2017

ANNUAL REPORT

Contents

Performance Indicators

REVENUE FY'17

RM860.7 MIL

UP 12%
FROM
RM766.9MIL
IN FY'16

EBITDA FY'17

RM297.2MIL

UP 2%
FROM
RM292.6MIL
IN FY'16

OPERATING PROFIT FY'17

RM183.1 MIL

DOWN 8%
FROM
RM199.1MIL
IN FY'16

TOTAL SHAREHOLDERS' EQUITY FY'17

RM2,266.0MIL

EPS FY'17

30SEN

Corporate Information

BOARD OF DIRECTORS

Abdul Kadir Md Kassim
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

Mark Guy Dioguardi
Independent,
Non-Executive Director

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

Patrick Corso
Non-Independent,
Executive Director

Lee Guan Hong
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 (Chairman)
Ronnie Kok Lai Huat
Hong Kean Yong
Mark Guy Dioguardi

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
Helpdesk : +60-3-7849 0777
Fax : +60-3-7841 8151/7841 8152

AUDITORS

KPMG PLT
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

FIXED LINE

TT dotCom Sdn Bhd
100%

Planet Tapir Sdn Bhd
100%

GLOBAL NETWORKS

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) Pte Ltd
100%

DATA CENTRES

AIMS Cyberjaya Sdn Bhd
100%

AIMS Data Centre Sdn Bhd
100%

AIMS Data Centre Pte Ltd
100%

ASEAN

TIME dotCom International Sdn Bhd
100%

Chairman's Statement

Dear Shareholders,

2017 continued to be a challenging year although there was some respite in the improving global economy as it recovered amidst various geopolitical uncertainties.

On the home front, the strengthening of the Ringgit since its sharp decline in 2014 has bolstered Malaysian confidence, driving domestic demand up. This, in turn, has resulted in Malaysia recording a GDP growth rate of 5.9% in 2017.

The telecommunications industry remains demanding as the domestic market matures and growth prospects diminish. In a bid to remain relevant and competitive, the only way forward is to invest in infrastructure and to improve on service and product quality to meet market demands.

In response to these challenges, TIME has taken a two-pronged approach – reinforcing domestic operations and regional expansion, in order to effectively mitigate business risks while addressing market demands.

This strategy has sustained our competitive positioning and brand strength as we continue to grow the business in both the domestic and ASEAN markets.

The Year in Review

Despite the challenges, we pressed on towards our domestic and regional goals and ambitions in 2017.

Locally, we are still seeing encouraging demand coming from Retail as we work towards expanding our reach and moving into new territories in both Peninsular Malaysia and East Malaysia via the Sistem Kabel Rakyat 1 Malaysia subsea cable system.

Data Centre prospects were encouraging and remained a significant revenue generator. Demand for Data Centre services remains healthy as players look to Malaysia as part of their ASEAN expansion.

Regionally, we completed our acquisition of a 46.84% equity interest in Symphony Communication Public Company Limited and are excited about the prospects of expanding into new markets in ASEAN.

On the global front, the Group has plans to leverage on the Asia-Africa-Europe-1 subsea cable system to boost non-Malaysian revenue.

Our accomplishments in 2017 build on the foundation that we have laid in 2016 towards realising our long-term business goals and business sustainability.

Financial Highlights

I am pleased to report that the Group has performed well across our core customer groups, posting a 12% growth in revenue for the financial year ended 31 December 2017 while pre-tax profit stood at RM193.1 million.

Data and Data Centre sales continue to lead growth with double digit-growth rates of 15% and 18%, respectively.

Our revenue growth is on an upward trend, supported by recurring revenues, which reflects the sustainability in our business and lower reliance on one-off revenue sources.

For an in-depth look at the financial performance of the Group, please refer to the Management Discussion & Analysis segment of this Annual Report.

Shareholder Rewards

In line with our financial performance, the Group paid out an interim ordinary and a special interim (single tier) dividend of 5.30 sen and 11.90 sen per ordinary share respectively for the financial year ended 31 December 2017.

The Group was able to meet its dividend policy to return up to 25% of normalised profit after tax to shareholders and pay out an additional special interim dividend as a reward to shareholders for their loyalty and support of the Group.

Changes in Board Composition

We welcome Mr. Lee Guan Hong, who was appointed a Non-Independent Executive Director of TIME on 9 March 2017. Guan Hong's extensive industry experience and know-how is an asset to the Board as the Group pursues continued, sustainable growth going forward.

Acknowledgements

On behalf of the Board, I extend our gratitude to the Malaysian Communications and Multimedia Commission for their guidance on all industry related matters.

I also express our gratitude to our shareholders for their unwavering support and confidence during this financial year.

To our employees, who have contributed their tireless dedication in our time of expansion, I thank you for your commitment to driving the Group to greater heights.

Lastly, I thank my fellow Board members for their wise counsel, good governance and stewardship in steering the Group forward.

ABDUL KADIR MD KASSIM
Chairman

Management Discussion & Analysis

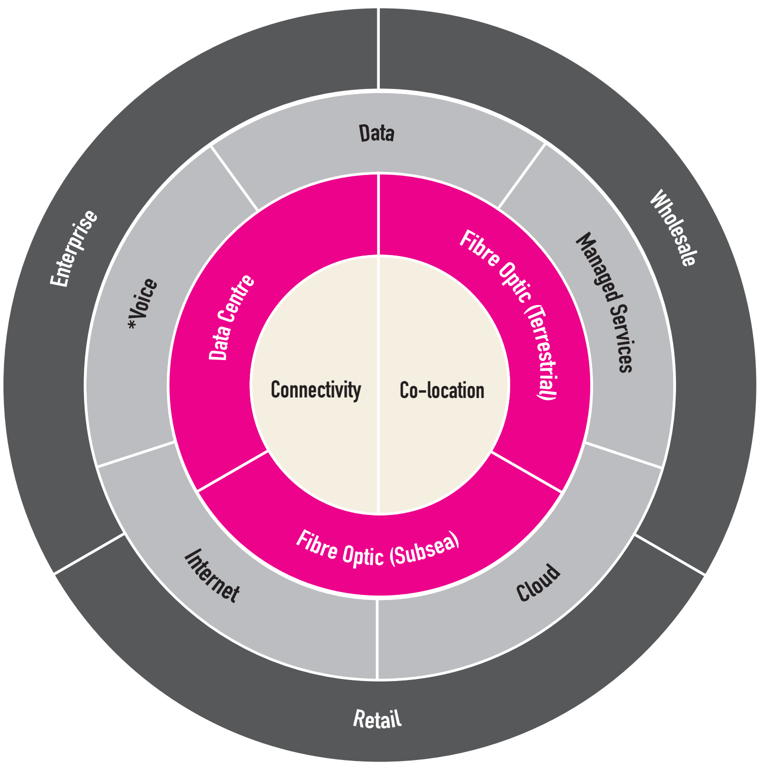
TIME is a Malaysian-based telecommunications provider that has evolved over the years to provide a full range of telecommunications solutions, including global connectivity, data centre and managed service solutions to customers in the Wholesale, Enterprise and Retail segments. From our domestic roots, our customer base has expanded to now include customers from around the world.

TIME

Fixed Line	Global Networks	Data Centres	ASEAN
100% fibre optics-based domestic fixed-line telecommunications service provider.	International bandwidth provider with a global footprint.	Carrier-neutral data centre operator with world-class data storage facilities and ancillary services.	Strategic acquisitions/joint ventures/partnerships with telecommunications service providers and data centre businesses in ASEAN.

The Group's business spans Peninsular Malaysia and East Malaysia with the Cross Peninsular Cable System ("CPCS"), a terrestrial fibre optic network, and Sistem Kabel Rakyat 1 Malaysia ("SKR1M"), a submarine cable system, powering our domestic network. We have expanded our terrestrial fibre optic footprint outside Malaysia into Singapore, Thailand and Vietnam – through building our own infrastructure and/or working with our associates in those countries to leverage off their assets. The Group has invested in four international submarine cable systems, i.e. the Unity, FASTER, Asia Pacific Gateway ("APG") and Asia-Africa-Europe-1 ("AAE-1") submarine cable systems.

The Group is a leading carrier neutral data centre operator in Malaysia with our flagship data centre facility located in the heart of Kuala Lumpur. We also have data centre presence in Singapore, Thailand and Vietnam through our investments, directly or via associates, in those countries.



TIME's focus areas and telecommunications solutions

- Telecom Segment
- Network/Assets
- Services
- Customer Group
- * Secondary Business Focus

Note: Wholesale refers to other telecom operators and Internet Service Providers while Enterprise includes the Banking, Financial Services, Education, Hospitality, Logistics, Government and Manufacturing sectors. SME and Consumer customers make up TIME's Retail customer group.

As we work towards securing TIME's long-term future in the industry, we remain committed to the following key strategies and directives:

- Network enhancement and quality assurance to improve customer experience.
- Deliver products and services that are relevant to the needs and wants of our customer groups.
- Explore and tap opportunities within ASEAN to expand into new markets.
- Further strengthen our position as a leader within the data centre community and anchor site for the Malaysian Internet Exchange ("MyIX").

Business Review

Fixed Line

Growth was registered across all core customer groups in financial year 2017 ("FY2017"). Revenue from Retail customers alone grew 85% during the year. Our 100Mbps, 300Mbps and 500Mbps TIME Fibre Home Broadband plans, which were launched on 23 March 2016, continue to be Malaysia's fastest and continue to be some of the most competitively priced fibre home broadband plans.

We are also pleased to have seen sustained growth on the Enterprise front, as we continued to deliver on our commitment to serve our customers with innovation and quality products and services.

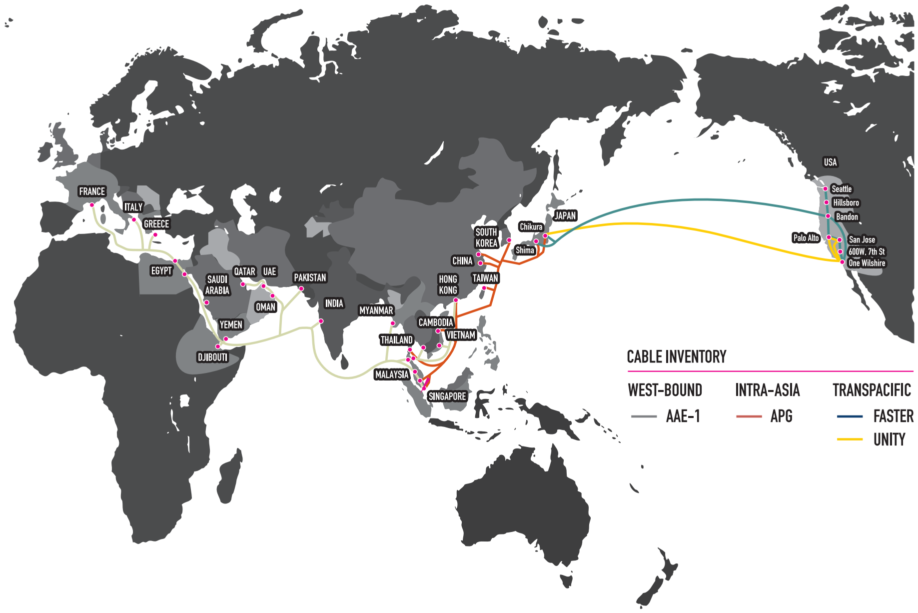
In line with our long-term strategy of extending our network reach to new buildings and coverage areas, we wired up more homes and offices in FY2017, increasing our premise passes at the end of the year by approximately 51% year-on-year.

SKR1M, a domestic submarine cable system linking Peninsular and East Malaysia was declared ready-for-service in Q3 2017. Its completion enables the Group to deliver connectivity services to Sabah and Sarawak.

Moving forward, we will continue our efforts to further expand our reach, improve our offerings and provide exceptional customer experiences.

Global Networks

The completion of the AAE-1 submarine cable system at the end of FY2017 now complements the Group's existing international submarine cable footprint - UNITY, FASTER and APG.



While these submarine cable assets are now fully operational and the resultant additional capacities that have come on-stream are expected to provide us with more inventory for sale, we remain cautious that intense market competition in this space may provide a challenging market environment that could see an accelerated erosion of overall global bandwidth prices. Notwithstanding this, we will strive to increase our sales efforts to monetise our investments as quickly and as efficiently as possible.

Data Centres

Revenue from data centres grew 18% in FY2017.

Positioned as a leading carrier-neutral provider, we saw increased demand for our services throughout the year, including from several large Over-The-Top ("OTT") providers looking at Malaysia as a main component of their ASEAN expansion plans.

Location	Data Centres (Net Lettable Area Sq. Ft.)
Menara AIMS	45,000
Cyberjaya	16,120
Others	2,035
Total	**63,155**

This encouraging demand led us to open an additional 3,400 square-feet of net lettable data centre space in our Cyberjaya facility in FY2017 with plans for further increases in both our facilities, i.e. Menara AIMS and Cyberjaya, in the coming year.

Data Centres (Continued)

In 2017, we were recognised for our adherence to international-class standards of excellence and were proud recipients of the following awards:

- The Frost & Sullivan Malaysia Best Data Centre Service Provider of the Year 2017
- The Asia Pacific Entrepreneurship Award 2017
- The BrandLaureate SMEs BestBrands in Enterprise – Data Centre Solutions

ASEAN

The Group intends to replicate its domestic success in other ASEAN markets. We plan to achieve this through measured and calculated strategic acquisitions, partnerships, and/or joint ventures with companies that operate in our focus areas within the region.

In addition to our stakes in CMC Telecommunications Infrastructure Corporation ("CMC Telecom") in Vietnam and KIRZ Co Ltd ("KIRZ") in Thailand, the Group has acquired a total of 203,143,797 shares or a 46.84% equity interest in Symphony Communication Public Company Limited ("SYMC") in FY2017.

We look forward to working together with SYMC, which has its own terrestrial fibre network across Thailand that also has cross border capabilities to connect Malaysia, Myanmar, Cambodia and Laos.

We are pleased to note that our regional investments have been mostly positive, generating higher profits for the Group compared to the previous year.

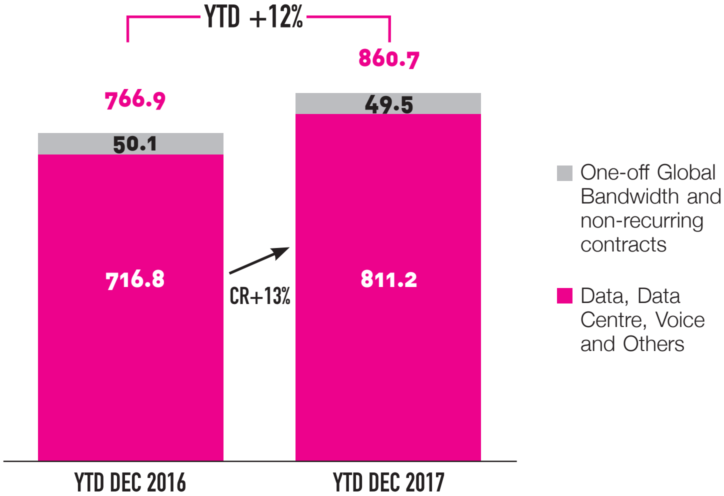
These achievements will contribute towards the realisation of our long-term business goals and strengthen the sustainability of both our international and domestic operations.

Financial Review

Revenue from Core Operations

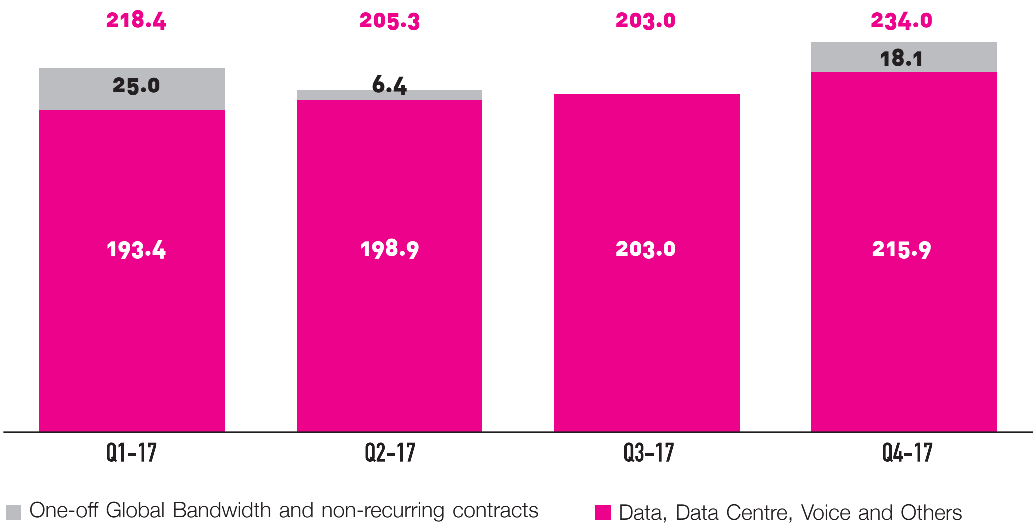
The Group posted a consolidated revenue of RM860.7million for the financial year ended 31 December 2017, a 12% increase from the RM766.9 million achieved a year ago.

Revenue (RM'million)



This continued upward trend was bolstered by higher overall revenue from data and data centre sales, despite a reduction in voice and one-off and/or non-recurring revenues. These changes reflect the continued and encouraging growth in sustainable core operations and a reduced reliance on one-time non-recurring revenue.

Revenue (RM'million)



CR = Core Revenue

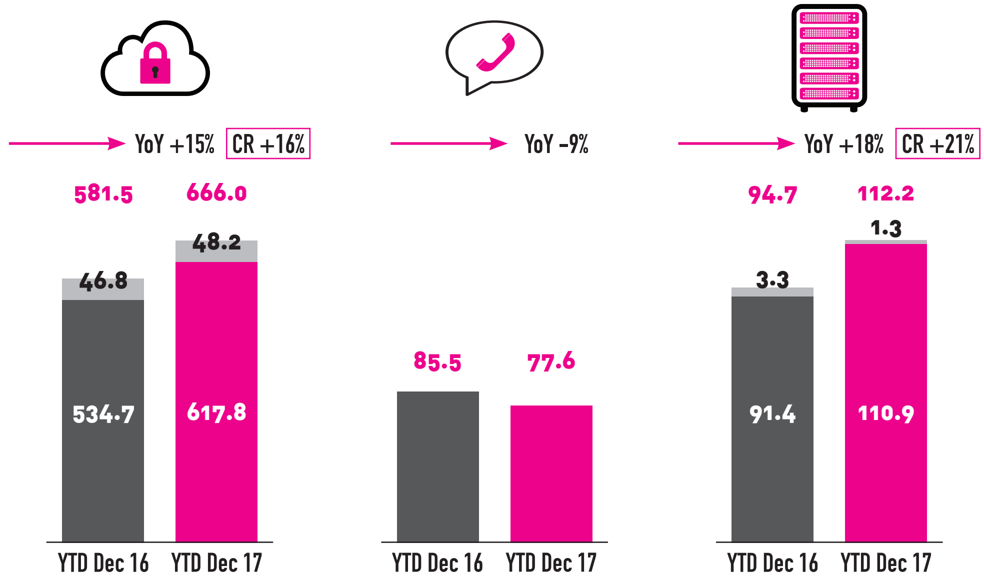
Revenue from Core Operations (Continued)

Revenue from one-off global bandwidth and non-recurring contracts amounted to RM48.2 million (FY2016: RM46.8 million) of data revenue and RM1.3 million (FY2016: RM3.3 million) of data centre revenue recognised in the said period.

Excluding one-off revenue from IRU sales and non-recurring contracts, core revenue increased by 13% in FY2017 when compared to the similarly adjusted revenue in FY2016.

Revenue by Product

Revenue (RM'million)



CR = Core Revenue

Higher revenue could be seen in all products sold by the Group in FY2017, with the exception of voice, which saw a decline of 9%. Data sales, which make up 77% of TIME's total revenue, increased 15% during the year. Excluding one-off data revenue amounting to RM48.2 million in FY2017, data revenue would have grown 16% or RM83.1 million in FY2017.

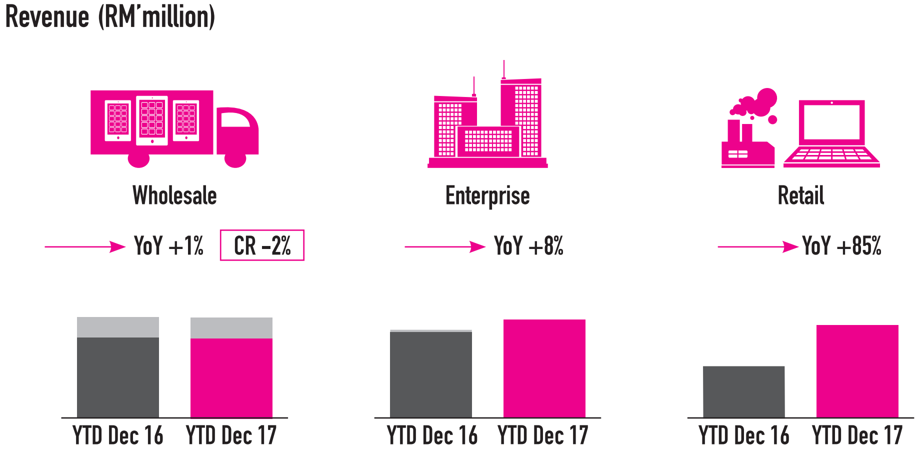
Our 100Mbps, 300Mbps and 500Mbps TIME Fibre Home Broadband plans, which were launched in March 2016, continued to be very well received throughout FY2017. Revenue from TIME Fibre Home Broadband plans was the main contributor to the overall growth of data revenue.

Data centre revenue, which represents 13% of total revenue, grew 18% year-on-year. Excluding revenue from non-recurring data centre contracts, data centre revenue would have grown 21% relative to FY2016. This growth in data centre revenue was mainly due to increased demand for our data centre business, which was supported by the expansion of our data centre space in our Cyberjaya facility.

Revenue by Product (Continued)

Voice revenue, however, declined 9% amidst challenging and competitive market conditions that resulted in the Group recording lower voice minutes utilised during the year. The lower voice revenue also saw its contribution to overall Group revenue reduce correspondingly to 9% compared to voice revenue contribution of 11% to overall Group revenues in the previous year.

Revenue by Customer Group



CR = Core Revenue

Revenue from wholesale customers was relatively flat in FY2017. The overall international wholesale market was particularly challenging in FY2017 as a substantial amount of capacity from newly completed international submarine systems started to come on stream. The competitive landscape has become more intense as many of the OTT content providers, who have traditionally helped to fuel the high demand for such capacities, have themselves invested in the new submarine cable systems, thereby reducing the demand for new capacities offered by others. The Group saw demand continue for global bandwidth sales from the traditional Internet backbone providers albeit at more competitive rates.

Enterprise sales continued to grow at a rate of 8% in FY2017, attributed mainly to the steady and continuous customer acquisition efforts supported by the unique solutions we offer to enhance customer satisfaction.

Revenue contributed by our retail customers grew 85% year-on-year. This was driven by encouraging demand for the TIME Fibre Home Broadband offerings in the retail sector.

