ANNUAL REPORT 2015

TIME™

CONTENTS

PERFORMANCE INDICATORS

REVENUE	RM 682.4 MILLION	FY'15 14% ▲ FROM RM596.3 MILLION IN FY'14
EBITDA	RM 263.9 MILLION	FY'15 15% ▲ FROM RM228.8 MILLION IN FY'14
OPERATING PROFIT	RM 170.6 MILLION	FY'15 19% ▲ FROM RM143.9 MILLION IN FY'14

FY'15

EARNINGS PER SHARE

81 SEN

FY'15

TOTAL SHAREHOLDERS' EQUITY

RM 2,082.5 MILLION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Abdul Kadir Md Kassim
Non-Independent,
Non-Executive Director (Chairman)

Elakumari Kantilal
Non-Independent,
Non-Executive Director

Ronnie Kok Lai Huat
Senior Independent,
Non-Executive Director

Hong Kean Yong
Independent, Non-Executive Director

Afzal Abdul Rahim
Non-Independent, Executive Director
(Commander-in-Chief)

Patrick Corso
Non-Independent, Executive Director

AUDIT COMMITTEE

Ronnie Kok Lai Huat
(Chairman)
Elakumari Kantilal
Hong Kean Yong

NOMINATION AND REMUNERATION COMMITTEE

Elakumari Kantilal
(Chairman)
Ronnie Kok Lai Huat
Hong Kean Yong

TENDER COMMITTEE

Elakumari Kantilal
Ronnie Kok Lai Huat
Hong Kean Yong

COMPANY SECRETARY

Misni Aryani Muhamad
(LS 0009413)

REGISTERED OFFICE

Level 4, No.14
Jalan Majistret U1/26
HICOM Glenmarie
Industrial Park
40150 Shah Alam
Selangor, Malaysia
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Fax : +60-3-5032 6063

WEBSITE

www.time.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor, Malaysia
Tel : +60-3-7841 8000
Fax : +60-3-7841 8151/7841 8152
Helpdesk : +60-3-7849 0777

AUDITORS

Messrs KPMG
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor, Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

CORPORATE STRUCTURE

TIME dotCom Berhad

MALAYSIAN FIXED LINE

TT dotCom Sdn Bhd
100%

TIME dotNet Berhad
100%

Planet Tapir Sdn Bhd
100%

Fantastic Fiesta Sdn Bhd
70%

GLOBAL BANDWIDTH

Global Transit Communications Sdn Bhd
100%

Global Transit Limited
100%

Global Transit 2 Limited
100%

Global Transit 3 Limited
100%

Global Transit 5 Limited
100%

Global Transit Singapore Pte Ltd
100%

Global Transit (Hong Kong) Limited
100%

TIME dotCom International Sdn Bhd
100%

DATA CENTRE

The AIMS Asia Group Sdn Bhd
100%

AIMS Cyberjaya Sdn Bhd
100%

AIMS Data Centre Sdn Bhd
100%

AIMS Data Centre 2 Sdn Bhd
100%

AIMS Data Centre Pte Ltd
100%

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to report that the TIME Group has delivered another year of solid financial performance in 2015.

During the year, we ventured into Vietnam and Thailand through the acquisitions of CMC Telecom and KIRZ Co. Ltd., which we hope will yield the returns we expect over the longer term.

The Asia Pacific Gateway and Trans-Pacific FASTER subsea cable systems are on schedule to be operational by the middle of 2016, enabling us to soon reap the benefits of the investments we made in 2012 and 2014 respectively.

For 2016 and beyond, we will continue to focus on growth, while remaining on the lookout for new opportunities within the telecommunications and related sectors in Malaysia and ASEAN.

While our plans will be strategic and risk-managed, short-term profitability may be sacrificed for future growth and sustainability.

Looking back on 2015

The Malaysian economy grew 5% in 2015, slightly lower than the year before.

Some of the challenges included the implementation of the goods and services tax (GST), weak commodity prices and a drop in the Ringgit.

Issues such as price erosion have and will remain, but we take comfort in the fact that these are broad-based, and apply to the industry as a whole.

Financial Results

For the financial year ended 31 December 2015, Group operating profit rose 19% to RM170.6 million from RM143.9 million a year ago. Core pre-tax profit also saw an increase of 22% to RM175.1 million.

Revenue was 14% higher year-on-year at RM682.4 million as all core product segments grew.

Data and data centre sales recorded double-digit percentage increments, and we posted revenue improvements of 12%, 15%, and 33% respectively in our Wholesale, Enterprise and SME & Consumer segments.

Backed by this performance, we were able to deliver on our policy of paying out up to 25% of our normalised profit after tax as dividends.

We declared an interim single tier dividend of 6.70 sen per ordinary share, paid out on 31 March 2016.

During the year, a special interim dividend of 73.50 sen was also paid out on 29 July 2015.

How We Got Here

We have performed well since streamlining the business in 2008, strengthened by the consolidation of the Global Transit and AIMS Groups in 2012.

We expanded our customer segments across various sectors and leveraged on Group assets to capture a higher share of a growing market.

Continuous improvements have and will remain a Group-wide initiative moving forward.

Our People, Our Future

We are stepping up Group-wide efforts to ensure that our people remain the cornerstone of our ambitions.

We will refine and broaden existing human capital programmes to continue focusing on becoming a high performance workforce.

We have also streamlined our workforce, placed talent according to their strengths and competencies, and increased efficiencies within the organisation.

In 2016, we aim to develop opportunities for regional transfers of staff, enabling them to reap the benefits of knowledge and skills transfer within an international telecommunications framework.

Thus far, we have done reasonably well in bringing good talent on board, and we hope to continue attracting talent who share our vision.

Changes in Board Composition

Gan Te-Shen, who served as Non-Independent, Non-Executive Director since June 2013, resigned in August 2015.

Meanwhile, Patrick Corso has been appointed as Non-Independent, Executive Director in November 2015, bringing to the Board over 20 years of experience in various capacities, with a focus on the telecommunications sector.

On behalf of the Board, I thank Te-Shen for his contributions to the Group and extend a warm welcome to Patrick.

Acknowledgements

I thank our regulatory body, The Malaysian Communications and Multimedia Commission (MCMC), for its support and guidance.

Thank you to our shareholders, for your continued belief in our management and ambitions, while being patient as we steer the Group to greater heights.

In addition, a big thank you to my fellow Board members for your dedication in looking out for the interests of our shareholders as well as in ensuring good governance in the Group.

I also extend my gratitude to our staff, for your hard work and contribution. Thank you for sharing our vision to bring forth TIME's domestic and regional ambitions.

Last but not least, I thank our customers, for supporting us as we strive to serve you better.

ABDUL KADIR MD KASSIM
Chairman

REVIEW OF OPERATIONS

Malaysian Fixed Line

Growth Across All Segments

We recorded healthy growth across our Wholesale, Enterprise and SME & Consumer segments in 2015.

We were able to achieve this on the strength of our product and service offerings, as well as by staying focused on ensuring network performance stability and good user experience.

These resulted in valuable client retention rates and consistent growth for our Malaysian fixed line business.

We expanded the reach of our 100% fibre optic network to 15,000 kilometres, inching further into offices and homes in the country.

We also grew our coverage of premises in the country by 25% and we plan to continuously invest in our network to support future growth.

As a fixed line provider in Malaysia, we will continue to improve connectivity in the country, in line with the government's ongoing initiatives to increase high-speed broadband accessibility and affordability to benefit the nation as a whole, in addition to better serving our customers.

Key Developments

In August 2015, we entered into a construction and maintenance agreement to construct a subsea cable system – Sistem Kabel Rakyat 1 Malaysia (SKR1M) – connecting the Peninsula to East Malaysia.

When completed in 2017, SKR1M will enable East Malaysians to enjoy the benefits of high-speed connectivity: a rich multimedia experience, greater productivity and an enhanced quality of life.

In Penang, construction has already begun on a cable landing station (CLS) for our AAE-1 subsea cable system.

The CLS is designed to accommodate up to four cable systems, giving it headroom for other cables that land in the country, whether private or through consortiums.

With these and other investments we have made in our network, TIME has become the only Malaysian telecommunications provider to own infrastructure in both Malaysia and Singapore.

This makes for an invaluable proposition in terms of meeting our customers' connectivity demands with minimal congestion, queues or prohibitively expensive services denominated in foreign currencies.

With this, we are able to connect to data centres in Singapore, strengthen our traffic flow and connectivity across the causeway, and better serve our Wholesale and Enterprise customers.

An Exciting Year Ahead

We are relishing the prospect of capturing the opportunities that await us.

The government's spectrum re-allocation plans are expected to have an impact on the industry, while the changes that are happening in the mobile space will see increased innovations and developments that can only be positive for customers.

These are healthy developments that not only test the resilience of our industry, but are also necessary to grow it to the next level.

As infrastructure providers, we are ready to support these important developments.

As the industry ebbs and flows, so too must we adapt, to the best of our abilities.

Our decades in the industry have shown us that healthy competition brings out the best in all of us, and we do not expect the entrance of new players or new policies to alter this exciting dynamic.

Above and beyond our efforts to maintain and expand our network and its capabilities, we will continue to invest heavily in our staff.

Our people are the bedrock of our success and as such, it is our every intention to continuously upskill every one of them to ensure the Group's future success.

Global Bandwidth

Building Market Share

During the year, Global Transit (GT) made good progress in realising its vision of a more connected and global ASEAN.

Our points of presence (PoPs) within ASEAN now include Malaysia, Singapore, Thailand, Cambodia and Indonesia. The addition of Vietnam, Brunei and the Philippines are expected in 2016, while Myanmar and Laos are expected to come on board in 2017.

Operationally, we carried more traffic in our key markets during the year, while also procuring new customers in fresh market sectors.

These achievements have garnered us a commanding share of the Indochina market, despite the macroeconomic obstacles in the region.

In ASEAN, GT's share of international connectivity now stands at a respectable 11.5%, giving us the quiet confidence to capture a targeted 20% market share by 2019.

Attaining this slice of the market will affirm GT's position as *the* carrier's carrier in the region: sufficient motivation for our team to achieve that goal by 2019, if not earlier.

To achieve this, we will continue to expand our product portfolio to best serve the space we operate in, bringing first-rate connectivity and top-notch technical support to under-connected and underserved segments of the market.

We will continue to be responsive to pricing fluctuations, strengthen our foothold in existing and new markets via cementing (and building) key relationships, while aggressively seeking organic and inorganic growth opportunities.

Overall, we will continue developing our regional markets to attain a broad spread of geographical segments, while staying competitive amid a steady stream of new entrants in the market.

We will also continue to offer excellent service and technical capabilities, while constantly seeking new markets in fresh segments of an ASEAN region that is in the early throes of industrial and economic development.

Subsea Benefits

There have been discernible and significant progress on our subsea cable investments, and we are on track to deploy several of these assets in 2016.

The Asia Pacific Gateway is on target to become operational in the middle of 2016, allowing us to soon connect Malaysia and Japan.

The FASTER cable system, which will cater to the high demand anticipated for the Trans-Pacific route, is also expected to be ready for service by the middle of 2016.

Meanwhile, the Asia-Africa-Europe-1, which will connect Malaysia to Europe, is scheduled for completion in 2017.

With these developments, our addressable market share globally is expected to increase with more markets utilising these networks.

ASEAN Beckons!

Our region, ASEAN, remains a massive growth market with huge potential, given the still-low broadband penetration when compared to more developed regions.

Recognising this, foreign direct investment (FDI) is pouring into this region, a 640 million-plus population with an estimated combined GDP of US$2.5 trillion.

In fact, overall FDI into Malaysia, Singapore, Indonesia, Thailand, the Philippines and Vietnam of US$128 billion exceeded that of FDI into China in 2014, the second time in a row, estimates compiled by Thomson Reuters show.

The countries within our addressable markets are growing at rates several times faster than more developed nations, giving rise to incalculable demand for more bandwidth, newer technologies and ever-faster deployments of multi-use networks in so-called ‘triple-play’ applications.

Having laid the groundwork for our infrastructure assets, we will continue to invest in developing our people, whom we believe will be the growth engine to turbocharge this exciting new stage of our journey.

Data Centre

Outperforming Our Peers

AIMS enjoyed a strong performance in 2015, with a revenue growth of 18% that exceeded the data centre industry average of 4.6%, according to Multimedia Development Corporation's (MDEC) 2015 revenue statistics.

We achieved this by constantly looking at ways to better serve our existing and potential customers, consequently strengthening and diversifying our revenue base.

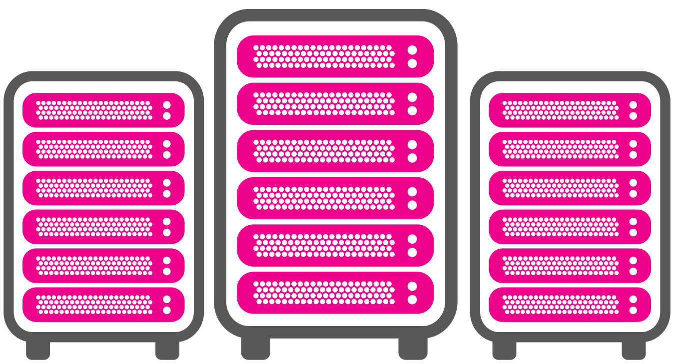
Going beyond just providing power and space, we expanded our managed services portfolio to include cloud, web performance, security and other value-added services. We are now well-positioned to enter into new markets and particularly, the Enterprise segment.

In July 2015, we successfully acquired and attained the rights to Jaring Communications Sdn Bhd's Data Centre, Broadband and Access, and Cloud and Managed Services.

We were also appointed by MDeC through an open tender to lead its 'Inter-Data Centre Network Initiative', aimed at reducing the high cost of bandwidth faced by Malaysian data centres.

We achieved this by deploying a Dense Wavelength Division Multiplexing (DWDM) network interconnecting participating data centres in Cyberjaya.

And at Menara AIMS in Kuala Lumpur, we added an additional floor space of 10,000 square feet, giving us valuable additional capacity to serve our urban clientele, who have appreciated our proximity to their city based offices.



Industry Outlook

The data centre industry is an increasingly crowded space, with oversupply issues causing attrition and price wars to attract customers.

But we see this as a natural evolution where inefficient players are weeded out, leaving only the most capable ones behind.

Downward price pressures may equate to another challenging year ahead.

However, we will, as always, continue to display financial, technical and operational resilience to overcome these issues and continue to gain market share. We will do these through strategic positioning and partnerships as well as cost optimisation efforts.

Excellence in All Areas

During the year, we received the IT Service Management System - ISO/IEC20000-1 standard certification, which is a testament of our commitment towards continuous improvement in providing top-quality data centre and related services to our customers.

In 2016, we will continue with our regional expansion plans to cater to demands in the emerging markets of ASEAN after expanding our presence in Thailand and Vietnam in 2015.

We are also considering plans to build a data warehouse in Cyberjaya, further expanding our space in the country’s technology capital.

With the right resources on board – both internal staff and external partners – we will continue to remain adaptable in meeting customer requirements and in offering exceptional service levels to all our customers.

BOARD OF DIRECTORS

ABDUL KADIR MD KASSIM

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR (CHAIRMAN)

Abdul Kadir Md Kassim, a Malaysian, aged 75, was appointed to the Board of TIME dotCom Berhad on 22 October 2001 and as Chairman on 15 January 2010.

Abdul Kadir holds a Bachelor of Laws (Honours) degree from the University of Singapore and is the Senior Partner of Messrs Kadir, Andri & Partners.

Abdul Kadir sits on the Board of UEM Group Berhad and is Chairman of Cement Industries of Malaysia Berhad, a wholly owned subsidiary of UEM Group Berhad.

Abdul Kadir is a member of the Investment Panel of Lembaga Tabung Haji, of the Corporate Debt Restructuring Committee and of Financial Services Professional Board.

He is also a member of the Board of Directors of Danajamin Nasional Berhad and Datuk Yaw Teck Seng Foundation. On 15 February 2014, he was appointed as trustee of The Renong Group Scholarship Trust Fund.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

ELAKUMARI KANTILAL

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR

Elakumari Kantilal, a Malaysian, aged 59, was appointed to the Board of TIME dotCom Berhad on 8 March 2001. She is the Chairman of the Nomination and Remuneration Committee. She is also a member of the Audit Committee and Tender Committee.

Elakumari currently holds the position of Director of Investments in Khazanah Nasional Berhad ("Khazanah"). She was actively involved in the establishment of Khazanah whilst in the Ministry of Finance. She has been in Khazanah since its inception in 1994 moving from the position of Senior Manager to Director in 2004. She started her career in the government sector in 1981 and held various positions within the sector namely in the Accountant General's Office, Ministry of Agriculture and Ministry of Finance. She was involved in the monitoring and restructuring of companies, including debts of non performing companies held by Ministry of Finance (Incorp).

She holds a Master of Science in Accounting and Finance from the University of East Anglia and a Bachelor of Accounting from University Kebangsaan Malaysia. Besides her executive education in IMD Switzerland, she has also attended the Harvard Premier Business Management Program. She is a member of the Malaysian Institute of Accountants.

She also serves as a Director on the Board of UEM Edgenta Bhd.

She has no securities holdings in the Company and/or its subsidiaries. She also has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

She has not been convicted of any offence in the past 10 years.

RONNIE KOK LAI HUAT

SENIOR INDEPENDENT, NON-EXECUTIVE DIRECTOR

Ronnie Kok Lai Huat, a Malaysian, aged 61, was appointed to the Board of TIME dotCom Berhad ("TIME") on 31 January 2008. He is the Chairman of the Audit Committee. He is also a member of the Nomination and Remuneration Committee and Tender Committee.

Ronnie holds a Degree in Business Administration from the University of Strathclyde, United Kingdom. Prior to joining the Board of TIME, Ronnie held the position of Global Head of Marketing at Sampoerna International from September 2004 to January 2007 and was Sampoerna Malaysia's Marketing Director from June 2002 to August 2004. Between 1996 and 2002, he served as the Vice President of Marketing & Sales at JT International Tobacco Sdn Bhd where he also held the position of Executive Director on the Board of the company. He also sits on the Board of Cement Industries of Malaysia Berhad.

He has direct interest in the securities of the Company. He has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

HONG KEAN YONG

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Hong Kean Yong, a Malaysian, aged 53, was appointed to the Board of TIME dotCom Berhad on 1 September 2012. He is a member of the Audit Committee, Nomination and Remuneration Committee and Tender Committee.

Hong holds a Bachelor of Engineering (Hons) in Electrical and Electronics Engineering from University of Malaya. He began his career in Accenture Malaysia, where he held various senior positions from March 1987 to December 1994. He has also served in various senior capacities in MBf Group of Companies, Multimedia University, Avanade Malaysia Sdn Bhd and Motorola Multimedia Sdn Bhd prior to his last position as the Group Chief Information Officer in Hong Leong Financial Group from April 2008 to March 2011. Hong joined Taylor's Education Group in April 2011 and currently holds the post of Executive Vice President, Strategic Initiatives. He also sits on the Board of Taylor's Education Private Limited.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

AFZAL ABDUL RAHIM

NON-INDEPENDENT, EXECUTIVE DIRECTOR (CHIEF EXECUTIVE OFFICER)

Afzal Abdul Rahim, a Malaysian, aged 38, was appointed as Director & Chief Executive Officer of TIME dotCom Berhad on 7 October 2008.

He holds a Degree in Mechanical Engineering with Electronics, specialising in Acoustic Wave Theory from the University of Sussex, United Kingdom.

Afzal started his career in the automotive industry culminating in a regional role with Group Lotus PLC. A technology entrepreneur, he also founded the Malaysian Internet Exchange (MyIX), which was established in 2006.

Afzal has interest in the securities of the Company through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd. He has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

PATRICK CORSO

NON-INDEPENDENT, EXECUTIVE DIRECTOR

Patrick Corso, an Italian, aged 42, was appointed to the Board of TIME dotCom Berhad on 26 November 2015.

He holds a BA (Hons) Degree in European Business Administration from the European Business School, London, United Kingdom.

Patrick has over 20 years of experience in the investment banking and private equity industries, with a focus on the telecoms sector. He spent the first 8 years of his career at Credit Suisse First Boston and Morgan Stanley in London in their European Telecoms groups, with a brief interim stint at Trader Classified Media in a corporate development role.

In 2003, Patrick joined Providence Equity Partners in London, a leading private equity firm focused on the telecoms, media and technology sectors. In 2008, he relocated with Providence Equity Partners to Hong Kong to take up the role of Managing Director and eventually Head of the Hong Kong office.

In 2013, Patrick established OST Capital, a private investment firm in Hong Kong, of which he remains a non-executive Director.

He currently sits on the Board of Directors of Megawisra Investments Limited, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

Patrick has interest in the securities of the Company through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd. He has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

LEADERSHIP TEAM

AFZAL ABDUL RAHIM

COMMANDER-IN-CHIEF

Afzal was appointed Director & Commander-in-Chief of TIME on 7 October 2008. He has successfully expanded the Group into the global bandwidth and data centre businesses via the acquisitions of the Global Transit and AIMS groups, giving it an international footprint and access to high-growth ASEAN data markets. TIME is today Malaysia's second-largest fixed line telecommunications provider and a sought after carrier-neutral data centre operator. Afzal is a qualified Mechanical Engineer from the University of Sussex, United Kingdom.

LEE GUAN HONG

CHIEF EXECUTIVE OFFICER, MALAYSIAN FIXED LINE

Guan Hong joined TIME in 2009 as Chief Engineering Officer and was appointed Chief Executive Officer of TIME's core fixed-line business in 2014. His trademark leadership style has brought increased efficiency and bottom line improvements to an integral segment of the business. He has more than 15 years of experience, ranging from Internet services to the telecommunications industry. Guan Hong graduated with a degree in Management Information Systems from the University of Oklahoma, USA.

SAIFUL HUSNI SAMAK

CHIEF EXECUTIVE OFFICER, GLOBAL BANDWIDTH

Saiful was appointed Chief Executive Officer of Global Transit in 2009. He oversees TIME's international network connectivity footprint and has helped the Group grow into a key player in the global bandwidth market. He is backed by more than 20 years' experience in the banking and telecommunication industries. Saiful graduated with an MBA from the University of Southern Cross, Australia and a Degree in Economics and Finance from the University Of Hartford, USA.

LEADERSHIP TEAM

CHIEW KOK HIN

CHIEF EXECUTIVE OFFICER, DATA CENTRE

Chiew joined AIMS in 1997 and was appointed Chief Executive Officer in 2010. He spearheads AIMS' strategic development and has been instrumental in its penetration into the enterprise market, and expansion to Cyberjaya and Singapore. He played an integral role in developing the Malaysian Internet Exchange (MyIX), which he also heads as Chairman. Chiew graduated with an MBA from Nottingham Trent University, UK.

