 2016). These cable systems, combined with the Group's existing and operational Unity Cable System (connecting Japan to the United States) will further enhance the Group's global network footprint and connectivity.

Some of the abovementioned initiatives are capital intensive and may result in some margin compression for the Group in 2015. The said initiatives are, however, necessary to ensure continued revenue growth in the future and are expected to benefit the Group in the longer term. Pre-completion sales for some of the Group's submarine cable investments should also help the Group monetise and accelerate returns on its investments.

Barring unforeseen circumstances, the results of the Group for remainder of 2015 are expected to remain satisfactory.

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 ("EPS")

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Weighted average number of shares in issue ('000)	<u>573,864</u>	<u>573,093</u>	<u>573,864</u>	<u>573,093</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>315,434</u>	<u>44,001</u>	<u>372,013</u>	<u>73,416</u>
Basic and diluted earnings per share	<u>54.97 sen</u>	<u>7.68 sen</u>	<u>64.83 sen</u>	<u>12.81 sen</u>

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

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

The breakdown of retained earnings 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 30/6/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings of the Group		
- Realised	772,540	440,396
- Unrealised	219,009	211,276
Total retained earnings	991,549	651,672

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.

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
21 August 2015