Income Statement

RM'mil	Actual YTD Dec 2017	Actual YTD Dec 2016	YTD Variance
REVENUE	**860.7**	**766.9**	**+12%**
EBITDA	**297.2**	**292.6**	**+2%**
PROFIT BEFORE TAXATION (PBT)	**193.1**	**368.4**	**-48%**
Adjustments			
EBITDA			
Gain on disposal of PPE	(2.8)	(7.4)	
PPE written off	3.1	0.4	
Net impairment of PPE	-	5.8	
Gain on disposal of investment in Campana	-	(2.5)	
Forex loss/(gain)	21.1	(9.3)	
Total	**21.4**	**(13.0)**	
PBT			
Dividend income	-	(3.4)	
Realisation of FV gain from AFS	-	(157.4)	
Total	**-**	**(160.8)**	
ADJUSTED EBITDA	**318.6**	**279.6**	**+14%**
ADJUSTED PBT	**214.5**	**194.6**	**+10%**

For FY2017, we recorded a 14% and 10% improvement in adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) and adjusted profit before tax (PBT) respectively compared to last year. This is mainly attributable to revenue growth from the bulk of our core product segments (despite a decline in one-off revenues from IRU sales and non-recurring contracts). Our improved cost efficiencies and increased subscriber base that was secured through the rapid deployment of our fibre home broadband services, were also contributing factors.

It should be noted that the FY2016 results took into account the fair value gains from available-for-sale reserves that were registered from the disposal of all of TIME's remaining ordinary shares held in DIGI.Com Berhad. The disposal of these shares, for a total of RM307.2 million via a private placement exercise to eligible third party institutional/sophisticated investors, resulted in a fair value gain of RM157.4 million in that year.

The Group also recorded a net loss on foreign exchange of RM21.1 million in FY2017 compared to a gain of RM9.3 million in FY2016.

Balance Sheet

	FY2017 RM'mil	FY 2016 RM'mil
ASSETS		
Non-current assets	2,227.7	1,964.1
Current assets	850.3	783.2
Total assets	**3,078.0**	**2,747.3**
EQUITY AND LIABILITIES		
Equity		
Share capital	1,172.5	289.1
Reserves	1,093.5	1,893.7
Total equity attributable to owners of the Company	**2,266.0**	**2,182.9**
Non-current liabilities	**263.5**	**229.4**
Current liabilities	**548.5**	**335.0**
Total liabilities	**812.0**	**564.4**
Total equity and liabilities	**3,078.0**	**2,747.3**
Net assets per share attributable to ordinary owners of the Company	**RM3.90**	**RM3.77**

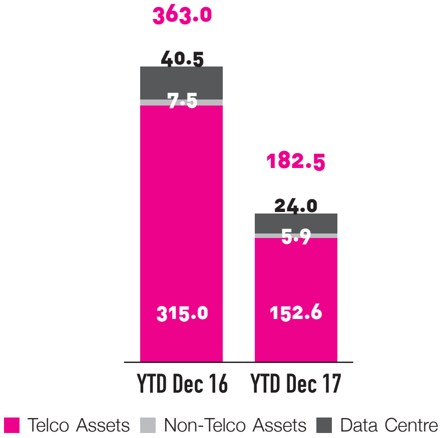
As at 31 December 2017, TIME remains in a strong financial position. The Group continues to hold a credit rating of AA3, which had been reaffirmed by Rating Agency Malaysia (RAM) during the year.

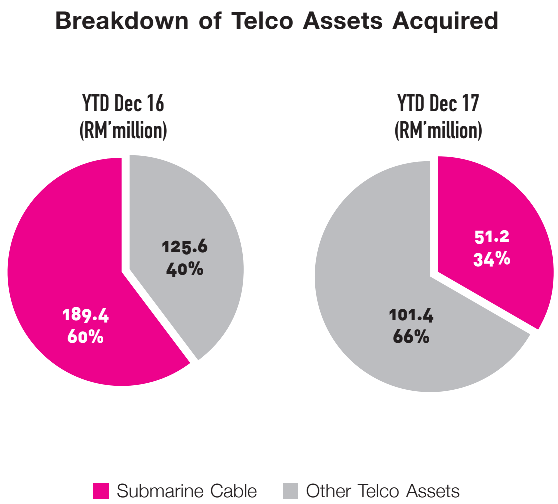
In FY2017, the total assets of the Group grew by RM330.7 million to close the financial year at RM3.1 billion. The increase was attributed to the following:

- Increase in equity investment with the acquisition of SYMC valued at RM290.7 million and share of profits from associates amounting to RM2.1 million.
- An increase in cash and cash equivalents of RM70.3 million from cash inflows generated from the higher sales recorded on the back of improved cost efficiencies.

Total liabilities increased by RM247.6 million mainly because of increased loans and borrowings that we raised to fund our investment in SYMC. Despite the increase in borrowings, the Group's financial standing remains strong, with a fairly low gearing ratio of only 19% (2016: 8%).

Capital Expenditure





The Group continues to reinvest into the business with 84% of the total 2017 capital expenditure ("CAPEX") spent on telecommunication assets. CAPEX for subsea cables is expected to be lower moving forward as all subsea cable investments are now completed.

The bulk of the expenditure incurred for telecommunication assets was primarily used to develop and expand our network reach in Malaysia as well as overseas.

Cash Flow

	2017 RM'mil	2016 RM'mil
Net cash inflow for operating activities	423.5	461.4
Net cash outflow for investing activities	(497.9)	(91.8)
Net cash inflow/(outflow) for financing activities	156.1	(106.0)
Net increase in cash balance	81.7	263.6
Exchange effects on cash balance	(11.4)	0.2
Cash balance at beginning of the year	506.3	242.5
Cash balance at end of year	576.6	506.3

The Group's net cash inflows from operating activities for the year amounted to RM423.5 million, which was RM37.9 million lower than FY2016. This was largely due to the timing of larger payments made to suppliers and various other vendors towards the end of the year. Collection from customers in FY2017 amounted to RM988.0 million and was RM46.1 million higher than collections received in FY2016 amounting to RM941.9 million.

Investing Activities	2017 RM'mil	2016 RM'mil
Acquisition of property, plant and equipment	(219.0)	(369.0)
Proceeds from disposal of property, plant and equipment	0.3	4.6
Proceeds from sale on other investments	-	307.2
Proceeds from sale of equity accounted investment	-	4.1
Acquisition of other investments	(4.2)	(3.0)
Investments in associates	(290.7)	(51.9)
Investment income received	15.8	16.1
Net cash used in investing activities	**(497.8)**	**(91.9)**

The Group completed its acquisition of SYMC during the year for RM290.7 million in cash. The combined cost of the SYMC acquisition and capital expenditure paid amounting to RM219.0 million during the year resulted in the Group recording a net cash outflow in investing activities of RM497.8 million.

Net cash inflows of RM156.1 million for financing activities comprised mainly of proceeds received from the RM273.7 million in borrowings drawn down during the year to help fund the acquisition of SYMC as well as progress payments for the Group's submarine cable investments, offset by RM100.1 million paid for dividends declared in respect of the previous financial year.

Dividends

The Group has an established dividend policy to pay an annual ordinary dividend of up to 25% of normalised profit after tax to our shareholders.

The Group paid out dividends amounting to RM100.1 million in respect of dividends declared for the financial year ended 31 December 2016 on 31 March 2017. The Group also declared, on 23 February 2018, an interim ordinary and a special interim (single tier) dividend of 5.30 sen and 11.90 sen per ordinary share respectively, which has been paid on 28 March 2018.

The Group looks forward to consistently returning value to our shareholders but this is contingent as always on our overall business and earnings performance, capital commitments, financial conditions, distributable reserves and other relevant factors.

Risk Mitigation

The following is a summary of the various risk and mitigation strategies that the Group employs in navigating the risks that are inherent to the IT and telecommunications industry.

Risk	Mitigation Strategies & Measures
Business and competition	We continue to focus on delivering high quality products and services that are competitively priced in the market place. Continuous efforts are made to regularly engage with our customers to understand their requirements and to enhance their overall experience with us. We believe that a satisfied customer is a loyal customer and as such, we prioritise prompt resolutions of any technical issues that the customers face whilst ensuring that customers receive professional service at all times. Customer feedback is monitored for opportunities to improve internal efficiency and/or effectiveness. In addition, we will continue to build upon brand awareness in the market with aggressive promotions and communications via digital, social and conventional media to ensure continued brand appeal and stickiness. We are also committed to ensuring the best quality of services are consistently deployed by making sure our network infrastructure continues to perform efficiently and effectively. The Group continuously monitors its network and improvements and/or upgrades are made when and where necessary. The Group also continuously looks to expand its service coverage footprint to areas previously not covered by investing in coverage expansion.

Management
Discussion & Analysis (Continued)

Risk	Mitigation Strategies & Measures
Failure of physical infrastructure	The Group has a clear Business Continuity plan in place to ensure uninterrupted operations in the event of any major incident. We also adopt relevant measures to ensure minimal service disruptions. This includes housing our infrastructure and equipment in secure locations to prevent incidents of vandalism and theft, amongst other things. All our networks and data centres are protected with redundancies such as alternative routing, emergency power supply and other physical measures. The Group has also built a strong partnership with respected vendors and suppliers who are able to provide vendor warranties and insurance to mitigate against the cost of failures. The Business Continuity plan, measures and partnerships are reviewed periodically to ensure that the Group is always equipped to deal with any type of incident that may arise.
Changes in the regulatory environment/non-renewal of licenses	The Group continues to stay abreast with changes in the regulatory environment by engaging in close and frequent dialogue with relevant authorities and parties. These include government ministries and regulators. TIME, when called upon, also lends its expert views and feedback to regulatory bodies in the formulation of industry policies, thereby playing a proactive role in shaping the landscape.
Technological evolution	The Group embraces changing technologies as a natural event in its industry. TIME continues to closely monitor upcoming development trends in the industry by participating in international and local conferences, roundtables, forums and other platforms.

Outlook & Prospects

The Group expects the telecommunications industry to remain competitive and challenging in 2018. To face these challenges, we will continue to leverage on our existing assets to increase market share by delivering an unparalleled quality network experience and by providing meaningful solutions to our customers.

We will also look to further strengthen its domestic fibre network and intensify efforts to extend its coverage throughout the country. We continue to be encouraged by the strong demand for our TIME Fibre Home Broadband offerings and will look for opportunities to further tap into this market segment in 2018. On a global front, we anticipate new opportunities with the addition of AAE-1 submarine cable system to our network of existing international submarine cable assets.

We expect the adoption of new IT architecture to provide growth for our data centre business moving forward and have plans to upgrade our data centre assets to cater to the demands of our customers, while remaining environmentally conscious. We are also planning to expand our data centre market presence regionally and grow our current ecosystem of customers to include interconnected players from various industries.

The Group is also looking forward to working with our new partner in Thailand, SYMC. SYMC owns a terrestrial fibre network across Thailand with cross border capabilities to connect Malaysia, Myanmar, Cambodia and Laos.

Sustainability Statement

The Group remains committed to its business sustainability agenda given the growing importance of economic, environmental and social ("EES") parameters in supporting the Group's strategies for growth.

Management is of the view that embedding sustainability across our business operations will benefit the Group and its stakeholders. These include achieving a more inspired organisational culture and dynamic work environment, strengthening our brand credibility and reputation, reducing risk exposure, attracting investors and ensuring long-term business growth and profitability.

Towards this end, in our second Sustainability Statement ("Statement"), the Group provides a narrative of its efforts in driving sustainability across the organisation as well as to key stakeholders.

Our Sustainability Commitment

The Board and Management of TIME are of the firm belief that for us to continue operating effectively, sustainability must be a core strategy for the Group. Sustainability is the means for solidifying our long-term business position, growing shareholder value and ensuring long-term customer and employee satisfaction.

Reporting Scope & Boundary

Our 2017 Statement has been developed in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements related to Sustainability Statements in Annual Reports.

Given the unique, inter-connected relationship between our three business segments – Fixed Line, Global Networks and Data Centres, we are of the view that all business operations should be included in the sustainability scope. However, reporting is focused on the most pertinent projects, initiatives and activities.

The Statement does not include the Group's value chain consisting of third party contractors, suppliers and vendors. Progressively, we will endeavour towards providing more comprehensive disclosure going forward.

The disclosure provided is for 1 January 2017 to 31 December 2017. This Statement should be read together with the Group's Annual Report for the financial year ended 2017.

REPORTING PERIOD:	1 January 2017 to 31 December 2017
REPORTING CYCLE:	Annually
PRINCIPAL GUIDELINES:	Bursa Securities' Main Market Listing Requirement Practice Note 9 Article 6.

Governance

The Sustainability Steering Committee ("SSC") champions matters that are material to the sustainability of the business. It is composed of the following individuals:

Board of Directors

↓

Sustainability Steering Committee ("SSC")

↓

Sustainability Working Group

The Sustainability Steering Committee ("SSC") champions matters that are material to the sustainability of the business. It is composed of the following individuals:

- Executive Directors
- Company Secretary
- Chief Financial Officer
- General Counsel & Chief Regulatory Officer

The Sustainability Working Group, which reports to the SSC, consists of heads of the various divisions within the Group.

In addition, the Control Environment and Structure as contained in the Directors' Statement on Risk Management & Internal Control of this Annual Report provides a further governance component for the Group in this aspect.

Corporate Communications is responsible for all internal and external communications on all sustainability related matters.

SUSTAINABILITY ROLES & RESPONSIBILITIES

Sustainability Steering Committee ("SSC")	Sustainability Working Group ("SWG")
• Ensures alignment of sustainability strategy to the long-term business position. • Ensures sustainability items are executed in line with approved strategies. • Reviews and recommends sustainability strategies, policies and other related matters to the Board. • Endorses sustainability plans and targets for execution.	• Ensures that strategies and projects as cascaded down from the SSC are implemented. • Tracks project progress to ensure that all outlined activities achieve sustainability targets and reports progress to SSC.

Stakeholder Engagement

In defining our materiality matters, the Group leverages on internal perspectives as well as external views to ensure that our identification and prioritisation of materiality is inclusive. Hence, the requirement for stakeholder engagement that was initiated with multiple stakeholder groups using a wide range of communication channels.

We engaged key stakeholders through various channels to obtain their views and concerns. The diversity in perspectives, ideas and feedback allows for a more comprehensive and balanced identification of what is truly important to our business and stakeholders. Further details of our stakeholder engagement activities are provided below:

Stakeholder Groups	Engagement Approach	Frequency	Focus Areas
Customers	• Advertising & promotions • Client/Service manager • Customer contact centre • Social media • Tactical events & roadshows	Regular Regular Daily Daily Regular	Ensure that customers are kept abreast of the offerings that are available to them as well as to act as a means of eliciting feedback.
Employees	• Townhalls • Intranet/newsletters • Engagement events (in-house talks, training, development programmes, culture programmes, etc.) • Employee satisfaction survey	Quarterly Regular Regular Annually	Ensures that information relating to the Group is cascaded to the employees and giving them a platform to feedback. Talent development is also a key area of focus.
Shareholders, Investors & Analysts	• Annual report • Annual general meeting • Financial reports and investor briefings • Investor roadshows/events • Media releases • Shareholder updates • Investor relations page on website	Annually Annually Quarterly Periodic Periodic Regular Periodic	Keep shareholders, investors and analysts updated on the progress of the Group.
Government & Regulators	• Meetings & visits • Reports • Participation in Government & Regulatory events	Regular Periodic Ad-hoc	Ensure that the Group is compliant to Government and Regulatory guidelines.
Community & general public	• Advertising & promotions • CSR activities • Social media	Regular Regular Daily	Ensure brand awareness is maintained in the public eye and to continue growing as a socially responsible corporate citizen.

Materiality Assessment

Following a review of the first Sustainability Statement, we have restructured the issues that were identified as relevant to the business into four main pillars. The four main pillars consist of the most vital matters defined in terms of importance to stakeholders and to the Group.

- Our Customers
- Our Environment
- Our Community
- Our People

Our Customers

SERVICE & SATISFACTION

2017 saw the Group focus on Retail as a result of the increase in uptake of the TIME Fibre Home Broadband offering. TIME grew 85.2% year-on-year in the Retail space in 2017. In addition to responding to customer enquiries via the various channels like phone calls, emails and social media, it has become increasingly important to ensure that our existing base of customers is satisfied with the services that are being provisioned to them.

We have taken the following strategies in the matter of customer service and customer satisfaction.

1. The digitalisation of customer facing touch points. In this area, we have automated various features such as rescheduling of appointments, service modification, auto debit application, payment, etc. Moving forward, we plan to further digitalise touch points in the customer journey, e.g. the introduction of a chat bot to handle customer queries and to create a better presence on social media, in order to ensure customer interaction is prompt and efficient.

   With regards to social media, we continued to establish our presence via our Facebook ("FB") page which serves as a key customer and community stakeholder touch point for TIME. Through FB, we are able to quickly and directly engage people in a two-way communication flow. The use of FB is to provide coverage and other updates and to allow customers to conveniently contact us as well.

   At present, our FB page has 78,218 followers and 78,013 likes as at end 2017.

2.. Laying the foundation for the implementation of Net Promoter Score ("NPS") and Customer Satisfaction Score ("CSS") in the Retail segment of the business. As part of the roadmap to effectively measure our progress in terms of the customer experience that we are delivering, we will be standardising these measurements across the business and extending these measurement matrixes to both Enterprise and Wholesale as well.

   We hope to keep improving in the areas of customer service and customer satisfaction as we continue to grow the business. Moving forward, as we further streamline our data collection processes, we plan to disclose our NPS and CSS scores in the spirit of greater transparency and disclosure.

Our Customers (Continued)

COVERAGE

We continue to place emphasis on the quality of our fibre network that is a key component of the service assurance that we give to our customers. For example, we have a 100% Service Level Guarantee ("SLG") as an add-on to some of our Enterprise offerings which guarantees 100% uptime and a Mean Time to Repair ("MTTR") of 4 hours.

Our focus remains on high-rise homes and commercial buildings in the metropolitan area and with regards to that aspect, we were able to grow our premise pass by 51% in 2017. The completion of SKR1M in 2017 has bridged the gap between Peninsular and East Malaysia for us and has extended our reach to Sabah and Sarawak.

On the international front, construction of the AAE-1 submarine cable system was completed by end-December 2017. This will complement our existing submarine cable system assets and provide us with more inventory for sale.

Our Environment

ENERGY CONSERVATION & GREEN INITIATIVES

Our Data Centre business remains a key focus for the Group when it comes to using energy more efficiently. We continue to employ the following in our efforts to conserve energy:

- Diesel rotary uninterruptible power supply ("DRUPS") devices that benefit from higher energy efficiency, smaller footprint, use of fewer components, longer technical lifetime (no usage of power electronics) and no chemical waste (no batteries involved). Hence this lowers energy consumption and is environmentally friendly.
- Cold Aisle Containment, which creates a uniform and predictable airflow that eliminates hot spots, ensuring optimal operating efficiencies and hence improves power usage efficiency (PUE).

As per our practice, we continue to refresh legacy equipment that is less energy-efficient and work closely with other industry stakeholders such as the Malaysia Digital Economy Corporation.

	2015	2016	2017
Energy Consumption (MWh)	22,573	24,997	30,486

The increase in energy consumption is a direct result of the growth of the data centre business. The focus here is to ensure that energy is used in the most efficient manner and moving forward we endeavour to disclose information related to energy efficiency metrics that we will be using to track the efficient consumption of energy for our Data Centres.

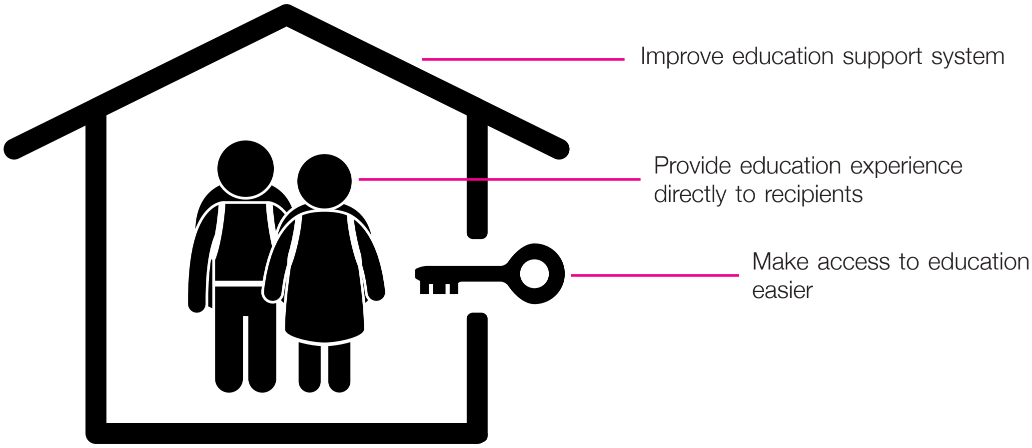
Our Community

COMMUNITY OUTREACH & ENGAGEMENT

TIME continues to engage the local communities through various action-based programmes and outreach activities. We are committed to being a socially responsible corporate citizen and encourage our employees to take a proactive role when it comes to participating in social causes.

The Group strongly believes that the way to move forward is to ensure that the next generation is equipped with the knowledge that they need. In 2017, to ensure that our efforts yield the maximum results and impact, we've shifted to education as a primary focus of the Group's Corporate Social Responsibility ("CSR") activities.

Our education focus that drives our CSR efforts is best exemplified in the visual below. Essentially, our approach where it concerns CSR efforts are driven by the following aspirations:



- Increasing access to education by bridging existing gaps where possible. Our first educational thrust is to reach out and bridge the gap among the underprivileged communities to the best of our limited resources and capabilities.

- Enhancing the quality of education to deliver better learning experiences. Going a step further, TIME seeks to actively and directly reach out to students across the country.

- In completing our approach, we look to enhance education support systems, which help to provide better learning experiences.

Our Community (Continued)

The following are activities that were undertaken in 2017 in line with the primary focus of our CSR activities:

1. **Trust School Programme with Yayasan Amir**

   To support the Yayasan Amir Trust Schools Programme with the objective of closing the achievement gap amongst students and spurring the improvement of results at all levels of academic and non-academic performance. The Group has been involved in this programme since 2015 and is committed up until 2019.

