

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	RM'000	RM'000	RM'000	RM'000
Operating revenue	175,197	171,709	175,197	171,709
Operating expenses				
- depreciation and amortisation of property, plant and equipment	(21,763)	(22,333)	(21,763)	(22,333)
- other operating expenses	(117,982)	(112,077)	(117,982)	(112,077)
Other operating income (net)	293	9,831	293	9,831
Profit from operations	35,745	47,130	35,745	47,130
Investment income	5,241	11,932	5,241	11,932
Finance expense	(1,589)	(1,515)	(1,589)	(1,515)
Share of loss from equity-accounted investments	(89)	-	(89)	-
Profit before income tax	39,308	57,547	39,308	57,547
Income tax expense	(1,712)	(1,660)	(1,712)	(1,660)
Profit for the period	37,596	55,887	37,596	55,887
Attributable to owners of:				
- the Company	37,596	56,579	37,596	56,579
- non-controlling interests	-	(692)	-	(692)
Profit for the period	37,596	55,887	37,596	55,887
Other comprehensive (loss)/income:				
Foreign currency translation	(8,333)	6,368	(8,333)	6,368
Fair value (loss)/gain on available-for-sale financial assets	(31,615)	17,870	(31,615)	17,870
Other comprehensive (loss)/income for the period	(39,948)	24,238	(39,948)	24,238
Total comprehensive (loss)/income for the period	(2,352)	80,125	(2,352)	80,125
Attributable to owners of:				
- the Company	(2,352)	80,817	(2,352)	80,817
- non-controlling interests	-	(692)	-	(692)
Total comprehensive (loss)/income for the period	(2,352)	80,125	(2,352)	80,125
Earnings per share (based on weighted average number of ordinary shares)				
- Basic	6.53 sen	9.86 sen	6.53 sen	9.86 sen
- Diluted	6.49 sen	9.86 sen	6.49 sen	9.86 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 2015.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/3/2016 RM'000	Audited As at 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,318,740	1,250,747
Intangible assets	213,959	213,959
Investments in equity-accounted investments	111,418	61,036
Other investments	347,394	377,459
Deferred tax assets	211,932	212,008
Trade and other receivables	9,979	10,092
	<u>2,213,422</u>	<u>2,125,301</u>
Current assets		
Tax recoverable	2,406	2,253
Trade and other receivables	255,327	229,133
Restricted cash	11,699	10,759
Cash and cash equivalents	201,737	242,494
	<u>471,169</u>	<u>484,639</u>
Total assets	<u>2,684,591</u>	<u>2,609,940</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	287,800	287,800
Reserves	1,758,009	1,794,747
Total equity attributable to owners of the Company	<u>2,045,809</u>	<u>2,082,547</u>
Non-current liabilities		
Loans and borrowings	134,530	101,965
Deferred income	28,620	23,078
Deferred tax liabilities	5,859	5,939
	<u>169,009</u>	<u>130,982</u>
Current liabilities		
Loans and borrowings	39,293	45,825
Trade and other payables	429,452	349,373
Provision for tax	1,028	1,213
	<u>469,773</u>	<u>396,411</u>
Total liabilities	<u>638,782</u>	<u>527,393</u>
Total equity and liabilities	<u>2,684,591</u>	<u>2,609,940</u>
Net assets per share attributable to ordinary owners of the Company	<u>RM3.55</u>	<u>RM3.62</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 2015.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 31/3/2016 RM'000	Unaudited Three months to 31/3/2015 RM'000
Operating Activities		
Cash receipts from customers	218,187	173,116
Transfer (to)/from restricted cash and bank balances	(940)	24
Cash payments to suppliers	(64,136)	(47,155)
Cash payments to employees and for administrative expenses	(44,874)	(41,114)
Cash generated from operations	108,237	84,871
Tax paid	(2,294)	(1,131)
Tax refund	240	-
Net cash generated from operating activities	106,183	83,740
Investing Activities		
Acquisition of property, plant and equipment	(89,963)	(59,835)
Purchase of other investments	(1,551)	-
Investment in equity-accounted investments	(48,015)	-
Investment income received	4,943	11,698
Net cash used in investing activities	(134,586)	(48,137)
Financing Activities		
Proceeds from term loans and other borrowings	36,956	-
Repayment of term loans and other borrowings	(5,857)	(5,446)
Repayment of finance lease liabilities	(1,072)	(1,303)
Finance charges paid	(1,435)	(1,599)
Dividend paid	(38,565)	(32,136)
Net cash used in financing activities	(9,973)	(40,484)
Net change in Cash and Cash Equivalents	(38,376)	(4,881)
Effect of exchange rate fluctuations on cash held	(2,381)	5,453
Cash and Cash Equivalents as at beginning of financial period	242,494	307,538
Cash and Cash Equivalents as at end of financial period	201,737	308,110
	Note (a)	
Note:		
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash and bank balances	55,668	81,073
Deposits with licensed banks	157,768	237,046
	213,436	318,119
Restricted cash	(11,699)	(10,009)
	201,737	308,110

Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2015.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Attributable to owners of the Company -----→									
	←----- Non-distributable -----→					←----- Distributable -----→				
	Share Capital	Share Premium	Available- for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant/ Option Reserves	Capital Reserve	Retained Earnings	Attributable to owners of the Company	Non- controlling Interests	Total Equity
Three months to 31 March 2016 (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 2016	287,800	854,611	221,309	30,754	15,992	8,760	663,321	2,082,547	-	2,082,547
Dividend paid	-	-	-	-	-	-	(38,565)	(38,565)	-	(38,565)
Employee share grant plan/option scheme	-	-	-	-	4,179	-	-	4,179	-	4,179
Profit for the period	-	-	-	-	-	-	37,596	37,596	-	37,596
Fair value loss on available- for-sale financial assets	-	-	(31,615)	-	-	-	-	(31,615)	-	(31,615)
Exchange differences recognised directly in equity	-	-	-	(8,333)	-	-	-	(8,333)	-	(8,333)
Total comprehensive (expense)/income for the period	-	-	(31,615)	(8,333)	-	-	37,596	(2,352)	-	(2,352)
Balance as at 31 March 2016	287,800	854,611	189,694	22,421	20,171	8,760	662,352	2,045,809	-	2,045,809

	←----- Attributable to owners of the Company -----→									
	←----- Non-distributable -----→					←----- Distributable -----→				
	Share Capital	Share Premium	Available- for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant/ Option Reserves	Capital Reserve	Retained Earnings	Attributable to owners of the Company	Non- controlling Interests	Total Equity
Three months to 31 March 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	-	-	-	-	3,411	-	-	3,411	-	3,411
Profit/(loss) for the period	-	-	-	-	-	-	56,579	56,579	(692)	55,887
Fair value gain on available- for-sale financial assets	-	-	17,870	-	-	-	-	17,870	-	17,870
Exchange differences recognised directly in equity	-	-	-	6,368	-	-	-	6,368	-	6,368
Total comprehensive income/(expense) for the period	-	-	17,870	6,368	-	-	56,579	80,817	(692)	80,125
Balance as at 31 March 2015	286,932	847,735	566,331	14,356	8,794	8,760	676,115	2,409,023	785	2,409,808

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 2015.

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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 2015. 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 2015.