CHRISTOPHER WILSON

CHIEF EXECUTIVE OFFICER, ASEAN

Chris joined TIME in 2013, backed by more than 25 years' experience in the fixed, mobile and subsea telecommunications industries. His regional knowledge is critical in realising TIME's aspiration to expand into new ASEAN markets. His key areas of expertise are strategy, corporate development, product management and sales. Chris is an Electronic Engineering graduate from the University of Southampton, UK. He has post-graduate diplomas in Marketing and Finance.

LONG SHER NENG

CHIEF FINANCIAL OFFICER

Sher Neng was appointed Chief Financial Officer in 2010. He helped steer TIME through a period of immense transition and growth, and has been contributing significantly to the Group's financial stability. He has more than 19 years' experience in financial management and operations. Sher Neng graduated with a Bachelor of Business Administration (Hons) from Western Michigan University, USA. He is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountant (MICPA) and Virginia Society of Certified Public Accountants (VSCPA USA).

LEE WENG FAK

CHIEF ENTERPRISE OFFICER

WF Lee joined TIME in 2011 and was appointed Chief Enterprise Officer in 2014. He has streamlined TIME's Enterprise division into key vertical sectors with a clear focus on customer acquisition and retention, helping contribute to both TIME's top and bottom lines. He has more than 30 years of ICT industry experience in fast-paced and rapidly expanding companies. WF Lee is a Computer Science graduate from the Institute of Data Processing Management (now IMIS), UK.

ANAND VIJAYAN

CHIEF SERVICES OFFICER

Anand joined TIME in 2009 and was appointed Chief Services Officer in 2010, spearheading TIME's SME & Consumer business to exponential growth. He drove TIME's network coverage aggressively throughout the Klang Valley and Penang, and paved the way for ASTRO IPTV to be delivered via TIME's fibre optic network. He has more than 15 years' experience in financial and IT audit, risk and consulting from the Big Four accounting firms. Anand graduated with an MBA from Charles Sturt University, Australia and a Bachelor of Business (Accountancy) from Royal Melbourne Institute of Technology (RMIT).

LOH JENKIM

CHIEF COMMERCIAL OFFICER

Jenkim joined TIME in 2013 and was appointed Chief Commercial Officer in 2014. She has been instrumental in expanding the Group's portfolio of commercial offerings to the Wholesale segment and in implementing a new suite of commercial schemes, in addition to maximising cross-Group selling. She has more than 20 years of experience ranging from strategic business analysis to financial audit from the Big Four accounting firms and the telecommunications sector. Jenkim is a fellow of the Association of Chartered Certified Accountants.

JULIAN DING

CHIEF INNOVATION OFFICER

Julian was appointed Chief Innovation Officer in 2011. He leads the Group's innovation projects and activities, and has developed a Group-wide structure that encourages, supports and rewards innovation. He also developed a proactive engagement approach that has built valuable and synergistic linkages with key regulatory authorities, both domestically and internationally. His experience includes Information Technology and its related regulatory and policy frameworks. He graduated with a Masters in Public Policy and Management from Monash University, and is admitted to practice law in Peninsular Malaysia, Singapore, England and Wales.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to ensuring the highest standards of corporate governance in the Group as articulated in the eight (8) principles and recommendations of the Malaysian Code on Corporate Governance 2012 (the "Code") and also continually strives to enhance the effectiveness of the Board by improving the Board of Directors' practices and processes. The Group has adopted significant recommendations of the Code and the Board is continuously reviewing the Group's corporate governance practices and will make appropriate adjustments to reflect its position as a good corporate citizen. The key objective is to adopt the substance behind good corporate governance and not merely the form, with the aim of ensuring Board effectiveness in enhancing shareholders' value.

The Board views corporate governance as synonymous with four key concepts of the Group; namely transparency, integrity and accountability as well as corporate performance. The Group adopts these key concepts in the Group's operation and management and consciously applies the principles and recommendations of the Code and other global standards.

The Board is pleased to provide the following statement which outlines how the Group has applied the principles and recommendations set out in the Code throughout the financial year ended 31 December 2015.

PRINCIPLES STATEMENT

A. Directors

The Board

An effective Board that leads and controls the Group is vital in the stewardship of its direction and operations and ultimately the enhancement of long-term shareholder value. Thus, the Board is responsible for the strategic direction, establishing goals for management and monitoring the achievement of these goals. All Directors are from diverse professional backgrounds with a wide range of business, technical and financial experience. The profile of each Director is presented from pages 15 to 18.

The diversity of the Directors' background is pivotal to provide depth and specific experience and perspective to the leadership of the Group, as needed by the Group's business which is highly regulated and supervised.

In discharging its stewardship, the Board has adopted a formal schedule of matters which include:

- adopting a strategic plan for the Company which involves robust discussion between the Board and Management prior to the adoption of the plan;
- reviewing and monitoring performance against the plan throughout the year;
- overseeing the conduct of the Company's businesses through regular updates by the relevant Board Committees and receiving progress reports from the Management;
- identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- establishing of the Company's succession plan which is tabled and deliberated at the Nomination and Remuneration Committee ("NRC") to ensure a viable succession planning framework for top pivotal positions of the Group;
- overseeing the development and implementation of a shareholder communication for the Company which is embodied in the Group's Corporate Communications Policy; and
- reviewing the adequacy and the integrity of the management information and internal controls system of the Company and Group.

The Board Charter which clearly sets out the role and responsibilities of the Board and the Board Committees as well as the processes and procedures for convening their meetings is accessible on the Company's corporate website. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insight into fiduciary and leadership functions of the Directors.

PRINCIPLES STATEMENT (CONTINUED)

A. Directors (continued)

The Board (continued)

The Board will review its charter regularly to keep it up to date with changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives.

Additionally, the Board adheres to the Code of Ethics for Directors as prescribed by the Companies Commission of Malaysia.

Board Balance

There were seven (7) Board members in 2015, comprising one (1) Non-Independent Non-Executive Chairman ("Chairman"), three (3) Independent Non-Executive Directors, two (2) Non-Independent Executive Directors and one (1) Non-Independent Non-Executive Director.

The Board's composition at the end of year 2015 is in line with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The composition of the Board reflects an impressive spectrum of experiences and skills with a mix of legal, financial, technical and business experience which are relevant and vital to the direction and management of the Group. The Board is suitably equipped with members that possess significant experience in the telecommunication industry.

The Board is supportive of the gender boardroom diversity recommended by the Code.

The roles and responsibilities of the Chairman and the Chief Executive Officer ("CEO") are separated with clear distinctions between them. The Chairman leads the Board and is responsible to ensure the effective and smooth interaction of the overall Board and individual Directors, both within and outside the Boardroom as well as driving the discussion toward consensus and to achieve closure in every discussion. The CEO is responsible for developing and implementing strategy of the Group, reflecting long term objectives as well as priorities established by the Board. The CEO assumes full responsibility and accountability to the Board for all aspects of the Company operations and performance. He also represents the Company to major customers, employees, suppliers and professional associations.

The Chairman, Encik Abdul Kadir Md Kassim is a Non-Independent, Non-Executive Director. Notwithstanding that the Board does not comprise majority Independent Directors as recommended in the Code, the Independent Directors are able to exercise strong independent judgement and provide balance to the Board with their unbiased and independent views, and advice and judgement to all Board deliberations. The Board, in their assessment, held the view that Encik Abdul Kadir has and continues to play an effective role as Chairman and Director of the Company. He has consistently demonstrated strong commitment and judgement in overseeing the management function, looking after the best interest of all shareholders and facilitating Board meetings to ensure that contributions by all Directors are forthcoming on matters being deliberated and that no particular Board member dominated in any of the discussions. This ensures the balance power and authority within the Board whilst taking cognisance of the interests of minority shareholders and other stakeholders.

PRINCIPLES STATEMENT (CONTINUED)

A. Directors (continued)

Board Balance (continued)

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and control. The Independent Directors play pivotal roles towards ensuring that the business strategies of the Group and any other matters or agendas discussed are properly and fully deliberated and examined with a view to protect the interests of shareholders and the stakeholders of the Group. They provide independent and impartial views in determining the final decisions taken or endorsed by the Board.

None of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years, except for Mr Ronnie Kok Lai Huat, the Senior Independent Director of the Company, who will complete his 9-year tenure on 31 January 2017. The NRC is satisfied with the judgement, professionalism, objectivity and contribution he has brought to the Board. In this regards, the Board supports and recommends his re-appointment as Senior Independent Non-Executive Director, subject to the shareholders' approval at the Company's forthcoming Annual General Meeting.

Meetings

The Board meets regularly. In addition to the scheduled meetings, the Board also convenes special meetings when urgent and important decisions need to be taken between scheduled meetings. During the financial year ended 31 December 2015, the Board met 10 times.

All meeting dates are determined and fixed yearly in advance so that every director is able to schedule their time effectively. For all the meetings, due notices were given and structured formal agenda and papers relating to the agenda items were forwarded to all the Board members for their perusal prior to and in most cases, at least 3 days before the meeting.

All proceedings of the meetings were properly minuted and filed. The minutes are circulated to each and every Board member for their perusal and comments prior to the confirmation of the minutes at the commencement of the next Board meeting. The members may request for clarification or raise comments on the minutes before they are confirmed.

During the year, the Board deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business directions of the Group and Corporate Governance matters during the financial year. Details of Directors' attendance at Board Meetings held during the financial year ended 31 December 2015 are as follows:

PRINCIPLES STATEMENT (CONTINUED)

A. Directors (continued)

Meetings (continued)

Directors' Attendance

Director	Designation	Number of Meetings attended during the year	Percentage
Abdul Kadir Md Kassim	Non-Independent, Non-Executive Director (Chairman)	8/10*	80%
Elakumari Kantilal	Non-Independent, Non-Executive Director	10/10	100%
Ronnie Kok Lai Huat	Senior Independent, Non-Executive Director	10/10	100%
Balasingham A. Namasiwayam	Independent, Non-Executive Director	9/10	90%
Hong Kean Yong	Independent, Non-Executive Director	9/10*	90%
Afzal Abdul Rahim	Non-Independent, Executive Director (Chief Executive Officer)	9/10*	90%
Patrick Corso (appointed on 26 November 2015)	Non-Independent, Executive Director	2/2	100%
Gan Te-Shen (resigned on 14 August 2015 and there were 7 Board meetings held before his resignation)	Non-Independent, Non-Executive Director	5/7**	71.4%

* Exclude participation in 1 meeting via teleconference
** Exclude participation in 2 meetings via teleconference

The Board of Directors delegates certain responsibilities to the Board Committees. All Committees have written terms of reference and operating procedures to ensure a clear division of duties between the Board and Board Committees. The Board is kept informed of all proceedings and deliberations of its Board Committees through minutes of Board Committees' meetings which are tabled at the Board meetings, for notation.

The Board of Directors reviews the terms of reference of its committees periodically to assess its relevance and clarity.

The details of meetings and activities of these Committees are discussed in the following paragraphs.

PRINCIPLES STATEMENT (CONTINUED)

A. Directors (continued)

Supply of information

The Board has unrestricted access to information required so as to enable it to discharge its duties, as the decision making process is highly contingent on the strength of information furnished. The Board is provided with monthly reports and updated information and briefings on the performance of the Group and the Company prior to every meeting to enable them to make informed decisions. The Board papers include, amongst others, the following details:

- Business plan and annual operating plan;
- Quarterly performance reports of the Group;
- Major operational and financial issues including risks and audit issues;
- Market share and market responses to the Group's strategies;
- Major investments, acquisitions and disposals of assets;
- Manpower and human resource issues; and
- Minutes of meetings of all the Committees of the Board.

Senior management and key operational managers are informed and made aware of the quality and timeliness required by the Board with respect to the contents, presentation and delivery of Board papers for each Board meeting.

Key matters such as approval of annual and interim results, annual business plans and budget, major investment, financial decisions, key policies, major proposals and announcements are reserved for the Board. These reserved matters are set out in the Group's Discretionary Authority Limits ("DAL"). The DAL also specifies the levels of authority delegated to the Management by the Board. The Management operates within the limits of the DAL which was approved by the Board. Any matter beyond Management limits will be brought to the Board for approval.

The Board, whether as a whole or its members in their individual capacity, can seek independent professional advice at the Company's expense in the course of fulfilling their responsibilities. Every Director also has unhindered access to the advice and services of the Company Secretary whose roles and responsibilities are as prescribed in the Companies Act, 1965, the Main Market Listing Requirements of Bursa Securities and other relevant laws. The Company Secretary constantly advises and updates the Board on the statutory and regulatory requirements in relation to their duties and responsibilities. Appointment and removal of the Company Secretary can only be made by the Board as a whole.

Director's Training

During the financial year, the Directors attended seminars, forums and briefings conducted by the regulatory authorities, professional bodies and other organisations in order to keep abreast with relevant developments in laws and regulations and the business environment. The training attended by the Directors during the financial year included the following:

- PricewaterhouseCoopers – GST Session
- Khazanah Megatrends Forum 2015
- UEM Group Berhad – The Exchange of Knowledge & Ideas – Building Capabilities and Competencies
- McKinsey & Company – Youth Leadership Academy Workshop
- Employees Provident Fund Board (EPF) – EPF Investment Seminar
- Endeavor – BFM's Enterprise Breakaway 2015

PRINCIPLES STATEMENT (CONTINUED)

A. Directors (continued)

Re-election and re-appointment of Directors

In accordance with the Company's Articles of Association and the Main Market Listing Requirements of Bursa Securities, one-third (1/3) of the Directors shall retire by rotation at every Annual General Meeting and all Directors are subject to retirement at an interval of at least once every three (3) years. The Nomination and Remuneration Committee shall, upon reviewing and assessing performance levels, recommend to the Board the re-election of the Directors who are due for retirement at each Annual General Meeting.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director over seventy (70) years of age is to retire at every Annual General Meeting and may offer himself/herself for re-appointment. In relation to this, the Chairman has offered himself for re-appointment at the forthcoming Annual General Meeting.

Additionally, as recommended by the Code, the Board is seeking shareholders' approval at the forthcoming Annual General Meeting for Mr Ronnie Kok Lai Huat to continue as Senior Independent Non-Executive Director of the Company. In relation to this, he has offered himself for re-appointment.

Board Appraisal Process

The Board continues to assess the performance of its members/its Committee under an evaluation framework adopted earlier comprising Board Effectiveness Assessment and Board of Directors' Self/Peer Assessment. These assessments are designed to identify the areas that need to be improved to increase the Board's effectiveness and at the same time maintain the cohesiveness of the Board.

Among key performance indicators employed to evaluate the Board's/Board Committee's current effectiveness are board administration, board accountability, responsibility and conduct whereas the indicators for individual director's assessment include their interactive contributions, underlying of their roles and quality of input.

The Company carries out the assessment process annually and the Board continuously identifies the areas to be addressed and is committed to align its effectiveness towards the recommended best practices.

B. Board Committees

Appointments of Board Committees

The Board has delegated certain responsibilities to the Board Committees and each and every Board Committee has written terms of reference of its own. The Board receives reports from the Board Committees and is regularly updated of their proceedings and deliberations. In cases where the Board Committee has no authority to decide on certain matters, the Board Committees will assess and examine the issue and subsequently provide their recommendations which are highlighted in their respective reports for the Board's endorsements.

Audit Committee

Paragraph 15.09 of the Main Market Listing Requirements of Bursa Securities requires an Audit Committee to be established. The Company's Audit Committee comprises three (3) Non-Executive Directors headed by the Senior Independent Non-Executive Director. Further details of its composition, roles and activities during the financial year are set out in pages 35 to 41.

PRINCIPLES STATEMENT (CONTINUED)

B. Board Committees (continued)

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises three (3) members and all of them are Non-Executive Directors. Among them, two (2) are Independent Directors and one (1) is Non-Independent Director.

The NRC held a total of three (3) meetings during the past year. The details are as follows:

Director	Designation	No. of meetings attended
Elakumari Kantilal (Chairman)	Non-Independent, Non-Executive Director	3/3
Ronnie Kok Lai Huat	Senior Independent, Non-Executive Director	3/3
Balasingham A. Namasiwayam	Independent, Non-Executive Director	3/3
Gan Te-Shen*	Non-Independent, Non-Executive Director	2/2

* Resigned as NRC Member with effect from 14 August 2015

The responsibilities of the NRC are to, inter alia:

- periodically review the framework of policies pertaining to the nomination and remuneration of Directors.
- advise the Board regarding the details and implementation of the framework of policies pertaining to the nomination and remuneration of Directors.
- make the necessary recommendations as specified under the objectives of the NRC.
- assisting the Board in examining the size, structure and composition of the Board, with a view to determining the impact of the number of directors upon its effectiveness.
- assess and monitor directors attaining the age of 70 years pursuant to the provision of Section 129 of the Companies Act, 1965.
- assess and monitor vacancy of directors resulting from provisions of Companies Act, 1965, Memorandum and Articles of Association and Listing Requirements of Bursa Securities and recommend appointment of new directors.
- recommend to the Board the criteria, qualifications and experience deemed appropriate for the particular vacancy to be filled with respect to the nomination of new candidates for Board membership.
- review the proposals for the remuneration package of the Directors of the Company.
- review annually the Board's required mix of skills and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report.
- recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors and to ensure a statement is made in the Annual Report by the Board on the training attended by Directors during the financial year.
- assist in ensuring that the Company's employees' compensation policies and benefit scheme are generally designed to encourage good performance and discourage poor performance.
- design and implement an evaluation procedure for Executive Directors/MD/CEO.
- review the performance of the Executive Directors/MD/CEO and recommend to the Board on annual increments, bonus and ex-gratia payments for Executive Directors/MD/CEO.
- consider the Senior Management candidates for hire or engagement and the terms of engagement.

PRINCIPLES STATEMENT (CONTINUED)

B. Board Committees (continued)

Nomination and Remuneration Committee (continued)

- recommend to the Board, the termination/removal of Senior Management if they are ineffective, errant or negligent in discharging their responsibilities.
- review and recommend to the Board, the policy of compensation, benefits package, salary increment and total annual bonus for Senior Management.
- in discharging its duties, the NRC shall at all times be mindful of the provisions of the Malaysian Code on Corporate Governance and all applicable laws, regulations and guidelines.
- consider and recommend to the Board on any general resizing activity.
- review and recommend the Corporate Governance Statement to be published in the Annual Report to the Board.

Throughout the year 2015, the NRC conducted meetings to discharge the following duties:

- Made recommendations to the Board with respect to the Directors who shall retire at the Company's 18th Annual General Meeting.
- Reviewed the required mix of skills, experience and other qualities of Non-Executive Directors.
- Reviewed the results of the Board/Board Committees' Assessment Form for year 2014 on the effectiveness of the Board, Board committees and individual directors.
- Reviewed the 2015 Remuneration Exercise for the Executive Committee members and other direct reports to the Chief Executive Officer.
- Recommended to the Board the payment of 2014 Performance Bonus and payment of 2015 annual increment.
- Recommended to the Board the increase in Directors' fees for existing Directors and to cater for possible appointment of new directors in 2015.
- Recommended to the Board the appointment of new Director to the Board.
- Recommended to the Board the Group's Succession Planning Framework.
- Recommended to the Board the implementation of Share Option for the Chief Executive Officer.
- Recommended the corporate governance statement for publication in the 2015 Annual Report.

In carrying out its duties and responsibilities, the NRC has a full and unrestricted access to the Company's records, properties and personnel and it may also obtain the advice of external advisors if required. The Directors are paid annual fees and attendance allowance for each Board meeting and Board Committee meeting that they attended.

Any change in the Directors' remuneration will be reviewed by the NRC before it is recommended to the Board.

Details of the Directors' remuneration (including benefits-in-kind) during the financial year ended 31 December 2015 are as follows:

Directors	Fixed Fees (RM)	Allowances (RM)	Benefits-in-Kind (RM)	Salary (RM)	Bonus (RM)	Other Expenses (RM)	Total Amount (RM)
Executive	-	38,183	-	1,128,451	3,400,000	670,942	5,237,576
Non-Executive	818,500*	205,217	1,500	-	-	-	1,025,217

* Inclusive of the fees paid for sitting in Audit Committee, NRC and Tender Committee.

PRINCIPLES STATEMENT (CONTINUED)

B. Board Committees (continued)

Nomination and Remuneration Committee (continued)

The NRC continues to evaluate the effectiveness of the Board and in this regard it assesses the size and composition of the Board to ensure that the required mix of skills are present in the course of discharging the Board's duties and responsibilities.

Selection and Assessment of Directors

The Company adopted the Policy on Nomination and Assessment Process of Board Members that sets out the process to be undertaken by NRC and Board, with respect to the nomination, assessment and re-election of Board members in accordance with the Main Market Listing Requirements of Bursa Securities and the Code.

Tender Committee

The Tender Committee ("TC") was established to facilitate the procurement process. Its main objective is to examine the tenders received and ensure that all necessary criteria, specifications and requirements of the Company have been met and complied with.

The TC consists of Balasingham A. Namasiwayam (Chairman), Hong Kean Yong and Ronnie Kok Lai Huat. The Board has delegated its authority to the TC to approve up to RM10.0 million for the budgeted transactions for the acquisition/disposal of fixed assets, trade or stock purchase and the award of contracts after taking into consideration various factors such as the list of tenders received, nature of procurement and the technical and commercial evaluation.

During the year, the TC held three (3) meetings.

C. Shareholders

Investors/Shareholders Relations

The Group recognises and acknowledges that the key element of good corporate governance is being transparent and accountable to all stakeholders. It is fundamental for the Group to establish a provision of clear, relevant and comprehensive information readily accessible to all stakeholders at anytime. Acknowledging this fact, the Group maintains a high level of disclosure and communicates regularly and proactively with its stakeholders, particularly to investors and shareholders, through transparent, effective and readily accessible communication channels. Information on the Group's business activities and financial performance are disseminated through press releases, quarterly reports, annual report and the Annual General Meeting in a timely and efficient manner. In addition, the Company's website at http://www.time.com.my provides a broad range of information to the shareholders.

The Company has taken great care and control to ensure that no market sensitive and any other information that is required to be reported or announced to Bursa Securities for public release are disseminated or informed to any party without first making such official report or announcement to ensure equal dissemination and information to all investors. Any information released by the Company totally complies with and strictly adheres to disclosure rules and regulations of the Main Market Listing Requirements of Bursa Securities.

The Board has identified Ronnie Kok as the Senior Independent Non-Executive Director to address minority shareholders' issues and to whom minority shareholders' concerns may be conveyed.

PRINCIPLES STATEMENT (CONTINUED)

C. Shareholders (continued)

Annual Report and Annual General Meetings

The key channel of communication regarding the Group's business activities and financial performance is via the Company's Annual Report. The Annual Report discloses comprehensive details about the Group's business activities and financial performance for the financial year.

The Annual General Meeting is the principal open forum at which shareholders and investors are informed of the current development of the Company. An interactive dialogue is conducted for them to inquire about the Group's activities and prospects as well as communicate their expectations and concerns. Adequate time is allocated for the question and answer sessions between the Directors and the Group's external auditors with the shareholders at the Annual General Meeting held by the Company.