2. **TIME Education Assistance Programme ("EAP")**

   The TIME EAP supports students from families in need of assistance living in People's Housing Programme ("PPR") who are preparing to sit for major examinations.

   a. **Tuition Programme**

      The tuition programme focuses on students with a moderate level of academic achievement and from low-income families who are not in the capacity to pay for tuition classes. The programme catered for students who were sitting for the Ujian Penilaian Sekolah Rendah ("UPSR"). A total of 24 sessions were held for 46 students from PPR Taman Wahyu, KL.

   b. **Facilities Enhancement**

      Learning is an all encompassing matter and the environment in which students learn is as important as the lesson being taught. As part of our mission to ensure that students are equipped with all the tools necessary to learn in optimum environments, the Group set out to improve and create conducive environments for students to learn in. We carried out activities to enhance the cleanliness of classrooms in the following schools in 2017:

      1) PPR Taman Wahyu, KL
      2) PPR Seri Semarak, KL
      3) SK Taman Sri Rampai, KL
      4) SK St. Gabriel, KL
      5) SK Taman Midah 1, KL
      6) SK Taman Midah 2, KL
      7) SK Sg. Penchala, KL
      8) SK Taman Desa, KL
      9) SK Taman Melati, KL
      10) SK Taman Segar, KL
      11) SK Taman Maluri, KL
      12) SK Lembah Sebang, Selangor
      13) SJKT, Sg. Besi, KL
      14) SMK Sg. Besi, KL
      15) SMK Desa Perdana, KL
      16) SMK Lembah Subang, Selangor

The Group also continues to sponsor Team TIME, a group of young and talented triathletes, to show our support towards the development of triathlon as a national sport. This resonates well with the values of resilience, determination and performance that TIME continues to uphold.

Our People

PERFORMANCE & REWARD

Our people remain at the core of our success and are the pillar on which our growth is based. TIME prides itself on its performance driven culture, where each employee is given the opportunity to excel. By emphasising performance as the key factor, our employees are self-motivated, empowered and driven to deliver.

In 2017, we undertook a benefits centralisation exercise to streamline the rewards and benefits that are awarded to our people to ensure that TIME continues to be an attractive and conducive working environment to remain in. This is part of our annual benchmarking exercise to ensure that our employees are remunerated fairly and competitively.

DEVELOPMENT & ENGAGEMENT

TIME employees are given 5 Formal Learning Days (FLDs) so that they may leave their day-to-day work obligations to focus on development via training, workshops, conferences and coaching. Employees are also encouraged to have an open two-way relationship with their managers.

Based on a framework that was set up in 2016 to identify the various competencies required to support TIME's growth, we identified a few training programmes that will supply the Group with its talent pipeline towards producing the next generation of high-calibre leaders. We have also allocated RM1 million for employee training from 2017 to 2018.

Throughout 2017, TIME held an array of development programmes; both internal and external for employees. These included the development of technical, leadership and soft skills. Among the courses organised include Leadership for Managers, Leadership for Executives, Conflict Management, Negotiation Skills, Presentation Skills, Professional Writing Skills, Empathy Towards Great Customer Experience, Google Apps Training and MS PowerPoint Training. Technical competencies courses included Basics of Telecommunication, Basics of Optical Network Infrastructure, Basics of Optical Access Technology and Basics of Broadband Service.

In addition to these, we continued to run our TIME Launchpad initiative that was started in 2016 to facilitate inter-business division team-building sessions as part of our continuous effort to pursuing organisational excellence.

In 2017, we also initiated an ISO 9001:2015 programme for employees as part of enhancing our overall quality processes and systems towards ensuring quality service delivery and experiences for customers. The programme was also in line with ensuring statutory and regulatory compliance.

TRAINING DATA

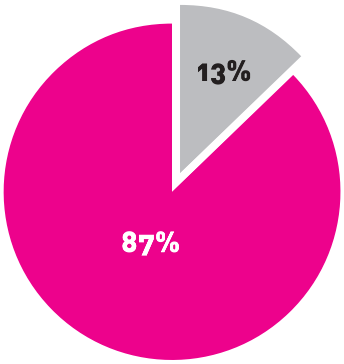
	2015	2016	2017
Total no. of training hours	7,000	10,000	15,000
Average no. of training hours per employee	9	12	15

Our People (Continued)

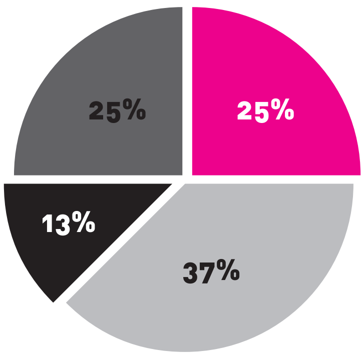
DIVERSITY & INCLUSIVENESS

Our Human Resources policies are geared towards encouraging diversity and inclusiveness, work-life balance and respect, all amidst a conducive working culture of openness, transparency, teamwork and initiative.

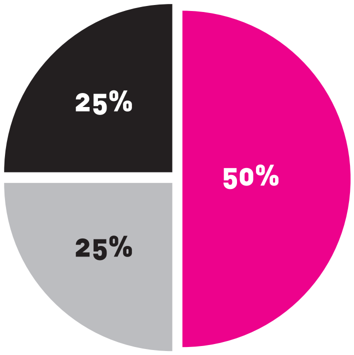
Diversity and inclusiveness starts at the top at TIME. Our multi-ethnic Board composition consists of individuals from varied backgrounds, but with relevant professional experience and competencies. Both genders are represented at the highest level of the Group's decision-making body.



Board Composition by Gender



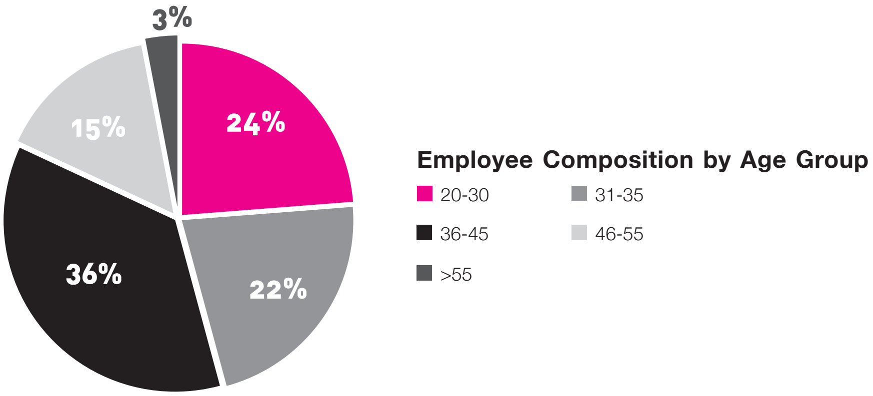
Board Composition by Ethnicity

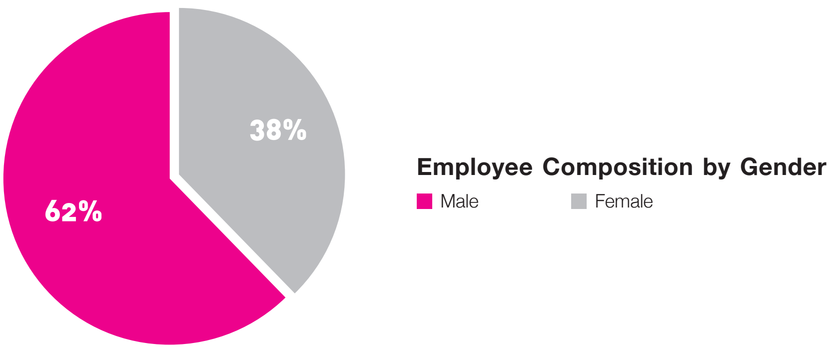


Board Composition by Age

Our People (Continued)

Similarly, diversity and inclusiveness is also emphasised at all working levels of the organisation for employees, which includes the Leadership Team and Senior Management, with the objective of promoting fair and equal opportunities for all.





Board of Directors

ABDUL KADIR MD KASSIM

INDEPENDENT, NON-EXECUTIVE DIRECTOR (CHAIRMAN)

Nationality: Malaysian
Age: 77
Gender: Male
Appointed to the Board: 22 October 2001
Appointed as Chairman: 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.

He sits on the Boards 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 Corporate Debt Restructuring Committee and of the 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 2016, he was reappointed 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

ELAKUMARI KANTILAL

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR

Elakumari 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 and is a member of the Malaysian Institute of Accountants.

She was actively involved in the establishment of Khazanah Nasional Berhad ("Khazanah") whilst in the Ministry of Finance. She was in Khazanah since its inception in 1994 moving from the position of Senior Manager to Director in Investment Division from 2004 until 2017.

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 the Ministry of Finance (Incorp).

Elakumari also serves as a Director on the Board of UEM Edgenta Berhad.

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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality: Malaysian
Age: 61
Gender: Female
Appointed to the Board: 8 March 2001

Board Committees:
Nomination & Remuneration (Chairman)
Tender (Chairman)
Audit (Member)

RONNIE KOK LAI HUAT

**SENIOR INDEPENDENT,
NON-EXECUTIVE DIRECTOR**

Nationality: Malaysian
Age: 63
Gender: Male
Appointed to the Board: 31 January 2008

Board Committees:
Audit (Chairman)
Nomination and Remuneration (Member)
Tender (Member)

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.

Ronnie also sits on the Board of Privasia Technology 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

HONG KEAN YONG

INDEPENDENT, NON-EXECUTIVE DIRECTOR

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.

Hong 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.

He joined Taylor's Education Group in April 2011 and held the position of Executive Vice President, Board Architect until March 2018.

Hong also sits on the Boards of Tune Insurance Malaysia Berhad and 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality: Malaysian
Age: 55
Gender: Male
Appointed to the Board:
1 September 2012

Board Committees:
Audit (Member)
Nomination and Remuneration (Member)
Tender (Member)

MARK GUY DIOGUARDI

**INDEPENDENT,
NON-EXECUTIVE DIRECTOR**

Nationality: Australian
Age: 48
Gender: Male
Appointed to the Board: 17 June 2016

Board Committees:
Tender (Member)

Mark holds a Bachelor of Engineering (Honours) in Electronic and Electrical Engineering and a Master of Business Administration (MBA), Melbourne Business School from the University of Melbourne, Australia.

Mark has more than 25 years of experience in the telecommunications sector with a focus on technology engineering, construction and operations. He spent the first 11 years of his career at Telstra Corporation Limited ("Telstra"), Australia, the majority in the cellular wireless division, including a one-year secondment to BTCellnet in the United Kingdom in 2000.

In 2002, Mark joined Maxis Berhad ("Maxis") as General Manager of Radio Planning until 2005 when he returned to Australia to complete an MBA and run his own Information Communication Technology consultancy. From 2007 to 2009, he was Head of National Architecture Implementation at Telstra until he expatriated a second time to Maxis as their Executive Vice President and Chief Technical Officer ("CTO") in 2009.

In 2011, Mark took the role of joint Chief Operating Officer at Maxis adding to his CTO role the portfolios of Information Technology, Enterprise Business, Consumer Broadband and Internet Protocol Television (IPTV) as well as Human Resource.

In 2014, Mark joined iiNet Limited, an Australian Internet Service Provider as their Chief Technology Officer until January 2016. During this time he was also a Board member of the Australian Communication Alliance as well as the Competitive Carriers' Coalition.

Mark also sits on an Advisory Board for a private company, Swam UAV in Australia.

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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

AFZAL ABDUL RAHIM

NON-INDEPENDENT, EXECUTIVE DIRECTOR (CHIEF EXECUTIVE OFFICER)

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

He 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.

He currently sits on the Boards of CIMB Bank Berhad, Symphony Communication Public Company Limited, CMC Telecommunication Infrastructure Corporation, Megawisra Investments Limited, Megawisra Sdn Bhd, Global Transit International Sdn Bhd and Pulau Kapas Ventures Sdn Bhd.

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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality: Malaysian
Age: 40
Gender: Male
Appointed to the Board: 7 October 2008

PATRICK CORSO

NON-INDEPENDENT, EXECUTIVE DIRECTOR

Nationality: Italian
Age: 44
Gender: Male
Appointed to the Board: 26 November 2015

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

He 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 industry sectors. In 2008, he relocated with Providence Equity Partners to Hong Kong to take up the role of Managing Director and Head of the Hong Kong office.

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

He currently sits on the Boards of Symphony Communication Public Company Limited, Megawisra Investments Limited, Megawisra Sdn Bhd, Global Transit International Sdn Bhd and Pulau Kapas Ventures 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

LEE GUAN HONG

NON-INDEPENDENT, EXECUTIVE DIRECTOR

Guan Hong holds a Degree in Management Information Systems from the University of Oklahoma, United States of America.

He has over 20 years of experience in the technology and telecommunications industry, moving up the management ranks in the last 19 years.

Guan Hong's career started with a 2-year Information Technology stint in Malaysia. He went on to spend 6 years in a Singapore-based Internet Service Provider where he played a pivotal role in the company's regional expansion.

He joined DiGi.Com Berhad in 2004 and moved on to TIME in 2009 where, on 1 November 2014, he was appointed as Chief Executive Officer of the Company's fixed line business.

Guan Hong 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality: Malaysian
Age: 43
Gender: Male
Appointed to the Board: 9 March 2017

Leadership Team

AFZAL ABDUL RAHIM
COMMANDER-IN-CHIEF

Nationality: Malaysian
Age: 40
Gender: Male

Afzal's profile can be found on page 35 of this Annual Report.

PATRICK CORSO
EXECUTIVE DIRECTOR

Nationality: Italian
Age: 44
Gender: Male

Patrick's profile can be found on page 36 of this Annual Report.

LEE GUAN HONG
EXECUTIVE DIRECTOR

Nationality: Malaysian
Age: 43
Gender: Male

Guan Hong's profile can be found on page 37 of this Annual Report.

LONG SHER NENG

CHIEF FINANCIAL OFFICER

Nationality: Malaysian
Age: 44
Gender: Male

Sher Neng joined TIME in March 2010 and was appointed Chief Financial Officer on 1 September the same year. 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 20 years of 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 Accountants (MICPA) and Virginia Society of Certified Public Accountants (VSCPA USA).

JULIAN DING

**GENERAL COUNSEL &
CHIEF REGULATORY OFFICER**

Nationality: Malaysian
Age: 55
Gender: Male

Julian joined TIME in July 2011. He leads the legal and regulatory affairs in the Group and has developed a proactive engagement approach that has built valuable synergistic linkages with key regulatory authorities, both domestically and internationally. His experience includes Information Technology and its related regulatory and policy frameworks. Julian graduated with a Masters in Public Policy and Management from Monash University, and is admitted to practise law in Peninsular Malaysia, Singapore, England and Wales.

Corporate Governance Overview Statement

This Corporate Governance Overview Statement of TIME dotCom Berhad ("TIME" or the "Company") is made pursuant to paragraph 15.25(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements"). In producing this Corporate Governance Overview Statement, guidance was drawn from Practice Note 9 of Main Market Listing Requirements and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Berhad.

The Board is committed in ensuring that high standards of corporate governance are being practised by the Company and its subsidiaries (collectively referred to as the "Group"). In this regard, the Board views disclosures on corporate governance as an opportunity to profile its corporate governance agenda and showcase how the Group is attuned to stakeholders' expectations. This Corporate Governance Overview Statement outlines the Group's corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance.

The Corporate Governance Overview Statement is complemented with a Corporate Governance Report, based on a prescribed format as encapsulated in paragraph 15.25(2) of the Main Market Listing Requirements so as to provide a detailed articulation on the application of the Group's corporate governance practices against the Malaysian Code on Corporate Governance ("MCCG").

The Corporate Governance Report is made available on the Company's website, www.time.com.my as well as via announcement on the website of Bursa Malaysia Berhad. This Corporate Governance Overview Statement should also be read in conjunction with the other statements in the Annual Report (e.g. Directors' Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement) as the application of certain corporate governance enumerations may be better contextually elucidated in the respective statements.

CORPORATE GOVERNANCE APPROACH

The Board endeavours to ensure that the Group remains strong, viable and sustainable in delivering value to its stakeholders. 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 various facets of its operations and management.

The Group's approach to corporate governance is to:

- consider corporate governance requirements critically and with a view to determine how the different modalities could be implemented within the Group in a value-adding way;
- adopt the substance behind good corporate governance and not merely the form, with the aim of enhancing stakeholders' value; and
- drive the application of good corporate governance practices through the alignment of the interests of stakeholders and Board as well as Management.

The Board's efforts to promote and drive meaningful and thoughtful application of good corporate governance practices include monitoring local and global developments in corporate governance and assessing their implications. Such efforts proved to be critical in the year 2017 as Malaysia witnessed an array of regulatory reform measures including the coming into force of Companies Act 2016, incarnation of the new MCCG by Securities Commission Malaysia as well as the amendments to Main Market Listing Requirements which were augmented with the release of the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Berhad.

The Board performed a review of its corporate governance framework and took steps to adhere to these enumerations in light of the aforementioned regulatory developments. Acknowledging that improving corporate governance requires adjustments and recalibration to its framework and structures, TIME will continue to enhance its daily processes with a view of reflecting its position as a good corporate citizen.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

TIME has applied all the Practices encapsulated in MCCG for the financial year ended 31 December 2017, save for the following:

- Practice 4.1 (Board to comprise majority Independent Directors for Large Companies);
- Practice 4.5 (Board to comprise 30% women Directors);
- Practice 4.7 (The Nominating Committee is chaired by an Independent Director or the Senior Independent Director);
- Practice 5.1 (Conduct of externally facilitated Board evaluation periodically);
- Practice 7.2 (Disclosure of Senior Management personnel's remuneration on a named basis and in bands of RM50,000); and
- Practice 12.3 (Leveraging on technology to facilitate remote shareholders' participation).

TIME has provided meaningful explanation on its departures from the said practices based on the flexibility accorded in the application lever of MCCG. The explanations provided on the departures are supplemented with an articulation on the alternative measures that are in place to achieve the Intended Outcome of the departed Practices, measures that TIME has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices.

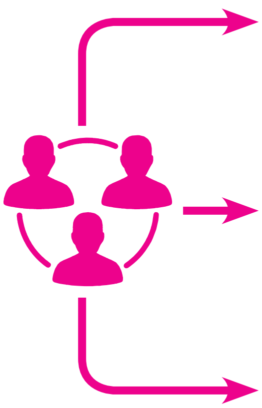
Additional details on TIME's application of each individual Practice of MCCG are available on the Corporate Governance Report which is made available on the Company's website as well as via an announcement on the website of Bursa Malaysia Berhad.

A summary of TIME's corporate governance practices with reference to the MCCG is described below.

BOARD RESPONSIBILITIES

The Board of TIME is responsible for overseeing the management of the business and affairs of the Group, including fashioning the strategic direction, establishing short, medium and long-term business goals and monitoring the achievement of these goals.

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established three Board Committees, namely, Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC") and Tender Committee ("TC"). The Board is regularly updated on the proceedings and deliberations of the Committees and recommendations would be highlighted and reported to the Board. Whilst authority is delegated to the Board Committees in accordance with the Terms of Reference of these Committees and the Group's Limits of Authority, it should be noted that the Board retains collective oversight over the Board Committees at all times. The functionalities of these Board Committees are outlined below:



The **AC** is responsible to support the Board with its oversight role in the areas of financial reporting, related party transactions and conflicts of interests, internal control environment, internal audit and external audit as well as the Group's overall risk management system.

The **NRC** is responsible to recommend candidates to be appointed to the Board, Board Committees and Senior Management positions, annually evaluate the performance of the Board, Board Committees and individual Directors as well as develop succession plan for Directors and Senior Management besides setting the overarching Group remuneration policy and procedures for Directors and Senior Management.

The **TC** was established to facilitate the procurement process. The main objective of the TC is to examine the tenders received and ensure that all necessary criteria, specifications and requirements of the Group have been met and complied with.

The Board and its Committees meet regularly to deliberate on matters under their purview. In addition to the scheduled meetings, the Board and Board Committees also convene special meetings when urgent and important deliberations need to be made or decisions need to be taken between scheduled meetings. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators. The attendance of individual Directors for the meetings of the Board and Board Committees are outlined below:

Directors	Board	AC	NRC	TC
Abdul Kadir Md Kassim	7/7			
Elakumari Kantilal	5/7	6/6	2/2	3/4
Afzal Abdul Rahim	7/7			
Patrick Corso	7/7			
Lee Guan Hong[1]	6/6			
Ronnie Kok Lai Huat	7/7	6/6	2/2	4/4
Hong Kean Yong	7/7	6/6	2/2	4/4
Mark Guy Dioguardi[2]	7/7			2/3

Board/Board Committee Chairman   Member

1. *Lee Guan Hong was appointed to the Board as Executive Director on 9 March 2017.*
2. *Mark Guy Dioguardi was appointed as a member of the Tender Committee on 28 February 2017.*

The responsibilities of the Board and Management are clearly demarcated. The Chairman leads the Board and is responsible to ensure the effective and smooth interaction of Directors, both within and outside the boardroom as well as driving the discussions toward consensus and to achieve closure in every deliberation. The Chief Executive Officer ("CEO") as the head of Management is meanwhile responsible for developing and implementing strategy of the Group, reflecting short, medium and 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 Group's operations and performance. He also represents the Group in interfacing with major customers, employees, suppliers and professional associations.

The Board has formalised a Board Charter which delineates the responsibilities of the Board, Board Committees and individual Directors, including the matters that are solely reserved for the Board's decision. The Board Charter also serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and its Committees. The Board Charter is periodically reviewed by the Board to ensure it reflects the fast changing market dynamics as well as the evolving needs of the Group. The Board Charter is also made available on the Company's website.

In discharging its responsibilities, the Board is supported by a professionally qualified and competent Company Secretary. The Company Secretary is present for all Board and Board Committee meetings and acts as counsel and resource support on corporate governance matters to the Board whilst also co-ordinating information flow and meeting proceedings. Directors are provided with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions on pertinent matters.

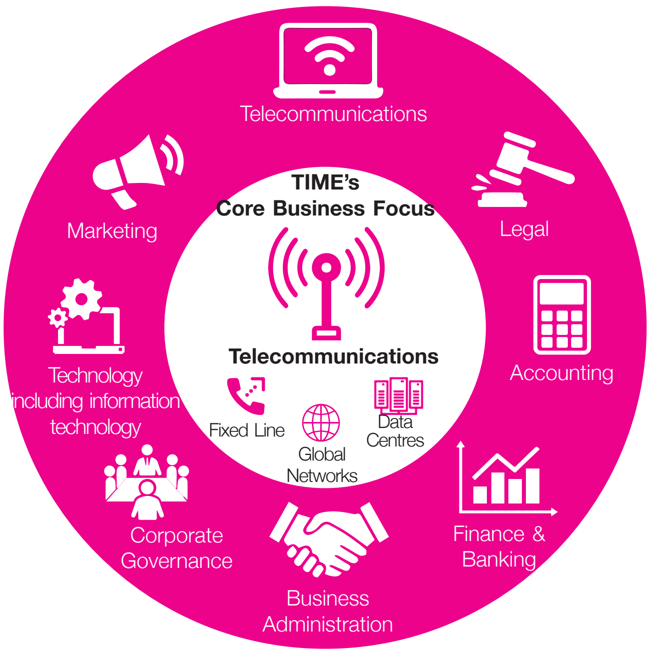
The Board is also cognisant of its responsibility to set the "tone from the top" and as a result, drive the "tune in middle" and "beat at the feet". A Code of Conduct and Ethics and Whistleblowing Policy have been put in place to foster an ethical culture and allow bona fide suspected or presumed malpractices to be raised in confidence without the risk of reprisal. The Code of Conduct and Ethics is reviewed periodically by the Board and published on the Company's website.