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 2015, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application of 1 January 2016:

Description

MFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to MFRS 5	<i>Non-Current Assets Held For Sale and Discontinued Operations (Annual Improvements 2012 – 2014 Cycle)</i>
Amendments to MFRS 7	<i>Financial Instruments : Disclosures (Annual Improvements 2012 – 2014 Cycle)</i>
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>
Amendments to MFRS 11	<i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements – Disclosure Initiative</i>
Amendments to MFRS 116 and MFRS 138	<i>Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to MFRS 116 and MFRS 141	<i>Property, Plant and Equipment and Agriculture – Agriculture: Bearer Plants</i>
Amendments to MFRS 119	<i>Employee Benefits (Annual Improvements 2012 – 2014 Cycle)</i>
Amendments to MFRS 127	<i>Separate Financial Statements – Equity Method in Separate Financial Statements</i>
Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)</i>

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 107	<i>Statement of Cash Flows – Disclosure Initiative</i> 1 January 2017
Amendments to MFRS 112	<i>Income taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i> 1 January 2017
MFRS 9	<i>Financial Instruments (2014)</i> 1 January 2018
MFRS 15	<i>Revenue from Contracts with Customers</i> 1 January 2018
MFRS 16	<i>Leases</i> 1 January 2019
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> Date yet to be confirmed by MASB

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, MFRS 15 and MFRS 16.

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3. Audit report in respect of the 2015 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2015 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 as disclosed elsewhere in this interim report.

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 quarter ended 31 March 2016.

8. Dividend

On 31 March 2016, the Group paid an interim tax exempt (single tier) dividend of 6.70 sen per ordinary share in respect of the financial year ended 31 December 2015.

The Company did not recommend any other dividend to be paid during the current quarter.

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9. Segmental Reporting

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2016 RM'000	31/3/2015 RM'000	31/3/2016 RM'000	31/3/2015 RM'000
Operating Revenue				
Voice	20,202	17,576	20,202	17,576
Data	131,472	135,746	131,472	135,746
Data Centre	22,344	17,522	22,344	17,522
Others	1,179	865	1,179	865
	175,197	171,709	175,197	171,709
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment	(21,763)	(22,333)	(21,763)	(22,333)
Other operating expenses	(117,982)	(112,077)	(117,982)	(112,077)
Other operating income (net)	293	9,831	293	9,831
Profit from operations	35,745	47,130	35,745	47,130
Investment income	5,241	11,932	5,241	11,932
Finance expense	(1,589)	(1,515)	(1,589)	(1,515)
Share of results on equity-accounted investments	(89)	-	(89)	-
Profit before income tax	39,308	57,547	39,308	57,547
Geographical locations				
Operating Revenue				
Within Malaysia	171,978	145,037	171,978	145,037
Outside Malaysia	3,219	26,672	3,219	26,672
	175,197	171,709	175,197	171,709

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 2015.

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

On 13 April 2016, the Group acquired an additional 79,500 ordinary shares in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") for a cash consideration of VND2.83 billion. The acquisition increases the Group's effective ownership interest in CMC Telecom to 45.27%.

On 29 April 2016, the Group completed the disposal of its entire equity stake in Campana Group Pte. Ltd. ("Campana") for a cash consideration of USD999,750. The said disposal is expected to result in a gain of approximately RM2.6 million to the Group. The said gain will be reflected in the Group's second quarter results.

On 20 May 2016, the Group disposed 68,729,545 DiGi shares for a total cash consideration of approximately RM307.2 million at a price of RM4.47 per share via private placement exercises to eligible third party institutional/sophisticated investors. Following the said disposal of DiGi shares held, the Group realised a fair value gain from available-for-sale reserve to profit and loss of RM157.4 million. The said disposal was completed on 20 May 2016 and upon completion of the Disposal, TdC no longer holds any DiGi Shares.

In the opinion of the Directors, there are no other items, transactions or events of a material and unusual nature which have arisen since 31 March 2016 to 23 May 2016 (being the latest practicable date) that have a substantially effect on the financial results of the Group.

12. Changes in the composition of the Group during the financial period ended 31 March 2016

- a) On 29 January 2016, the Group acquired 5,794,800 ordinary shares in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") for a cash consideration of VND 231.79 billion.
- b) On 16 February 2016, the Group acquired a further 377,000 ordinary shares in CMC Telecom for a cash consideration of VND 13.20 billion.
- c) On 25 March 2016, the Group acquired an additional 414,824 ordinary shares in CMC Telecom for a cash consideration of VND 14.52 billion.