Each item of special business included in the Notice of Annual General Meetings is accompanied by a full explanation of the effects of the proposed resolution.

The Board will implement poll voting as required by laws, regulations or the Main Market Listing Requirements of Bursa Securities and when it deems necessary or appropriate.

D. Accountability and Audit

Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, the Board aims to present a clear and balanced assessment of the Group's position and prospects. The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of such financial reporting.

Related Party Transactions

The Company has established appropriate procedures to ensure the Company meets its obligations under the Main Market Listing Requirements of Bursa Securities relating to related party transactions.

A list of related parties is disseminated to the Company's various business units to determine the number and type of related party transactions. All related party transactions are presented to the Audit Committee for their notation on a quarterly basis. Interested Director(s) who has/have interest(s) in such transaction(s) abstain(s) from all deliberations and voting on the matter either at the Board level or at the general meeting convened for the purpose of considering the matter.

Directors' Responsibility Statement in respect of the Preparation of the Audited Financial Statements

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of their results and cash flows for the period then ended.

PRINCIPLES STATEMENT (CONTINUED)

D. Accountability and Audit (continued)

Directors' Responsibility Statement in respect of the Preparation of the Audited Financial Statements

In preparing the financial statements, the Directors have considered and ensured that:

- Applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied;
- Suitable and appropriate accounting policies have been adopted and applied consistently; and
- Reasonable and prudent judgements and estimates were made.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 135 of the Financial Statements section of the annual report.

Risk Management & Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets, and to discharge their stewardship responsibilities in identifying principal risks and ensuring the implementation of appropriate systems to manage these risks in accordance with the best practices of the Code. The Board and Audit Committee are provided with sufficient information as to the Group's risk profile and Risk Management procedures and Management Information System to ensure that the Group's internal controls and systems are effective.

The Statement on Risk Management & Internal Control furnished on pages 42 to 45 of the Annual Report provides an overview on the state of risk management and internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 37 to 41 of the annual report. It is the Company's practice to invite the external auditors to the Audit Committee meetings where the quarterly financial results are tabled, discussed and reviewed. The external auditors met the Audit Committee without executive Board members present twice in 2015, to discuss the adequacy of controls and any judgemental areas.

The Audit Committee and Board place great emphasis on the objectivity and independence of the external auditors in providing transparent reports to the shareholders and will review the external auditors' service levels and qualification annually.

A new level engagement partner of Messrs KPMG was assigned to TIME for the financial year ended 31 December 2015 to fulfill the requirement to rotate the lead engagement partner after a period of not more than 5 years. This is in accordance with MIA By-Laws.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on pages 35 to 41 of the annual report.

PRINCIPLES STATEMENT (CONTINUED)

D. Accountability and Audit (continued)

Whistleblowing Policy

The Group has also adopted a Whistleblowing Policy in relation to suspected or presumed violations of any malpractice or misconduct. The Policy reaffirms the Board's commitment to safeguard those who report in good faith against any form of reprisal.

Compliance statement

The Board is of the view that the Group has taken necessary steps throughout the financial year under review to comply with the principles and recommendations of the Code. The Board will continue to review its governance model to uphold its pledge, commitment and effort to enhance and promote the best practices of corporate governance throughout the Group in its effort to achieve the highest standards of transparency, accountability and above all, integrity. The Board ensures that there is no compromise in the Group's focus on enhancing shareholder value, increasing investor confidence, establishing customer trust and building a competitive and profitable organisation.

The Statement on Corporate Governance is made in accordance with a resolution of the Board on 12 April 2016.

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, there were no material contracts entered by the Company and/or its subsidiaries involving shareholders' interest either subsisting as at 31 December 2015 or entered since the end of the previous financial year.

Wayleave and Right of Use Agreement between Projek Lebuhraya Utara-Selatan Berhad ("PLUS") and TT dotCom Sdn Bhd ("TTdC") dated 12 May 2000.

The Agreement grants an exclusive right to TTdC to use the fibre optic telecommunications network and infrastructure installed by PLUS in, on or along the North-South Expressway.

The Agreement shall expire upon the lapse of the concession as granted by the Government of Malaysia to PLUS which is now on 31 December 2038, extended from 30 May 2030, unless renewed by the Government of Malaysia.

PLUS is a wholly-owned subsidiary of PLUS Malaysia Berhad ("PLUS Malaysia") and PLUS Malaysia is jointly controlled by UEM Group Berhad ("UEMG") and Employees Provident Fund Board, which owns 51% and 49% of PLUS Malaysia's equity. UEMG is a wholly-owned subsidiary of Khazanah Nasional Berhad.

2. IMPOSITION OF SANCTIONS/PENALTIES

There is no imposition of sanctions and/or penalties on the Company and its subsidiaries, directors or Management by the relevant regulatory bodies.

3. NON-AUDIT FEES

The non-audit fees incurred for services rendered to the Company and its subsidiaries by the external auditors and corporations affiliated to the auditors' firm for the financial year ended 31 December 2015 was RM270,000.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Report of the Audit Committee ("the Committee") for the financial year ended 31 December 2015.

COMPOSITION

The Committee presently comprises three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director.

The members of the Committee during the financial year ended 31 December 2015 are as follows:

Ronnie Kok Lai Huat (Chairman)	Senior Independent Non-Executive Director
Elakumari Kantilal	Non-Independent Non-Executive Director
Balasingham A. Namasiwayam	Independent Non-Executive Director

The profiles of the Committee members are contained in the "Board of Directors' Profile" set out on pages 15 to 18.

TERMS OF REFERENCE

The Committee was established on 27 September 2000 to act as a Committee of the Board of Directors, with the terms of reference as set out on pages 37 to 41.

MEETINGS

The Committee convened five (5) meetings during the financial year ended 31 December 2015. The details of attendance are as follows:

Name	Attendance	Percentage of attendance
Ronnie Kok Lai Huat (Chairman)	5/5	100%
Elakumari Kantilal	5/5	100%
Balasingham A. Namasiwayam	5/5	100%

The Chief Executive Officer, other Senior Management members and the external auditors attended these meetings upon invitation to brief the Committee on specific issues. The Company Secretary being the secretary of the Committee was present at all the meetings. The Committee had also met with the external auditors without the presence of Management.

Minutes of meetings of the Committee are circulated to all members of the Board and significant issues are discussed at the Board meetings.

AUDIT COMMITTEE REPORT

PRINCIPAL ACTIVITIES IN THIS FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the year. The principal activities of the Committee were as follows:

(a) Financial Statements

(i) Reviewed the audited statutory financial statements, quarterly financial results of the Group for 2015 and discussed significant issues before recommending them to the Board of Directors for approval prior to the announcement to Bursa Malaysia.

(ii) Reviewed the annual, interim and any other related financial statements and announcements of the Group for quality of disclosure, and compliance with the Listing Requirements of Bursa Malaysia, approved accounting standards and other relevant legal and regulatory requirements.

(b) Internal Audit

(i) Reviewed results of the internal audit reports, findings and recommendations and action taken on the recommendations.

(ii) Reviewed the key audit issues identified by Internal Audit in the current period and proposed action plans by Management.

(iii) Reviewed the major findings of internal investigation reported through the whistleblowing channel.

(iv) Assessed the performance of the Internal Audit function.

(c) Related Party Transactions

Reviewed the related party transactions to ensure that the transactions were not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders.

(d) Risk Management

Received and reviewed reports on key operational risks to ensure these risks are being managed effectively and actively overseen.

(e) External Audit

(i) Reviewed the reappointment of the external auditors and the annual audit fee.

(ii) Reviewed the external auditors' annual audit plan and their scope of audit.

(iii) Reviewed the annual audit report and accompanying reports to the Committee and Management.

(iv) Held private meetings with the external auditors without Management to ensure there were no restrictions on the scope of their audit and to discuss any items that the auditors did not wish to raise in the presence of Management.

The Chairman of the Committee reported regularly to the Board on the activities of the Committee.

INTERNAL AUDIT FUNCTION

The Board of Directors is committed to establish and maintain an efficient and effective internal audit function to obtain sufficient assurance of regular review and appraisal of the effectiveness of the Group's system of internal controls.

The internal audit function is performed in-house, by the Internal Audit Division. The total costs incurred for the internal audit function for the financial year ended 31 December 2015 amounted to RM1,265,050. The internal audit function is guided by its Audit Charter and reports to the Committee. Its primary role is to assist the Committee to discharge its duties and responsibilities by independently reviewing and reporting on the adequacy and integrity of the Group's system of internal controls.

In 2015, Internal Audit executed a range of audit reviews covering financial, operational, fraud investigation and information systems audit. Other reviews are also performed to ensure that the Group's resources are utilised effectively and efficiently. The Internal Audit reports were issued for the audited division's comments and for their response on the action plans and implementation date. Internal Audit also coordinates the follow up reviews on the resolutions of internal audit issues and reports the status to the Committee.

Findings and recommendations for improvements are communicated to Senior Management and the Committee. The Internal Audit function adopts a risk-based approach in the review of internal controls based on an annual audit plan approved by the Committee. The Internal Audit function also adopts the COSO framework in assessing internal controls related to areas of review.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(a) Membership

(i) There should be a minimum of 3 (three) non-executive directors, of which a majority must be independent directors.

(ii) The Chairman of the Audit Committee shall be an independent non-executive director.

(iii) There should be at least 1 (one) member who is a member of the Malaysian Institute of Accountants or should have at least 3 years working experience and passed the examinations specified in Part I of the 1st schedule of the Accountants Act, 1967 or is a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

(iv) Vacancies in the Audit Committee must be filled within 3 (three) months. The Nomination Committee will review and recommend, to the Board for approval, another director to fill up such vacancies based on the following personal qualities:

- the ability to act independently and be pro-active in advising the board of any concerns;
- the ability to ask relevant questions, evaluate the responses and continue to probe for information until completely satisfied with the feedback provided;
- the ability and desire to constantly engage in self-development programmes;
- the ability to appreciate the company's values and a determination to uphold these values coupled with a thoughtful approach to the ethical issues that may be faced;
- have a professional approach to duties, including an appropriate commitment of time and effort;

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(a) Membership (continued)

- have the courage to take and stand by tough decisions and high ethical standards; and
- the ability to encourage openness and transparency which is demonstrated by the ability to accept mistakes and not ascribe blame.

(v) The terms of office and performance of the Audit Committee must be reviewed by the Board at least once every 3 (three) years.

(vi) Alternate directors cannot be a member of the Audit Committee.

(vii) All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

(viii) Members of the Audit Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

(ix) All Committee Members including the Chairman should be persons of good social standing and possess relevant skills and a good track record in the corporate or business field. They must have the required skills to engage with management and the auditors and be prepared to ask key and probing questions about the company's financial position, operational risks and internal controls, compliance with applicable approved accounting standards and other related requirements. The audit committee's effectiveness is dependent on its members' broad business experience, knowledge and competence in business matters, financial reporting, internal controls and auditing.

(b) Functions of the Audit Committee

(i) To determine that established policies, procedures and guidelines, operating and internal accounting controls are adequate, functioning, effective, and are complied with in promoting efficiency and proper conduct of the Company's business.

(ii) To act as an independent and objective party in reviewing the financial information of the Company presented by Management.

(iii) To review the quarterly and year-end financial statements of the Company for recommendation to the Board for approval, focusing particularly on:

- any changes in or implementation of major accounting policies and practices;
- significant adjustments and unusual events arising from the audit; and
- compliance with accounting standards and other legal requirements.

(iv) To consider and recommend the nominations, appointment and reappointment of the external auditor, the audit fee and any questions of resignation or dismissal.

(v) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(b) Functions of the Audit Committee (continued)

(vi) To discuss problems and reservations arising from the interim and final audits, and any other matter the auditor may wish to discuss (in the absence of Management where necessary).

(vii) To review the external auditor's management letter, their evaluation of the systems of internal control and management's responses thereof.

(viii) To ensure that assistance is given by the employees of the company in following the best practices in providing full and faithful disclosure of any material information, to the external auditor.

(ix) To do the following where an internal audit function exists:

- review the adequacy of the scope, functions, competency and resources of the internal audit function according to the standards set by recognised professional bodies, and that it has the necessary authority to carry out its work;
- review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- inform itself of resignations of internal audit staff members and provide the resigning staff to submit his/her reasons for resigning.

(x) To review and report to the Board of Directors any related party transaction and conflict of interests situation that may arise within the listed issuer or Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

(xi) To consider the major findings of internal investigations and Management's response.

(xii) To review pertinent operational matters in relation to the Group's quarterly financial performance and quarterly announcement to Bursa.

(xiii) To monitor operational performance against targets set in the Annual Operating Plan in relation to the Group's quarterly financial performance and quarterly announcement to Bursa.

(xiv) To assess risk and control environment by:

- determining whether Management has implemented policies ensuring the Company's risks are identified and evaluated and that internal controls in place are adequate and effective to address the risks; and
- making enquiry as to whether each category of risks is adequately monitored and addressed by the Company's risk management procedures.

(xv) To consider other topics as defined by the Board.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(c) Rights of the Audit Committee

To enhance the effectiveness of the Audit Committee in the discharge of its duties, the Listing Requirements provides the Audit Committee with the following rights:

(i) authority to investigate any matter within its terms of reference;

(ii) right to resources to perform its duties;

(iii) full and unrestricted access to any information pertaining to the Company, including access to resources;

(iv) have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;

(v) right to obtain external independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and

(vi) right to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company whenever deemed necessary.

(d) Audit Committee Meetings

(i) The Audit Committee should meet regularly, at least once in every quarter, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities. The quorum should comprise a majority of independent directors.

(ii) The Audit Committee shall aim to reach a consensus on issues discussed, failing which a poll shall be taken through a show of hands.

(iii) The Chairman of the Committee should report on each meeting to the Board. Minutes of each meeting should be kept and distributed to each member of the Committee and of the Board. The Secretary to the Committee should be the Company Secretary.

(iv) The Chief Executive Officer ("CEO"), and Chief Financial Officer (or a person of similar capacity), Head of Internal Audit and a representative of the external auditors shall normally be entitled to attend any meeting of the Committee and to make known their views on any matter under consideration by the Committee, or which in their opinion, should be brought to the Committee's attention.

(v) The Audit Committee must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

(vi) The Audit Committee should meet with the external auditors without executive board members present at least twice a year for the following purposes:

- to discuss accounting principles and judgements made in connection with the preparation of the company's financial statements and possible alternative accounting treatments, and whether these alternatives have been discussed with management or if these alternative policies would better reflect the values as disclosed in the financial statements;

- to seek understanding and clarification on accounting treatments and methods and their appropriateness;

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(d) Audit Committee Meetings (continued)

- to make inquiry on significant discussions between the Company's CEO or equivalent, Chief Financial Officer or other key Management personnel; and
- to have a better understanding on the nature and extent of issues discussed with management during the audit.

(vii) The Audit Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting.

(e) Audit Committee Report

The Board of Directors of a listed issuer must publish an Audit Committee Report in its annual report and shall include the following therein:

(i) membership of the Audit Committee of which the minimum details are specified in the Listing Requirements;

(ii) the Terms of Reference must be written;

(iii) the number of Audit Committee meetings and details of attendance of each Audit Committee member;

(iv) summary of the activities of the Audit Committee for the year; and

(v) disclosure of the existence of an internal audit function and its activities, and where such a function does not exist, it should be explained what mechanism was in place for the Audit Committee to discharge its functions effectively.

The Board of Directors is also required to make the following additional statements in its annual report:

(i) a statement explaining the Board of Directors' responsibility for preparing the annual audited financial statements; and

(ii) a statement about the risk management and internal controls of TdC as a Group (after the same is reviewed by the external auditors and the results thereof reported).

(f) Reporting of Breaches

The Audit Committee must promptly report any matter to Bursa, if in its view such matter has not been satisfactorily resolved by the Board of Directors resulting in a breach of Listing Requirements.

(g) Support

The Company Secretary shall provide the necessary support to enable members of the Audit Committee to discharge their functions effectively.

DIRECTORS' STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2012 ("the Code") sets out the Principles and Recommendation for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") to establish a sound risk management framework and internal control system to safeguard shareholders' investment and the Group's assets.

The Board of Directors ("the Board") is committed to establish a sound framework to manage risks and is pleased to provide the following statement in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements, Practice Note 9 issued by Bursa Securities, Statement on Risk Management & Internal Control (Guidelines For Directors of Listed Issuers) and guided by Principle 6 and Recommendation 6.1 of the Code on recognising and managing risks within the Group.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investments and the Group's assets, and to discharge their stewardship responsibilities in identifying principal risks and ensuring the implementation of appropriate systems to manage these risks in accordance with the best practices of the Code.

However, due to the limitations inherent in any risk management and internal control systems, it should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Therefore, the systems can only provide a reasonable and not an absolute assurance against the occurrence of any material misstatement, loss or fraud. The internal control systems of the Group covers, inter alia, risk management, financial, operational and compliance controls.

The Board has established a process for identifying, evaluating, monitoring and managing the significant risks that may materially affect the achievement of its corporate objectives. This process has been in place throughout the year under review up to the date of this report.

Whilst the Board maintains ultimate responsibility control over risk and control issues, the responsibility has been delegated to the Executive Committee ("EXCO") to implement the internal control systems within an established framework. The Group's Internal Audit function provides an independent assessment and assurance on the system of risk management and internal controls based on the internal audit reviews carried out during the financial year.

CONTROL ENVIRONMENT AND STRUCTURE

The Board recognises that in order to achieve a sound system of risk management and internal controls, a conducive control environment and framework must be established. The key elements of internal control, among others, comprise the following:

(a) Control Environment

(i) **A Formal Organisational Structure and Discretionary Authority Limits** is in place with defined lines of reporting, to align with business and operational requirements. The structure facilitates the segregation of duties and accountability. Formal limits of authority delegation are implemented for planning, executing, controlling and monitoring business operations.

CONTROL ENVIRONMENT AND STRUCTURE (CONTINUED)

(a) Control Environment (continued)

(ii) **Board Committees** are set up by the Group to uphold corporate governance and transparency with its specific terms of reference and authority. The Board Committees comprise of the Audit Committee, Nomination and Remuneration Committee and Tender Committee. These Committees report to the Board and provide the relevant recommendations for the Board's decision.

(iii) **An Audit Committee**, of which the majority comprises Independent Non-Executive Directors, was maintained throughout the financial year. The Audit Committee convenes meetings at least once every quarter, and discusses amongst others the financial results, internal audit findings, related party transactions, risk management as well as the external auditor's appointment and their external audit plan and results. The Audit Committee reviews and approves the Internal Audit Plan on an annual basis and also oversees the Internal Audit Division's function, scope of works and resources. Further details of the activities undertaken by the Audit Committee of the Group are set out in the Audit Committee Report.

(iv) **Employee Handbook & Code Of Conduct** are provided and made available to employees of the Group via Intranet. All employees are required to sign and adhere to the Confidentiality Agreements and Declaration of Non-Conflict of Interest upon their appointment. The Declaration of Non-Conflict of Interest is also required on an annual basis. The Code of Conduct sets out principles to guide the employees in carrying out their duties and responsibilities and covers areas such as compliance with applicable local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality and conflicts of interest.

(v) **Policy/Guideline and Procedure for Selection & Recruitment, Termination/Resignation, Performance Appraisal, Learning and Development** are in place to ensure that the desired standard of human resources practices are met in achieving the Group's business objectives. Selection and recruitment is based on both the business requirements and the individual's competency and behavioural assessment while the policy/guideline and procedure on termination/resignation process is developed in consideration of the Company's business requirements and the applicable Malaysian employment laws. A web-based performance management system is in place to manage and facilitate performance monitoring and evaluation at Company, Divisional and Individual level. People capability assessment encompassing managerial, technical, functional and behavioral areas are being conducted on annual basis.

(vi) **Supplier Conduct Principles** have been established which outlines the standard for ethical and business conduct expected from contractors and suppliers in their relationship with the Group. These principles are incorporated in the contracts with vendors and Request for Proposals documents.

CONTROL ENVIRONMENT AND STRUCTURE (CONTINUED)

(b) Risk Assessment

(i) **Risk Management Framework and Risk Management Procedure Manual** has been adopted to guide the Risk Management Secretariat and Divisional Risk Coordinators to identify, analyse and evaluate business and operational risks. The Risk Management Secretariat monitors implementation and updates of action plans and report to the Risk Management Steering Committee ("RMSC").

(ii) **The RMSC** is tasked with developing and maintaining an effective risk management system within the Group. Formal risk policies and guidelines have been established as part of the risk management framework. Under the existing risk management framework, the business operating units, departments and divisions are responsible for compliance with risk policies and guidelines. During the financial year, the RMSC reviewed the enterprise risk profiles and management's action plan on risk areas.

(iii) **The Risk Management Secretariat** reports to the RMSC to assist it in the undertaking of its functions. The Risk Management Secretariat meets with representatives of all divisions during the Risk Coordinator Meeting every three (3) months to discuss developments pertaining to the enterprise risk and updates the registers accordingly.

(iv) **Designated Risk Coordinators** were tasked with maintaining the risk registers for their operating units and to follow up on action plans to manage and mitigate the risk factors.

(c) Control Activities

(i) **Operational And Accounting Manuals** are in place to provide guidelines and standard operating procedures over the Group's key business processes. In addition, ISO 9001:2008 certifications accorded to Credit Management Department, Account Payable Department, Customer Billing Assurance Department and Treasury Department that were independently certified by SIRIM QAS International for various relevant periods from 2014 until 2018.

(ii) **The Whistleblowing Policy** outlines the Group's commitment to encourage employees to disclose any malpractice or misconduct of which they become aware and to provide protection for employees who report such allegations. The policy provides the framework and procedures by which directors, staff, contractors and consultants can anonymously voice concerns or complaints.

(iii) **Business Continuity Management (BCM) Framework** has been established in 2011 as a guide to develop and maintain the Group's BCM programme based on management's evaluation of the requirements/definitions under Malaysia/International standards i.e. MS1970:2007, ISO22301, ISO22313 and PD25666. The implementation of Group's BCM programme will facilitate the following:

- To respond to business disruptions, resume critical operations from major failures or disasters; and
- To minimise the impact to the Group's business operations in the event of disasters.

(iv) **Financial And Operational Information** is prepared and presented to the Board on a quarterly basis. Annual budgets and business plans are prepared by all business units and consolidated for the Board's review and approval. Operating results are monitored against budget on a monthly basis by the EXCO members and presented to EXCO at least on a quarterly basis. The Audit Committee and Board review the results on a quarterly basis to enable it to track the Group's achievement against its annual targets.