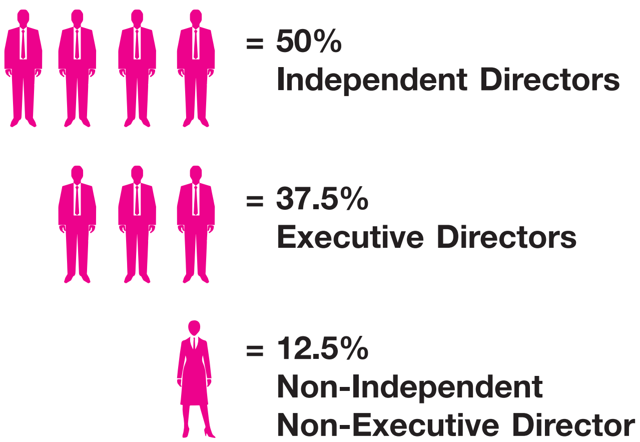
BOARD COMPOSITION

The Board acknowledges that TIME is no longer just a domestic fixed-line telecommunications service provider, TIME is now a leading carrier-neutral data centre operator and an international bandwidth provider with a growing network footprint. Premised on this, the Board endeavours to ensure that it has an appropriate mix of skills, experience, and diversity to reflect the Group's nature of business. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

The Directors of TIME channel their combined knowledge and professional experience to provide valuable perspectives on TIME's business operations and strategies. The expertise possessed by Management as well as access of Directors to external professional experts complement the effective functioning of the Board. The composition of the Board which comprises eight members can be viewed in a more granular lens as follows:

Directors' Skill Sets





The Board comprises four Independent Non-Executive Directors including one Senior Independent Non-Executive Director, one Non-Independent Non-Executive Director and three Executive Directors including the CEO. The higher proportion of Non-Executive Directors present on the Board helps to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group. The composition of the respective Board Committees meet the independence criteria outlined in Main Market Listing Requirements and there is an appropriate cross-memberships to further promote effectiveness.

The NRC assesses Independent Directors annually to ascertain if they display a strong element of detached impartiality. In conducting this assessment, the NRC and Board adopt a qualitative approach in assessing if Independent Directors possess the intellectual honesty and moral courage to advocate professional views without fear or favour. The Board is cognisant of the widely held notion that extended tenure leads to entrenchment and as such, the Board remains watchful for such indicators of entrenchment amongst long serving Independent Directors.

Listed issuer	Average tenure of independent directors
TIME	5.10 years
Top 300 listed issuers[1]	6.92 years
Listed issuers in the infrastructure project companies' sector (based on top 300 listed issuers)[1]	7.38 years

1. Based on latest available annual report as at 31 July 2017

Appointments to the Board are made via a formal, rigorous and transparent process, premised on meritocracy and taking into account the skills, experience and diversity needed on the Board in the context of the Group's strategic direction. In terms of gender diversity, the Board currently comprises one female Director and the Board is taking steps to improve women representation on the Board by casting "a wider net" in its sourcing and nomination process.

REMUNERATION

The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors and Senior Management. Towards this end, the Board has adopted remuneration policy and procedures to provide a formal structure for remunerating Directors and Senior Management.

The Board seeks to ensure the remuneration package of the Group is at a level which is sufficient to attract and retain high calibre Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors including the functions, workload and responsibilities involved.

The component remuneration packages for Executive Directors and Senior Management have been structured to link rewards to corporate and individual performance whilst Non-Executive Directors' remuneration package reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.

A detailed review on the remuneration of Directors and Senior Management is undertaken once every three years. Changes made to the remuneration of Directors and Senior Management will be reviewed by the NRC before it is recommended to the Board.

AUDIT COMMITTEE

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions and conflict of interest situations as well as risk management framework.

The AC is led by the Senior Independent Director who is distinct from the Chairman of the Board. All members of the AC are financially literate and possess a sound understanding of the business for them to discharge their responsibilities effectively. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The AC has established formal and transparent arrangements to maintain an appropriate relationship with the Company's external auditor. These includes policies and procedures to review the suitability and independence of the external auditor.

During the year under review, the external auditor has confirmed to the AC that its personnel are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws (On Professional Ethics, Conduct and Practice).

In relation to related party transactions, a list of related parties is disseminated to the Group's various business units to determine the number and type of related party transactions. All related party transactions are presented to the AC for their notation on a quarterly basis. Interested Directors who have interest in such transactions abstain 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.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework supports the Group to achieve its value-creation targets by providing information on risks to enable better formulation of the Group's strategies and decision making. The Group's risk management and internal control framework covers not only financial controls but also non-financial controls which inter alia include operational and compliance controls.

The Risk Management Steering Committee (a Management-level Committee) takes responsibility for risk management, building upon already established structures and mechanisms to implement the processes for identifying, evaluating, monitoring and reporting of risks as well as to take appropriate and timely corrective actions as required. A Risk Management Framework and Risk Management Procedure Manual have 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.

The Group has an in-house internal audit department reporting to the AC which is independent of the activities or operations of the other operating units in the Group. The internal audit function provides the AC and the Board with assurance regarding the adequacy and integrity of the systems of risk, governance and internal controls.

Further information on the Group's risk management and internal framework is made available on the Statement of Risk Management and Internal Control of the Annual Report.

COMMUNICATION WITH STAKEHOLDERS

The Board believes that all stakeholders of the Group should be apprised in a timely manner of all material business events that impact the Group. The Board ensures continuous disclosures are made through announcements to the Exchange as well as the Company's website. The Company's website contains recent announcements, past and current reports to shareholders, including summaries of key financial data, operational briefing presentations as well as copies of recent notices and minutes of general meetings. The Annual Report meanwhile discloses comprehensive details about the Group's business activities and financial performance for the financial year.

Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Board has identified the Senior Independent Non-Executive Director as the conduit to address minority shareholders' issues and to whom minority shareholders' concerns may be conveyed.

In terms of investor relations activities, during the year under review, the Group worked with bankers and analyst to target key institutional investors with an investment matrix that fits the Group. Various investor engagement fora were utilised in this regard (e.g. Invest Malaysia events, events organised by Bursa Malaysia Berhad, face to face meetings and site visits).

CONDUCT OF GENERAL MEETING

The Annual General Meeting ("AGM") serves as the principal open forum at which shareholders and investors are informed of the current developments of the Group. During the previous AGM, all Directors were present to answer questions raised by shareholders.

At each AGM, shareholders are accorded with the opportunity to participate in the question and answer session. An interactive dialogue is conducted for shareholders to inquire about the Group's activities and prospects as well as to communicate their expectations and concerns. The Chairman, CEO and Chairmen of Board Committees will provide written answers to any significant questions that cannot be readily answered. Whenever appropriate, press conference is held at the end of each AGM whereby the CEO will advise the press on the resolutions passed and answer questions in respect of the Group as well as to clarify and explain any issues.

The date, venue and time of the General Meetings are determined by taking into consideration the need to provide shareholders with a wide window of opportunity to attend and participate either in person, by corporate representative or by proxy. Each item of special business included in the Notice of AGM is accompanied by a full explanation of the effects of the proposed resolutions.

As called upon by MCCG, the notice to the upcoming AGM alongside relevant accompanying materials have been provided more than 28 days in advance to enable shareholders to make adequate preparation.

FOCUS AREAS ON CORPORATE GOVERNANCE

The year 2017 marked a significant year for the Board as the Group undertook calculated and measured steps to replicate its domestic success across ASEAN. Notably, during the year under review, TIME acquired a stake of 46.84% in Symphony Communication Public Company Limited in Thailand for RM290.7 million in cash. The move was part of the Board's regionalisation strategy to invest in telecommunications and data centre businesses whilst realising its full potential in ASEAN.

In addition, as mentioned in the lead-in to the Corporate Governance Overview Statement, the year 2017 saw a swathe of regulatory reform measures with a renewed and sharpened focus on corporate governance.

Against the aforementioned setting, corporate governance areas which were at the forefront of the Board's radar are as follows:

Review of corporate governance policies and procedures

During the year under review, the Board sought to review its existing Policies, Board Charter alongside the Terms of Reference for AC and NRC. Changes were made to reflect the revised regulatory expectations, expectations of stakeholders and the operational changes that are shaping the Group.

A Code of Conduct and Ethics was recently formalised to guide the conduct of Directors and employees whilst the Remuneration Policy for Non-Executive Directors and Policy on External Auditors Assessment were revised to keep the content contemporaneous in line with best practices. In performing this review exercise, the Board was guided by overarching tenets of objectivity, accountability and transparency.

Human Capital

TIME recognises the adage that "a chain is as strong as its weakest link" and therefore, human capital is biggest driver of the Group's governance and performance. Talent reviews were officiated and conducted in 2017 for the Group with a view of identifying top talents and determining ways to retain them either through competitive compensation, development opportunities and career growth.

Pursuant to the foray into Thailand via Symphony Communication Public Company Limited and Vietnam via CMC Telecommunication Infrastructure Corporation, TIME also placed emphasis on talent mobility and integration of corporate culture. A global mobility policy was carved to enable mobility for overseas assignments and related human capital policies and procedures were harmonised for the Group. In terms of training, internal development solutions for leadership, soft skills, technical and regulatory areas were rolled-out to maximise knowledge and experience sharing.

The Board acknowledges that succession planning is critical for the continuity of TIME's business operations in a seamless manner. Successors for key Management positions have been identified and the Board will continue to ensure that succession planning is a priority for positions that have been earmarked as critical.

Risk Management and Internal Control Framework

The Group regards cyber risk as a key risk which should be stemmed at the "get-go" stage to avert any potential deleterious consequences. During the year, the Group undertook resource reinforcement in this regard and appointed a cyber risk expert to spearhead efforts in strengthening business resilience and building the lines of defence against cyber risk.

As threats are ever evolving in the cyber realm, the Group has also undertaken measures to monitor related developments and strengthen its surveillance mechanisms.

In relation to internal audit, any observation noted will be addressed on a Group-wide basis covering the process under consideration. Improvement opportunities identified in relation to internal audit will also be subjected to a root-cause analysis.

Professional development of directors

During the year under review, Directors were provided with opportunities to develop and maintain their skills and knowledge. In-house talks were organised on topical areas to keep Directors updated on developments that are disrupting the markets. Directors also attended training programmes to keep themselves abreast of changes in legislative promulgations, industry practices and new technology.

Visits to the Company's operations within the ASEAN region were also arranged, as necessary, for Directors to gain first-hand views on the operations. The list of training programmes that were attended by the Board members are outlined below:

Name		Programme title	Date(s)
Executive Directors			
Afzal Abdul Rahim	(i)	Communications & Multimedia Consumer Forum of Malaysia (CFM) Regional Forum 2017	24 May 2017
	(ii)	Trending, Innovation, Disruption & Entrepreneurship (TIDE) Open Day	9 August 2017
	(iii)	No Ordinary Disruption Dinner Talk	21 August 2017
	(iv)	McKinsey's Collision Workshop	22 August 2017
	(v)	Khazanah Megatrends Forum 2017	2 - 3 October 2017
	(vi)	Business Foresight Forum	25 October 2017
	(vii)	Yayasan Khazanah Leadership Conference (YKLC)	18 November 2017
Patrick Corso	(i)	Boards in the Digital Economy	17 July 2017
	(ii)	Fraud Risk Management Workshop	26 September 2017
Lee Guan Hong	(i)	Mandatory Accreditation Programme for Directors of Public Listed Companies	7 and 10 April 2017
Non-Independent Non-Executive Director			
Elakumari Kantilal	(i)	Khazanah Megatrends Forum 2017	2 - 3 October 2017
	(ii)	UEM Group: The Exchange 2017 of Knowledge & Ideas - Driving Performance Together	10 October 2017
Independent Non-Executive Directors			
Abdul Kadir Md Kassim	(i)	The "Embrace Paradozes"	2 March 2017
	(ii)	Highlights of Companies Act 2016	8 March 2017
	(iii)	Board Effectiveness	13 - 14 March 2017
	(iv)	The Ethical Challenge: Building a Culture of Professionalism in Financial Services	24 April 2017
	(v)	Malaysian Code on Corporate Governance: A New Dimension	5 June 2017
	(vi)	Strategic Planning for Boards	5 - 6 September 2017
	(vii)	Khazanah Megatrends Forum 2017	2 - 3 October 2017
	(viii)	Trending Innovation, Disruption and Entrepreneurship (TIDE) Open Day - Exponential Innovation Workshop	4 October 2017
	(ix)	UEM Group's The Exchange	10 October 2017
	(x)	Down the Rabbit Hole of Leadership	30 November 2017
Ronnie Kok	(i)	Highlights of Companies Act 2016	8 March 2017

Name		Programme title	Date(s)
Independent Non-Executive Directors			
Hong Kean Yong	(i)	Asia Insurtech Summit	26 April 2017
	(ii)	Communicasia	24 May 2017
Mark Guy Dioguardi	(i)	Australian Institute of Company Directors - Mastering Financial Governance	17 March 2017

CORPORATE GOVERNANCE PRIORITIES (2018 AND BEYOND)

The Board acknowledges that improvement in corporate governance is a "marathon and not a sprint". In recognition of this journey, the Board has identified the following forward-looking action items that will help it to achieve its corporate governance objectives.

Short and medium term plan (one to three years)

Evaluation of Board, Board Committees and Individual Directors

The Board aims to undertake an externally facilitated evaluation of its Board, Board Committees and individual Directors once every three years. The Board is considering to enlist an independent expert for the forthcoming year so as to inject rigour and objectivity into the process.

The Board recognises that independent experts can frequently pinpoint areas of improvement as the experts would likely have accumulated a database of results from their experience of conducting similar assessments for other Boards, Board Committees and individual Directors.

Boardroom Independence

TIME intends to have a majority of Independent Directors in its boardroom so as to foster greater objectivity in its deliberations and decision making. The Board believes that equipped with the critical mass, Independent Directors will be able to encourage, support and drive each other in the value creation process of the Group. In the course of making this change, TIME will not compromise on the business imperative and make unwieldy changes to its Board composition. In order to create a more conducive environment for insightful deliberations, the Board will consider enlisting Independent Directors with strong business acumens and a broad range of industry experience.

In relation to the tenure of Independent Directors, the Company, in the near future, will incorporate enabling provisions in its Constitution to facilitate two-tier shareholder approval for the retention of an Independent Director beyond the 12th year.

Long term plan (three to five years)

Boardroom Diversity

The Board of TIME will focus its efforts to constitute a diverse Board which bears a variety in the dimensions of skills, experience, age, cultural background and gender. Moving forward, the Board will undertake to formalise policies on gender diversity, along with specific targets and measures to meet those targets. The targets would incorporate specific quantitative benchmarks (e.g. percentage of women at the Board) that can be monitored for effectiveness.

The Board in endeavouring to achieve the national target of having 30% women on the boards of corporate Malaysia, will broaden its search mechanisms to source for meritorious female candidates. Recognising that diversity should extend beyond the boardroom, the Board will also review the female composition at the Senior Management level.

Corporate Reporting

TIME has embarked on its journey of Integrated Reporting and will seek to progress towards a more mature form of Integrated Reporting in the upcoming years.

In this regard, the Company will seek to better synergise its connectivity of reporting from management, its business analysis and decision-making process. The Board will set the direction for Management to establish the necessary supporting infrastructure with the presence of quality non-financial data that will support the progression towards an enhanced Integrated Report.

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 2017 or entered since the end of the previous financial year.

Wayleave and Right of Use Agreement between Projek Lebuhraya Usahasama Berhad ("PLUS") and TT dotCom Sdn Bhd ("TTdC") dated 8 May 2017. This Agreement grants a wayleave and right of use to TTdC to use the telecommunications infrastructure in or along the Applicable Expressways including the North-South Expressway ("NSE"), New Klang Valley Expressway ("NKVE"), North-South Expressway Central Link ("ELITE"), Malaysia-Singapore Second Crossing ("LINKEDUA"), Butterworth-Kulim Expressway ("BKE") and Penang Bridge.

This Agreement shall expire upon the lapse of the Concession as granted by the Government of Malaysia ("GoM") to PLUS which is now on 31 December 2038 or in the event the GoM expropriates PLUS.

On 27 October 2017, the GoM made an announcement of the abolishment of toll collection at Batu Tiga and Sungai Rasau toll plazas on the Federal Highway Route 2 and at the Bukit Kayu Hitam toll plaza on the North-South Expressway, effective as at 1 January 2018. On 12 February 2018, PLUS and TTdC entered into a Supplemental Agreement to address this matter.

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. AUDIT AND NON-AUDIT FEES

The amount of audit fees paid or payable to the external auditors for services rendered to the Company and the Group for the financial year ended 31 December 2017 are RM100,000 and RM459,000 respectively.

The amount of non-audit fees paid or payable to the external auditors and corporations affiliated to the auditors' firm, for services rendered to the Company and the Group for the financial year ended 31 December 2017 are RM30,000 and RM47,000 respectively.

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 2017.

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 2017 are as follows:

Ronnie Kok Lai Huat (Chairman)	Senior Independent Non-Executive Director
Elakumari Kantilal	Non-Independent Non-Executive Director
Hong Kean Yong	Independent Non-Executive Director

The profiles of the Committee members are contained in the "Board of Directors' Profile" set out on pages 30 to 37.

TERMS OF REFERENCE

The Committee was established on 27th September 2000 to act as a Committee of the Board of Directors, with the terms of reference as set out on pages 55 to 60.

MEETINGS

The Committee convened six (6) meetings during the financial year ended 31 December 2017. The details of attendance are as follows:

Name	Attendance	Percentage of attendance
Ronnie Kok Lai Huat (Chairman)	6/6	100%
Elakumari Kantilal	6/6	100%
Hong Kean Yong	6/6	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.

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) The Committee reviewed the audited statutory financial statements, quarterly financial results of the Group for 2017 and discussed significant issues before recommending them to the Board of Directors for approval prior to the announcement to Bursa Malaysia.

(ii) Additionally, the Committee also 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) The Group Internal Audit & Compliance Division conducted audit activities as per the 2017 Audit Plan approved by the Committee on 25 November 2016. The Head of Internal Audit & Compliance presented the status of audit plan and audit reports at every AC meeting during the year, for the Committee to review and discuss on the following:-

(a) Results of the internal audit reports, findings and recommendations and action taken on the recommendations;

(b) Key audit issues identified by Internal Audit in the current period and proposed action plans by Management;

(c) Major findings of internal investigation reported through the whistleblowing channel; and

(d) Status of completion of Audit Plan 2017.

(ii) The 2017 Audit Plan was reviewed on a quarterly basis or as required, which required inclusion of unplanned audit assignments to be carried out on an ad-hoc basis upon Management's request or arising from corporate significant events. A total of 29 audit assignments were completed in 2017, categorised as follows:

(a) IT Audits: Information Technology related audits, including application development and management, and IT Security;

(b) Strategic and Operational Audits: Audits of core operations within the Group such as Project Management and Service Delivery, and support services such as Financial and Human Resource Management;

(c) Fraud Investigation: Ad-hoc / unplanned investigation based on complaint or report made via whistleblowing channel; and

(d) Recurring Audit: Recurring audit assignments conducted on annual basis such as Related Party Transactions and periodic stock take.

(iii) Performance, adequacy and competency of the Group Internal Audit & Compliance Division is assessed on an annual basis, or as necessary.

(iv) Appraise and approve the appointment and termination of Head of Internal Audit & Compliance.

PRINCIPAL ACTIVITIES IN THIS FINANCIAL YEAR (CONTINUED)

(c) Related Party Transactions

The Committee reviewed the related party transactions presented by Management 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

(i) Reports on key operational risks were presented to the Committee for their review to ensure the risks identified are being managed effectively and actively overseen, in order to ensure the effectiveness of the process for identifying, evaluating and managing risks.

(ii) Statement on Risk Management and Internal Control for inclusion in the 2017 Annual Report.

(e) External Audit

(i) The Committee reviewed the reappointment of the external auditors and the annual audit fee, together with the engagement letter confirming their independence and objectivity and their scope of work as follows:

(a) Annual audit plan and scope of audit prior to its implementation;

(b) Annual audit report and accompanying reports to the Committee and Management;

(c) The Management Letters together with Management's responses, in order to be satisfied that appropriate actions are being taken; and

(d) Provision of non-audit services by the external auditors for recommendation to the Board for approval.

(ii) The Committee also 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.

(iii) Additionally, the Committee also reviewed and approved the policy established to assess suitability and independence of external auditors, and methodology in assessing the assessment tools of suitability and independence of external auditors.

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

TRAINING

The training attended by the Committee members during the financial year is reported under the Corporate Governance Statement on page 47 to 49.

INTERNAL AUDIT FUNCTION

The Board of Directors is committed to establish and maintain an efficient and effective internal audit function that is able to function independently 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 a group of 10 internal auditors that are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The function is headed by Syed Abdul Qader bin Mohd Ansari, who has more than 14 years of internal auditing experience in telecommunications, airlines and banking industry. All the internal auditors have tertiary qualifications and the level of expertise and professionalism as at the end of 2017 is as follows:

Expertise Category	Percentage of total auditors
Bachelor's Degree	70%
Professional (ACCA, ICAEW, CISA and CA)	60%
Professional Membership (ACCA, IIA and ICAEW)	50%

The total costs incurred for the internal audit function for the financial year ended 31 December 2017 amounted to RM 1,765,168.41.

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 2017, Internal Audit executed a range of audit reviews covering financial, operational, fraud investigation and information systems audit. Other reviews were 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 coordinated the follow up reviews on the resolutions of internal audit issues and reported the status to the Committee.

Findings and recommendations for improvements were 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

- There should be a minimum of 3 (three) non-executive directors, of which a majority must be independent directors.
- The Chairman of the Audit Committee shall be an independent non-executive director.
- 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.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(A) MEMBERSHIP (CONTINUED)

- 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:-

  (a) the ability to act independently and be pro-active in advising the board of any concerns;

  (b) the ability to ask relevant questions, evaluate the responses and continue to probe for information until completely satisfied with the feedback provided;

  (c) the ability and desire to constantly engage in self-development programmes;

  (d) 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;

  (e) have a professional approach to duties, including an appropriate commitment of time and effort;

  (f) have the courage to take and stand by tough decisions and high ethical standards; and

  (g) the ability to encourage openness and transparency which is demonstrated by the ability to accept mistakes and not ascribe blame.

- The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination and Remuneration Committee annually.

- Alternate directors cannot be a member of the Audit Committee.

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

- 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.

- 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.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(B) FUNCTIONS OF THE AUDIT COMMITTEE (CONTINUED)

(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 matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed; and
- compliance with accounting standards and other legal requirements.

(iv) To consider and recommend the nominations, appointment and reappointment of the external auditors, 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.

(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 auditors' 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 auditors.

(ix) To monitor the effectiveness of the external auditors' performance and their independence and objectivity.

(x) 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.

(xi) 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.

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

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(B) FUNCTIONS OF THE AUDIT COMMITTEE (CONTINUED)

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

(xiv) 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.

(xv) To assess risk and control environment by:-

(a) 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

(b) making enquiry as to whether each category of risks is adequately monitored and addressed by the Company's risk management procedures.