The above acquisitions increased the Group's effective ownership interest in CMC Telecom to 45.03% as at 31 March 2016.

13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since 31 December 2015.

14. Capital commitments

	As at 31/3/2016 RM'000
Property, plant and equipment	
a) Approved and contracted but not provided for in the financial statements	223,179
b) Approved but not contracted for	101,965

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15. Income tax

The income tax expense for the Group for current quarter and financial period ended 31 March 2015 was made up as follows:

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current year	1,716	1,767	1,716	1,767
Deferred tax:				
- Current year	(4)	(107)	(4)	(107)
Total	<u>1,712</u>	<u>1,660</u>	<u>1,712</u>	<u>1,660</u>

The effective tax rate of the Group for the current and preceding year corresponding quarters and financial year-to-date are lower than the statutory tax rate of 24% and 25% respectively 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 during the current quarter.
- b. Particulars of investments in quoted securities are as follows:-

	As at 31/3/2016 RM'000
Quoted Securities in Malaysia:	
- Cost	171,137
- At book value	339,524
- At market value (fair value)	<u>339,524</u>

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 23 May 2016, being the latest practicable date.

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18. Loans and Borrowings

The loans and borrowings as at 31 March 2016 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	250	-	250
<u>Secured:</u>			
Finance lease liabilities in RM			
	4,233	1,306	5,539
Loans and borrowings			
- Denominated in RM	29,709	59,947	89,656
- Denominated in USD	5,101	73,277	78,378
	39,293	134,530	173,823

19. Off Balance Sheet financial instruments

The cash and cash equivalents of the Group, as at 31 March 2016, do not include a bank balance amounting to RM8,596,000 (31.12.2015: RM10,346,000) 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 23 May 2016, being the latest practicable date.

21. Comparison between the current quarter ("Q1 2016") and the immediate preceding quarter ("Q4 2015")

The Group reported a consolidated revenue in the current quarter of RM175.2 million, which is 1% higher than the consolidated revenue recognised in Q4 2015 of RM173.5 million. In Q4 2015, the Group had recorded one-off revenues from global bandwidth sales and non-recurring contracts amounting to RM17.2 million compared to RM4.0 million in Q1 2016. Excluding the said one-off revenues from both quarters, the Group managed to record an even higher quarter-on-quarter ("q-o-q") growth of 9.5% arising from recurring revenues from all other core product segments. Data revenues (excluding the one-off revenues), which makes up the bulk of the Group's revenues, alone grew 9.6% backed up by data centre and voice revenues, which grew 13.1% and 4.8% respectively.

The Group reported a consolidated pre-tax profit of RM39.3 million in Q1 2016 which is 7.4% or RM2.7 million higher than the consolidated pre-tax profit recorded in Q4 2015 of RM36.6 million. Included in the consolidated pre-tax profit in Q4 2015 were:

- 1) a net gain on foreign exchange of RM3.6 million (Q1 2016: net loss on foreign exchange of RM8.1 million);
- 2) reversal of an impairment of outstanding construction deposits of RM1.5 million (Q1 2016: RM Nil); and
- 3) a write-off of property, plant and equipment amounting to RM4.4 million (Q1 2016: RM Nil);

Should the impact of the foreign exchange, reversal of impairment of outstanding construction deposits and write-off of property, plant and equipment be excluded, the Group would have shown a RM11.6 million improvement in consolidated q-o-q adjusted pre-tax profit in the current quarter. The improvement can be mainly attributed to higher sales revenues on the back of reduce operating costs and depreciation charges when compared with Q4 2015.