CONTROL ENVIRONMENT AND STRUCTURE (CONTINUED)

(c) Control Activities (continued)

(v) **Board Meetings** are scheduled at least quarterly. Board papers are distributed to the Board members ahead of meetings and the members have access to all relevant information. Decisions are made by the Board only after the required information is presented and deliberated to facilitate appropriate oversight and responsibility on the direction of the Group by the Board.

(vi) **Management Meetings** are carried out by the EXCO. The management meetings attended by the senior management at least once a month during the year. The meetings are held to review how business is executed against key strategic objectives/plans and discuss action items, initiatives, key issues and other forward-looking operational subjects in a cross-functional environment.

(d) Monitoring

(i) **Internal Audit Function** reports to the Audit Committee at least quarterly and is guided by the Audit Charter. Findings and recommendations for improvements are communicated to the Senior Management and the Audit Committee with relevant follow up on the implementation status of action plans. The Internal Audit function adopts a risk-based approach in the review of internal control based on an annual audit plan approved by the Audit Committee. The Internal Audit function examines the adequacy and effectiveness of the verification, recording and disclosure procedures for related party transactions, recurrent or otherwise, in conformance with Bursa Securities Listing Requirements on related party transactions.

(ii) **Fraud Monitoring And Credit Management** functions are in place to ensure that subscriber usage patterns are continuously monitored, appropriate actions taken for suspected fraud and credit management procedures are adhered to.

(iii) **The Mandatory Standards for Quality of Service** is a measurement of the standard of service that was established by the Malaysian Communications and Multimedia Commission (MCMC) to monitor and regulate the performance of telecommunications services provision by the Network Service and Applications Service providers. The current metrics are tied to billing performance, customer complaints, service availability, service restoration performance and network performance. The telecommunication subsidiary complies with the half yearly report submission to MCMC.

(iv) **Revenue Assurance** function monitors potential revenue leakages that may arise from daily operations. Identified revenue leakage issues with recommendations for mitigation are circulated to the relevant departments for action. Action plans and status are reported to management in periodic management meetings.

CONCLUSION

The Board had received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively.

For the financial year under review and up to the date of this report, the Board is satisfied with the Group's system of risk management and internal control and will continue to review the adequacy and integrity of the Group's internal control. There are no material losses, contingencies or uncertainties that have arisen from any inadequacy or failure of the Group's system of risk management and internal control that would require separate disclosure in the Group's Annual Report.

GROUP FINANCIAL HIGHLIGHTS

	2011	2012	2013	2014	2015
Revenue (RM'000)	313,872	419,088	548,258	596,283	682,364
Operating Profit (RM'000)	70,187	73,512	118,032	143,861	170,649
Profit After Tax (RM'000) [1]	117,354	193,729	291,980	172,402	191,351
Total Shareholders' Equity (RM'000)	1,757,657	2,479,844	2,003,629	2,358,408	2,082,547
Total Assets (RM'000)	1,950,698	2,860,147	2,351,825	2,745,349	2,609,940
Net Tangible Assets per Share (RM) [2]	3.47	3.95	3.12	3.74	3.25
Return on Assets (ROA) (%) [1]	6%	7%	12%	6%	7%
Return on Equity (ROE) (%) [1]	7%	8%	15%	7%	9%
Revenue Growth (Y-o-Y) (%)	-2%	34%	31%	9%	14%
Basic Earnings per Ordinary Share (sen) [1&2]	23.19	35.39	50.95	30.34	33.55

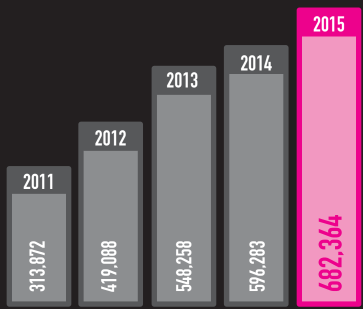
Note 1:

For comparisons purposes, excludes realisation of fair value gain reclassfied from available-for-sale reserve equity account to profit and loss amounting to RM349,354,000 arising from the partial distribution of quoted equity investments held by the Company in the form of a dividend-in-specie to Shareholders in June 2013 and realisation of fair value gain reclassfied from available-for-sale reserve to profit or loss amounting to RM274,024,000 due to disposal of 49,900,000 and 18,829,500 ordinary shares held in DiGi.Com Berhad on 10 April 2015 and 12 May 2015 respectively.

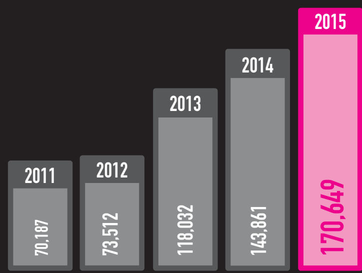
Note 2:

For comparisons purposes, the number of shares in the Company prior to May 2012 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 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.

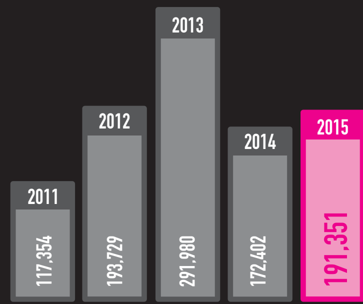
REVENUE (RM'000)



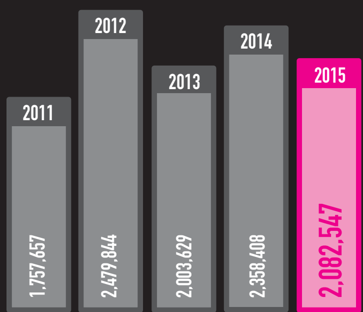
OPERATING PROFIT (RM'000)



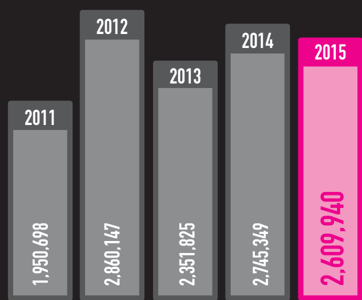
PROFIT AFTER TAX (RM'000) [1]



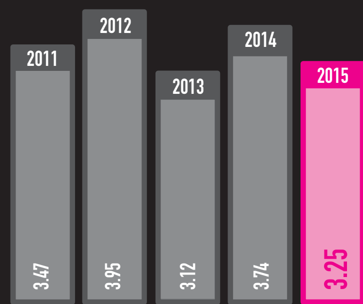
TOTAL SHAREHOLDERS' EQUITY (RM'000)



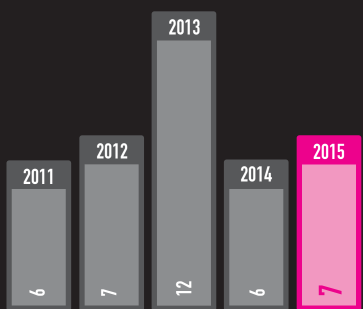
TOTAL ASSETS (RM'000)



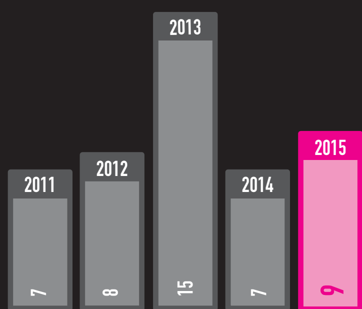
NET TANGIBLE ASSETS PER SHARE (RM) [2]



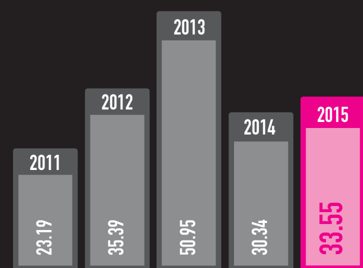
RETURN ON ASSETS (ROA) (%) [1]



RETURN ON EQUITY (ROE) (%) [1]



BASIC EARNINGS PER ORDINARY SHARE (sen) [1 & 2]



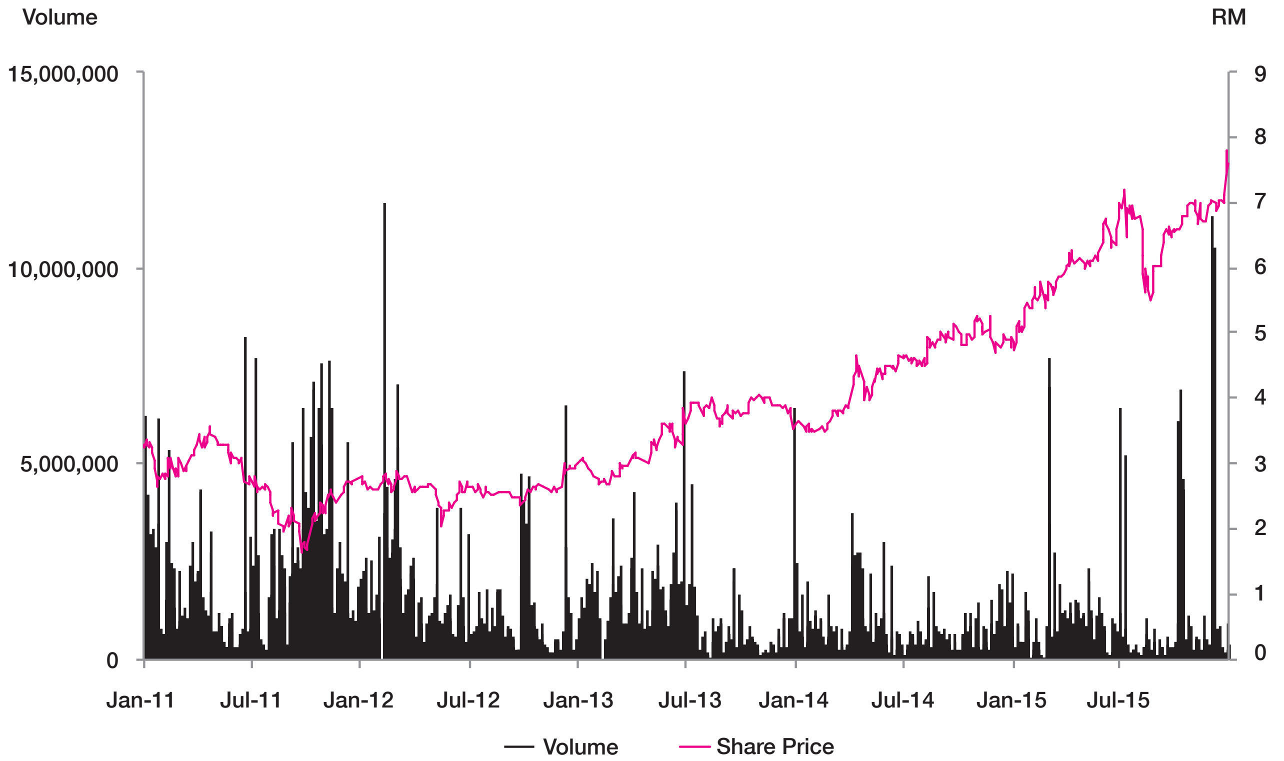
Note 1:

For comparisons purposes, excludes realisation of fair value gain reclassfied from available-for-sale reserve equity account to profit and loss amounting to RM349,354,000 arising from the partial distribution of quoted equity investments held by the Company in the form of a dividend-in-specie to Shareholders in June 2013 and realisation of fair value gain reclassfied from available-for-sale reserve to profit or loss amounting to RM274,024,000 due to disposal of 49,900,000 and 18,829,500 ordinary shares held in DiGi.Com Berhad on 10 April 2015 and 12 May 2015 respectively.

Note 2:

For comparisons purposes, the number of shares in the Company prior to May 2012 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 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.

5-YEAR SHARE PRICE MOVEMENT
as at 31 December 2015



FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the year ended 31 December 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, provision of management and marketing/promotional services whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	466,852	367,067
Non-controlling interests	(1,477)	–
	465,375	367,067

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

i) an interim tax exempt (single-tier) dividend of 5.6 sen per ordinary share for the financial year ended 31 December 2014 on 31 March 2015 amounting to approximately RM32.1 million;

ii) a special interim tax exempt (single-tier) dividend of 73.5 sen per ordinary share for the financial year ended 31 December 2015 on 29 July 2015 amounting to approximately RM423.1 million.

The Directors declared on 24 February 2016 an interim tax exempt (single tier) dividend of 6.70 sen per ordinary share for the financial year ended 31 December 2015, which will be paid on 31 March 2016.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Abdul Kadir Md. Kassim (Chairman)
Afzal Abdul Rahim (Chief Executive Officer)
Ronnie Kok Lai Huat
Elakumari Kantilal
Balasingham A. Namasiwayam
Hong Kean Yong
Patrick Corso (appointed with effect from 26 November 2015) (Executive Director)
Gan Te-Shen (resigned with effect from 14 August 2015)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.15/ Date of appointment	**Bought**	**Sold**	**At 31.12.15**
Deemed interest in the Company:				
Afzal Abdul Rahim				
- own*	207,711,022	17,073,632	(32,041,964)	192,742,690
Patrick Corso				
- own*	192,742,690	2,105,300	(2,105,300)	192,742,690
Interest in the Company:				
Ronnie Kok Lai Huat				
- own	60,000	–	(55,000)	5,000
Balasingham A.Namasiwayam:				
- other (spouse)	5,000	–	–	5,000

	Number of share options over ordinary shares of RM0.50 each			
	At 1.1.15	**Granted**	**Exercised**	**At 31.12.15**
Interest in the Company:				
Afzal Abdul Rahim				
- own	–	17,215,907	–	17,215,907

* Deemed interested by virtue of their interests held through Pulau Kapas Ventures Sdn. Bhd., Global Transit International Sdn. Bhd., Megawisra Sdn. Bhd., and Megawisra Investments Limited pursuant to Section 6A(4) of the Companies Act, 1965.

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

By virtue of Afzal Abdul Rahim and Patrick Corso's deemed interest in the shares of the Company, they are also deemed interested in the shares of subsidiaries during the financial year to the extent that TIME dotCom Berhad has an interest.

None of the other directors holding office as at 31 December 2015 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business and professional legal fees paid to a firm in which a Director is a member as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year, which the Company is a party and had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than from the grant of a share option to Afzal Abdul Rahim, the Chief Executive Officer ("CEO") and Non-Independent Executive Director of the Company.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company was increased from 573,863,591 to 575,600,469 by way of an issuance of 1,736,878 new ordinary shares of RM0.50 each pursuant to the Company's share grant plan. The new ordinary shares issued shall rank pari passu with the existing ordinary shares of the Company.

There were no other changes in the authorised, issued and paid-up capital of the Company and the Company has not issued any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company apart from the granting of the share options to the CEO during the financial year.

SHARE OPTION TO THE CHIEF EXECUTIVE OFFICER ("CEO")

At an extraordinary general meeting held on 20 May 2015, the Company's shareholders approved the granting of a share option to Afzal Abdul Rahim, the CEO and Non-Independent Executive Director of the Company to subscribe for up to 17,215,907 new ordinary shares of RM0.50 each in the Company.

The salient terms of the share option are as follows:

(a) The option period commenced on 21 July 2015 and will end on the earlier of the day prior to the fifth anniversary of the date of the Share Option Agreement or the date on which the CEO ceases to hold any executive position within the Group by reason of his voluntary resignation becoming effective or the lawful termination of his employment with just cause or excuse. The option shall automatically lapse and become null and void upon expiry of the option period.

(b) The aggregate number of shares to be issued shall not be more than 17,215,907.

(c) The option price of RM5.99 per share was determined based on a discount of 10% to the five days volume weighted average market price of the Company shares immediately preceding the date on which the option was granted by the Company to the CEO.

(d) The option may be exercised by the CEO at any time and from time to time during the option period up to a maximum of 20% of the total option shares per annual period of the option period. Any portion of the option which is unexercised can be carried forward to the next period without reducing the maximum exercisable portion in the next period.

(e) In the event of any alteration in the capital structure of the Company during the option period, such corresponding alterations (if any) may be made to the Proposed Grant in terms of the option exercise price and/or the number of option shares which have not yet been exercised so as to give the CEO a fair and reasonable entitlement in respect of the option shares, as shall be certified by an external auditor or an investment bank.

SHARE GRANT PLAN TO EMPLOYEES

At an Extraordinary General Meeting held on 28 June 2012, the Company's shareholders approved the establishment of the share grant plan ("SGP"), which collectively comprises the Special Restricted Share Plan ("SRSP") and Annual Restricted Share Plan and Annual Performance Share Plan ("ARPSP"). The SRSP was granted and fully vested on 30 November 2012.

The salient features of the share grant plan are, inter alia, as follows:

(a) The Scheme Committee (appointed by the Board of Directors to administer the SGP) may, in its discretion and where necessary, direct the implementation and administration of the plan. The Committee may at any time within the duration of the plan, offer ARPSP awards under the SGP to eligible employees in which such offer shall lapse should the eligible employees or Executive Directors of the Group fail to accept within the period stipulated. Non-Executive and Independent Directors and the CEO are not eligible for the SGP;

(b) The total number of shares to be issued under the share grant plan shall not exceed in aggregation of 10% of the issued and paid-up capital of the Company (excluding treasury shares) at any point of time during the tenure of share grant plan period to eligible employees of the Group;

SHARE GRANT PLAN TO EMPLOYEES (CONTINUED)

The salient features of the share grant plan are, inter alia, as follows: (continued)

(c) All new ordinary shares issued pursuant to the SGP will rank pari passu in all respect with the then existing ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any rights, dividends or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission or otherwise;

(d) The shares granted will only be vested to the eligible employees of the Group who have duly accepted the offer of awards under the SGP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:

- Eligible employees of the Group must remain in employment with the Group and shall not have given notice of resignation or received notice of termination of service as at the vesting dates.
- Eligible employees of the Group having achieved his/her performance targets as stipulated by the Committee and as set out in their offer of awards.
- Eligible employees of the Group having achieved his/her minimum grading in his/her individual performance in accordance with the performance management system adopted by the Company.

(e) The share grant plan shall be in force for a period of eight (8) years or such longer period as may be extended but not exceeding ten (10) years from the adoption date of the share grant plan.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and that adequate provision has been made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person other than as disclosed in the notes to the financial statements, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than realisation of available-for-sale reserve following the disposal of the other investments of the Group and of the Company and net gain on waiver of amounts due to subsidiaries of the Company, the financial performance for the financial year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

………………………………………………………

Afzal Abdul Rahim

………………………………………………………

Elakumari Kantilal

Shah Alam, Selangor

Date: 24 February 2016

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Assets					
Property, plant and equipment	3	1,250,747	965,693	8,233	29,860
Intangible assets	4	213,959	213,959	–	–
Investments in subsidiaries	5	–	–	444,645	476,426
Investments in equity accounted investments	6	61,036	–	–	–
Other investments	7	377,459	848,222	371,140	848,122
Deferred tax assets	8	212,008	210,599	5,745	5,745
Trade and other receivables	9	10,092	10,564	–	–
Total non-current assets		2,125,301	2,249,037	829,763	1,360,153
Tax recoverable		2,253	983	–	–
Trade and other receivables	9	229,133	177,758	429,424	79,202
Restricted cash	10	10,759	10,033	4,001	5,360
Cash and cash equivalents	10	242,494	307,538	32,694	87,709
Total current assets		484,639	496,312	466,119	172,271
Total assets		2,609,940	2,745,349	1,295,882	1,532,424
Equity					
Share capital	11	287,800	286,932	287,800	286,932
Reserves	12	1,794,747	2,069,999	1,001,197	1,234,736
Equity attributable to owners of the Company		2,082,547	2,356,931	1,288,997	1,521,668
Non-controlling interests	13	–	1,477	–	–
Total equity		2,082,547	2,358,408	1,288,997	1,521,668
Liabilities					
Loans and borrowings	14	101,965	88,494	–	–
Deferred income	15	23,078	21,852	–	5,308
Deferred tax liabilities	8	5,939	5,683	–	–
Total non-current liabilities		130,982	116,029	–	5,308
Loans and borrowings	14	45,825	51,731	–	–
Trade and other payables	15	349,373	218,431	6,577	5,170
Provision for tax		1,213	750	308	278
Total current liabilities		396,411	270,912	6,885	5,448
Total liabilities		527,393	386,941	6,885	10,756
Total equity and liabilities		2,609,940	2,745,349	1,295,882	1,532,424

The notes on pages 64 to 134 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	16	682,364	596,283	27,708	16,501
Cost of sales	17	(334,557)	(285,137)	–	–
Gross profit		347,807	311,146	27,708	16,501
Other income		40,770	9,648	52,195	224
Distribution expenses		(18,257)	(22,719)	(483)	(191)
Administrative expenses		(187,080)	(145,119)	(26,580)	(15,920)
Other expenses		(12,591)	(9,095)	(51,781)	–
Results from operating activities		170,649	143,861	1,059	614
Income from investments	18	32,703	42,699	257,781	39,223
Realisation of fair value gain reclassified from available for-sale reserve to profit or loss	12.4	274,024	74	109,760	74
Finance costs	19	(6,607)	(7,302)	–	–
Share of profit from equity accounted investments, net of tax		25	–	–	–
Profit before tax	20	470,794	179,332	368,600	39,911
Tax expense	21	(5,419)	(6,930)	(1,533)	(796)
Profit for the year		465,375	172,402	367,067	39,115
Attributable to:					
- owners of the Company		466,852	173,925	367,067	39,115
- non-controlling interests		(1,477)	(1,523)	–	–
Profit for the year		465,375	172,402	367,067	39,115

The notes on pages 64 to 134 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Fair value (loss)/gain on available-for-sale financial assets		(53,128)	166,399	(53,128)	166,399
Realisation of fair value gain from available-for-sale reserve to profit or loss		(274,024)	(74)	(109,760)	(74)
Foreign currency translation differences for foreign operations		22,766	4,235	–	–
Other comprehensive (expense)/income, net of tax		(304,386)	170,560	(162,888)	166,325
Total comprehensive income for the year		160,989	342,962	204,179	205,440
Attributable to:					
- owners of the Company		162,466	344,485	204,179	205,440
- non-controlling interests		(1,477)	(1,523)	–	–
Total comprehensive income for the year		160,989	342,962	204,179	205,440
Earnings per ordinary share (sen)	22				
- Basic		81.24	30.34		
- Diluted		81.11	30.34		

The notes on pages 64 to 134 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2015

Group	Share capital RM'000	Share premium RM'000	Available -for-sale reserve RM'000	Foreign currency translation reserve RM'000	Share grant/ option reserves RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total RM'000
	← Non-distributable				→	← Distributable →				
At 1 January 2014	286,547	844,686	382,136	3,753	–	8,760	477,747	2,003,629	–	2,003,629
Sale of subsidiary shares to non-controlling interests	–	–	–	–	–	–	–	–	3,000	3,000
Employee share grant plan	–	–	–	–	8,817	–	–	8,817	–	8,817
Issuance of shares pursuant to the share grant plan	385	3,049	–	–	(3,434)	–	–	–	–	–
Profit for the year	–	–	–	–	–	–	173,925	173,925	(1,523)	172,402
Fair value gain of available-for-sale financial asset	–	–	166,399	–	–	–	–	166,399	–	166,399
Realisation of fair value gain from available-for-sale reserve to profit or loss	–	–	(74)	–	–	–	–	(74)	–	(74)
Exchange differences recognised directly in equity	–	–	–	4,235	–	–	–	4,235	–	4,235
Total comprehensive income/(expense) for the year	–	–	166,325	4,235	–	–	173,925	344,485	(1,523)	342,962
At 31 December 2014	286,932	847,735	548,461	7,988	5,383	8,760	651,672	2,356,931	1,477	2,358,408

The notes on pages 64 to 134 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2015

Group	Share capital RM'000	Share premium RM'000	Available -for-sale reserve RM'000	Foreign currency translation reserve RM'000	Share grant/ option reserves RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total RM'000
	Non-distributable					*Distributable*				
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 to owners of the Company	–	–	–	–	–	–	(455,203)	(455,203)	–	(455,203)
Employee share grant plan/option scheme	–	–	–	–	18,353	–	–	18,353	–	18,353
Issuance of shares pursuant to the share grant plan	868	6,876	–	–	(7,744)	–	–	–	–	–
Profit for the year	–	–	–	–	–	–	466,852	466,852	(1,477)	465,375
Fair value loss of available-for-sale financial asset	–	–	(53,128)	–	–	–	–	(53,128)	–	(53,128)
Realisation of fair value gain from available-for-sale reserve to profit or loss	–	–	(274,024)	–	–	–	–	(274,024)	–	(274,024)
Exchange differences recognised directly in equity	–	–	–	22,766	–	–	–	22,766	–	22,766
Total comprehensive (expense)/income for the year	–	–	(327,152)	22,766	–	–	466,852	162,466	(1,477)	160,989
At 31 December 2015	287,800	854,611	221,309	30,754	15,992	8,760	663,321	2,082,547	–	2,082,547

The notes on pages 64 to 134 are an integral part of these financial statements.