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

(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:

- authority to investigate any matter within its terms of reference;
- right to resources to perform its duties;
- full and unrestricted access to any information pertaining to the Company, including access to resources;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- right to obtain external independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- 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

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

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(D) AUDIT COMMITTEE MEETINGS (CONTINUED)

- The Chief Executive Officer ("CEO") or/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.

- 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.

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

  (a) to discuss accounting principles and judgments 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;

  (b) to seek understanding and clarification on accounting treatments and methods and their appropriateness;

  (c) to make inquiry on significant discussions between the Company's CEO or equivalent, Chief Financial Officer or other key Management personnel; and

  (d) to have a better understanding on the nature and extent of issues discussed with Management during the audit.

- 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:

- membership of the Audit Committee of which the minimum details are specified in the Listing Requirements;

- the number of Audit Committee meetings and details of attendance of each Audit Committee member;

- summary of the work of the Audit Committee in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and

- summary of the work of the internal audit function.

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

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

- 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).

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (CONTINUED)

(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.

(H) REVIEW OF TERMS OF REFERENCE

The Terms of Reference should be assessed, reviewed and updated periodically, at least when there are changes to the Malaysian Code on Corporate Governance 2012, Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the company that may affect the Audit Committee's role.

Directors' Statement on Risk Management & Internal Control

The Malaysian Code on Corporate Governance 2017 ("the Code") sets out the Principles, Practices and Guidance for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") to establish a proper risk management framework and internal control system in order to assist the Company in making informed decisions on the level of risk tolerance and necessary controls to pursue the Company's objectives.

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 B and Practice and Guidance 9.1 and 9.2 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 over risk and control issues, the responsibility has been delegated to the Senior Management 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 & 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.

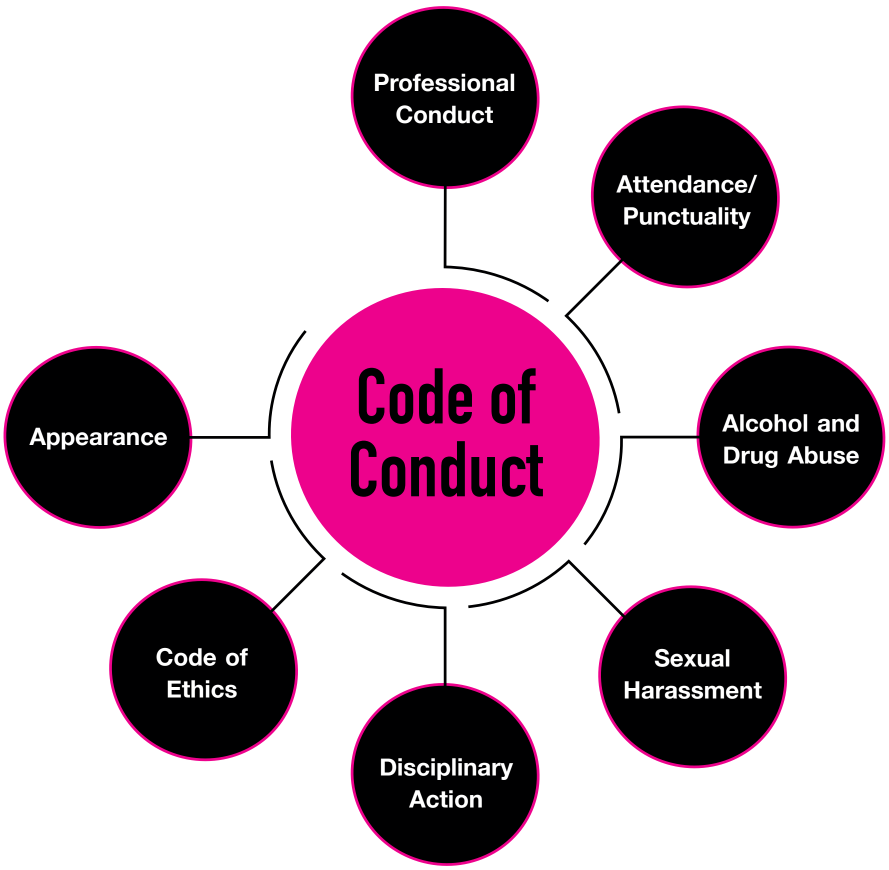
(ii) **Board Committees** are set up by the Group to uphold corporate governance and transparency with its specific terms of reference and authority. The Board Committees comprise of the Audit Committee, Nomination and Remuneration Committee and Tender Committee. These Committees report to the Board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

Control Environment & Structure (continued)

(a) **Control Environment (continued)**

(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 auditors' 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 work 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 as per the diagram below:



Control Environment & Structure (continued)

(a) Control Environment (continued)

As part of awareness and reminder to the employees, the Code of Conduct information have also been published by internal communication channel, TIME LOOP.

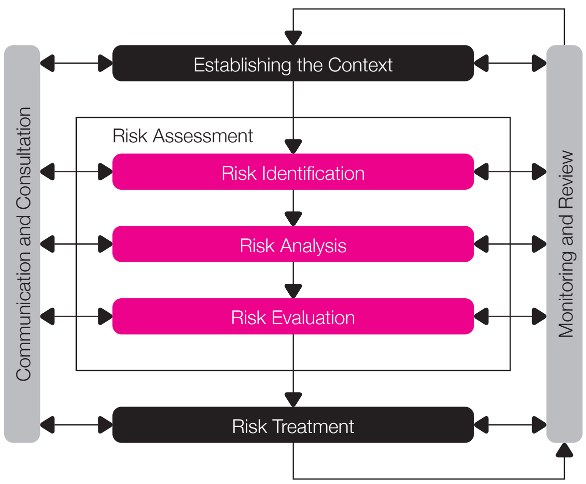
(v) **Policy / Guideline and Procedure for Selection & Recruitment, Termination / Resignation, Performance Appraisal, Learning and Development** are in place to ensure that the desired standard of human resource practices are met in achieving the Group's business objectives. Selection and recruitment 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 behavioural 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.

(b) Risk Assessment

(i) **Risk Management Framework and Risk Management Procedure Manual** has been adopted to guide the Risk Management Secretariat and the organization to identify, analyse and evaluate strategic, business, operational and related risks. The Risk Management Secretariat monitors implementation and updates of action plans, and reports to the Risk Management Steering Committee ("RMSC") and the Audit Committee ("AC") on a quarterly basis.

The overall Risk Management Framework of the Group is provided in the diagram below:



Process

Control Environment & Structure (continued)

(b) Risk Assessment (continued)

The Group faces various risks and uncertainties, however the Risk Management Secretariat aims to mitigate and manage the exposures through identified risk treatment plans and measures. A summary of the key risks faced by the Group are listed in Appendix 1 of this statement.

(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 works with risk owners across business divisions to facilitate implementation and monitoring of risk treatment plans. Key risks and its status are identified and reported to the Board on a quarterly basis.

(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, TIME's Credit Management and Payable & Fixed Asset Management has been upgraded from ISO 9001:2008 to ISO 9001:2015 to address the latest ISO requirements, meanwhile Treasury Management will be upgraded upon expiry of the department's current certificate in 2018. These departments were independently certified by SIRIM QAS International for various relevant periods from 2015 until 2020.

(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.

Control Environment & Structure (continued)

(c) Control Activities (continued)

(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 and presented to the Board at least on a quarterly basis. The Audit Committee and the Board review the results on a quarterly basis to enable it to track the Group's achievement against its annual targets.

(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** by the Executive Committee ("EXCO") are 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) **Regulatory Affairs Department** coordinates the requirements for compliance as outlined through relevant telecommunications laws, its supporting regulations and guidelines as well as requirements as stated in license conditions.

Regulatory Affairs also participate in industry forums and consultation conducted by the regulatory agencies.

(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.

Review of this Statement

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2017 Annual Report, in line with the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"), and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

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.

Appendix 1: Key Risks Faced by the Group

1. Global Price Erosion Risk

Bandwidth prices continue to erode globally due to various factors namely;

(i) Content network operators account for a growing proportion of bandwidth on global routes, reducing the relative scale of global carriers;
(ii) New submarine cables inject large swaths of bandwidth into the market; and
(iii) Technology advancements and cost improvements.

TIME, recognising these facts, is moving into penetrating global markets to increase its customer base and its return on investment for its sub-sea cable systems.

2. Cyber-threat Risk

The threat of cyber-attacks and data theft have globally become increasingly alarming. Cyber-attacks may lead to stolen data and information, operations disruption, revenue loss and/or leakages, as well as impacting the organization's reputation. Network and IT security are being reviewed and evaluated to reduce this risk. In addition, policies and procedures on information confidentiality are also in place to protect the company from both internal and external exposure.

3. Operational Risk

In ensuring that Service Level Guarantee ("SLG") and customer satisfaction are consistently met, TIME's network resiliency and availability becomes top priority. However, risks of network failure due to incidents which are not within the organization's control such as human act of sabotage, improper external works along TIME's network route by external parties and natural disaster, among others, remains a threat. Hence, TIME have maintained a network architecture that aims to provide resiliency and continuity of services. In addition, operational procedures are in place to provide the necessary technical support to customers.

4. Technology Risk

The evolution of technology in both Network and Information Technology ("IT") areas are becoming more demanding. In keeping up with the industry and its competitors, Network and IT requirements are being reviewed and evaluated with the aim of improving existing technological infrastructures. This is to mitigate the risk of having its operations running on end of life cycle technologies and inadequate infrastructure to support its business.

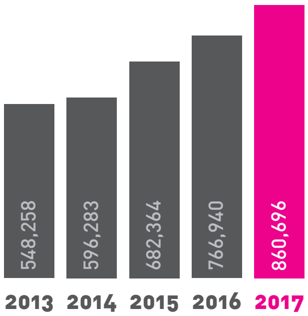
Group Financial Highlights

In RM'000	2013	2014	2015	2016	2017
Financial Performance					
Revenue	548,258	596,283	682,364	766,940	860,696
Revenue Growth (y-o-y)	31%	9%	14%	12%	12%
Operating Profit	118,032	143,861	170,649	199,102	183,091
Profit After Tax (Note 1)	291,980	172,402	191,351	249,928	175,362
Return on Equity (Note 1)	15%	7%	9%	11%	8%
Basic Earnings Per Ordinary Share (Sen) (Note 1)	50.95	30.34	33.55	43.33	30.25

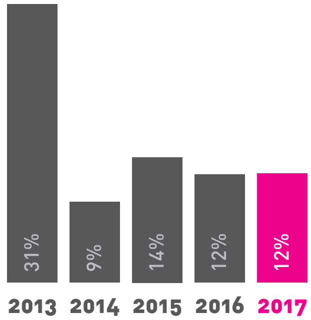
Financial Position

	2013	2014	2015	2016	2017
Total Shareholders' Equity	2,003,629	2,358,408	2,082,547	2,182,893	2,266,024
Total Assets	2,351,825	2,745,349	2,609,940	2,747,300	3,078,050
Net Tangible Assets per Share (RM)	3.12	3.74	3.25	3.40	3.53
Return on Assets (Note 1)	12%	6%	7%	9%	6%

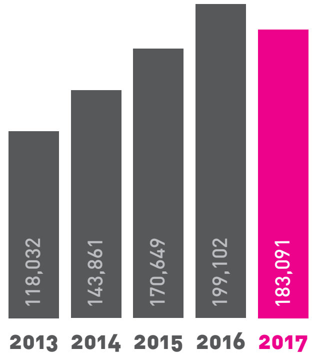
Note 1:
For comparisons purposes, excludes realisation of fair value gain reclassfied from available-for-sale reserve equity account to profit and loss amounting to RM349,354,000 arising from the partial distribution of quoted equity investments held by the Company in the form of a dividend-in-specie to Shareholders in June 2013, 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 and realisation of fair value gain reclassified from available-for-sale reserve to profit or loss due to full disposal of shares in DiGi.Com on 20 May 2016 of RM157,390,000.



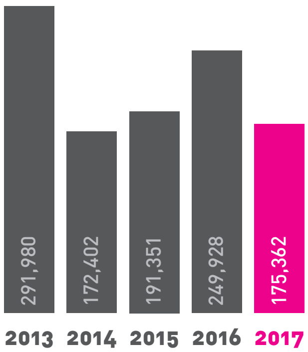
Revenue (RM'000)



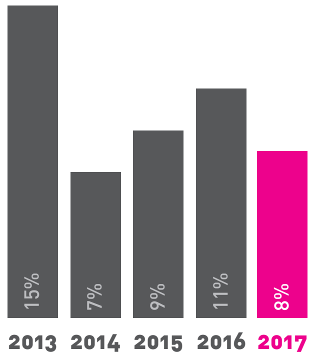
Revenue Growth (y-o-y)



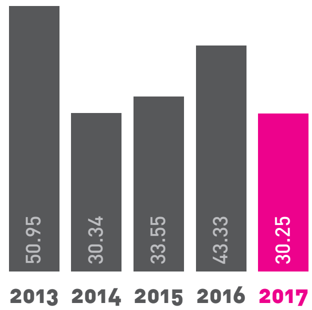
Operating Profit (RM'000)



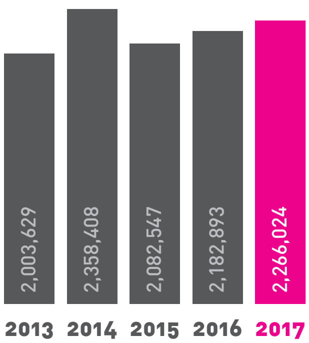
Profit After Tax (RM'000)



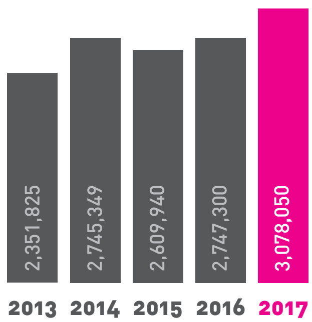
Return on Equity



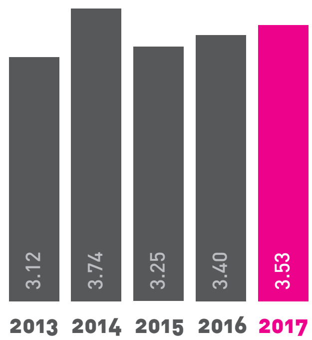
Basic Earnings per Ordinary Share (Sen)



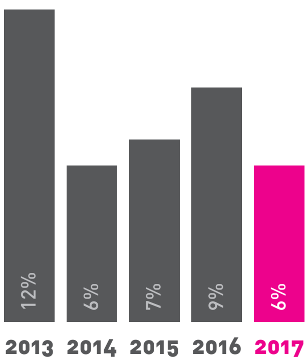
Total Shareholders' Equity (RM'000)



Total Assets (RM'000)



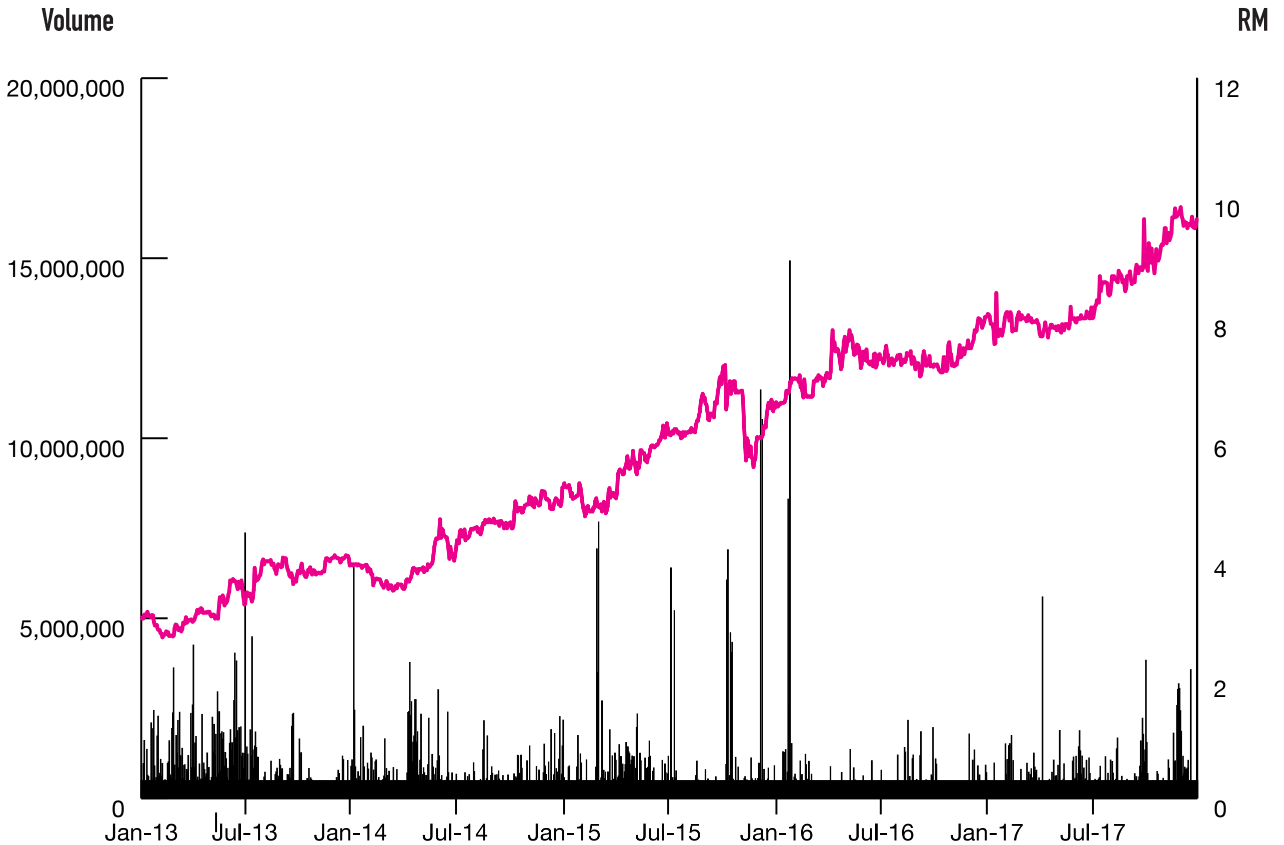
Net Tangible Assets per Share (RM)



Return on Assets

5-Year Share Price Movement

As at 31 December 2017



Financial Statements

Directors' Report

for the year ended 31 December 2017

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 2017.

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.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	175,362	121,118

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 an interim ordinary and a special interim tax exempt (single tier) dividend of 6.60 sen and 10.70 sen per ordinary share respectively on 31 March 2017 amounting to approximately RM100.1 million.

The Directors declared on 23 February 2018 an interim ordinary and a special interim tax exempt (single tier) dividend of 5.30 sen and 11.90 sen per ordinary share respectively for the financial year ended 31 December 2017, which will be paid on 28 March 2018.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Abdul Kadir Md. Kassim (Chairman)
Afzal Abdul Rahim (Chief Executive Officer)
Patrick Corso (Executive Director)
Ronnie Kok Lai Huat
Elakumari Kantilal
Hong Kean Yong
Mark Guy Dioguardi
Lee Guan Hong (Executive Director) (Appointed with effect from 9 March 2017)

The names of the Directors of subsidiaries are set out in the respective subsidiaries' statutory financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

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			
	At 1.1.2017/ Date of appointment	Bought/ Vested	Sold	At 31.12.2017
Deemed interest in the Company:				
Afzal Abdul Rahim - own*	192,742,690	–	(12,700,000)	180,042,690
Patrick Corso - own*	192,742,690	–	(12,700,000)	180,042,690
Interest in the Company:				
Ronnie Kok Lai Huat - own	5,000	–	–	5,000
Lee Guan Hong	375,866	378,198	–	754,064

	Number of share options over ordinary shares			
	At 1.1.2017	Granted	Exercised	At 31.12.2017
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 8(4) of the Companies Act 2016.

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 2017 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 the firms in which the Directors are the members as disclosed in Note 27 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 and the Company's share grant plan in which Patrick Corso and Lee Guan Hong are eligible to participate.

Issue of shares and debentures

During the financial year, the issued and paid-up capital of the Company was increased from 578,294,634 to 581,453,855 by an issuance of 3,159,221 new ordinary shares 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 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 during the financial year apart from the granting of share options to the CEO.

Share options 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 in the Company.

The salient terms of the share option granted 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 new ordinary shares.

(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. The option price per share was subsequently adjusted to RM5.81 per share with no change made to the number of option shares granted pursuant to a special dividends paid by the Company on 30 September 2016 and 31 March 2017.

(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, whether by way of capitalisation of profits or reserves, right issues, bonus issues, capital reduction (save for set-off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, unless otherwise provided in the Share Option Agreement, 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;

(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.

Indemnity and insurance costs

During the financial year, the Company maintains a corporate liability insurance for the Directors and Officers of the Group, which provides appropriate insurance cover for the Directors and Officers of the Group. The amount of insurance premium paid by the Company for the financial year 2017 was RM38,170.

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.

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, 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, the financial performance of the Group and of the Company for the financial year ended 31 December 2017 has 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.

Significant events

The details of such events are disclosed in Note 30 to the financial statements.

Auditors

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

The auditors' remuneration is disclosed in Note 19 to the financial statements.

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

Afzal Abdul Rahim
Director

Patrick Corso
Director

Date: 26 February 2018

Statements of Financial Position

as at 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Assets					
Property, plant and equipment	3	1,335,035	1,360,361	8,122	8,152
Intangible assets	4	213,959	213,959	–	–
Investments in subsidiaries	5	–	–	444,645	444,645
Investments in associates	6	404,023	111,249	–	–
Other investments	7	13,706	9,247	–	–
Deferred tax assets	8	249,725	259,359	13,325	17,600
Trade and other receivables	9	11,224	9,929	16,233	185,957
Total non-current assets		2,227,672	1,964,104	482,325	656,354
Tax recoverable		1,664	3,715	–	–
Trade and other receivables	9	263,850	264,449	518,827	409,637
Restricted cash	10	8,248	8,733	31	1,905
Cash and cash equivalents	10	576,616	506,299	347,293	236,007
Total current assets		850,378	783,196	866,151	647,549
Total assets		3,078,050	2,747,300	1,348,476	1,303,903
Equity					
Share capital	11	1,172,485	289,147	1,172,485	289,147
Reserves	12	1,093,539	1,893,746	164,677	1,005,118
Equity attributable to owners of the Company		2,266,024	2,182,893	1,337,162	1,294,265
Liabilities					
Loans and borrowings	13	142,037	169,658	–	–
Trade and other payables	14	112,064	49,504	–	–
Deferred tax liabilities	8	9,403	10,209	–	–
Total non-current liabilities		263,504	229,371	–	–
Loans and borrowings	13	281,725	5,799	3,000	–
Trade and other payables	14	264,321	327,920	7,514	8,786
Provision for tax		2,476	1,317	800	852
Total current liabilities		548,522	335,036	11,314	9,638
Total liabilities		812,026	564,407	11,314	9,638
Total equity and liabilities		3,078,050	2,747,300	1,348,476	1,303,903

The notes on pages 85 to 154 are an integral part of these financial statements.