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22. Review of performance for the current quarter ("Q1 2016") versus preceding year corresponding quarter ("Q1 2015")

The Group's consolidated revenue of RM175.2 million in Q1 2016 was RM3.5 million or 2.0% higher than the consolidated revenue recorded in Q1 2015 of RM171.7 million. One-off revenues from global bandwidth sales and non-recurring contracts accounted for RM31.7 million of total data revenue recognised in Q1 2015 (Q1 2016: RM4.0 million). Excluding the one-off revenues from global bandwidth sales and non-recurring contracts, overall revenues in the current quarter would have shown a 22.2% increase when compared to the similarly adjusted revenue in the preceding year corresponding quarter. Recurring data revenue increased 22.4% on a year-on-year ("y-o-y") basis while data centre and voice revenues grew 27.5% and 14.9% respectively.

The Group recorded a net loss on foreign exchange of RM8.1 million in the current quarter due to a strengthening of Ringgit against US Dollar. In contrast, the Group had recorded a net foreign exchange gain of RM9.0 million in Q1 2015 due to the weaker Ringgit at the time. Excluding the said impact of foreign exchange, the Group would have reported an adjusted consolidated profit before tax of RM44.0 million in the current quarter which is 14.0% higher than the adjusted consolidated profit before tax in the preceding year corresponding period of RM38.7 million. The higher adjusted profit before tax in Q1 2016 is mainly due to cost efficiencies and lower depreciation in Q1 2016.

23. Profit before income tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
Group	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment	(21,763)	(22,333)	(21,763)	(22,333)
Amortisation of borrowing costs	(156)	(98)	(156)	(98)
Interest expense	(1,433)	(1,417)	(1,433)	(1,417)
Interest income from short term deposits	1,873	2,035	1,873	2,035
Dividend income from quoted equity investment in Malaysia	3,368	9,897	3,368	9,897
Rental income	52	49	52	49
Bad debt recovered	39	169	39	169
Net (loss)/gain on foreign exchange	(8,093)	8,963	(8,093)	8,963
Net allowance for doubtful debts	(2)	(635)	(2)	(635)
Write off of property, plant and equipment	-	(62)	-	(62)

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.

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24. Prospects

The Group expects 2016 to be a challenging year amidst intense competition and an uncertain global economic environment but remains confident that there are still many expansion and growth opportunities within the ASEAN region. The Group will address these challenges by focusing its efforts to explore and tap such potential expansion and growth opportunities. This is in line with the Group's strategy to expand its foreign businesses. At home, the Group will also 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 is also excited about its investments in the Asia-Pacific Gateway Cable System ("APG") (connecting Malaysia to Korea and Japan) and FASTER Cable System (connecting Japan to the United States), which will both introduce new sources of revenue to the Group when they become operational in mid-2016. These cable systems, combined with the Group's existing network infrastructure and the yet-to-be-completed Asia-Africa-Europe 1 Cable System (AAE-1) (connecting Asia, Africa, Europe and the Middle East via Malaysia, which is expected to be completed in 2017) will enable the Group to further enhance its global network footprint and connectivity.

The abovementioned submarine cable investments are capital intensive and may result in some margin compression for the Group in the early months post-completion. The said investments are, however, necessary to ensure continued revenue growth in the future and are expected to benefit the Group strategically in the longer term.

The results of the Group for the remainder of 2016 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	Three months to	Three months to
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
Basic EPS:				
Weighted average number of shares in issue ('000)	575,600	573,864	575,600	573,864
Profit for the period attributable to owners of the Company (RM'000)	37,596	56,579	37,596	56,579
Basic EPS	6.53 sen	9.86 sen	6.53 sen	9.86 sen
Diluted EPS:				
Weighted average number of shares in issue ('000) (Basic)	575,600	573,864	575,600	573,864
Effect of employee share options	3,256	-	3,256	-
Weighted average number of shares in issue ('000) (Diluted)	578,856	573,864	578,856	573,864
Profit for the period attributable to owners of the Company (RM'000)	37,596	56,579	37,596	56,579
Diluted EPS	6.49 sen	9.86 sen	6.49 sen	9.86 sen

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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 Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements are as follows:

	As at 31/3/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of the Group		
- Realised	419,372	420,345
- Unrealised	242,980	242,976
Total retained earnings	662,352	663,321

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 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
31 May 2016