Company	Share capital RM'000	Share premium RM'000	Available -for-sale reserve RM'000	Share grant/ option reserves RM'000	Capital reserve RM'000	Retained earnings RM'000	Total RM'000
	← Non-distributable			→	← Distributable	→	
1 January 2014	286,547	844,686	53,609	–	8,760	113,809	1,307,411
Employee share grant plan	–	–	–	8,817	–	–	8,817
Issuance of shares pursuant to the share grant plan	385	3,049	–	(3,434)	–	–	–
Profit for the year	–	–	–	–	–	39,115	39,115
Fair value gain of available-for-sale financial asset	–	–	166,399	–	–	–	166,399
Realisation of fair value gain from available-for-sale reserve to profit or loss	–	–	(74)	–	–	–	(74)
Total comprehensive income for the year	–	–	166,325	–	–	39,115	205,440
At 31 December 2014/1 January 2015	286,932	847,735	219,934	5,383	8,760	152,924	1,521,668
Dividend paid	–	–	–	–	–	(455,203)	(455,203)
Employee share grant plan/option scheme	–	–	–	18,353	–	–	18,353
Issuance of shares pursuant to the share grant plan	868	6,876	–	(7,744)	–	–	–
Profit for the year	–	–	–	–	–	367,067	367,067
Fair value loss of available-for-sale financial asset	–	–	(53,128)	–	–	–	(53,128)
Realisation of fair value gain from available-for-sale reserve to profit or loss	–	–	(109,760)	–	–	–	(109,760)
Total comprehensive (expense)/ income for the year	–	–	(162,888)	–	–	367,067	204,179
At 31 December 2015	287,800	854,611	57,046	15,992	8,760	64,788	1,288,997

The notes on pages 64 to 134 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash flows from operating activities					
Cash receipts from customers		766,045	628,129	7,375	7,997
Transfer (to)/from restricted cash		(726)	24,884	1,359	25,016
Cash payments to suppliers		(242,659)	(184,070)	(2,386)	(758)
Cash payments to employees and for administrative expenses		(177,264)	(172,977)	(14,794)	(8,644)
Cash receipts from subsidiary companies		–	–	41,405	433
Cash generated from operations		345,396	295,966	32,959	24,044
Tax refund		–	560	–	–
Tax paid		(7,380)	(5,605)	(1,504)	(662)
Net cash from operating activities		338,016	290,921	31,455	23,382
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(332,959)	(221,779)	(15)	(21,557)
Proceeds from disposal of property, plant and equipment		3,921	191	–	3
Purchase of other investments		(6,219)	–	–	–
Increase in investments in a subsidiary		–	–	–	(7,000)
Investment in equity accounted investments		(59,780)	–	–	–
Disposal of quoted investments		423,854	286	423,854	286
Investment income received		32,828	42,392	27,653	39,117
Net cash from/(used in) investing activities		61,645	(178,910)	451,492	10,849

The notes on pages 64 to 134 are an integral part of these financial statements.

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash flows from financing activities					
Proceeds from term loans and other borrowings		60,511	22,105	–	–
Advances to subsidiary companies		–	–	(83,774)	(51,064)
Repayment of term loans and borrowings		(74,432)	(48,261)	–	–
Dividend paid		(455,203)	–	(455,203)	–
Finance charges paid		(7,010)	(7,264)	–	(156)
Transaction costs paid		–	(1,429)	–	–
Net cash used in financing activities		(476,134)	(34,849)	(538,977)	(51,220)
Net (decrease)/increase in cash and cash equivalents		(76,473)	77,162	(56,030)	(16,989)
Effect of exchange rate fluctuations on cash held		11,429	2,459	1,015	–
Cash and cash equivalents at 1 January		307,538	227,917	87,709	104,698
Cash and cash equivalents at 31 December	(i)	242,494	307,538	32,694	87,709

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash and bank balances	65,638	91,035	647	2,153
Deposits placed with licensed banks	187,615	226,536	36,048	90,916
	253,253	317,571	36,695	93,069
Restricted cash	(10,759)	(10,033)	(4,001)	(5,360)
	242,494	307,538	32,694	87,709

(ii) Acquisition of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM340,605,000 (2014: RM251,272,000) and RM15,000 (2014: RM21,557,000) respectively.

During the financial year, the Group and the Company paid RM332,959,000 (2014: RM221,779,000) and RM15,000 (2014: RM21,557,000) respectively to suppliers for property, plant and equipment that was either acquired in the prior financial years or in the current financial year.

The notes on pages 64 to 134 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TIME dotCom Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Level 4, No. 14, Jalan Majistret U1/26
Hicom Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures.

The Company is principally engaged in investment holding, provision of management and marketing/promotional services whilst the principal activities of the subsidiaries are as stated in Note 5. There has been no significant change in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors on 24 February 2016.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs, as applicable, that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs and amendments to MFRSs		**Effective for annual periods beginning on or after**
MFRS 14	*Regulatory Deferral Account*	1 January 2016
Amendments to MFRS 5	*Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*	1 January 2016
Amendments to MFRS 7	*Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	*Consolidated Financial Statements, Disclosures of Interests in Other Entities and Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*	1 January 2016

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRSs and amendments to MFRSs		Effective for annual periods beginning on or after
Amendments to MFRS 11	*Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*	*1 January 2016*
Amendments to MFRS 101	*Presentation of Financial Statements – Disclosure Initiative*	*1 January 2016*
Amendments to MFRS 116 and MFRS 138	*Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*	*1 January 2016*
Amendments to MFRS 116 and MFRS 141	*Property, Plant and Equipment and Agriculture – Agriculture: Bearer Plants*	*1 January 2016*
Amendments to MFRS 119	*Employee Benefits (Annual Improvements 2012-2014 Cycle)*	*1 January 2016*
Amendments to MFRS 127	*Separate Financial Statements – Equity Method in Separate Financial Statements*	*1 January 2016*
Amendments to MFRS 134	*Interim Financial Reporting (Annual Improvements 2012 -2014 Cycle)*	*1 January 2016*
MFRS 9	*Financial Instruments (2014)*	*1 January 2018*
MFRS 15	*Revenue from Contracts with Customers*	*1 January 2018*
Amendments to MFRS 10 and MFRS 128	*Consolidated Financial Statements and Investments in Associates and Joint ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	*Date yet to be confirmed by MASB*

The Group and the Company plans to apply the abovementioned accounting standards, amendments:

- from the annual period beginning on 1 January 2016 for those standards and amendments to standards that are effective for annual periods beginning on or after 1 January 2016, and

- from the annual period beginning on 1 January 2018 for those standards and amendments to standards, where applicable that are effective for annual periods beginning on or after 1 January 2018.

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The initial application of the abovementioned standards and amendments to standards, where applicable are not expected to have any material financial impact to the financial statements of the Group and of the Company except as mentioned below:

MFRS 15, Revenue from Contract with Customers

MFRS 15 will replace the guidance in MFRS 111, *Construction Contract*s, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services.*

The Group is currently assessing the financial impact of adopting MFRS 15.

MFRS 9, Financial Instruments

MFRS 9 will replace the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

The Group is currently assessing the financial impact of adopting MFRS 9.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial statements other than those disclosed in Note 4 – determination of recoverable amount for goodwill assessment and Note 8 – recognition of deferred tax assets.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Potential voting rights are considered when assessing control only when such rights are substantive.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses unless the investment is classified as held for sale or distribution.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to makespecified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially transferring all risk and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The telecommunications network includes assets that are acquired or constructed under the telecommunications license. Items of telecommunications network are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also include the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Purchased software including development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Leasehold land is depreciated over the shorter of the term of the associated lease or 50 years, being the estimated useful lives, on a straight line basis. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	50 years
• improvements	5-7 years
• office equipment, furniture and fittings	5-7 years
• loose tools	5 years
• computer systems	5 years
• motor vehicles	5 years
• data centre equipment (excluding project management equipment)	5-15 years
• telecommunications network	
- commissioned network (excluding global bandwidth assets)	3-20 years

Global bandwidth assets, which form part of the Group's telecommunications network are charged to profit or loss over the duration of their respective underlying contracts. For sale of global bandwidth assets that also include the sale of future capacity upgrade entitlements, the proportionate value of the asset's net book value provided shall be taken to profit or loss. Project management equipment, which form part of the Group's data centre equipment are depreciated over the shorter of the duration of their respective underlying contract or its useful lives.

Depreciation method, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for prepaid property interest held under operating lease, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates and joint ventures.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits. Balances and deposits with banks and highly liquid investments are categorised as loans and receivables.

(h) Impairment

(i) Financial assets

All financial assets (except for investment in subsidiaries and investments in associates and joint venture) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of an unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which w impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purpose. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the group of cashgenerating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash generating units) on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Cost directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Distribution of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend payable is remeasured at each reporting period and at settlement date, with any changes to the carrying amount of the dividend payable is recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the differences, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits (continued)

(iii) Share-based payment transactions (continued)

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share grant and share option granted to the Chief Executive Officer ("CEO") are measured using the Monte Carlo simulation model and Black-Scholes model respectively. Measurement inputs for share grant include share price on measurement date and expected dividends. For employee share grants issued out of new stock, the share price is further adjusted for effects of dilution. Measurement inputs for the share option to the CEO include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), expected dividend, and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the share option is exercised. When the share option is not exercised and lapses, the share-based payment reserves are transferred to retained earnings.

In the financial statements of the Company, the grant by the Company of shares to eligible employees of subsidiaries of the Group is subsequently charged to the subsidiaries and the Company recognises a reduction in its employee expense.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer to those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

(l) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue and other income

(i) Revenue

Revenue of the Company consists of management fees. Management fees are recognised when services are rendered.

Revenue of the Group consists of gross billings on telecommunications and information technology related services provided net of discounts and gross invoiced value of goods sold net of discounts and returns.

Revenue for billings is recognised when services are rendered or upon delivery of products and when the risk and rewards have passed. Revenue from global bandwidth agreements which provide access to a specified amount of bandwidth or capacity are accounted for accordingly as a sale of goods or rendering of services.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Rental income

Rental income is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(iv) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Earnings per ordinary share

The Group presents basic and diluted earnings per share for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share based payments to employees, where applicable.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segment’s operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Fair value measurement

The fair value of an asset or liability, except for share based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a marketparticipant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest or best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data wherever possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Cost										
At 1 January 2014	23,467	7,508	25,163	8,172	12,309	96,972	7,676	64,889	1,702,049	1,948,205
Additions	–	–	5,337	431	–	5,215	395	4,334	235,560	251,272
Capital injection by a non-controlling interest	–	–	18	21	–	2,990	–	–	–	3,029
Reclassification between property, plant and equipment	–	–	262	–	–	(8,416)	–	8,154	–	–
Disposal	–	(33)	–	(12)	(9)	(2,158)	(1,361)	–	(3,182)	(6,755)
Write offs	–	–	(39)	(245)	–	(3,577)	(45)	(43)	(96,469)	(100,418)
Effect of movement in exchange rates	–	–	–	–	–	1	–	–	14,677	14,678
At 31 December 2014/ 1 January 2015	23,467	7,475	30,741	8,367	12,300	91,027	6,665	77,334	1,852,635	2,110,011
Additions	16,879	–	1,554	227	1	4,490	99	11,145	306,210	340,605
Disposal	(1,483)	–	–	–	–	–	–	–	(1,343)	(2,826)
Write offs	–	–	(34)	(2,588)	–	(3,684)	–	–	(95,213)	(101,519)
Effect of movement in exchange rates	–	–	–	–	–	12	–	30	79,018	79,060
At 31 December 2015	38,863	7,475	32,261	6,006	12,301	91,845	6,764	88,509	2,141,307	2,425,331

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Depreciation and impairment loss										
1 January 2014										
Accumulated depreciation	–	6,776	7,320	6,251	12,176	87,446	4,502	23,053	796,052	943,576
Accumulated impairment losses	2,101	–	–	–	–	–	–	–	190,605	192,706
	2,101	6,776	7,320	6,251	12,176	87,446	4,502	23,053	986,657	1,136,282
Depreciation for the year	–	374	4,328	606	104	3,329	960	6,153	69,114	84,968
Disposal	–	(29)	–	(12)	(9)	(2,157)	(1,361)	–	(3,182)	(6,750)
Global bandwidth assets charged out	–	–	–	–	–	–	–	–	27,142	27,142
Reclassification between property, plant and equipment	–	–	13	–	–	(6,704)	–	6,691	–	–
Impairment write offs	–	–	–	–	–	–	–	–	(78,388)	(78,388)
Write offs	–	–	(34)	(244)	–	(3,576)	(44)	(21)	(17,624)	(21,543)
Effect of movement in exchange rates	–	–	–	–	–	1	–	–	2,606	2,607
At 31 December 2014/ 1 January 2015										
Accumulated depreciation	–	7,121	11,627	6,601	12,271	78,339	4,057	35,876	874,108	1,030,000
Accumulated impairment losses	2,101	–	–	–	–	–	–	–	112,217	114,318
	2,101	7,121	11,627	6,601	12,271	78,339	4,057	35,876	986,325	1,144,318

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Depreciation and impairment loss (continued)										
Depreciation for the year	–	284	4,480	636	14	4,305	1,041	6,667	75,791	93,218
Disposal	–	–	–	–	–	–	–	–	(1,339)	(1,339)
Global bandwidth assets charged out	–	–	–	–	–	–	–	–	21,460	21,460
Impairment write offs	–	–	–	–	–	–	–	–	(42,971)	(42,971)
Write offs	–	–	(10)	(2,570)	–	(1,072)	–	–	(50,455)	(54,107)
Effect of movement in exchange rates	–	–	–	–	–	11	–	2	13,992	14,005
At 31 December 2015										
Accumulated depreciation	–	7,405	16,097	4,667	12,285	81,583	5,098	42,545	933,557	1,103,237
Accumulated impairment losses	2,101	–	–	–	–	–	–	–	69,246	71,347
	2,101	7,405	16,097	4,667	12,285	81,583	5,098	42,545	1,002,803	1,174,584
Carrying amounts										
At 1 January 2014	21,366	732	17,843	1,921	133	9,526	3,174	41,836	715,392	811,923
At 31 December 2014/ 1 January 2015	21,366	354	19,114	1,766	29	12,688	2,608	41,458	866,310	965,693
At 31 December 2015	36,762	70	16,164	1,339	16	10,262	1,666	45,964	1,138,504	1,250,747

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Telecommunication network

	2015 RM'000	2014 RM'000
Network cost:		
Commissioned network	1,686,887	1,618,303
Network-in-progress	454,420	234,332
	2,141,307	1,852,635
Less: Accumulated impairment losses	(69,246)	(112,217)
Less: Accumulated depreciation	(933,557)	(874,108)
Net book value	1,138,504	866,310

Included in commissioned network are global bandwidth assets with a fixed monetary value of RM96,153,000 (2014: RM93,341,000). The global bandwidth assets are charged to profit or loss over the duration of the contract. The carrying amount for the said global bandwidth assets at the reporting date was RM62,266,000 (2014: RM69,308,000).

3.2 Write offs

During the financial year, the Group wrote off certain items within property, plant and equipment with costs totalling RM101,519,000 (2014: RM100,418,000) of which RM42,971,000 (2014: RM78,388,000) and RM54,107,000 (2014: RM21,543,000) was written off against accumulated impairment losses and accumulated depreciation respectively. The remaining amount of RM4,441,000 (2014: RM487,000) was charged to statement of profit or loss and other comprehensive income.

3.3 Leasehold land

Included in the carrying amounts of leasehold land are:

	Group	
	2015 RM'000	2014 RM'000
Leasehold land with unexpired lease period of		
- less than 50 years	58	125
- more than 50 years	12	229
	70	354

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.4 Leased plant and equipment

Included in plant and equipment at the end of reporting period were the following assets acquired under leased terms:

	Group	
	2015 RM'000	**2014 RM'000**
Net carrying amount		
- Telecommunication networks	9,240	1,138

3.5 Buildings and improvements

Included in buildings and improvements in the previous financial year was a portion under construction with a cost amounting to RM995,000.

3. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Company	Freehold land RM'000	Building and impr-ovements RM'000	Office equipment, furniture and fittings RM'000	Computer systems RM'000	Motor vehicles RM'000	Network-in-progress RM'000	Total RM'000
Cost							
At 1 January 2014	8,113	390	320	8,014	17	–	16,854
Additions	–	–	–	–	–	21,557	21,557
Disposal	–	–	–	–	(17)	–	(17)
At 31 December 2014 /1 January 2015	8,113	390	320	8,014	–	21,557	38,394
Additions	–	13	2	–	–	–	15
Transfer to a subsidiary	–	–	–	–	–	(21,557)	(21,557)
At 31 December 2015	8,113	403	322	8,014	–	–	16,852
Depreciation							
At 1 January 2014	–	128	308	8,014	17	–	8,467
Disposals	–	–	–	–	(17)	–	(17)
Depreciation for the year	–	78	6	–	–	–	84
At 31 December 2014 /1 January 2015	–	206	314	8,014	–	–	8,534
Depreciation for the year	–	78	7	–	–	–	85
At 31 December 2015	–	284	321	8,014	–	–	8,619
Carrying amounts							
At 1 January 2014	8,113	262	12	–	–	–	8,387
At 31 December 2014 /1 January 2015	8,113	184	6	–	–	21,557	29,860
At 31 December 2015	8,113	119	1	–	–	–	8,233

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use, with cost amounting to RM724,168,000 (2014: RM677,304,000) and RM8,333,000 (2014: RM8,303,000) respectively.

4. INTANGIBLE ASSETS

Group	Goodwill RM'000
Cost/Carrying amount	
At 1 January 2014/31 December 2014/31 December 2015	213,959

4.1 Impairment testing for cash-generating units containing goodwill

For the purpose of annual impairment testing, goodwill is allocated to the Group's operating units which represent the lowest level within the Group at which the goodwill is monitored for internal management reporting purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
International wholesale and global bandwidth business	102,101	102,101
Data centre business	111,858	111,858
	213,959	213,959

International wholesale and global bandwidth business

The recoverable amount of the international wholesale and global bandwidth business was based on its value in use. The recoverable amount of the business was determined to be higher than its carrying amount.

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit. Cash flow projections used in this calculation were based on approved financial plans covering a five-year period. Cash flows beyond the five-year period were based on useful life of the asset or extrapolated to perpetuity using estimated growth rate.

Key assumptions used in the value in use calculation for the international wholesale and global bandwidth business during the current financial year include long term growth rate of 5.00% (2014: 5.00%) and pre-tax weighted average cost of capital ("WACC") of 9.24% (2014: 8.28%) respectively.

The values assigned to the key assumptions represent management's assessment of future trends in the international wholesale and global bandwidth business and are based on both external and internal sources (historical data).

A reasonable possible change in the assumptions used will not result in significant change to the impairment conclusion.

4. INTANGIBLE ASSETS (CONTINUED)

4.1 Impairment testing for cash-generating units containing goodwill (continued)

Data centre business

The recoverable amount of the data centre business was based on its value in use. The recoverable amount of the unit was determined to be higher than its carrying amount.

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit. Cash flow projections used in this calculation were based on approved financial plans covering a five-year period. Cash flows beyond five-year period were extrapolated to perpetuity using estimated growth rate.

Key assumptions used in the value in use calculation for the data centre business during the current financial year include long term growth rate of 5.00% (2014: 5.00%) and pre-tax weighted average cost of capital ("WACC") of 8.94% (2014: 10.56%) respectively.

The values assigned to the key assumptions represent management's assessment of future trends in the data centre business and are based on both external and internal sources (historical data).

A reasonable possible change in the assumptions used will not result in significant change to the impairment conclusion.

5. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares, at cost		2,800,162	2,780,162
Accumulated impairment losses	5.1	(2,355,517)	(2,303,736)
		444,645	476,426

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2015 %	Effective ownership interest 2014 %
TT dotCom Sdn. Bhd. ("TTdC")	Malaysia	Provision of voice, data, video and image communication services through its domestic and international network	100	100
TIME dotNet Bhd. ("TdN")	Malaysia	Provision and marketing of internet services to customers including providing access to the world wide web, the organisation and aggregation of content, on-line call centre on-line services, on-net advertising and virtual data storage and provision of application services including electronic mail, chat room, instant messaging, web-hosting and bulletin boards. The company ceased operations during the year and has become substantially dormant	100	100
Fantastic Fiesta Sdn. Bhd.	Malaysia	Provision of television services; internet based online services, and content procurement services. The company ceased operations during the year and has become dormant	70	70
Planet Tapir Sdn. Bhd.	Malaysia	Investment holding	100	100
TIME dotCom International Sdn. Bhd. (formerly known as Integrasi Intelek Sdn. Bhd.)	Malaysia	Investment holding	100	–

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2015 %	Effective ownership interest 2014 %
Global Transit Communications Sdn. Bhd.	Malaysia	Provision of telecommunication and related services	100	100
Global Transit Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit (Hong Kong) Limited*	Hong Kong	Provision of management services	100	100
Global Transit Singapore Pte. Ltd.*	Singapore	Wholesale of telecommunication equipment and related services	100	100
Global Transit 2 Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 3 Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 5 Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
The AIMS Asia Group Sdn. Bhd. ("TAAG")	Malaysia	Investment holding	100	100
AIMS Cyberjaya Sdn. Bhd.	Malaysia	Provision of value added network services, information services, system integration services, operations of data networks and network based applications for corporations	100	100

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2015 %	Effective ownership interest 2014 %
AIMS Data Centre 2 Sdn. Bhd.	Malaysia	Dormant	100	100
AIMS Data Centre Sdn. Bhd.	Malaysia	Provision of value added network services, information services, system integration services, operation of data networks and network based applications for corporations and building management	100	100
AIMS Data Centre Pte. Ltd.*	Singapore	Provision of telecommunication related services	100	100

* Not audited by member firms of KPMG International.