Statements of Profit or Loss and other Comprehensive Income

for the year ended 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Revenue	15	860,696	766,940	154,776	168,096
Cost of sales	16	(416,089)	(365,260)	–	–
Gross profit		444,607	401,680	154,776	168,096
Other income		5,135	22,981	–	296
Distribution expenses		(18,461)	(15,418)	(184)	(321)
Administrative expenses		(214,755)	(198,353)	(36,100)	(28,058)
Other expenses		(33,435)	(11,788)	–	–
Results from operating activities		183,091	199,102	118,492	140,013
Income from investments	17	14,797	15,293	9,168	11,776
Realisation of fair value gain/(loss) reclassified from available-for-sale reserve to profit or loss	12.2	–	157,390	–	(6,873)
Finance costs	18	(9,679)	(5,508)	(66)	(152)
Share of profit from associates, net of tax		4,910	2,140	–	–
Profit before tax	19	193,119	368,417	127,594	144,764
Tax expense	20	(17,757)	38,901	(6,476)	9,839
Profit for the year attributable to owners of the Company		175,362	407,318	121,118	154,603
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Fair value gain/(loss) on available-for-sale financial assets		319	(63,919)	–	(63,919)
Realisation of fair value (gain)/loss from available-for-sale reserve to profit or loss	12.2	–	(157,390)	–	6,873
Foreign currency translation differences for foreign operations		(14,329)	6,626	–	–
Other comprehensive loss, net of tax		(14,010)	(214,683)	–	(57,046)
Total comprehensive income for the year attributable to owners of the Company		161,352	192,635	121,118	97,557
Earnings per ordinary share (sen)	21				
– Basic		30.25	70.62		
– Diluted		29.93	70.14		

The notes on pages 85 to 154 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2017

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	Total equity attributable to owners of the Company RM'000
	Non-distributable					*Distributable*		
At 1 January 2016	287,800	854,611	221,309	30,754	15,992	8,760	663,321	2,082,547
Dividend to owners of the Company (Note 22)	–	–	–	–	–	–	(115,478)	(115,478)
Employee share grant plan/option scheme	–	-	–	–	23,189	–	–	23,189
Issuance of shares pursuant to the share grant plan	1,347	10,974	–	–	(12,321)	–	–	–
Profit for the year	–	–	–	–	–	–	407,318	407,318
Fair value loss of available-for-sale financial asset	–	–	(63,919)	–	–	–	–	(63,919)
Realisation of fair value gain from available-for-sale reserve to profit or loss	–	–	(157,390)	–	–	–	–	(157,390)
Exchange differences recognised directly in equity	–	–	-	6,626	–	–	–	6,626
Total comprehensive (loss)/income for the year	–	–	(221,309)	6,626	–	–	407,318	192,635
At 31 December 2016	289,147	865,585	–	37,380	26,860	8,760	955,161	2,182,893

The notes on pages 85 to 154 are an integral part of these financial statements.

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	Total equity attributable to owners of the Company RM'000
	Non-distributable					*Distributable*		
At 1 January 2017	289,147	865,585	–	37,380	26,860	8,760	955,161	2,182,893
Transfer in accordance with Section 618(2) of Companies Act 2016*	865,585	(865,585)	–	–	–	–	–	–
Dividend to owners of the Company (Note 22)	–	–	–	–	–	(8,760)	(91,285)	(100,045)
Employee share grant plan/option scheme	–	–	–	–	21,824	–	–	21,824
Issuance of shares pursuant to the share grant plan	17,753	–	–	–	(17,753)	–	–	–
Profit for the year	–	–	–	–	–	–	175,362	175,362
Fair value gain of available-for-sale financial asset	–	–	319	–	–	–	–	319
Exchange differences recognised directly in equity	–	–	–	(14,329)	–	–	–	(14,329)
Total comprehensive income/(loss) for the year	–	–	319	(14,329)	–	–	175,362	161,352
At 31 December 2017	1,172,485	–	319	23,051	30,931	–	1,039,238	2,266,024

* In accordance with Section 618 of the Companies Act 2016, any credits standing in the share premium account has been transferred to the Company's share capital account with effect from 31 January 2017. The Company has twenty-four months after commencement of the Companies Act 2016 to utilise the credit.

The notes on pages 85 to 154 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2017

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	→	
At 1 January 2016	287,800	854,611	57,046	15,992	8,760	64,788	1,288,997
Dividend to owners of the Company (Note 22)	–	–	–	–	–	(115,478)	(115,478)
Employee share grant plan/option scheme	-	-	-	23,189	–	–	23,189
Issuance of shares pursuant to the share grant plan	1,347	10,974	–	(12,321)	–	–	–
Profit for the year	–	–	–	–	–	154,603	154,603
Fair value loss of available-for-sale financial asset	–	–	(63,919)	–	–	–	(63,919)
Realisation of fair value loss from available-for-sale reserve to profit or loss	–	–	6,873	–	–	–	6,873
Total comprehensive (loss)/income for the year	–	–	(57,046)	–	–	154,603	97,557
At 31 December 2016/1 January 2017	289,147	865,585	–	26,860	8,760	103,913	1,294,265
Transfer in accordance with Section 618(2) of Companies Act 2016	865,585	(865,585)	–	–	–	–	–
Dividend to owners of the Company (Note 22)	–	–	–	–	(8,760)	(91,285)	(100,045)
Employee share grant plan/option scheme	–	–	–	21,824	–	–	21,824
Issuance of shares pursuant to the share grant plan	17,753	–	–	(17,753)	–	–	–
Profit for the year	–	–	–	–	–	121,118	121,118
Total comprehensive income for the year	–	–	–	–	–	121,118	121,118
At 31 December 2017	1,172,485	–	–	30,931	–	133,746	1,337,162

* In accordance with Section 618 of the Companies Act 2016, any credits standing in the share premium account has been transferred to the Company's share capital account with effect from 31 January 2017. The Company has twenty-four months after commencement of the Companies Act 2016 to utilise the credit.

The notes on pages 85 to 154 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from operating activities					
Cash receipts from customers		988,047	941,916	–	7
Transfer from restricted cash		485	2,026	1,874	2,096
Cash payments to suppliers		(334,028)	(286,577)	(1,843)	(4,454)
Cash payments to employees and for administrative expenses		(225,285)	(190,370)	(15,050)	(15,739)
Cash receipts from subsidiary companies		–	–	229,343	97,958
Cash generated from operations		429,219	466,995	214,324	79,868
Tax refund		746	840	–	–
Tax paid		(6,465)	(6,380)	(2,253)	(1,472)
Net cash from operating activities		423,500	461,455	212,071	78,396
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(218,993)	(368,960)	–	–
Proceeds from disposal of property, plant and equipment		256	4,557	–	–
Purchase of other investments		(4,240)	(2,928)	–	–
Investment in equity-accounted investments		(290,730)	(51,858)	–	–
Proceeds from sale on other investments		–	307,221	–	307,221
Proceeds from sale of equity- accounted investment		–	4,080	–	–
Investment income received		15,825	16,071	6,370	9,786
Net cash (used in)/from investing activities		(497,882)	(91,817)	6,370	317,007

Statements of Cash Flows
for the year ended 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from financing activities					
Proceeds from term loans and other borrowings		273,654	99,238	3,000	-
Advances to subsidiary companies		–	–	(4,952)	(76,442)
Advances to an associate		(4,641)	(6,198)	–	–
Repayment of term loans and borrowings		(6,000)	(75,975)	–	–
Dividend paid	22	(100,045)	(115,478)	(100,045)	(115,478)
Finance charges paid		(6,882)	(4,297)	–	(118)
Transaction costs paid		–	(3,304)	–	(150)
Net cash from/(used in) financing activities		156,086	(106,014)	(101,997)	(192,188)
Net increase in cash and cash equivalents		81,704	263,624	116,444	203,215
Effect of exchange rate fluctuations on cash held		(11,387)	181	(5,158)	98
Cash and cash equivalents at 1 January		506,299	242,494	236,007	32,694
Cash and cash equivalents at 31 December	(i)	576,616	506,299	347,293	236,007

(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 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash and bank balances	174,411	117,634	74,813	3,085
Deposits placed with licensed banks	410,453	397,398	272,511	234,827
	584,864	515,032	347,324	237,912
Restricted cash	(8,248)	(8,733)	(31)	(1,905)
	576,616	506,299	347,293	236,007

(ii) *Acquisition of property, plant and equipment*

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM182,488,000 (2016: RM362,961,000) and paid RM218,993,000 (2016: RM368,960,000) 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 85 to 154 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 2017 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates.

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 26 February 2018.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 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, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments (Prepayment Features with Negative Compensation)*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Long-term interests in Associates and Joint Ventures)*

MFRS effective for annual periods beginning on or after 1 January 2021
- MFRS 17, *Insurance Contracts*

Amendments to MFRS effective for a date yet to be confirmed
- Amendments to MFRS 10, *Consolidated Financial Statements and* MFRS 128*, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

- from the annual period beginning on 1 January 2018 for the standards, amendments and interpretation, where applicable, that are effective for annual periods beginning on 1 January 2018; and

- from the annual period beginning on 1 January 2019 for the standard, amendments and interpretation, where applicable, that are effective for annual periods beginning on 1 January 2019.

The Group and the Company does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Group and the Company.

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

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, Revenue - *Barter Transactions Involving Advertising Services.*

Currently, the Group recognises revenue from contracts with customers on the basis as prescribed in Note 2(m). Upon adoption of MFRS 15, the Group will recognise the revenue from contracts with customers when or as the Group satisfies the performance obligation. The Group will apply MFRS 15 using the retrospective method with practical expediency for contracts that are completed.

1. **Basis of preparation (continued)**

(a) **Statement of compliance (continued)**

MFRS 15, *Revenue from Contracts with Customers* (continued)

The Group has assessed the estimated impact that the initial application of MFRS 15 will have on its consolidated financial statements for year ended 31 December 2017 and the beginning of the earliest period presented 1 January 2017 as below. The estimated impact on initial application is based on assessment undertaken to date and the actual impacts of adopting the standard may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

	Statement of profit or loss and other comprehensive income for the year ended 31 December 2017	
Group	**As currently stated RM'000**	**Expected restatement RM'000**
Revenue	860,696	863,026
Cost of sales	(416,089)	(398,449)
Finance costs	(9,679)	(10,287)
Profit for the year	175,362	194,724
Earnings per share (sen)		
– basic	30.25	33.59
– diluted	29.93	33.23

	Statement of financial position as at 31 December 2017		Statement of financial position as at 1 January 2017	
Group	**As currently stated RM'000**	**Expected restatement RM'000**	**As currently stated RM'000**	**Expected restatement RM'000**
Trade and other receivables	275,074	320,797	274,378	302,462
Trade and other payables	376,385	371,365	377,424	374,125
Retained earnings	1,039,238	1,089,983	955,161	986,544

1. **Basis of preparation (continued)**

(a) Statement of compliance (continued)

MFRS 9, Financial Instruments

MFRS 9 replaces 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.

In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

The adoption of MFRS 9, is not expected to have any material financial impact to the financial statements of the Group and of the Company.

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases,* IC Interpretation 4, *Determining whether an Arrangement contains a Lease,* IC Interpretation 115, *Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

(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, Note 6 – impairment assessment on investments in associates 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. The cost of investment includes transaction costs.

(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 (continued)

(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. The cost of investment includes transaction costs.

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 and joint ventures 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, excluding foreign operations in hyperinflationary economies, 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 the 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.

(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.

2. **Significant accounting policies (continued)**

(c) **Financial instruments (continued)**

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

Financial assets (continued)

(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 equity instruments that do not have a quoted price in an active market for identical instruments whose fair values cannot be reliably measured are measured at cost.

Other 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.

(iii) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified 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.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(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 control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial asset are transferred to another party. 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, 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.

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.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

The 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.

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 life, 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

2. **Significant accounting policies (continued)**

(d) **Property, plant and equipment (continued)**

(iii) **Depreciation (continued)**

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.

(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 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.

2. Significant accounting policies (continued)

(f) Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, 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.

(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 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 financial assets categorised as fair value through profit or loss, investment in subsidiaries and investments in associates) 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.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

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.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax assets) 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 units. 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 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 cash-generating 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.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets (continued)

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.

(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.

2. **Significant accounting policies (continued)**

(j) **Employee benefits (continued)**

(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.

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 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.

2. Significant accounting policies (continued)

(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 pre-tax 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. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(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.

2. Significant accounting policies (continued)

(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.

(o) Income tax

Income 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 differences 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.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. Significant accounting policies (continued)

(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. Operating segment 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.

(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 assets, the fair value measurement takes into account a market participant'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 and 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 Group 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 2016	38,863	7,475	32,261	6,006	12,301	91,845	6,764	88,509	2,141,307	2,425,331
Additions	224	–	3,247	243	–	3,694	84	40,546	314,923	362,961
Disposals	–	–	–	–	–	(1)	–	–	(162,039)	(162,040)
Write offs	–	–	(341)	(71)	–	–	–	(5)	(16,914)	(17,331)
Effect of movement in exchange rates	–	–	–	–	–	3	–	5	19,976	19,984
At 31 December 2016/ 1 January 2017	39,087	7,475	35,167	6,178	12,301	95,541	6,848	129,055	2,297,253	2,628,905
Additions	–	–	1,155	152	–	3,846	667	24,045	152,623	182,488
Disposals	–	–	–	–	–	–	(1,481)	(14)	(39,371)	(40,866)
Write offs	–	–	–	(11)	–	(404)	–	–	(42,975)	(43,390)
Effect of movement in exchange rates	–	–	–	–	–	(7)	–	(5)	(51,216)	(51,228)
At 31 December 2017	39,087	7,475	36,322	6,319	12,301	98,976	6,034	153,081	2,316,314	2,675,909

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										
At 1 January 2016										
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
Depreciation for the year	–	54	4,708	646	14	3,918	737	8,313	75,072	93,462
Global bandwidth assets charged out	–	–	–	–	–	–	–	–	9,826	9,826
Disposals	–	–	–	–	–	–	–	–	(2,228)	(2,228)
Impairment	–	–	–	–	–	–	–	5,771	–	5,771
Impairment write offs	–	–	–	–	–	–	–	–	(15,469)	(15,469)
Write offs	–	–	(260)	(62)	–	–	–	(1)	(1,125)	(1,448)
Effect of movement in exchange rates	–	–	–	–	–	2	–	2	4,042	4,046
At 31 December 2016/1 January 2017										
Accumulated depreciation	–	7,459	20,545	5,251	12,299	85,503	5,835	50,859	1,019,144	1,206,895
Accumulated impairment losses	2,101	–	–	–	–	–	–	5,771	53,777	61,649
	2,101	7,459	20,545	5,251	12,299	85,503	5,835	56,630	1,072,921	1,268,544

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	–	2	4,349	388	–	3,930	557	11,409	93,463	114,098
Global bandwidth assets charged out	–	–	–	–	–	–	–	–	9,070	9,070
Disposals	–	–	–	–	–	–	(1,481)	(1)	–	(1,482)
Impairment write offs	–	–	–	–	–	–	–	–	(29,583)	(29,583)
Write offs	–	–	–	(11)	–	(394)	–	–	(10,291)	(10,696)
Effect of movement in exchange rates	–	–	–	–	–	(4)	–	(2)	(9,071)	(9,077)
At 31 December 2017										
Accumulated depreciation	–	7,461	24,894	5,628	12,299	89,035	4,911	62,265	1,102,315	1,308,808
Accumulated impairment losses	2,101	–	–	–	–	–	–	5,771	24,194	32,066
	2,101	7,461	24,894	5,628	12,299	89,035	4,911	68,036	1,126,509	1,340,874
Carrying amounts										
At 1 January 2016	36,762	70	16,164	1,339	16	10,262	1,666	45,964	1,138,504	1,250,747
At 31 December 2016/1 January 2017	36,986	16	14,622	927	2	10,038	1,013	72,425	1,224,332	1,360,361
At 31 December 2017	36,986	14	11,428	691	2	9,941	1,123	85,045	1,189,805	1,335,035

3. Property, plant and equipment (continued)

3.1 Telecommunication network

	2017 RM'000	2016 RM'000
Network cost:		
Commissioned network	2,247,379	2,055,340
Network-in-progress	68,935	241,913
	2,316,314	2,297,253
Less: Accumulated impairment losses	(24,194)	(53,777)
Less: Accumulated depreciation	(1,102,315)	(1,019,144)
Net book value	1,189,805	1,224,332

Included in cost of commissioned network is global bandwidth assets with a fixed monetary value of RM109,215,000 (2016: RM107,461,000). The carrying amount for the said global bandwidth assets at the reporting date was RM56,072,000 (2016: RM63,306,000).

Included in addition of commissioned network during the year was borrowing cost amounting to RM2,743,000 (2016: RM3,490,000).

3.2 Write offs

During the financial year, the Group wrote off certain items within property, plant and equipment with costs totalling RM43,390,000 (2016: RM17,331,000) of which RM29,583,000 (2016: RM15,469,000) and RM10,696,000 (2016: RM1,448,000) was written off against accumulated impairment losses and accumulated depreciation respectively. The remaining amount of RM3,111,000 (2016: RM414,000) was charged to statement of profit or loss and other comprehensive income.

3.3 Leasehold land

The carrying amount of leasehold land with unexpired lease periods of less than 50 years amounted to RM14,000 (2016: RM16,000).

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	
	2017 RM'000	2016 RM'000
Net carrying amount		
- Telecommunication network	-	5,671

3. **Property, plant and equipment (continued)**

3.5 Buildings and improvements

Included in buildings and improvements in the current financial year was a portion under construction with a cost amounting to RM2,536,000 (2016: RM1,659,000).

3.6 Data centre equipment

Included in the data centre equipment in the current financial year was a portion still under construction with a cost amounting to RM17,136,000 (2016: RM7,672,000).

3.7 Security

Included in property, plant and equipment with a total carrying amount of RM298,020,000 (2016: RM327,773,000) were charged to the banks as security for banking facilities granted to the Group.

Company	Freehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Computer systems RM'000	Total RM'000
Cost					
At 1 January 2016/31 December 2016/31 December 2017	8,113	403	322	8,014	16,852
Depreciation					
At 1 January 2016	–	284	321	8,014	8,619
Depreciation for the year	–	81	–	–	81
At 31 December 2016/1 January 2017	–	365	321	8,014	8,700
Depreciation for the year	–	30	–	–	30
At 31 December 2017	–	395	321	8,014	8,730
Carrying amounts					
At 1 January 2016	8,113	119	1	–	8,233
At 31 December 2016	8,113	38	1	–	8,152
At 31 December 2017	8,113	8	1	–	8,122

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 RM789,279,000 (2016: RM749,199,000) and RM8,723,000 (2016: RM8,376,000) respectively.

4. Intangible assets

Group	Goodwill RM'000
Cost/Carrying amount	
At 1 January 2016/31 December 2016/31 December 2017	213,959

4.1 Impairment testing for cash-generating units containing goodwill in the previous financial year

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.

In the previous financial year, the aggregate carrying amounts of goodwill allocated to each cash generating unit were as follows:

	Group 2016 RM'000
International wholesale and global bandwidth business	102,101
Data centre business	111,858
	213,959

International wholesale and global bandwidth business

The recoverable amount from the international wholesale and global bandwidth business was based on its value in use. The recoverable amount from 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 for five years and were estimated by management based on their best estimates. Cash flows beyond the five-year period were based on useful life of the underlying assets or projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the international wholesale and global bandwidth business in the previous financial year included an estimated long term growth rate of 5.00% and weighted average cost of capital ("WACC") of 8.24%. The basis of determination of the budgeted revenue growth and margins were based on estimated achievable historical rates and estimated revenue growth and margins for the years projected.

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

4. Intangible assets (continued)

4.1 Impairment testing for cash-generating units containing goodwill in the previous financial year (continued)

Data centre business

The recoverable amount from the data centre business was based on its value in use. The recoverable amount from 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 for five years and were estimated by management based on their best estimates. Cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the data centre business in the previous financial year included an estimated long term growth rate of 5.00% and WACC of 9.39%. The basis of determination of the budgeted revenue growth and margins were based on estimated achievable historical rates and estimated revenue growth and margins for the years projected.

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

4.2 Impairment testing for cash-generating units containing goodwill in current financial year

During the current financial year, the Group assessed goodwill on a combined basis after it completed an internal restructuring exercise which resulted in the Group no longer able to identify independent cash flows from its previous two cash-generating units.

The majority of customers that were previously clearly customers of international wholesale and global bandwidth and data centre businesses have been combined under a single entity within the Group to improve efficiencies in the cross selling of bundled services/products offered by the Group. This has resulted in the Group having to reassess and to group its international wholesale and global bandwidth and data centre assets together to reflect the new combined grouping as the smallest group of the assets that generates cash flows from continuing use in the Group.

The recoverable amount of the enlarged asset grouping is 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 for three years and were estimated by management based on their best estimates. Cash flows beyond the three-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the business during the current financial year include an estimated long term growth rate of 5% and WACC of 9.39%. The basis of determination of the budgeted revenue growth and margins are based on the estimated achievable historical rates and estimated revenue growth and margins for the projected years.

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

5. **Investments in subsidiaries**

	Company 2017 RM'000	Company 2016 RM'000
Unquoted shares, at cost	444,645	444,645

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	Effective ownership interest 2016 %
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	Dormant	- #	100
Fantastic Fiesta Sdn. Bhd.	Malaysia	Dormant	- #	70
Planet Tapir Sdn. Bhd.	Malaysia	Investment holding	100	100
TIME dotCom International Sdn. Bhd.	Malaysia	Investment holding	100	100
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

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
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	Dormant	- #	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
AIMS Data Centre 2 Sdn. Bhd.	Malaysia	Dormant	- #	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 KPMG.

\# These subsidiaries have been struck off the register pursuant to Section 308(4) of the Companies Act 1965 and were accordingly dissolved during the financial year.

The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

6. Investments in associates

	Note	Group 2017 RM'000	Group 2016 RM'000
At cost			
Unquoted shares outside Malaysia	6.1	108,744	108,744
Quoted shares outside Malaysia	6.1	290,730	–
Share of post-acquisition reserves		4,549	2,505
		404,023	111,249
Market value of quoted shares outside Malaysia		237,863	–

6.1 Details of associates are as follows:

Name of entity	Country of incorporation	Nature of relationship	Effective ownership and voting interest 2017 %	Effective ownership and voting interest 2016 %	Financial year end
Symphony Communication Public Company Limited ("SYMC")*	Thailand	Provision of telecommunication services and related services in Thailand	46.8	–	31 December
CMC Telecommunication Infrastructure Corporation ("CMC") +	Vietnam	Provision of telecommunication and related services in Vietnam	45.3	45.3	31 March
KIRZ Co., Ltd+	Thailand	Provision of telecommunication services and related services in Thailand	49.0	49.0	31 December
KIRZ Holdings Co., Ltd+	Thailand	Investment holding	49.0	49.0	31 December

* On November 2017, the Group increased its investment in SYMC to 38.75% thereby making SYMC an associate company of the Group. Subsequently on 25 December 2017, the Group further increased its equity interest in SYMC to 46.8%.

\+ The Group's share of profit and loss is based on the latest unaudited financial statements for the period/year ended 31 December 2017.

6. Investments in associates (continued)

6.1 Details of associates are as follows: (continued)

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

Group	2017			
Summarised financial information As at 31 December	**CMC RM'000**	**SYMC RM'000**	**Others RM'000**	**Total RM'000**
Non-current assets	147,521	454,963	23,623	626,107
Current assets	109,891	159,073	4,564	273,528
Non-current liabilities	(32,615)	(239,695)	(14,416)	(286,726)
Current liabilities	(113,836)	(93,822)	(16,745)	(224,403)
Net assets/(liabilities)	110,961	280,519	(2,974)	388,506
Period/Year ended 31 December				
Revenue	210,463	24,677 *	16,530	251,670
Profit/(Loss) and comprehensive income/(expense) for the period/year	17,683	1,145 *	(6,317)	12,511
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets	50,232	131,395	(1,457)	180,170
Goodwill	58,294	159,335	6,224	223,853
Carrying amount in the statement of financial position	108,526	290,730	4,767	404,023
Group's share of results for the year ended 31 December				
Group's share of profit/(loss) and comprehensive income/(expense)	8,005	–	(3,095)	4,910
Other information				
Dividend received by the Group	2,866	-	-	2,866

* Based on post acquisition results of SYMC.

6. **Investments in associates (continued)**

6.1 Details of associates are as follows: (continued)

Group	2016		
Summarised financial information As at 31 December	**CMC RM'000**	**Others RM'000**	**Total RM'000**
Non-current assets	121,955	23,370	145,325
Current assets	115,407	5,644	121,051
Non-current liabilities	(24,724)	(13,151)	(37,875)
Current liabilities	(102,500)	(11,988)	(114,488)
Net assets	110,138	3,875	114,013
Period/Year ended 31 December			
Revenue	187,020	15,233	202,253
Profit/(Loss) and comprehensive income/(expense) for the period/year	13,452	(5,598)	7,854
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	49,859	1,899	51,758
Goodwill	53,529	5,962	59,491
Carrying amount in the statement of financial position	103,388	7,861	111,249
Group's share of results for the year ended 31 December			
Group's share of profit/(loss) and comprehensive income/(expense)	5,712	(2,743)	2,969
Other information			
Dividend received by the Group	1,647	–	1,647

6.2 Impairment assessment on investment in SYMC

The Group had undertaken an impairment test on its investment in SYMC following an impairment indicator arising from the lower market value of SYMC as compared to the cost of investment.

The recoverable amount from the investment in SYMC was based on its value in use. The recoverable amount from the investment was determined to be higher than its carrying amount.

6. Investments in associates (continued)

6.2 Impairment assessment on investment in SYMC (continued)

Value in use was determined by discounting the share of the estimated future cash flows expected to be generated by the associate. Cash flow projections used in this assessment were prepared by the Group based on a five year financial plan which were estimated by management based on a reasonable and consistent view of the overall business direction of SYMC. Cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the investment in SYMC during the current financial year include an estimated long term growth rate of 3.00% and weighted average cost of capital ("WACC") of 6.00%. The basis of determination of the budgeted revenue growth and margins were based on estimated achievable historical rates and estimated revenue growth and margins for the years projected.

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

6.3 Impairment assessment on other investments in associates

The Group had undertaken an impairment test on its other investments in KIRZ Co., Ltd. and KIRZ Holdings Co., Ltd. (together referred to as "KIRZ") following an impairment indicator arising from their operating losses in the financial year.

The recoverable amount from the investments was based on its value in use. The recoverable amount from the investment was determined to be higher than its carrying amount.

Value in use was determined by discounting the share of the estimated future cash flows expected to be generated by the associate. Cash flow projections used in this calculation were based on approved financial plan for five years. Cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the investments during the current financial year include an estimated long term growth rate of 3.00% and weighted average cost of capital ("WACC") of 7.80%. The basis of determination of the budgeted revenue growth and margins were based on estimated achievable historical rates and estimated revenue growth and margins for the years projected.

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

7. **Other investments**

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current				
Quoted shares in Malaysia				
At 1 January	–	371,140	–	371,140
Disposal	–	(307,221)	–	(307,221)
Fair value loss of available-for-sale financial assets	–	(63,919)	–	(63,919)
At 31 December	–	–	–	–
Unquoted shares in Malaysia				
At 1 January/31 December	100	100	–	–
Less: Provision for impairment	(100)	–	–	–
	–	100	–	–
Other unquoted investments outside Malaysia				
At 1 January	9,147	6,219	–	–
Additions	4,240	2,928	–	–
Fair value gain on available-for-sale financial assets	319	–	–	–
At 31 December	13,706	9,147	–	–
Total unquoted investments	13,706	9,247	–	–
Total other investments	13,706	9,247	–	–

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

8. **Deferred tax assets/(liabilities)**

The recognised tax benefit of unabsorbed capital allowances, unutilised tax losses and other deductible temporary difference are based on projected probable future taxable profits. Assumptions about the generation of future taxable profits are dependent on management's projection of future profitability of the entities concerned. These assumptions include estimation of future revenue, profit margins, operating and administrative expenditure and non-amendments of income tax legislation. Actual results could be significantly different from the Directors' estimate of future profitability since anticipated events may not occur as expected and the variation could be material. These judgments and assumptions are subject to significant risks and uncertainties. Hence, there is a possibility that changes in circumstances may impact the extent of the amount of deferred tax assets recognised in the statements of financial position.

8. **Deferred tax assets/(liabilities) (continued)**

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2017 RM'000	Assets 2016 RM'000	Liabilities 2017 RM'000	Liabilities 2016 RM'000	Net 2017 RM'000	Net 2016 RM'000
Property, plant and equipment	–	–	(109,364)	(86,907)	(109,364)	(86,907)
Other deductible/(taxable) temporary difference	56,217	17,606	–	(179)	56,217	17,427
Unabsorbed capital allowances	279,071	298,868	–	–	279,071	298,868
Unutilised tax losses	14,398	19,762	–	–	14,398	19,762
Tax assets/(liabilities)	349,686	336,236	(109,364)	(87,086)	240,322	249,150
Set-off of tax	(99,961)	(76,877)	99,961	76,877	–	–
Net tax assets/(liabilities)	249,725	259,359	(9,403)	(10,209)	240,322	249,150

Recognised deferred tax assets and liabilities, net

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Property, plant and equipment	(109,364)	(86,907)	(8)	(8)
Other deductible temporary difference	56,217	17,427	484	337
Unabsorbed capital allowances	279,071	298,868	–	–
Unutilised tax losses	14,398	19,762	12,849	17,271
Total	240,322	249,150	13,325	17,600

8. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property, plant and equipment	5,514	3,242	–	–
Other deductible temporary difference	9,044	–	–	–
Unabsorbed capital allowances	275,041	467,738	–	–
Unutilised investment allowance	65,596	65,596	–	–
Unutilised tax losses	517,199	486,904	–	2,168
Total	872,394	1,023,480	–	2,168

The unabsorbed capital allowances, unutilised investment allowance, unutilised tax losses and other deductible temporary difference do not expire under the current tax legislation. Deferred 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 the Group and/or Company can utilise the benefits therefrom. During the year, the Group and the Company have utilised unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences of RM151,086,000 and RM2,168,000 respectively.

Movement in temporary differences during the year

	At 1.1.2016 RM'000	Recognised in profit or loss RM'000	At 31.12.2016/ 1.1.2017 RM'000	Recognised in profit or loss RM'000	At 31.12.2017 RM'000
Group					
Property, plant and equipment	(70,877)	(16,030)	(86,907)	(22,457)	(109,364)
Other deductible temporary difference	358	17,069	17,427	38,790	56,217
Unabsorbed capital allowances	269,553	29,315	298,868	(19,797)	279,071
Unutilised tax losses	7,035	12,727	19,762	(5,364)	14,398
Total	206,069	43,081	249,150	(8,828)	240,322
Company					
Property, plant and equipment	(5)	(3)	(8)	–	(8)
Other deductible temporary difference	–	337	337	147	484
Unutilised tax losses	5,750	11,521	17,271	(4,422)	12,849
Total	5,745	11,855	17,600	(4,275)	13,325

9. Trade and other receivables

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Non-current					
Trade					
Prepayments		1,763	–	–	–
		1,763	–	–	–
Non-trade					
Prepayments		9,461	9,929	–	–
Amount due from subsidiaries	9.4	–	–	16,233	185,957
		11,224	9,929	16,233	185,957
Current					
Trade					
Trade receivables	9.2	128,083	180,886	–	–
Amount due from related parties	9.2	11,348	11,661	–	–
		139,431	192,547	–	–
Less: Allowance for impairment losses	9.3	(9,106)	(6,524)	–	–
		130,325	186,023	–	–
Accrual of global bandwidth revenue	9.1	9,607	15,287	–	–
Deposits		3,849	3,809	–	–
Prepayments		3,911	9,082	–	–
		147,692	214,201	–	–
Non-trade					
Amount due from subsidiaries	9.4	–	–	516,622	405,693
Amount due from an associate	9.5	12,325	6,750	–	–
Other receivables		94,161	35,254	2,096	3,758
Prepayments		8,903	7,524	23	100
Deposits		769	720	86	86
		263,850	264,449	518,827	409,637

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 portion under the 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 (2016: 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 RM8,000 (2016: RM283,000).

9.4 Amount due from subsidiaries (non-trade)

Included in the amount due from subsidiaries are advances amounting to RM16,159,100 (2016: RM27,998,364) and RM10,839,000 (2016: RM6,198,000) which are unsecured and subject to interest rates 5.65% (2016: 5.65%) and 12.5% (2016: 12.5%) per annum respectively. The other amounts due from subsidiaries are unsecured and interest free. The balances arise mainly from inter-company advances and expenses paid on behalf.

9.5 Amount due from an associate (non-trade)

The amount due from an associate is unsecured and repayable on demand with an interest rate of 12.5% (2016: 12.5%) per annum. The balances arise mainly from shareholder advances made during the year.

10. Cash and cash equivalents

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances		174,411	117,634	74,813	3,085
Deposits placed with licensed banks		410,453	397,398	272,511	234,827
		584,864	515,032	347,324	237,912
Restricted cash	10.1	(8,248)	(8,733)	(31)	(1,905)
		576,616	506,299	347,293	236,007

10.1 Restricted cash

Restricted cash are amounts withheld by licensed financial institutions as security for bank facilities granted (see Note 13).

10. Cash and cash equivalents (continued)

The cash and cash equivalents of the Group and of the Company do not include bank balances amounting to RM43,538,000 (2016: RM12,856,000) held by the Group and 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 2017 RM'000	Number of shares 2017 '000	Amount 2016 RM'000	Number of shares 2016 '000
Ordinary shares, issued and fully paid:				
At 1 January	289,147	578,294	287,800	575,600
Issuance of new ordinary shares pursuant to the share grant plan	17,753	3,159	1,347	2,694
Transfer from share premium in accordance with Section 618(2) of the Companies Act 2016 *	865,585	–	–	–
At 31 December	1,172,485	581,453	289,147	578,294

* In accordance with Section 618 of Companies Act 2016, any amount standing to the credit of the share premium has become part of the Company's share capital.

12. Reserves

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Share premium	12.1	–	865,585	–	865,585
Available-for-sale reserve	12.2	319	–	–	–
Foreign currency translation reserve	12.3	23,051	37,380	–	–
Share grant reserve	12.4	16,946	18,922	16,946	18,922
CEO share option reserve	12.5	13,985	7,938	13,985	7,938
Capital reserve	12.6	–	8,760	–	8,760
Retained earnings		1,039,238	955,161	133,746	103,913
		1,093,539	1,893,746	164,677	1,005,118

12. Reserves (continued)

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. In accordance with Section 618 of Companies Act 2016, any amount standing to the credit of the share premium account has become part of the Group and the Company's share capital. The Group and the Company have twenty-four months upon the commencement of Companies Act 2016 on 31 January 2017 to utilise the credit.

12.2 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 derecognised upon sale or impaired.

During the year, the net change in the fair value of available-for-sale financial assets has resulted in a gain of RM319,000 (2016: loss of RM63,919,000).

In 2016, the Company disposed of 68,729,545 ordinary shares held in DiGi.Com Berhad ("DiGi Shares"). This resulted in the realisation of a fair value gain of RM157,390,000 for the Group and the realisation of a fair value loss of RM6,873,000 for the Company from the available-for-sale reserve to profit and loss.

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 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.

Details of the share grant plan are as follows:

		Number of ordinary shares			
	Fair value at grant date	At 1 January 2017	Vested and issued	Adjusted	At 31 December 2017
2014 Awards	RM4.46	868,730	(912,345)	43,615	–
2015 Awards	RM4.78	1,955,228	(954,720)	(52,200)	948,308
2016 Awards	RM7.06	3,178,823	(1,292,156)	880,227	2,766,894
Total		6,002,781	(3,159,221)	871,642	3,715,202

12. Reserves (continued)

12.4 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 2015 grant will be vested within the next year in July 2018; and
(ii) The 2016 grant will be vested within the next 2 years in July 2018 and July 2019 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:

	Closing market price at grant date	Dilution rate
Granted on 11 August 2014	RM4.50	0.916%
Granted on 2 January 2015	RM4.94	0.514%
Granted on 11 January 2016	RM7.27	0.544%

The Group and the Company recognised share grant costs in profit or loss totalling to RM14,651,000 (2016: RM17,565,000) and RM6,970,000 (2016: RM6,291,350) respectively.

12.5 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 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.

No share options were exercised during the financial year.

On 30 September 2016, an adjustment was made to the option exercise price pursuant to a special dividend paid by the Company in 2016. The adjustment resulted in a revised option price of RM5.89 per share with no change to the number of option shares granted.

On 31 March 2017, a further adjustment was made to the option exercise price pursuant to a special dividend paid by the Company in 2017. The adjustment resulted in a revised option price of RM5.81 per share with no change to the number of option shares granted.

12. Reserves (continued)

12.5 Chief Executive Officer ("CEO") share option reserve (continued)

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
Adjusted fair value of share options pursuant to special dividends paid	RM1.62
Weighted average share price (adjusted)	RM5.81
Option life	5 years

The Group and the Company recognised share option costs in profit or loss totalling to RM6,047,000 (2016: RM5,624,000).

12.6 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.

13. Loans and borrowings

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current					
Term loans	13.1	142,037	169,658	–	–
		142,037	169,658	–	–
Current					
Term loans	13.1	34,105	3,549	–	–
Islamic medium term note	13.2	3,000	–	3,000	–
Revolving credit	13.3	244,620	–	–	–
Finance lease liabilities	13.4	–	2,250	–	–
		281,725	5,799	3,000	–
		423,762	175,457	3,000	–

13. Loans and borrowings (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	Note	At 1 January 2017 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Amortisation of transaction cost RM'000	At 31 December 2017 RM'000
Term loans	13.1	173,207	15,678	(14,438)	1,695	176,142
Islamic medium term note	13.2	–	3,000	–	–	3,000
Revolving credit	13.3	–	251,226	(6,606)	–	244,620
Finance lease liabilities	13.4	2,250	(2,250)	–	–	–
		175,457	267,654	(21,044)	1,695	423,762

Company	Note	At 1 January 2017 RM'000	Net changes from financing cash flows RM'000	At 31 December 2017 RM'000
Islamic medium term note	13.2	–	3,000	3,000

13.1 Term loans

The term loan of the Group comprise the following:

(i) USD denominated term loan amounting to RM92,858,000 (2016: RM101,519,000) 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 a 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.

(ii) USD denominated term loan amounting to RM57,330,000 (2016: RM42,185,000) 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 an Earnings and Debt Service Reserve Account; and

(c) a corporate guarantee by the Company.

13. Loans and borrowings (continued)

13.1 Term loans (continued)

(iii) Term loans amounting to RM25,954,000 (2016: RM29,503,000) 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; and

(b) a corporate guarantee by the Company.

13.2 Islamic medium term note

The Company has a RM denominated unsecured Islamic Medium Term Note ("IMTN") facility with an aggregate outstanding nominal value of up to RM1.0 billion and a tenure of up to 20 years. During the year, the Company issued its first tranche of the IMTN amounting to RM3.0 million in nominal value. The salient terms and conditions of the First Tranche of IMTN are as follows:

Issue Size	:	RM3.0 million in nominal value
Issue Price	:	100% of the Issue Size
Tenure	:	367 days
Periodic Distribution Rate	:	4.55% per annum
Periodic Distribution frequency	:	semi - annual
Maturity date	:	9 July 2018

The proceeds from the IMTN facility may be used for general corporate purposes (including but not limited to the refinancing of credit facilities and/or working capital requirements of the Group).

13.3 Revolving credit

This is an unsecured USD denominated revolving credit.

13.4 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum payments	Future minimum lease payments	Interest	Present value of minimum payments
	2017			2016		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than one year	–	–	–	2,312	62	2,250

14. Trade and other payables

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Non-current					
Trade					
Deferred income	14.1	–	36,997	–	–
Unearned revenue	14.3	112,064	12,507	–	–
		112,064	49,504	–	–
Current					
Trade					
Trade payables	14.2	47,003	56,373	–	–
Amount due to related parties	14.2	1,624	1,934	–	–
Accrued expenses	14.6	40,209	44,139	–	–
Deposit payables		17,278	14,478	–	–
Deferred income	14.1	–	54,414	–	–
Unearned revenue	14.3	39,257	54,233	–	–
Payable for Universal Service Provision		52,147	45,286	–	–
Provisions	14.4	5,813	7,965	–	–
		203,331	278,822	–	–
Non-trade					
Other payables		7,687	5,005	1,106	841
Amount due to subsidiaries	14.5	–	–	3,312	2,059
Accrued expenses	14.6	52,338	40,981	3,096	5,886
Provisions	14.4	965	3,112	–	–
		264,321	327,920	7,514	8,786

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

14.1 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.

14.2 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 (2016: 30 to 90 days).

14. Trade and other payables (continued)

14.3 Unearned revenue

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

14.4 Provisions

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

14.5 Amount due to subsidiaries (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.

14.6 Accrued expenses

Included in accrued expenses are accruals made for staff related expenses and telecommunication maintenance charges.

15. Revenue

Group	2017 RM'000	2016 RM'000
Data	666,009	581,483
Data Centre	112,170	94,732
Voice	77,580	85,497
Others	4,937	5,228
	860,696	766,940
Company		
Management fee from subsidiary companies	34,469	27,096
Dividend income from a subsidiary	120,307	141,000
	154,776	168,096

16. Cost of sales

	Group	
	2017 RM'000	2016 RM'000
Interconnect charges	21,406	25,128
Depreciation of property, plant and equipment	104,872	83,385
Dealer commissions	22,098	19,552
Telecommunications maintenance charges	40,265	29,009
Network and leased line charges	66,770	59,316
Fee for wayleave and right of use pertaining to telecommunications facilities	11,406	11,545
Site and customer premises rental	15,460	16,682
Universal service obligation	34,510	30,488
Internet service provider costs	6,351	7,496
Direct installation costs	47,733	44,560
Others	45,218	38,099
	416,089	365,260

17. Income from investments

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest income from financial assets that are not at fair value through profit or loss	14,797	11,925	9,168	8,408
Dividend income from quoted shares, in Malaysia	–	3,368	–	3,368
	14,797	15,293	9,168	11,776

18. Finance costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
– Interest on borrowings	7,984	4,493	66	152
– Amortisation of borrowing costs	1,695	1,015	–	–
	9,679	5,508	66	152

19. Profit before tax

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before tax is arrived at after charging:				
Personnel expenses				
– Salaries, allowances and others	141,524	117,744	8,078	6,507
– Contributions to Employee Provident Fund	17,132	14,438	858	745
– Share grant expenses	14,651	17,565	6,970	6,291
– Share option expenses	6,047	5,624	6,047	5,624
Depreciation of property, plant and equipment	114,098	93,462	30	81
Rental of:				
– Offices	1,146	651	–	–
– Equipment	43	46	–	–
– Site and customer premises	15,460	16,682	–	–
Auditors' remuneration				
– Audit fees to KPMG Malaysia	459	459	100	100
– Audit fees to other auditors	52	23	–	–
– Non-audit fees to KPMG Malaysia	47	47	30	30
Write off of property, plant and equipment	3,111	414	–	–
Net impairment/(write-back):				
– Property, plant and equipment	–	5,771	–	–
– Trade receivables	3,835	3,178	–	–
– Construction deposits	(390)	348	–	–
Net loss on foreign exchange	21,119	–	5,753	–
Impairment of other investment	100	–	–	–
Amortisation of borrowing costs	1,695	1,015	–	–
Interest on borrowings	7,984	4,493	66	152

19. Profit before tax (continued)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
and after crediting:				
Bad debts recovered	721	417	–	–
Net gain on foreign exchange	–	9,292	–	296
Interest income	14,797	11,925	9,168	8,408
Dividend income from a subsidiary	–	–	120,307	141,000
Dividend income from quoted shares, in Malaysia	–	3,368	–	3,368
Realisation of fair value gain/(loss) reclassified from available-for-sale reserve to profit or loss	–	157,390	–	(6,873)
Rental income	45	198	–	–
Gain on disposal of property, plant and equipment	2,744	7,358	–	–
Gain on disposal of equity-accounted investment	–	2,477	–	–

20. Tax expense

Recognised in profit or loss

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Tax expense:				
– current year	8,899	4,410	2,199	2,016
– under/(over)provision in prior year	30	(230)	2	–
	8,929	4,180	2,201	2,016
Deferred tax:				
– origination of temporary difference	60,425	54,068	4,524	3,633
– (over)/underprovision in prior year	(545)	556	271	–
– recognition of previously unrecognised temporary differences	(51,052)	(97,705)	(520)	(15,488)
	8,828	(43,081)	4,275	(11,855)
	17,757	(38,901)	6,476	(9,839)

20. Tax expense (continued)

Reconciliation of effective income tax expense:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before tax	193,119	368,417	127,594	144,764
Tax at statutory tax rate of 24%	46,348	88,420	30,622	34,743
Effect of tax in foreign jurisdictions	7,946	(4,736)	–	–
Non-deductible expenses	6,531	15,331	4,975	5,552
Non-taxable income	(850)	(40,865)	(28,874)	(34,646)
Deferred tax assets not recognised	9,349	328	–	–
Recognition of previously unrecognised temporary difference	(51,052)	(97,705)	(520)	(15,488)
Under/(Over)provision of prior year – current tax	30	(230)	2	–
(Over)/Underprovision of prior year – deferred tax	(545)	556	271	–
Tax expense	17,757	(38,901)	6,476	(9,839)

21. 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	
	2017	2016
Basic earnings per share		
Net profit attributable to owners of the Company (RM'000)	175,362	407,318
Weighted average number of ordinary shares in issue ('000)	579,740	576,745
Basic earnings per ordinary share (sen)	30.25	70.62

21. Earnings per ordinary share (continued)

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	
	2017	2016
Diluted earnings per share		
Net profit attributable to owners of the Company - basic (RM'000)	175,362	407,318
Weighted average number of ordinary shares in issue – basic ('000)	579,740	576,745
Effect of CEO share option, if exercised ('000)	6,173	3,980
Weighted average number of ordinary shares in issue ('000) (diluted)	585,913	580,725
Diluted earnings per ordinary share (sen)	29.93	70.14

22. Dividend paid

During the financial year, the Company paid an interim ordinary and a special interim tax exempt (single tier) dividend of 6.60 sen and 10.70 sen per ordinary share respectively for the financial year ended 31 December 2016 on 31 March 2017 amounting to RM100,045,000.