The Company had on 22 December 2015 acquired the entire ordinary issued and paid up share capital amounting to 100,002 ordinary shares in AIMS Data Centre Pte. Ltd ("ADCPL") and 17,774,549 ordinary shares in AIMS Data Centre Sdn. Bhd. ("ADC") from its wholly owned subsidiary, The AIMS Asia Group Sdn. Bhd. for a cash consideration of SGD1 and RM20,000,000 respectively. Following the internal reorganisation, ADCPL and ADC become the direct wholly-owned subsidiaries of the Company.

5.1 Accumulated impairment losses

As part of the Company's initiative to streamline its business operations, the Company embarked on an internal re-organisation exercise which resulted in the winding down and transfer of operations in TIME dotNet Berhad ("TDN") and Fantastic Fiesta Sdn. Bhd. ("FFSB") to other subsidiaries within the Group and the acquisition of ADC and ADCPL from The AIMS Asia Group Sdn. Bhd. The reorganisation exercise resulted in an impairment loss being recognised by the Company for TdN, FFSB, AIMS Data Centre 2 Sdn. Bhd. and The AIMS Asia Group Sdn. Bhd. amounting to RM51,781,000. The said impairment loss does not have any impact on the consolidated results of the Group.

As at the financial year end, the Company has recognised accumulated impairment losses totalling RM2,355,417,000 (2014: RM2,303,736,000) for investments in the subsidiary companies.

6. INVESTMENTS IN EQUITY-ACCOUNTED INVESTMENTS

		Group	
		2015 RM'000	**2014 RM'000**
Unquoted shares at cost outside Malaysia:			
Investment in associates	6.1	57,420	–
Share of post-acquisition reserves		1,183	–
		58,603	–
Investment in joint venture	6.2	3,591	–
Share of post–acquisition reserves		(1,158)	–
		2,433	–
		61,036	–

6.1 Details of associates are as follows:

Name of entity	**Country of incorporation**	**Nature of relationship**	**Effective ownership and voting interest 2015 %**	**Effective ownership and voting interest 2014 %**	**Financial year end**
CMC Telecommunication Infrastructure Corporation ("CMC")+	Vietnam	Provision of telecommunication and related services in Vietnam	25.4	–	31 March
KIRZ Co., Ltd+	Thailand	Provision of telecommunications services in Thailand	49.0	–	31 December
KIRZ Holdings Co., Ltd+	Thailand	Investment holding	49.0	–	31 December

+ The Group's share of profit and loss is based on the latest unaudited financial statements for the period ended 31 December 2015.

6. INVESTMENTS IN EQUITY-ACCOUNTED INVESTMENTS (CONTINUED)

6.1 Details of associates are as follows: (continued)

The following table summarises the information of the Group's material investment in associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest.

Group **Summarised financial information** **As at 31 December**	**2015** **CMC** **RM'000**	 **Others** **RM'000**	 **Total** **RM'000**
Non-current assets	95,174	24,177	119,351
Current assets	102,929	5,955	108,884
Non-current liabilities	(25,655)	(14,528)	(40,183)
Current liabilities	(74,718)	(6,307)	(81,025)
Net assets	97,730	9,297	107,027
Period ended 31 December			
Revenue	77,983	4,679	82,662
Profit/(loss) and comprehensive income/(expense) for the period	7,305	(1,367)	5,938
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	22,074	4,153	26,227
Goodwill	25,736	6,640	32,376
Carrying amount in the statement of financial position	47,810	10,793	58,603
Group's share of results for the year ended 31 December			
Group's share of profit/(loss) and comprehensive income	1,853	(670)	1,183

No dividend has been received by the Group from its investments in associates in the current financial year.

6. INVESTMENTS IN EQUITY-ACCOUNTED INVESTMENTS (CONTINUED)

6.2 Details of the joint venture is as follows:

Name of entity	Country of incorporation	Nature of relationship	Effective ownership and voting interest 2015 %	2014 %	Financial year end
Campana Group Pte Ltd+	Singapore	Dormant	25.0	–	31 December

\+ The Group's share of profit or loss is based on the latest unaudited financial statements for the period ended 31 December 2015.

Campana Group Pte Ltd ("Campana") is the only joint arrangement in which the Group participates. Campana is structured as a separate vehicle to provide the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in Campana as a joint venture.

The following table summarises the information of the Group's investment in joint venture, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest.

Group **Summarised financial information** **As at 31 December**	**2015** **Total** **RM'000**
Non-current assets	399
Current assets	1,340
Non-current liabilities	(59)
Current liabilities	(635)
Net assets	1,045
Period ended 31 December	
Loss and comprehensive expenses for the period	(4,633)
Reconciliation of net assets to carrying amount as at 31 December	
Group's share of net assets	159
Goodwill	2,274
Carrying amount in the statement of financial position	2,433
Group's share of results for the year ended 31 December	
Group's share of loss and comprehensive income	(1,158)

No dividend has been received by the Group from its investments in the joint venture in the current financial year.

7. OTHER INVESTMENTS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Quoted shares in Malaysia				
Non-current				
At 1 January	848,122	681,797	848,122	681,797
Addition	–	212	–	212
Disposal	(423,854)	(212)	(423,854)	(212)
Fair value (loss)/gain of available-for-sale financial assets	(53,128)	166,325	(53,128)	166,325
At 31 December	371,140	848,122	371,140	848,122
Unquoted shares in Malaysia				
Non-current				
At 1 January/31 December	100	100	–	–
Unquoted shares outside Malaysia				
Non-current				
At 1 January	–	–	–	–
Addition	6,219	–	–	–
At 31 December	6,319	100	–	–
Total other investments	377,459	848,222	371,140	848,122

The above quoted other investments and unquoted other investments are categorised as available-for-sale financial instruments.

Included in the quoted shares balance of the Group and of the Company is RM75,487,000 (2014: RM112,987,000) pledged for bank facilities granted to subsidiary companies.

8. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and (liabilities) are attributable to the following:

Group	Assets 2015 RM'000	Assets 2014 RM'000	Liabilities 2015 RM'000	Liabilities 2014 RM'000	Net 2015 RM'000	Net 2014 RM'000
Property, plant and equipment	534	825	(71,411)	(67,535)	(70,877)	(66,710)
Other deductible/(taxable) temporary difference	2,322	1,338	(1,964)	(235)	358	1,103
Unabsorbed capital allowances	269,553	263,085	–	–	269,553	263,085
Unutilised tax losses	7,035	7,438	–	–	7,035	7,438
Tax assets/(liabilities)	279,444	272,686	(73,375)	(67,770)	206,069	204,916
Set-off of tax	(67,436)	(62,087)	67,436	62,087	–	–
Net tax assets/(liabilities)	212,008	210,599	(5,939)	(5,683)	206,069	204,916

Recognised deferred tax assets and liabilities, net

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Property, plant and equipment	(70,877)	(66,710)	(5)	(3)
Other deductible temporary difference	358	1,103	–	–
Unabsorbed capital allowances	269,553	263,085	–	–
Unutilised tax losses	7,035	7,438	5,750	5,748
Total	206,069	204,916	5,745	5,745

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Property, plant and equipment	1,759	1,759	–	–
Unabsorbed capital allowances	798,645	939,831	–	–
Unutilised tax losses	638,019	651,608	66,523	79,931
Total	1,438,423	1,593,198	66,523	79,931

The unabsorbed capital allowances, unutilised tax losses and other deductible temporary difference do not expire under the current tax legislation. Deffered tax assets have not been recognised in respect of these items because it is not probable that sufficient future taxable profits will be available against which Group and the Company can utilise the benefits therefrom. During the year, the Group and the Company have utilised brought forward tax losses of RM13,589,000 and RM13,408,000 respectively.

Movement in temporary differences during the year

Group	**At 1.1.2014 RM'000**	**Recognised in profit or loss RM'000**	**At 31.12.2014/ 1.1.2015 RM'000**	**Recognised in profit or loss RM'000**	**At 31.12.2015 RM'000**
Property, plant and equipment	(64,416)	(2,294)	(66,710)	(4,167)	(70,877)
Other deductible temporary difference	936	167	1,103	(745)	358
Unabsorbed capital allowances	261,488	1,597	263,085	6,468	269,553
Unutilised tax losses	9,287	(1,849)	7,438	(403)	7,035
Total	207,295	(2,379)	204,916	1,153	206,069
Company					
Property, plant and equipment	(2)	(1)	(3)	(2)	(5)
Unabsorbed capital allowances	23	(23)	–	–	–
Unutilised tax losses	5,724	24	5,748	2	5,750
Total	5,745	–	5,745	–	5,745

9. TRADE AND OTHER RECEIVABLES

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current					
Non-trade					
Prepayments		10,092	10,564	–	–
Current					
Trade					
Trade receivables	9.2	176,789	121,128	–	–
Amount due from related parties	9.2	12,196	6,024	–	–
Deposits		3,766	3,533	–	–
Prepayments		5,122	4,202	–	–
		197,873	134,887	–	–
Less: Allowance for impairment losses	9.3	(4,902)	(3,150)	–	–
		192,971	131,737	–	–
Accrual of global bandwidth revenue	9.1	6,185	14,555	–	–
		199,156	146,292	–	–
Non-trade					
Amount due from subsidiaries	9.4	–	–	429,020	78,099
Other receivables		22,475	23,272	83	292
Prepayments		6,682	5,694	22	22
Deposits		820	2,500	299	789
		229,133	177,758	429,424	79,202

Other than for prepayments, the above trade and other receivables are categorised as loans and receivables.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

9.1 Accrual of global bandwidth revenue

Accrual of global bandwidth revenue relates to the unbilled global bandwidth contracts entered into by the Group with customers whereby the terms of payment have been mutually agreed to be made over the period of up to 3 years.

9.2 Trade receivables and trade amount due from related parties

The credit period granted for sales/services rendered ranges from 30 to 90 days (2014: 30 to 90 days).

9.3 Allowance for impairment losses

Included in the amount are impairment losses in relation to outstanding balance due from related parties amounting to RM190,000 (2014: RM83,000).

9.4 Amount due from subsidiaries (non-trade)

The amount due from subsidiaries is unsecured, interest free and repayable on demand. The balances arise mainly from inter-company advances and expenses paid on behalf.

10. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances		65,638	91,035	647	2,153
Deposits placed with licensed banks		187,615	226,536	36,048	90,916
		253,253	317,571	36,695	93,069
Restricted cash	10.1	(10,759)	(10,033)	(4,001)	(5,360)
		242,494	307,538	32,694	87,709

10.1 Restricted cash

Restricted cash are amounts withheld by licensed financial institutions as security for bank facilities granted.

The cash and cash equivalents of the Group and the Company does not include a bank balance amounting to RM10,346,000 (2014: RM8,304,000) held by the Company in trust for consortium members of a submarine cable system to pay the turnkey supplier under the terms of supply contract.

11. SHARE CAPITAL

	Group and Company			
	Amount 2015 RM'000	Number of shares 2015 '000	Amount 2014 RM'000	Number of shares 2014 '000
Authorised:				
Ordinary shares of RM0.50 each	5,000,000	10,000,000	5,000,000	10,000,000
Issued and fully paid:				
At 1 January				
- Ordinary shares of RM0.50 each	286,932	573,863	286,547	573,093
Issuance of new ordinary shares pursuant to the share grant plan	868	1,737	385	770
At 31 December				
- Ordinary shares of RM0.50 each	287,800	575,600	286,932	573,863

12. RESERVES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share premium	12.1	854,611	847,735	854,611	847,735
Capital reserve	12.2	8,760	8,760	8,760	8,760
Foreign currency translation reserve	12.3	30,754	7,988	–	–
Available-for-sale reserve	12.4	221,309	548,461	57,046	219,934
Share grant reserve	12.5	13,678	5,383	13,678	5,383
CEO share option reserve	12.6	2,314	–	2,314	–
Retained earnings		663,321	651,672	64,788	152,924
		1,794,747	2,069,999	1,001,197	1,234,736

12.1 Share premium

The share premium of the Group and the Company represents premium arising from the issuance of ordinary shares of the Company at an issue price above par value.

12. RESERVES (CONTINUED)

12.2 Capital reserve

In May 2012, pursuant to the Company's capital restructuring exercise, the Company set-off RM834,315,000 from the share premium account against accumulated losses of the Company amounting to RM825,555,126. The set-off resulted in the creation of a distributable capital reserve account of RM8,759,874 for the Company.

12.3 Foreign currency translation reserve

The translation reserve comprises cumulative foreign currency differences arising from the translation of the financial statements of foreign operations.

12.4 Available-for-sale reserve

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are de-recognised upon sale or impaired.

During the year, the Company disposed 68,729,500 ordinary shares held in DiGi.Com Berhad ("DiGi Shares"). This resulted in the realisation of fair value gain from the available-for-sale reserve to profit or loss amounting to RM274,024,000 for the Group and RM109,760,000 for the Company.

12.5 Share grant reserve

The share grant reserve represents the cumulative value of share based payments granted to eligible employees of the Group. When shares, pursuant to the share grant, are issued to the eligible employees, the value of such shares are transferred from share grant reserve to share capital and share premium respectively.

Details of the share grant plan during the financial year are as follows:

		Number of ordinary shares of RM0.50 each				
Share Grant plan	**Fair value at grant date**	**At 1 January 2015**	**Granted but not vested during the year**	**Vested and issued**	**Adjusted**	**At 31 December 2015**
2013 Awards	RM4.46	1,793,450	–	(916,500)	(42,800)	834,150
2014 Awards	RM4.46	2,736,788	–	(820,378)	(66,297)	1,850,113
2015 Awards	RM4.78	–	2,986,875	–	–	2,986,875
Total		4,530,238	2,986,875	(1,736,878)	(109,097)	5,671,138

12. RESERVES (CONTINUED)

12.5 Share grant reserve (continued)

The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:

(i) The 2013 grant will be vested within the next year in July 2016;

(ii) The 2014 grant will be vested within the next 2 years in July 2016 and July 2017 respectively.

(iii) The 2015 grant will be vested within the next 3 years in July 2016, July 2017 and July 2018 respectively.

The shares granted will be vested only upon the fulfilment of vesting conditions which include achievement of financial performance targets set by the Group and achievement of a minimum grading by the entitled employee in accordance with the performance management system adopted by the Group.

The fair value of the share grant is determined using the Monte Carlo simulation model, taking into consideration terms and conditions under which the shares were granted. The key inputs in the model are as follows:

	Granted on 2 January 2015	**Granted on 11 August 2014**
Closing market price at grant date	RM4.94	RM4.50
Dilution rate	0.514%	0.916%

The Group and the Company had recognised share grant costs in profit or loss totalling to RM16,039,415 (2014: RM8,816,872) and RM5,191,000 (2014: RM2,504,293) respectively.

12.6 Chief Executive Officer ("CEO") share option reserve

On 21 July 2015, the Company granted an option to the CEO of the Company ("CEO Share Option") to subscribe for up to 17,215,907 new ordinary shares of RM0.50 each in the Company. The option exercise price was fixed at RM5.99, which represented a discount of approximately 9.9% to the 5-day volume weighted average market price of the Company's shares. The option may be exercised by the CEO at any time and from time to time during the 5 year option period up to a maximum of 20% of the total option shares per annual period. Unexercised options may be carried forward to the next period without reducing the maximum exercisable portion in the next period. The fair value of services received in return for share options granted is based on fair value of share options granted, measured using Black-Scholes model, with the following inputs:

	Options granted on 21 July 2015
Fair value at grant date	RM1.50
Weighted average share price	RM5.99
Option life	5 years

The Group and the Company had recognised share option costs in profit or loss totalling to RM2,314,000 (2014: Nil).

13. NON-CONTROLLING INTERESTS

On 27 February 2014, the Company, Fantastic Fiesta Sdn. Bhd. (“FFSB”) (a subsidiary company) and Planet Tapir Sdn. Bhd. (another wholly-owned subsidiary of the Company) entered into an Asset Purchase Agreement and Shareholders’ Agreement which would, inter alia, reduce the Group’s stake in FFSB to 70% in exchange for net assets worth RM3,000,000 to be injected into FFSB by a third party. FFSB, in turn, will allot the issued and paid-up share capital to the said third party in two equal tranches of RM1,500,000 each. The said injection of net assets and both tranches of allotment were completed in the previous financial year.

14. LOANS AND BORROWINGS

	Note	Group 2015 RM’000	Group 2014 RM’000
Non-current			
Term loans	14.1	99,715	88,494
Finance lease liabilities	14.2	2,250	–
		101,965	88,494
Current			
Term loans	14.1	41,465	50,224
Finance lease liabilities	14.2	4,360	1,507
		45,825	51,731
		147,790	140,225

14.1 Term loans

(i) Term loans amounting to RM60,312,000 (2014: RM89,224,000) are secured/covered against:

a) a legal charge over DiGi.Com Berhad (“DiGi”) shares held by the Company giving minimum security cover of 1.25 times based on 100% value of the said shares;

b) a legal charge over any other quoted financial assets acceptable to the lender, including but not limited, in all cases to bonus shares, rights shares and other new share or right entitlements;

c) a legal charge over an escrow account to capture all dividends derived from the pledged securities; and

d) a corporate guarantee from the Company.

14. Loans and borrowings (continued)

14.1 Term loans (continued)

(ii) USD denominated term loan amounting to RM10,788,000 (2014: RM26,122,000) is secured/covered against:

a) a legal charge over all the assets of a subsidiary company;

b) an assignment over a subsidiary company's present and future sales proceeds; and

c) a corporate guarantee by the Company.

(iii) USD denominated term loan amounting to RM39,830,000 (2014: RM19,388,000) is secured/covered against:

a) a specific legal charge over the land and building held under H.M. 984, PT1277 Mukim Sungai Karang, Kuantan, Pahang which is held by another subsidiary company;

b) a legal charge over all the assets of a subsidiary company;

c) an assignment over a subsidiary company's present and future sales proceeds; and

d) a corporate guarantee by the Company.

(iv) Term loans amounting to RM999,000 (2014: RM3,984,000) is secured/covered against a corporate guarantee by the Company.

(v) Term loans amounting to RM29,251,000 (2014: RMNil) is secured/covered against:

a) a first legal charge over proceeds received from certain customers made into a collection account sufficient to repay the amount (both interest and principal) due in the next one quarter;

b) a corporate guarantee by the Company.

14.2 Finance lease liabilities

Finance lease liabilities are payables as follows:

	Future minimum lease payments	Interest	Present value of minimum payments	Future minimum lease payments	Interest	Present value of minimum payments
	/------------------	2015	------------------/	/------------------	2014	------------------/
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than one year	4,607	247	4,360	1,535	28	1,507
Between one and five years	2,312	62	2,250	–	–	–
	6,919	309	6,610	1,535	28	1,507

15. TRADE AND OTHER PAYABLES

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current					
Trade					
Deferred income	15.1	23,078	21,852	–	5,308
Current					
Trade					
Trade payables	15.2	91,361	78,403	–	–
Amount due to related parties	15.2	1,382	2,084	–	–
Accrual for global bandwidth cost	15.3	–	305	–	–
Accrued expenses		21,249	13,794	–	–
Deposit payables		14,361	10,394	–	–
Deferred income	15.1	110,648	–	–	–
Unearned revenue	15.4	35,088	30,722	–	–
Provisions	15.5	27,349	39,967	–	–
		301,438	175,669	–	–
Non-trade					
Other payables		4,143	6,356	295	177
Amount due to a subsidiary	15.6	–	–	2,124	1,416
Accrued expenses		41,862	35,073	4,158	3,577
Provisions	15.5	1,930	1,333	–	–
		349,373	218,431	6,577	5,170

The above trade and other payables are categorised as other financial liabilities except for deferred income, unearned revenue and provisions.

15. TRADE AND OTHER PAYABLES (CONTINUED)

15.1 Deferred income

The deferred income represents the amount received and/or receivable from the pre-sale of a portion of the Group's submarine cable systems prior to their completion. Upon the completion of the said submarine cable systems, the difference between the proceeds from the pre-sale and portion of carrying amount of the submarine cable systems sold will be recognised in profit or loss.

15.2 Trade payables and amounts due to related parties

The average credit period granted to the Group for trade purchases ranges from 30 to 90 days (2014: 30 to 90 days).

15.3 Accrual for global bandwidth costs

Accrual for global bandwidth cost relates to certain long term global bandwidth contracts entered into by the Group whereby the terms of payment have been mutually agreed to be made over of up to 3 years.

15.4 Unearned revenue

Unearned revenue mainly represents prepayment received for services or products that have yet to be rendered or provided.

15.5 Provisions

Provisions relate to obligations arising as a result of past events for certain telecommunication services provided.

15.6 Amount due to a subsidiary (non-trade)

The amount due to a subsidiary is unsecured, interest free and repayable within 60 days upon due. The balance arises mainly from management services rendered by the subsidiary.

16. REVENUE

	2015 RM'000	2014 RM'000
Group		
Data	524,615	457,160
Voice	76,493	71,389
Data Centre	76,648	64,762
Others	4,608	2,972
	682,364	596,283
Company		
Management fee from subsidiary companies	27,708	16,501

17. COST OF SALES

	Group 2015 RM'000	Group 2014 RM'000 Restated
Interconnect charges*	17,042	3,686
Depreciation of property, plant and equipment	82,458	75,267
Dealer commissions	18,183	22,883
Telecommunications maintenance charges	20,930	21,513 #
Network and leased line charges	72,628	66,157 #
Fee for wayleave and right of use pertaining to telecommunications facilities	11,070	11,853
Site and customer premises rental	14,092	11,620 #
Universal service obligation	24,999	21,056
Internet service provider costs	9,506	6,097
Direct installation costs	23,572	18,059
Others	40,077	26,946 #
	334,557	285,137

* Included in the interconnect charges is a reversal of provision made pursuant to a dispute settlement with a supplier amounting to RM11,000,000 in the previous financial year.

\# Prior year comparative figures have been reclassified to conform with current year presentation.

18. INCOME FROM INVESTMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest income from financial assets that are not at fair value through profit or loss	11,053	7,234	6,131	3,758
Dividend income from quoted shares, in Malaysia	21,650	35,465	21,650	35,465
Dividend income from a subsidiary	–	–	230,000	–
	32,703	42,699	257,781	39,223

19. FINANCE COSTS

	Group	
	2015 RM'000	2014 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- Interest on bank borrowings	6,020	6,685
- Amortisation of borrowing costs	587	617
	6,607	7,302

20. PROFIT BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:				
Personnel expenses				
- Salaries, allowances and others	111,628	101,108	3,690	4,052
- Contributions to Employee Provident Fund	14,445	14,546	546	615
- Share grant expenses	16,039	8,817	5,191	2,504
- Share option expenses	2,314	–	2,314	–
Depreciation of property, plant and equipment	93,218	84,968	85	84
Rental of:				
- Offices	949	1,521	–	–
- Equipment	15	138	–	–
- Site and customer premises	14,092	11,620	–	–
Directors' remuneration	6,261	4,000	6,261	4,000
Auditors' remuneration				
- Audit fees to KPMG Malaysia	466	448	100	90
- Audit fees to other auditors	23	19	–	–
- Non-audit fees to KPMG Malaysia	270	62	270	30
Write off of property, plant and equipment	4,441	487	–	–
Net loss on foreign exchange	–	–	–	75
Net impairment/(write-back):				
- Trade receivables	2,966	393	–	–
- Construction deposits	(1,446)	210	–	–
- Rental deposits	14	29	–	–
Impairment of investment in subsidiaries	–	–	51,781	–
Amortisation of borrowing costs	587	617	–	–
Interest on bank borrowings	6,020	6,685	–	–

20. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
and after crediting:				
Bad debts recovered	465	585	–	–
Net gain on foreign exchange	35,416	7,341	2,168	–
Interest income	11,053	7,234	6,131	3,758
Dividend income from quoted shares, in Malaysia	21,650	35,465	21,650	35,465
Dividend income from a subsidiary	–	–	230,000	–
Reversal of provision made pursuant to the dispute settlement with a supplier	–	11,000	–	–
Realisation of fair value gain reclassified from available-for-sale reserve to profit or loss	274,024	74	109,760	74
Rental income	221	191	–	–
Net gain from waiver of amounts due to subsidiaries	–	–	49,948	–
Gain on disposal of property, plant and equipment	2,434	186	–	3

21. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Tax expense:				
- current year	6,758	4,814	1,533	940
- over provision in prior year	(186)	(263)	–	(144)
	6,572	4,551	1,533	796
Deferred tax				
- arising from current year	35,607	43,596	3,218	1,906
- underprovision in prior year	386	–	–	–
- recognition of previously unrecognised temporary differences	(37,146)	(41,217)	(3,218)	(1,906)
	(1,153)	2,379	–	–
	5,419	6,930	1,533	796

Reconciliation of effective income tax expense:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Profit before tax	470,794	179,332	368,600	39,911
Tax at statutory tax rate of 25%	117,699	44,833	92,150	9,978
Effect of lower rate in foreign jurisdictions	(8,451)	(5,268)	–	–
Non-deductible expenses	13,377	8,447	15,574	1,542
Non-taxable income	(80,662)	(8,913)	(102,840)	(8,904)
Changes in legislated tax rate for future periods	(1,385)	8,246	(133)	230
Deferred tax assets not recognised	1,787	1,065	–	–
Recognition of previously unrecognised temporary difference	(37,146)	(41,217)	(3,218)	(1,906)
Overprovision of prior year – current tax	(186)	(263)	–	(144)
Underprovision of prior year – deferred tax	386	–	–	–
Tax expense	5,419	6,930	1,533	796

21. TAX EXPENSE (CONTINUED)

In 2013, TT dotCom Sdn Bhd ("TTdC"), a wholly-owned subsidiary of the Group, was granted a tax incentive for Last Mile Network Facilities Provider under Section 127(3A) of the Income Tax Act, 1967. The tax incentive is equivalent to 100% of capital expenditure incurred for broadband infrastructure for a period of five years of which qualifying expenditure shall be limited to 70% of its statutory income for each of year assessment.

22. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share was based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2015	**2014**
Basic earnings per share		
Net profit attributable to owners of the Company (RM'000)	466,852	173,925
Weighted average number of ordinary shares in issue ('000)	574,672	573,214
Basic earnings per ordinary share (sen)	81.24	30.34

The calculation of diluted earnings per ordinary share was based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2015	**2014**
Diluted earnings per share		
Net profit attributable to owners of the Company - basic (RM'000)	466,852	173,925
Weighted average number of ordinary shares in issue - basic ('000)	574,672	573,214
Effect of CEO share option ('000)	909	–
Weighted average number of ordinary shares in issue ('000) (diluted)	575,581	573,214
Diluted earnings per ordinary share (sen)	81.11	30.34

23. DIVIDEND PAID

During the financial year, the Company paid an interim tax exempt (single tier) dividend of 5.60 sen per ordinary share for the financial year ended 31 December 2014 on 31 March 2015 amounting to RM32,136,361.

The Company also paid a special interim tax exempt (single tier) dividend of 73.50 sen per ordinary share for the financial year ended 31 December 2015 on 29 July 2015 amounting to RM423,066,345.

The Directors have declared on 24 February 2016 an interim tax exempt (single tier) dividend of 6.70 sen per ordinary share for the financial year ended 31 December 2015, which will be paid on 31 March 2016.

24. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Executive directors:				
Emoluments	5,199	1,541	5,199	1,541
Other emoluments and expenses (including CEO share options)	2,352	1,481	2,352	1,481
Non-executive directors:				
Fees	819	738	819	738
Other emoluments and expenses	205	240	205	240
	8,575	4,000	8,575	4,000

The estimated monetary value of benefits-in-kind received and receivable by Directors of TIME dotCom Berhad other than in cash from the Group and the Company amounted to RM1,500 (2014: RM21,000).

Included in Directors' remuneration are amounts totalling RM184,000 (2014: RM178,000) payable to related parties for services rendered by a firm in which a non-executive director of the Company is a member.

The number of Directors of the Company whose current year remuneration fall into the respective bands are as follows:

Range of Remuneration RM	**Executive Directors**	**Non-executive Directors**
Under 100,000	1	1
100,001 to 199,999	–	3
200,000 to 300,000	–	2
Above 5,000,000	1	–

25. KEY MANAGEMENT PERSONNEL REMUNERATION

The key management personnel remuneration is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors:				
Fees	819	738	819	738
Other short term benefits (including estimated monetary value of benefits-in-kind and CEO share option)	7,758	3,283	7,758	3,283
	8,577	4,021	8,577	4,021
Other key management personnel:				
Employee benefit (including benefits on share grant plan)	15,413	9,164	7,006	4,691
Other key management compensation	32	40	18	25
	15,445	9,204	7,024	4,716

Other key management personnel comprise persons other than the Directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

26. OPERATING SEGMENTS

Operating segments are components in which separate financial information is available that is evaluated by the Chief Executive Officer in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of telecommunications as its sole operating segment.

Performance is measured based on revenue derived from the various products sold and consolidated profit before income tax of the Group as included in the internal management reports that are reviewed by the Chief Executive Officer. The Group's segment assets and liabilities, as disclosed in the Group's statement of financial position (as represented by total assets and liabilities), is also reviewed by the Chief Executive Officer. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

26. OPERATING SEGMENTS (CONTINUED)

Information about reportable segment and reconciliation of reportable segment revenue, profit and other material items

	Group	
	2015 RM'000	**2014 RM'000**
Revenue from external customers		
Data	524,615	457,160
Voice	76,493	71,389
Data Centre	76,648	64,762
Others	4,608	2,972
	682,364	596,283
Operating expense		
Depreciation, impairment and amortisation of property, plant and equipment	(93,218)	(84,968)
Other operating expense	(459,267)	(377,102)
Other operating income	40,770	9,648
Profit from operations	170,649	143,861
Income from investments	32,703	42,699
Realisation of fair value gain reclassified from available-for-sale reserve to profit or loss	274,024	74
Finance costs	(6,607)	(7,302)
Share of profits from equity-accounted investments, net of tax	25	–
Segment profit	470,794	179,332
Additions to property, plant and equipment*	340,605	254,301

No reconciliation is performed for revenue from external customers, depreciation, impairment and amortisation of property, plant and equipment, assets and segment profit as there is no difference with the statements of profit or loss and other comprehensive income.

* Included in additions of property, plant and equipment in the previous financial year is a capital injection by non-controlling interest amounting to RM3,029,000.

26. OPERATING SEGMENTS (CONTINUED)

Geographical information

Revenue and non-current assets (excluding financial instruments and deferred tax assets) of the Group by geographical location of entity are as follows:

	Revenue		Non-current assets	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Malaysia	622,553	550,531	1,029,426	966,813
Outside Malaysia	59,811	45,752	445,372	223,403
	682,364	596,283	1,474,798	1,190,216

Major customers

There were no significant concentrations on transactions with customers and revenues from transactions with a single external customer (or group of entities known to be under common control which are deemed to be a single customer) that contributed to 10% or more of the Group's revenues.

27. CAPITAL AND OPERATING LEASE COMMITMENTS

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Capital expenditure commitments				
Property, plant and equipment				
Authorised but not contracted for	96,245	93,235	–	5,590
Contracted but not provided for in the financial statements	268,197	398,927	–	124,383
Operating lease commitments – as lessee				
Non-cancellable commitments for rental of office premises, sites and right of use pertaining to telecommunications facilities				
- Payable within 1 year	20,914	20,589		
- Payable within 2 - 3 year	30,402	26,922		
- Payable after 3 year	141,137	151,584		
	192,453	199,095		

On 12 May 2000, the Group entered into an agreement with a highway concessionaire for wayleave and right of use pertaining to telecommunications facilities on the North- South Expressway. The agreement shall terminate upon expiry of the concession agreement signed by the highway concessionaire and government in 31 December 2038.

28. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group, if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also includes key management personnel defined as those persons having authority and responsibility for planning, directing and controlling activities of the Group directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group. Director remuneration and key management personnel remuneration are disclosed in Notes 24 and 25 respectively. The Group has related party relationship with its Directors, key management personnel, related parties in which a substantial shareholder has an interest and companies in which Directors have significant financial interest.

Significant related party transactions

The significant related party transactions of the Group and of the Company are shown below:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Subsidiary companies				
Dividend income	–	–	230,000	–
Management fees income	–	–	27,708	16,501
Management fees expense	–	–	(2,602)	(1,271)
Waiver of amount due to subsidiaries	–	–	49,948	–
Interest income from subsidiaries	–	–	336	–
Related parties				
Revenue from data, voice and other services	64,689	52,689	–	–
Interconnect revenue	6,715	6,454	–	–
Fee for wayleave and right of use of telecommunications facilities	(10,540)	(10,441)	–	–
Interconnect charges	(10,854)	(10,493)	–	–
Leased line and infrastructure costs	(23,620)	(23,678)	–	–
Network maintenance	(1,502)	(1,060)	–	–
Training expenses	(53)	–	–	–
Project management services	(10)	–	–	–

28. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

The significant related party transactions of the Group and of the Company are shown below (continued):

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Companies in which Directors have significant financial interest:				
Revenue from rental, support services and others	47	88	–	–
Professional fees	(153)	(130)	(153)	(130)

The Directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

The outstanding balances due from and due to the related parties of the Group and the Company are disclosed in Notes 9 and 15 respectively.

29. FINANCIAL INSTRUMENTS

29.1 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

29.2 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers (including related parties) and deposits with financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiaries, deposits with financial institutions and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are required to be performed on all new customers. Depending on the nature of the transaction, the Group may require upfront deposits as collateral.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an on-going basis. The Group also uses ageing analysis to monitor the credit quality of the receivables. For receivables from corporate, wholesale and government sectors, allowance for impairment losses will generally be provided for amounts aged more than 365 days derived based on historical payment trends and patterns unless there is objective evidence to indicate otherwise.

The exposure of credit risk for trade receivables of the Group as at the end of the reporting period by geographical region was:

	2015 RM'000	2014 RM'000
Malaysia	157,771	100,056
Outside Malaysia	36,263	42,034
	194,034	142,090

At reporting date, there were no significant concentrations of credit risk.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Credit risk (continued)

Receivables (continued)

Impairment losses

The ageing of trade receivables (including trade amounts due from related parties and accrual of global bandwidth revenue) as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2015			
Not past due	83,795	–	83,795
Past due 1 - 30 days	35,286	–	35,286
Past due 31 - 120 days	54,916	(57)	54,859
Past due more than 120 days	24,939	(4,845)	20,094
	198,936	(4,902)	194,034
2014			
Not past due	68,761	–	68,761
Past due 1 - 30 days	26,757	–	26,757
Past due 31 - 120 days	31,518	(333)	31,185
Past due more than 120 days	18,204	(2,817)	15,387
	145,240	(3,150)	142,090

The allowance account in respect of the trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The movement in the allowance for impairment losses of trade receivables (including amounts due from related parties) during the financial year were as follows:

	Group	
	2015 RM'000	**2014 RM'000**
At 1 January	3,150	4,961
Impairment loss written off	(1,214)	(2,204)
Net allowance	2,966	393
At 31 December	4,902	3,150

Allowance for impairment losses in relation to outstanding balance due from related parties (other than subsidiaries of the Company) amounted to RM190,000 (2014: RM83,000).

Deposits with financial institutions and other financial assets

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's cash and cash equivalents are deposited with licensed financial institutions.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

Impairment losses

As at the end of the reporting period, there was no indication that the amounts deposited with licensed financial institutions are not recoverable.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.2 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM143,763,000 (2014: RM141,531,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries and monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. Advances are only provided to subsidiaries which are owned by the Company. The Company considers its subsidiaries as companies associated with lower credit risk.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable.

29.3 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due.

The Group's exposure to liquidity risk arises principally from its various payables and other applicable contractual obligations and commitments. The Group reviews and strives to maintain a prudent level of cash and cash equivalents and banking facilities to ensure working capital requirements are met.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.3 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2015						
Term loans	141,180	2.01% - 6.23%	155,881	47,080	46,266	62,535
Finance lease liabilities	6,610	1.3% - 4.0%	6,919	4,607	2,312	–
Trade and other payables*	174,358	–	174,358	174,358	–	–
2014						
Term loans	138,718	2.01% - 6.01%	152,908	55,968	69,513	27,427
Finance lease liabilities	1,507	4.0%	1,535	1,535	–	–
Trade and other payables*	146,409	–	146,409	146,409	–	–

* The contractual cash flows of trade and other payables exclude deferred income, unearned revenue and provisions.

	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000
Company			
2015			
Trade and other payables	6,577	6,577	6,577
2014			
Trade and other payables	5,170	5,170	5,170

There are no contractual interest rates for the above financial liabilities.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.4 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the functional currencies of its subsidiaries. The currency giving rise to the risk is primarily US Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group has a potential currency risk exposure arising from trade transactions entered with companies where the amounts are denominated in currencies other than Ringgit Malaysia. Exposure to foreign currency risk is monitored on an ongoing basis and where considered necessary, the Group may consider using financial instruments to hedge its foreign currency risk. The Company is not significantly exposed to currency risk.

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

	Denominated in USD	
	2015 RM'000	**2014 RM'000**
Group		
Trade receivables	57,325	41,890
Cash and cash equivalents	42,562	58,289
Term loan	(50,618)	(45,510)
Trade payables	(34,587)	(35,441)
Net exposure in the statement of financial position	14,682	19,228

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.4 Market risk (continued)

Currency risk (continued)

Currency risk sensitivity analysis

A 1% strengthening of the Ringgit Malaysia against the USD at the end of the reporting period would have increased/ decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumed that all other variables, in particular interest rates, remained constant and ignored any impact of forecasted sales and purchases.

The analysis is performed on the same basis for 2015, as indicated below:

	Profit or (loss)	
	2015 RM'000	**2014 RM'000**
Group		
1% strengthening of RM against USD	(147)	(192)

A 1% weakening of the Ringgit Malaysia against the above currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.4 Market risk (continued)

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Fixed rate instruments				
- Deposits with licensed banks	187,615	226,536	36,048	90,916
- Finance lease liabilities	(6,610)	(1,507)	–	–
Floating rate instruments				
- Term loans	(141,180)	(138,718)	–	–

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis point ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.4 Market risk (continued)

Interest rate risk sensitivity analysis (continued)

(ii) Cash flow sensitivity analysis for variable rate instruments (continued)

Group	Profit or (loss) 100bp Increase RM'000	100bp Decrease RM'000
2015		
Floating rate instruments	(1,412)	1,412
2014		
Floating rate instruments	(1,387)	1,387

Equity price risk

Equity price risk arises mainly from the Group's available-for-sale investments in quoted securities.

Risk management objectives, policies and processes for managing the risk

Investments are allowed in liquid securities that are quoted and traded on the local stock exchange on specific business case basis and upon the evaluation and approval by the Board of Directors. The existing available-for-sale investment in quoted securities mainly represents the consideration received in prior years as a result of the Group's disposal of its 3G spectrum licence to DiGi.Com Berhad. The Group does not transact in any derivative financial instruments.

Equity price risk sensitivity analysis

A 1% increase in the quoted price of the Group's existing available-for-sale investment at the end of the reporting period would have increased equity by RM3,711,400 (2014: RM8,481,220). A 1% weakening in quoted price of the Group's existing available-for-sale investment would have had an equal but opposite effect on the Group's equity.

29.5 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate fair values due to the relatively short term nature of these financial instruments. Accordingly, the fair values and level of the fair value hierarchy have not been presented for these financial instruments.

It was not practicable to estimate the fair value of the Group's investments in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.5 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
2015	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
Financial assets										
Investment in quoted shares	371,140	–	–	371,140	–	–	–	–	371,140	371,140
Financial liabilities										
Term loans	–	–	–	–	–	–	141,180	141,180	141,180	141,180
Finance lease liabilities	–	–	–	–	–	–	6,610	6,610	6,610	6,610
	–	–	–	–	–	–	147,790	147,790	147,790	147,790
2014										
Financial assets										
Investment in quoted shares	848,122	–	–	848,122	–	–	–	–	848,122	848,122
Financial liabilities										
Term loans	–	–	–	–	–	–	138,718	138,718	138,718	138,718
Finance lease liabilities	–	–	–	–	–	–	1,507	1,507	1,507	1,507
	–	–	–	–	–	–	140,225	140,225	140,225	140,225

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.5 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

During the current and previous financial years, there have been no transfers between Level 1 and 2 fair values.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans	Discounted cash flows using a rate based on the indicative current market rate of borrowing of the respective Group entities at the reporting date.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

The effective interest rates used to discount estimated cash flows, when applicable, are as follows:

	2015 %	2014 %
Term loans	2.01 - 6.23	2.01 - 6.01

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain an optimal capital structure and to safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as results from operating activities compared against returns on average invested capital.

The Group also maintains a debt to equity ratio that complies with debt requirements required for its banking facilities.

There were no changes in the Group's approach to capital management during the financial year.

31. SIGNIFICANT EVENTS DURING THE YEAR

(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) On 23 March 2015, the Group acquired a 25.0% stake in Campana Group Pte. Ltd. ("Campana") for a cash consideration of USD1.0 million. Campana is a newly setup company that is registered in Singapore, whose business is intended to be that of a telecommunications and related services provider.

(c) On 1 July 2015, the Group completed its subscription of a 25.4% stake in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") for VND 255.0 billion. CMC Telecom is a telecommunications service provider in Vietnam. Acquisition related costs amounting to RM2,096,829 was capitalised as part of the Group's cost of investment in CMC Telecom.

(d) On 18 September 2015, the Group completed its subscription of a 49.0% stake in KIRZ Co., Ltd for a cash consideration of THB54,215,274. KIRZ Co., Ltd is a telecommunications provider in Thailand. On 31 December 2015, KIRZ Co., Ltd issued an additional 72,549 new ordinary shares to its existing shareholders for which the Group subscribed for 35,549 new ordinary shares in KIRZ Co., Ltd for a cash consideration of THB3,554,900 to maintain its shareholding at 49.0%. Acquisition related costs amounting to RM573,475 was capitalised as part of the Group's cost of investment in KIRZ Co., Ltd.

(e) On 3 October 2015, the Group completed its subscription of a 45.6% stake in KIRZ Holdings Co., Ltd for a cash consideration of THB25,784,726. On 15 October 2015, the Group purchased a further 0.17% stake in KIRZ Holdings Co., Ltd for a cash consideration of THB100,000. Subsequently, on 31 December 2015, the Group subscribed for another 37,000 new ordinary shares in KIRZ Holdings Co., Ltd for a cash consideration of THB3,700,000. This subscription increased the Group's effective ownership interest in KIRZ Holdings Co., Ltd to 49.0% as at 31 December 2015. The principal activity of KIRZ Holdings Co., Ltd is that of an investment holding company in Thailand.

32. SUBSEQUENT EVENT

(a) On 29 January 2016, the Group acquired an additional 5,794,800 shares in CMC Telecom for a cash consideration of VND231.8 billion. The said acquisition increased the Group's effective ownership interest in CMC Telecom to 42.7%.

(b) On 16 February 2016, the Group acquired a further 377,000 ordinary shares representing an additional 1.13% stake in CMC Telecom for a cash consideration of VND13,195,000,000. The said acquisition increased the Group's effective ownership interest in CMC Telecom to 43.8%.

33. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings:				
- realised	420,345	440,396	56,960	147,223
- unrealised	242,976	211,276	7,828	5,701
	663,321	651,672	64,788	152,924

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits 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.

STATEMENT BY DIRECTORS
pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 56 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 33 on page 134 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Afzal Abdul Rahim

....

Elakumari Kantilal

Shah Alam, Selangor
Date: 24 February 2016

STATUTORY DECLARATION
pursuant to Section 169(16) of the Companies Act, 1965

I, **Long Sher Neng**, the officer primarily responsible for the financial management of TIME dotCom Berhad, do solemnly and sincerely declare that the financial statements set out on pages 56 to 134 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 24 February 2016.

……………………………..
Long Sher Neng

Before me:

INDEPENDENT AUDITORS' REPORT
to the members of TIME dotCom Berhad

Report on the Financial Statements

We have audited the financial statements of TIME dotCom Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 56 to 133.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT
to the members of TIME dotCom Berhad

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 33 on page 134 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chua See Guan
Approval Number: 3169/02/17(J)
Chartered Accountant

Petaling Jaya, Selangor
Date: 24 February 2016

STOCKHOLDING ANALYSIS
As at 23 March 2016

Authorised Share Capital	:	RM5,000,000,000.00
Issued and paid-up Capital	:	RM287,800,234.50
Class of Shares	:	Ordinary Shares of RM0.50 each
No. of Shareholders	:	13,325
Voting Right	:	One (1) vote per Ordinary Share

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100	568	15,664	0.00
100 to 1,000	8,876	3,687,220	0.64
1,001 to 10,000	3,151	9,733,018	1.69
10,001 to 100,000	502	16,608,070	2.89
100,001 to less than 5% of issued shares	226	299,483,156	52.03
5% and above of issued shares	2	246,073,341	42.75
Total	**13,325**	**575,600,469**	**100.00**

THIRTY (30) LARGEST SHAREHOLDERS
as at 23 March 2016

	Names	No. of shares	%
1.	Pulau Kapas Ventures Sdn Bhd	180,774,359	31.41
2.	Khazanah Nasional Berhad	65,298,982	11.34
3.	Kumpulan Wang Persaraan (Diperbadankan)	23,068,148	4.01
4.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	20,041,300	3.48
5.	Amsec Nominees (Tempatan) Sdn Bhd - Amtrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	16,306,820	2.83
6.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (CIMB PRIN)	14,653,700	2.55
7.	Maybank Investment Bank Berhad IVT (10)	12,000,000	2.08
8.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Megawisra Sdn Bhd (PB)	11,968,331	2.08
9.	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	11,730,640	2.04
10.	Amanahraya Trustees Berhad - Public Smallcap Fund	11,260,260	1.96
11.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	11,197,600	1.95
12.	Amanahraya Trustees Berhad - PB Growth Fund	6,249,300	1.09

THIRTY (30) LARGEST SHAREHOLDERS AS AT 23 MARCH 2016 (CONTINUED)

	Names	No. of shares	%
13.	Cartaban Nominees (Tempatan) Sdn Bhd - Exempt An for Eastspring Investments Berhad	5,781,400	1.00
14.	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (DR)	5,300,000	0.92
15.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	5,272,780	0.92
16.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for CIMB Islamic Dali Equity Theme Fund	5,029,520	0.87
17.	Amanahraya Trustees Berhad - PB Islamic Equity Fund	4,889,540	0.85
18.	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	4,839,800	0.84
19.	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LSF)	3,644,800	0.63
20.	CIMB Commerce Trustee Berhad - Public Focus Select Fund	3,617,200	0.63
21.	Citigroup Nominees (Tempatan) Sdn Bhd - Universal Trustee (Malaysia) Berhad for CIMB Islamic Dali Equity Fund	3,589,430	0.62
22.	Indera Permai Sdn Bhd	3,426,020	0.60
23.	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	3,250,348	0.56
24.	Amanahraya Trustees Berhad - Public Sector Select Fund	3,245,560	0.56
25.	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (ABERDEEN)	2,850,000	0.50
26.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (ABERDEEN)	2,776,700	0.48
27.	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,649,500	0.46
28.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (NORGES BANK 14)	2,591,400	0.45
29.	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,286,000	0.40
30.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Industry Growth Fund (N14011930270)	2,241,300	0.39
	TOTAL	**451,830,738**	**78.50**

SUBSTANTIAL SHAREHOLDERS
as at 23 March 2016

Names	No. of Shares			
	Direct	%	Indirect	%
Pulau Kapas Ventures Sdn Bhd ("PKV")	180,774,359	31.41	-	-
Khazanah Nasional Berhad	65,298,982	11.34	180,774,359[(1)]	31.41
Employees Provident Fund Board	32,625,900	5.67	-	-
Global Transit International Sdn Bhd ("GTI")	-	-	180,774,359[(2)]	31.41
Megawisra Sdn Bhd ("Megawisra")	11,968,331	2.08	180,774,359[(3)]	31.41
Megawisra Investments Limited ("Megawisra Investments")	-	-	192,742,690[(4)]	33.48
Afzal Abdul Rahim	-	-	192,742,690[(5)]	33.48
Patrick Corso	-	-	192,742,690[(6)]	33.48

Notes:

(1) *Deemed interested by virtue of its interests held through PKV pursuant to Section 6A of the Companies Act, 1965 ("the Act").*
(2) *Deemed interested by virtue of its interests held through PKV pursuant to Section 6A of the Act.*
(3) *Deemed interested by virtue of its interests held through PKV via its shareholdings in GTI pursuant to Section 6A of the Act.*
(4) *Deemed interested by virtue of its interests held through PKV and GTI via its shareholdings in Megawisra pursuant to Section 6A of the Act.*
(5) *Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 6A of the Act.*
(6) *Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 6A of the Act.*

STATEMENT ON DIRECTORS' INTERESTS IN SHARES

Afzal Abdul Rahim, a Director on the Board of TIME dotCom Berhad, is deemed to have interest in the shares of the Company by virtue of Section 6A(4)(c) of the Companies Act, 1965 through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

Patrick Corso, a Director on the Board of TIME dotCom Berhad, is deemed to have interest in the shares of the Company by virtue of Section 6A(4)(c) of the Companies Act, 1965 through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

Ronnie Kok Lai Huat, the Director on the Board of TIME dotCom Berhad, holds 5,000 shares in TIME dotCom Berhad whilst Balasingham A. Namasiwayam, a Director on the Board of TIME dotCom Berhad, holds 5,000 shares in TIME dotCom Berhad through his spouse.

LIST OF PROPERTIES HELD

AS AT 31 December 2015

TT DOTCOM SDN BHD

LOCATION	DESCRIPTION	TENURE	AREA	EXISTING USE	APPROXIMATE AGE (YEARS)		COST (NBV) (RM)	Remarks (Amortisation)
HMS 984 PT 1277 Mukim Sungai Karang Baging Kuantan	Land	Freehold	12,140.55 sq.m.	Operation Cable Landing Station	4		4,200,000.00	
Lot No. 43 & 54 Glenmarie Industrial Park Shah Alam, Selangor	Land	Freehold	2.225 acre	Operation site	19		3,687,963.00	
	Building		8,456.64 sq.m.			Cost Depreciation Balance (nbv)	14,717,422.12 14,717,402.12 20.00	
Lot 26 Jln 225 Petaling Jaya 46100 PJ Selangor	Building Land	Leasehold	1,486.45 sq.m. 4,577 sq.m.	Operation site	42	Cost Depreciation Balance (nbv)	5,585,840.00 1,452,318.40 4,133,521.60	99 years Expire 11/4/2072
Lot 6359 Mukim 1 Daerah Seberang Prai Pulau Pinang	Land	Freehold	2,422.15 sq.m.	Operation site	20		1,037,171.46	
Lot P.T.D. 3930 Mukim Tebrau Daerah Johor Bahru Johor	Land	Freehold	10,940.91 sq.m.	Operation site	18	Cost Land impairment Balance (nbv)	4,946,214.00 2,101,214.00 2,845,000.00	
102M, Lengkok Kampung Jawa 2 Miel Industrial Estate Bayan Lepas Pulau Pinang	Land	Leasehold	881.19 sq.m.	Operation site	34	Cost Amortisation Balance (nbv)	1,007,000.00 967,838.75 39,161.25	60 years from 1981 to 2041
	Building		668.9 sq.m.	Office Building		Cost Depreciation Balance (nbv)	200,000.00 75,999.94 124,000.06	2 % Depreciation
Lot 142-A Semambu Industrial Estate Kuantan, Pahang	Land	Leasehold	2.5 acre (10,940.5 sq.m.)	Operation site	35	Cost Amortisation Balance (nbv)	1,535,000.00 1,534,999.00 1.00	66 years from 1980 to 2046
	Building		1,938 sq.m.	Office Building		Cost Depreciation Balance (nbv)	1,065,000.00 447,299.98 617,700.02	2 % Depreciation
Kg. Sungai Bedaun Daerah Labuan Wilayah Persekutuan Labuan	Land Building	Leasehold	8.0 acre 270 sq.m.	Operation site	32	Cost Amortisation Balance (nbv)	4,145,000.00 4,144,999.00 1.00	99 years from 1984 to 2082

TT DOTCOM SDN BHD (CONTINUED)

LOCATION	DESCRIPTION	TENURE	AREA	EXISTING USE	APPROXIMATE AGE (YEARS)		COST (NBV) (RM)	Remarks (Amortisation)
P.T. No 2705 Mukim Ulu Kinta Daerah Ulu Kinta, Perak	Land	Leasehold	2,162.23 sq.m.	Operation site	39	Cost Amortisation Balance (nbv)	350,000.00 349,999.00 1.00	60 years from 1976 to 2036
Lot 37, Kg. Sungai Bedaun Settlement Scheme Labuan, WP Labuan	Land	Leasehold	3.0 acre	Operation site	32	Cost Amortisation Balance (nbv)	80,000.00 79,999.00 1.00	99 years from 1984 to 2082
Lot No. 469 Mukim Batu Burok Kuala Terengganu Terengganu	Land	Leasehold	732.35 sq.m.	Operation site	40	Cost Amortisation Balance (nbv)	316,702.92 304,386.65 12,316.27	99 years from 1975 to 2074
Lot PTD 1474, HS (D) 3432 Mukim Jemaluang Daerah Mersing, Johor	Land	Leasehold	1,237 sq.m.	Operation site	14	Cost Amortisation Balance (nbv)	41,320.00 22,898.17 18,421.83	60 years from 2001 to 2061
No. Hakmilik 697, Lot 254 Mukim 07, Daerah Seberang Perai Utara Negeri Pulau Pinang	Land	Freehold	3,974.0 sq.m.	Operation site Cable Landing Station-AAE1			1,279,579.00	

TIME DOTCOM BERHAD

LOCATION	DESCRIPTION	TENURE	AREA	EXISTING USE	APPROXIMATE AGE (YEARS)	COST (NBV) (RM)	Remarks (Amortisation)
Lot No. 53 Glenmarie Industrial Park Shah Alam, Selangor	Land	Freehold	4,260 sq.m.	Operation site	4	8,112,848.99	
	Building		3,747 sq.m.	Office Building			

AIMS CYBERJAYA SDN BHD

LOCATION	DESCRIPTION	TENURE	AREA	EXISTING USE	APPROXIMATE AGE (YEARS)	COST (NBV) (RM)	Remarks (Amortisation)
H.S.(D) 32428, P.T No. 45816, Mukim Dengkil Daerah Sepang, Negeri Selangor Darul Ehsan	Land	Freehold	12,684 sq.m.	Vacant		15,599,112.38	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 19th Annual General Meeting (AGM) of the Company will be held at **Saujana Ballroom, Ground Floor, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia** on **Thursday, 2 June 2016** at **10.00 a.m.** for the purpose of transacting the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A.**

As Ordinary Business:

2. To re-elect Hong Kean Yong, a Director retiring in accordance with Article 94 of the Company's Articles of Association and, who being eligible, has offered himself for re-election. **Resolution 1**

3. To re-elect Patrick Corso, a Director retiring in accordance with Article 99 of the Company's Articles of Association and, who being eligible, has offered himself for re-election. **Resolution 2**

4. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:- **Resolution 3**

   "THAT Abdul Kadir Md Kassim who retires in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company."

5. To re-appoint Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **Resolution 4**

As Special Business:

To consider and if thought fit, pass the following Resolutions:-

6. Ordinary Resolution – Authority to Issue Shares Pursuant To Section 132D of the Companies Act, 1965 **Resolution 5**

   "THAT subject always to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting; and FURTHER THAT the Directors be and are hereby empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

7. Ordinary Resolution – Retention of Ronnie Kok Lai Huat as Senior Independent Non-Executive Director **Resolution 6**

"THAT Ronnie Kok Lai Huat shall continue to serve as Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company notwithstanding he will complete his 9-year tenure as Senior Independent Non-Executive Director on 31 January 2017."

8. Ordinary Resolution – Proposed Increase in Directors' Fees **Resolution 7**

"THAT the aggregate fees payable to the Directors of the Company be hereby increased to an amount not exceeding RM984,000 per annum for the financial year ending 31 December 2016."

9. Special Resolution – Proposed Amendments to the Articles of Association of the Company **Resolution 8**

"THAT the Articles of Association of the Company as amended in the manner set out in Appendix I of the Notice of AGM dated 29 April 2016, be hereby approved and adopted AND THAT the Directors and Secretary of the Company be and are hereby authorised to carry out all the necessary formalities to give effect to the aforesaid amendments."

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

MISNI ARYANI MUHAMAD (LS 0009413)
Secretary

29 April 2016
Selangor Darul Ehsan

Note A:-

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:-

1. For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depository as at 27 May 2016. Only a depositor whose name appears on the Record of Depositors as at 27 May 2016 shall be regarded as a member entitled to attend, speak and vote at the Company's AGM or appoint proxies to attend and/or vote on his/her behalf.

2. A member entitled to attend and vote at the above Meeting of the Company is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.

4. A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member appoints two (2) proxies (or, in the case where more than two (2) proxies are permitted under the law, more than two (2) proxies), the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.

6. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, **Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan** not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Explanatory Note on Special Business:-

Resolution 5

The Ordinary Resolution 5 is proposed for the purpose of granting a renewed general mandate for the issuance of shares in the Company pursuant to Section 132D of the Companies Act, 1965.

There was no issuance of shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was obtained at the 18th AGM held on 20 May 2015 and the said mandate will expire at the conclusion of the forthcoming 19th AGM.

The Ordinary Resolution 5, if passed at the 19th AGM, will give authority to the Directors of the Company to issue and allot shares at any time without convening a general meeting, in order to avoid any delay and cost involved in convening one. The authorisation so granted, is valid from the date of the 19th AGM, and unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate if renewed at the 19th AGM, will provide the Company the flexibility to raise funds for funding future investment project(s), working capital and/or acquisition(s).

Resolution 6

The Ordinary Resolution 6 is proposed to authorise the continuation of Ronnie Kok Lai Huat as Senior Independent Non-Executive Director of the Company.

Ronnie Kok's 9-year tenure as Senior Independent Non-Executive Director will complete on 31 January 2017. The Board has assessed and is of the opinion that Ronnie Kok has satisfied the qualifications of an "independent director" as set out in Chapter 1 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). His long tenure has given him indepth knowledge of the business of the Group, the challenges facing it and together with his own personal work experience, he is able to provide valuable contribution to the Group's business. He has shown strong commitment, integrity and always acted professionally in discharging his duties as Senior Independent Non-Executive Director of the Company. He has, at all times, exercised due care during his tenure as Senior Independent Non-Executive Director of the Company and carried out his duties in an ethical and businesslike manner, in the best of the Company and shareholders.

Resolution 7

The Ordinary Resolution 7 is proposed to cater for possible appointment of new directors in 2016.

The Board recommends that shareholders approve the increase in total annual fees amounting to RM984,000 in order to cater for possible appointment of new directors in 2016.

Resolution 8

This Special Resolution is proposed to amend the Articles of Association of the Company.

The Board recommends that shareholders approve the amendments to the Articles of Association of the Company to be consistent with Bursa Securities' MMLR and other statutory and/or regulatory requirements.

The rationale for each of the Proposed Amendments are further set out in Appendix I of this Notice of AGM.

APPENDIX I – DETAILS OF THE PROPOSED AMENDMENTS

No.	Existing Articles	Proposed Amendments	Rationale
1.	**Article 2 – Definition** Not Applicable	A new definition of Exempt Authorised Nominee be inserted as follows:- **Exempt Authorised Nominee – an authorised nominee, as defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.**	The proposed new definition of Exempt Authorised Nominee is in accordance with Paragraph 7.21 (2) of Bursa Securities' MMLR.
2.	Not Applicable	A new Article 4A - be inserted as follows:- **Article 4A – No Director participate in Share Issuance Scheme** **No Director shall participate in a scheme that involves a new issuance of shares to the employees unless the shareholders in a general meeting have approved the specific allotment to be made to such Director.**	The proposed new Article is in accordance with Paragraph 7.03 of Bursa Securities' MMLR.
3.	Not Applicable	A new Article 6A be inserted as follows:- **Article 6A – Repayment of preference capital** **The repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.**	The proposed new Article is in accordance with Paragraph 7.13 of Bursa Securities' MMLR.

APPENDIX I – DETAILS OF THE PROPOSED AMENDMENTS (CONTINUED)

No.	Existing Articles	Proposed Amendments	Rationale
4.	**Article 71 – Member entitled to vote** Subject to Article 54, a member of the Company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the company have been paid. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.	 To delete the underlined words and insert the following words in bold, such that the new provision shall read as follows:- Subject to Article 54, a member of the Company shall be entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the **Company** have been paid. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint **up to two (2) proxies** in respect of each securities account it holds with ordinary shares of the **Company** standing to the credit of the said securities account. **The appointment of two (2) proxies in respect of each securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.**	 To be consistent with the proposed new Article 75A on the specification of the shareholding proportion to be represented by each proxy.
5.	Not Applicable	A new Article 75A be inserted as follows:- **Article 75A – Appointment of multiple proxies** **Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.**	The proposed new Article is in accordance with Paragraph 7.21(1) of Bursa Securities' MMLR.

APPENDIX I – DETAILS OF THE PROPOSED AMENDMENTS (CONTINUED)

No.	Existing Articles	Proposed Amendments	Rationale
6.	Not Applicable	A new Article 78A be inserted as follows:- **Article 78A – Qualification and rights of proxy to speak** **(a) A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.** **(b) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.**	The proposed new Article is in accordance with Paragraph 7.21A of Bursa Securities' MMLR.
7.	**Article 94 – Retirement of Directors** Subject to these Articles, the requirements of the Exchange and the Act, at the first annual general meeting of the Company all the Directors shall retire from office, and at every annual general meeting thereafter one third of the Directors, <u>excluding the Managing Director and joint managing director and Executive Directors,</u> for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years.	To delete the underlined words, such that the new provision shall read as follows:- Subject to these Articles, the requirements of the Exchange and the Act, at the first annual general meeting of the Company all the Directors shall retire from office, and at every annual general meeting thereafter one third of the Directors, for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years.	To comply with Paragraph 7.26 (2) of Bursa Securities' MMLR where all Directors shall retire from office at least once in every three (3) years.

APPENDIX I – DETAILS OF THE PROPOSED AMENDMENTS (CONTINUED)

No.	Existing Articles	Proposed Amendments	Rationale
8.	**Article 97 – Office may be filled at meeting at which director retires** No person other than a Director retiring at the meeting shall unless recommended by the Directors for election be eligible for appointment as a Director at any general meeting unless some member intending to propose him has not less than <u>eleven (11) clear</u> before the day appointed for the meeting leave at the registered office notice in writing signed by the member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected. Provided that in the case of a person recommended by the Directors for election <u>nine (9) days'</u> notice only shall be necessary and notice of each and every candidate for election shall be served on all members at least seven (7) days prior to the meeting at which the election is to take place.	To delete the underlined words and insert the following words in bold, such that the new provision shall read as follows:- No person other than a Director retiring at the meeting shall unless recommended by the Directors for election be eligible for appointment as a Director at any general meeting unless some member intending to propose him has not less than **eleven (11) clear days** before the day appointed for the meeting leave at the registered office notice in writing signed by the member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected. Provided that in the case of a person recommended by the Directors for election **nine (9) clear days'** notice only shall be necessary and notice of each and every candidate for election shall be served on all members at least seven (7) days prior to the meeting at which the election is to take place.	To correct the typographical error in the existing Article 97.
9.	Not Applicable	A new Article 101A be inserted as follows:- **Article 101A – Meeting of Directors** **The Directors may participate in a meeting of the Directors at two (2) or more venues within or outside Malaysia by means of a conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.**	With the expansion of the Company's business regionally and frequent Board travels, there is a need to provide for Board meeting via electronic teleconference.

APPENDIX I – DETAILS OF THE PROPOSED AMENDMENTS (CONTINUED)

No.	Existing Articles	Proposed Amendments	Rationale
10.	**Article 168** If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed <u>not</u> to contain that provision.	To delete the underlined word, such that the new provision shall read as follows:- If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are **deemed** to contain that provision.	To correct the typographical error in the existing Article 168.
11.	Not Applicable	A new Article 168A be inserted as follows:- **Article 168A** **If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision.**	The proposed new Article is in accordance with Paragraph 7.36(5) of Bursa Securities' MMLR.

FORM OF PROXY

No. of shares	CDS Account No.

TIME DOTCOM BERHAD
(Company No. 413292-P)

I/We ______________________________ Identification/Company No. ______________________
(Name in block letters)
of ____
(Full Address)

being a member/members of **TIME dotCom Berhad** hereby appoint the following person(s):-

Name of Proxy & NRIC	No. of shares to be represented by Proxy
1.	
2.	

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held at **Saujana Ballroom, Ground Floor, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia** on **Thursday, 2 June 2016** at **10.00 a.m.** and at any adjournment thereof.

You may indicate with an “**X**” or “**✓**” in the boxes provided below how you wish your votes to be cast. Please note that the filling of this form is for indicative purposes only and shall not bind the Company or in any way oblige or require the Company to ensure that your proxy shall vote in the manner as indicated by you.

Please take further note that the Company shall accept the vote cast by your proxy as a valid vote whether or not your proxy has acted in accordance with your instructions.

No.	Resolution	For	Against
1	Re-election of Hong Kean Yong as Director		
2	Re-election of Patrick Corso as Director		
3	Re-appointment of Abdul Kadir Md Kassim as Director		
4	Re-appointment of Messrs KPMG as Auditors		
5	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965		
6	Retention of Ronnie Kok Lai Huat as Senior Independent Non-Executive Director		
7	Proposed Increase in Directors’ Fees up to an aggregate amount of RM984,000 for the financial year ending 31 December 2016		
8	Proposed Amendments to the Articles of Association of the Company		

Signed this __________day of ________________ 2016.

____
Signature/Common Seal of Appointer

NOTES:

1 For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, to issue a General Meeting Record of Depository as at 27 May 2016. Only a depositor whose name appears on the Record of Depositors as at 27 May 2016 shall be regarded as a member entitled to attend, speak and vote at the Company’s AGM or appoint proxies to attend and/or vote on his/her behalf.

2 A member entitled to attend and vote at the above Meeting of the Company is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3 The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.

4 A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5 Where a member appoints two (2) proxies (or, in the case where more than two (2) proxies are permitted under the law, more than two (2) proxies), the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.

6 The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s Share Registrar’s office, **Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan** not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

AFFIX
POSTAGE
HERE

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor, Malaysia

GROUP CORPORATE DIRECTORY

TIME

TIME dotCom Berhad (413292-P)
TT dotCom Sdn Bhd (52371-A)
TIME dotNet Berhad (507273-T)
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Fax : +60-3-5032 0183
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MIEL Industrial Zone
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Fax : +60-4-370 0001

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Eastern Region
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Kawasan Perindustrian Semambu
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Southern Region
Lot 3930
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Taman Gembira Tampoi
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Fax : +60-3-2020 1880
Website : www.globaltransit.net

Global Transit Limited (LL06360)
Global Transit 2 Limited (LL10521)
Global Transit 3 Limited (LL10761)
Global Transit 5 Limited (LL10766)
Lot A020, Level 1, Podium Level
Financial Park, Jalan Merdeka
87000 Labuan
Sabah, Malaysia
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Fax : +60-8-742 8845

Global Transit Singapore Pte. Ltd.
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Fax : +65-6333 0665

Global Transit (Hong Kong) Limited (963139)
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AIMS

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