In the previous financial year, the Company paid an interim ordinary and special interim tax exempt (single tier) dividend of 6.7 sen and 13.3 sen per ordinary share respectively for financial years ended 31 December 2015 and 31 December 2016 amounting to RM38,565,232 and RM76,913,186 respectively.

23. Directors' remuneration

	Group and Company	
	2017 RM'000	2016 RM'000
Executive directors:		
– Emoluments	4,617	2,617
– Other emoluments and expenses (including share grant and CEO share options)	9,755	5,694
Non-executive directors:		
– Fees	744	715
– Other emoluments and expenses	311	242
	15,427	9,268

23. Directors' remuneration (continued)

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 RM58,000 (2016: RM13,000).

Included in Directors' remuneration are amounts totalling RM242,000 (2016: RM207,000) payable to related parties for services rendered by a company in which a non-executive director of the Company is an employee.

Details of Directors' remuneration of the Group and the Company during the financial year are as follows:

	Fee RM'000	Meeting allowance RM'000	Salaries RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in-kind RM'000
Non-executive directors						
Abdul Kadir Md. Kassim	180	30	–	–	–	5
Ronnie Kok Lai Huat	156	84	–	–	8	3
Elakumari Kantilal	168	72	–	–	–	2
Hong Kean Yong	120	76	–	–	3	2
Mark Guy Dioguardi	120	38	–	–	–	–
Executive directors						
Afzal Abdul Rahim	–	–	1,058	504	6,325	23
Patrick Corso	–	–	927	375	44	17
Lee Guan Hong	–	–	818	490	3,831	6
	744	300	2,803	1,369	10,211	58

The directors did not receive any additional remuneration for services rendered in the subsidiaries.

24. Key management personnel remuneration

The key management personnel remuneration is as follows:

	Group and Company	
	2017 RM'000	2016 RM'000
Directors:		
Fees	744	715
Other short term benefits (including estimated monetary value of benefits-in-kind and CEO share option)	14,741	8,566
	15,485	9,281

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other key management personnel:				
Employee benefits (including benefits on share grant plan)	26,076	20,185	9,578	10,507
Other key management compensation	653	305	175	171
	26,729	20,490	9,753	10,678

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

25. 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.

25. Operating segments (continued)

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

	Group	
	2017 RM'000	2016 RM'000
Revenue from external customers		
Data	666,009	581,483
Data Centre	112,170	94,732
Voice	77,580	85,497
Others	4,937	5,228
	860,696	766,940
Operating expense		
Depreciation, impairment and amortisation of property, plant and equipment	(114,098)	(93,462)
Other operating expense	(568,642)	(497,357)
Other operating income	5,135	22,981
Profit from operations	183,091	199,102
Income from investments	14,797	15,293
Realisation of fair value gain reclassified from available-for-sale reserve to profit or loss	–	157,390
Finance costs	(9,679)	(5,508)
Share of profits from equity-accounted investments, net of tax	4,910	2,140
Segment profit	193,119	368,417
Additions to property, plant and equipment	182,488	362,961

Geographical information

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

	Revenue		Non-current assets	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Malaysia	796,189	727,997	1,121,392	1,124,901
Outside Malaysia	64,507	38,943	438,826	459,348
	860,696	766,940	1,560,218	1,584,249

25. Operating segments (continued)

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.

26. Capital and operating lease commitments

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Capital expenditure commitments				
Property, plant and equipment				
Authorised but not contracted for	34,932	23,117	–	–
Contracted but not provided for	138,282	229,054	–	–
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	24,240	22,467		
– Payable within 2 - 3 years	31,386	32,655		
– Payable after 3 years	117,963	129,321		
	173,589	184,443		

27. 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 23 and 24 respectively. The Group has related party relationships 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.

27. Related parties (continued)

Significant related party transactions

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Subsidiary companies				
Dividend income	–	–	120,307	141,000
Management fees income	–	–	34,349	27,096
Management fees expense	–	–	(4,489)	(2,318)
Interest income from subsidiaries	–	–	2,299	1,531
Related parties				
Revenue from data, voice and other services	69,306	62,570	–	–
Interconnect revenue	6,370	6,630	–	–
Fee for wayleave and right of use of telecommunications facilities	(10,477)	(10,468)	–	–
Interconnect charges	(12,073)	(10,583)	–	–
Leased line and infrastructure costs	(28,416)	(26,296)	–	(8)
Network maintenance	(1,910)	(1,698)	–	–
Training expenses	(338)	(281)	–	–
Project management services	(144)	(59)	–	–
Leasing of transportation services	–	(702)	–	(702)
Rental of office	(91)	–	–	–
Professional fees on corporate exercise	(913)	–	(913)	–
Acquisition of telecommunication infrastructure and fibre optics cables	(4,000)	–	–	–
Interest income from associate	1,127	386	–	–
Companies in which Directors have significant financial interests:				
Revenue from rental, support services and others	81	28	–	–
Professional legal fees costs	(11)	(201)	(11)	(201)

27. **Related parties (continued)**

Significant related party transactions (continued)

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 14 respectively.

28. **Financial instruments**

28.1 Net income, expense, gains or losses arising from financial instruments

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Net gains/(losses) on:				
Available-for-sale financial assets:				
– recognised in profit or loss	(100)	–	–	–
– recognised in other comprehensive income	319	(221,309)	–	(57,046)
– reclassified from equity to profit or loss	–	157,390	–	(6,873)
– Dividend income	–	3,368	–	3,368
	219	(60,551)	–	(60,551)
Loans and receivables	10,962	8,747	9,168	8,408
Financial liabilities measured at amortised cost	(9,679)	(5,508)	(66)	(152)
	1,502	(57,312)	9,102	(52,295)

28.2 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

28.3 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 and associate, deposits with financial institutions and financial guarantees given to banks for credit facilities granted to subsidiaries.

28. Financial instruments (continued)

28.3 Credit risk (continued)

Receivables (continued)

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.

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:

	Group	
	2017 RM'000	2016 RM'000
Malaysia	132,265	129,714
Outside Malaysia	11,516	75,405
	143,781	205,119

28. Financial instruments (continued)

28.3 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

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

Impairment losses

The ageing of trade receivables (including trade amounts due from related parties, trade deposits 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
2017			
Not past due	48,724	–	48,724
Past due 1 - 30 days	32,188	–	32,188
Past due 31 - 120 days	45,944	(1,125)	44,819
Past due more than 120 days	26,031	(7,981)	18,050
	152,887	(9,106)	143,781
2016			
Not past due	105,691	(14)	105,677
Past due 1 - 30 days	40,656	(90)	40,566
Past due 31 - 120 days	42,395	(1,303)	41,092
Past due more than 120 days	22,901	(5,117)	17,784
	211,643	(6,524)	205,119

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.

28. Financial instruments (continued)

28.3 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	
	2017 RM'000	2016 RM'000
At 1 January	6,524	4,902
Impairment loss written off	(1,253)	(1,556)
Net allowance	3,835	3,178
At 31 December	9,106	6,524

Allowance for impairment losses in relation to outstanding balance due from related parties (other than subsidiaries of the Company) amounted to RM8,000 (2016: RM283,000).

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.

28. Financial instruments (continued)

28.3 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 certain 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 RM217,312,000 (2016: RM193,100,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

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

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

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries and associates and monitors the results of the subsidiaries/associates 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 companies in which the Company has significant influence and/or control. The Company considers such companies 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/associates are not recoverable.

28. Financial instruments (continued)

28.4 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.

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
2017						
Term loans	176,142	4.52%-4.99%	200,334	42,864	78,404	79,066
Islamic medium term note	3,000	4.55%	3,137	3,137	–	–
Revolving credit	244,620	2.95%-3.00%	246,326	246,326	–	–
Trade and other payables*	166,139	–	166,139	166,139	–	–
2016						
Term loans	173,207	3.8%-5.2%	195,953	11,339	72,630	111,984
Finance lease liabilities	2,250	1.3%-2.9%	2,312	2,312	–	–
Trade and other payables*	162,910	–	162,910	162,910	–	–

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

28. Financial instruments (continued)

28.4 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
2017				
Islamic medium term note	3,000	4.55%	3,137	3,137
Trade and other payables	7,514	–	7,514	7,514
2016				
Trade and other payables	8,786	–	8,786	8,786

28.5 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.

28. Financial instruments (continued)

28.5 Market risk (continued)

Currency risk (continued)

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:

Group	Denominated in USD 2017 RM'000	Denominated in USD 2016 RM'000
Trade and other receivables	96,174	106,896
Cash and cash equivalents	141,766	88,565
Term loans	(150,188)	(143,704)
Revolving credit	(244,620)	–
Trade and other payables	(62,076)	(55,877)
Net exposure in the statement of financial position	(218,944)	(4,120)

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 2017, as indicated below:

Group	Profit or (loss) 2017 RM'000	Profit or (loss) 2016 RM'000
1% strengthening of RM against USD	2,189	41

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

28. Financial instruments (continued)

28.5 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed rate instruments				
– Deposits with licensed banks	410,453	397,398	272,511	234,827
– Finance lease liabilities	–	(2,250)	–	–
– Term loans	(57,330)	(42,185)	–	–
– Islamic medium term note	(3,000)	–	(3,000)	–
– Revolving credit	(244,620)	–	–	–
Floating rate instruments				
– Term loans	(118,812)	(131,022)	–	–

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 points ("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.

28. Financial instruments (continued)

28.5 Market risk (continued)

Interest rate risk sensitivity analysis (continued)

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

	Profit or (loss)	
Group	**100bp Increase RM'000**	**100bp Decrease RM'000**
2017		
Floating rate instruments	(1,188)	1,188
2016		
Floating rate instruments	(1,310)	1,310

28.6 Fair value information

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate their 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.

28. Financial instruments (continued)

28.6 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					
Group	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
2017										
Financial assets										
Other unquoted investments	–	–	13,706	13,706	–	–	–	–	13,706	13,706
Financial liabilities										
Term loans	–	–	–	–	–	–	176,142	176,142	176,142	176,142
Islamic medium term note	–	–	–	–	–	–	3,000	3,000	3,000	3,000
Revolving credit	–	–	–	–	–	–	244,620	244,620	244,620	244,620
	–	–	–	–	–	–	423,762	423,762	423,762	423,762
2016										
Financial assets										
Other unquoted investments	–	–	9,247	9,247	–	–	–	–	9,247	9,247
Financial liabilities										
Term loans	–	–	–	–	–	–	173,207	173,207	173,207	173,207
Finance lease liabilities	–	–	–	–	–	–	2,250	2,250	2,250	2,250
	–	–	–	–	–	–	175,457	175,457	175,457	175,457

28. Financial instruments (continued)

28.6 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 carried at fair value

Type	Description of valuation technique and inputs used
Other unquoted investments	The fair value is based on net asset value provided by the investees.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans, Islamic medium term note, Revolving credit and finance lease liabilities	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:

	2017	2016
Term loans	4.52% - 4.99%	3.8% - 5.2%
Islamic medium term note	4.55%	–
Revolving credit	2.95% - 3.00%	–
Finance lease liabilities	–	1.3% – 2.9%

29. 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.

30. Significant events during the year

(a) On 7 March 2017, the Group announced a proposal to acquire 37% of the issued and paid-up ordinary shares in Symphony Communication Public Company Limited ("SYMC"), a publicly listed company on the Stock Exchange of Thailand via a conditional partial voluntary tender offer ("CPVTO") at an acquisition price of THB12.20 per SYMC share or a total of THB1,468,827,076. The Group had also entered into a share sale and purchase agreement ("SPA") with Dr Bussakorn Jaruwachirathanakul ("Seller") to acquire an additional 1.75% equity interest in SYMC (amounting to 5,694,389 SYMC Shares) ("Sale Shares"). The Sale Shares was also THB12.20 per SYMC Share for a total of THB69,471,546. The Seller is the Executive Vice President - Finance and Accounting and a Director of SYMC.

On 22 September 2017, the Group completed its acquisition of 5,694,389 ordinary shares or 1.75% equity interest in SYMC from Dr. Bussakorn Jaruwachirathanakul. The acquisition was funded via internally generated funds.

On 9 November 2017, the Group subsequently completed its acquisition of a further 120,395,600 ordinary shares in SYMC pursuant to the successful completion CPVTO. The purchase consideration was satisfied in cash which was funded via borrowings from a licensed bank in Malaysia.

Subsequent to the completion of the abovementioned acquisitions, SYMC undertook a rights offering of new ordinary shares of approximately THB1,000 million with an allocation ratio of 1 newly-issued ordinary share to 2.86654 existing ordinary share ("Rights Offering") where the Group had been allocated 77,053,808 new ordinary shares in SYMC on 25 December 2017 (representing 33,066,985 newly-issued ordinary shares in excess of its entitlement of 43,986,823 newly-issued ordinary shares) at an issue price of THB8.80 per SYMC share. Together with the ordinary shares acquired from the CPVTO and Dr Bussakorn Jaruwachirathanakul, the Group now owns a total of 203,143,797 SYMC Shares, equivalent to a 46.84% equity interest in SYMC post completion of the Rights Offering.

30. Significant events during the year (continued)

(b) On 7 July 2017, the Company issued its first tranche of Sukuk Murabahah amounting to RM3.0 million in nominal value ("First Tranche Sukuk Murabahah") pursuant to a Islamic Medium Term Notes Programme ("IMTN Programme") approved in 2015. In accordance with the terms of the IMTN Programme, proceeds from the First Tranche Sukuk Murabahah shall be utilised for the general corporate purposes (including but not limited to the refinancing of credit facilities and/or working capital requirements) of the Company and/or its subsidiaries.

(c) On 11 September 2017, The AIMS Asia Group Sdn. Bhd. and AIMS Data Centre 2 Sdn. Bhd. were both struck off the register pursuant to Section 308(4) of the Companies Act, 1965 and were accordingly dissolved. Subsequently, TIME dotNet Berhad and Fantastic Fiesta Sdn. Bhd. were both struck off the register pursuant to Section 308(4) of the Companies Act, 1965 on 3 October 2017 and 8 November 2017 respectively and were accordingly dissolved. These companies were wholly owned dormant subsidiaries of the Company at the time of the striking off.

(d) The construction of the Asia-Africa-Europe-1 cable system ("AAE-1") was deemed partially "Ready-for-Service" on 27 June 2017. The construction of the uncompleted routes were subsequently completed progressively by end December 2017. During the year, the Group recognised the net difference between the proceeds from the pre-sale and portion of the carrying amount of submarine cable system sold in profit and loss. The Group had pre-sold a portion of AAE-1 prior to its completion and proceeds therefore had previously been accounted for as deferred income in the statement of financial position.

(e) The construction of Sistem Kabel Rakyat 1 Malaysia ("SKR1M"), a submarine cable system linking Peninsular Malaysia with Sabah and Sarawak was completed on 20 September 2017. SKR1M was established through a public-private partnership ("PPP") collaboration between Telekom Malaysia Berhad, and the Malaysian Communications and Multimedia Commission ("MCMC"). The Group had helped fund the construction of the cable system and now owns a portion of the cable system. With the completion of SKR1M, the Group is now able to carry commercial traffic to multiple landing points in East Malaysia.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 78 to 154 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2017 and of their financial performance and cash flows for the financial year then ended.

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

Afzal Abdul Rahim
Director

Patrick Corso
Director

Date: 26 February 2018

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

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 78 to 154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Long Sher Neng, at Kuala Lumpur in Wilayah Persekutuan on 26 February 2018.

Long Sher Neng

Before me:

Independent Auditors' Report

to the Members of TIME dotCom Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TIME dotCom Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code"),* and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill

Refer to Note 2 (f) – Significant accounting policy: Intangible assets and Note 4 – Intangible assets.

The key audit matter	How the matter was addressed in our audit
Goodwill recognised in the consolidated statement of financial position arose from the Group's acquisition of International wholesales and global bandwidth business and data centre business in prior years. The Group performed annual goodwill impairment assessment based on estimated future cash flows to support goodwill amounting to RM214 million as at 31 December 2017. The Group has prepared and considered prospective financial information based on assumptions and events that may occur in the next 12 months and beyond. Due to the inherent uncertainties involved in forecasting and discounting future cash flows, together with the appropriateness of key underlying assumptions used to derive at the projections, this is a key judgement area that our audit is concentrated on.	We performed the following audit procedures, among others: • We tested the principles and integrity of the Group's discounted cash flow model. We compared the forecast to Board approved business plans and also compared previous forecasts made to actual results to assess the financial performance of the business and the reliability of management's forecasting. • We used our own valuation specialist to assist us in assessing the reasonableness of the cash flow model and the key assumptions used, in particular, those relating to discount rates and terminal growth rates. • We assessed the reasonableness of the cash flows model's key assumptions by comparing them to externally derived data as well as our own assessments which took into account historical trends and other corroborative evidence available. • We tested the sensitivity of the impairment calculations to changes in key assumptions used by the Directors to evaluate the impact on the recoverable amount. • We also assessed the adequacy of the Group's disclosures about those assumptions in the financial statements.

Recognition of deferred tax assets

Refer to Note 2 (o) – Significant accounting policy: Income tax and Note 8 – Deferred tax assets/(liabilities).

The key audit matter	How the matter was addressed in our audit
Deferred tax assets recognised by the Group comprised mainly of tax benefits of unabsorbed capital allowances. The Group prepared future taxable profit projections to support the recognition of deferred tax assets amounting to RM250 million as at 31 December 2017. The deferred tax assets recognised is significant in the overall context of the financial statements. Due to the inherent uncertainties involved in forecasting future taxable profits, together with the appropriateness of key underlying assumptions used to derive the projections, this is a key judgement area that our audit is concentrated on.	We performed the following audit procedures, among others: • We tested the controls over the recognition and measurement of deferred tax assets and the key assumptions used in projecting the future taxable profits. • We assessed the reasonableness of assumptions used in projecting the future taxable profits by performing retrospective review of prior year's projections against the actual results. • We also assessed whether the Group's disclosures of recognised deferred tax asset balances appropriately reflect the Group's deferred tax position.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company 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 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also: (continued)

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chew Beng Hong
Approval Number: 02920/02/2020 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 26 February 2018

Stockholding Analysis

As at 15 March 2018

Issued Share Capital : 581,453,855 shares

Class of Shares : Ordinary Shares

No. of Shareholders : 12,466

Voting Right : One (1) vote per Ordinary Share

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100	632	17,040	0.00
100 to 1,000	8,183	3,400,644	0.58
1,001 to 10,000	2,955	9,175,727	1.59
10,001 to 100,000	495	15,932,154	2.74
100,001 to less than 5% of issued shares	197	208,222,501	35.81
5% and above of issued shares	4	344,705,789	59.28
Total	12,466	581,453,855	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 15 MARCH 2018

	Names	No. of Shares	%
1.	Pulau Kapas Ventures Sdn Bhd	177,174,359	30.47
2.	Khazanah Nasional Berhad	65,298,982	11.23
3.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	51,388,400	8.84
4.	Kumpulan Wang Persaraan (Diperbadankan)	50,894,048	8.75
5.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	16,942,900	2.91
6.	Amanahraya Trustees Berhad - Public Smallcap Fund	10,868,260	1.87
7.	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	9,628,040	1.66

THIRTY (30) LARGEST SHAREHOLDERS AS AT 15 MARCH 2018 (CONTINUED)

	Names	No. of Shares	%
8.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	7,500,000	1.29
9.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	6,855,000	1.18
10.	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	6,442,000	1.11
11.	Amanahraya Trustees Berhad - PB Growth Fund	5,572,600	0.96
12.	Amanahraya Trustees Berhad - Amanah Saham Malaysia	4,990,100	0.86
13.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (Norges Bank 9)	4,824,029	0.83
14.	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	4,356,500	0.75
15.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (West CLT 0D67)	3,977,000	0.68
16.	AMSEC Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	3,783,720	0.65
17.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund)	3,597,040	0.62
18.	Amanahraya Trustees Berhad - Public Islamic Sector Select Fund	3,460,000	0.60
19.	Indera Permai Sdn Bhd	3,426,020	0.59
20.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	3,324,580	0.57
21.	Amanahraya Trustees Berhad - PB Islamic Equity Fund	3,054,240	0.53
22.	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (I-VCAP)	3,048,500	0.52

THIRTY (30) LARGEST SHAREHOLDERS AS AT 15 MARCH 2018 (CONTINUED)

	Names	No. of Shares	%
23.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Megawisra Sdn Bhd (PB)	2,868,331	0.49
24.	Amanahraya Trustees Berhad - Public Sector Select Fund	2,737,260	0.47
25.	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (LSF)	2,665,000	0.46
26.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (CIMB PRIN)	2,287,500	0.39
27.	Amanahraya Trustees Berhad - Public Islamic Treasures Growth Fund	2,259,000	0.39
28	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aberdeen)	2,251,100	0.39
29	Amanahraya Trustee Berhad - Public Islamic Optimal Growth Fund	2,086,600	0.36
30	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	2,083,700	0.36
	TOTAL	469,644,809	80.78

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2018

	No. of Shares			
Names	**Direct**	**%**	**Indirect**	**%**
Pulau Kapas Ventures Sdn Bhd ("PKV")	177,174,359	30.47	-	-
Khazanah Nasional Berhad	65,298,982	11.23	177,174,359[(2)]	30.47
Employees Provident Fund Board	60,664,700[(1)]	10.43	-	-
Kumpulan Wang Persaraan (Diperbadankan)	59,384,648[(1)]	10.21	-	-
Global Transit International Sdn Bhd ("GTI")	-	-	177,174,359[(3)]	30.47
Megawisra Sdn Bhd ("Megawisra")	2,868,331	0.49	177,174,359[(4)]	30.47
Megawisra Investments Limited ("Megawisra Investments")	-	-	180,042,690[(5)]	30.96
Afzal Abdul Rahim	-	-	180,042,690[(6)]	30.96
Patrick Corso	-	-	180,042,690[(7)]	30.96

Notes:

(1) *Including shares held under Citigroup Nominees (Tempatan) Sdn Bhd.*

(2) *Deemed interested by virtue of its interests held through PKV pursuant to Section 8 of the Companies Act 2016 ("the Act").*

(3) *Deemed interested by virtue of its interests held through PKV pursuant to Section 8 of the Act.*

(4) *Deemed interested by virtue of its interests held through PKV via its shareholdings in GTI pursuant to Section 8 of the Act.*

(5) *Deemed interested by virtue of its interests held through PKV and GTI via its shareholdings in Megawisra pursuant to Section 8 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 8 of the Act.*

(7) *Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 8 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 8(4) of the Companies Act 2016 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 8(4) of the Companies Act 2016 through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

Ronnie Kok Lai Huat and Lee Guan Hong, the Directors on the Board of TIME dotCom Berhad, hold 5,000 shares and 754,064 shares in TIME dotCom Berhad respectively.

List of Properties

Held as at 31 Dec 2017

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 Building	Freehold	4,260.0 sq.m 3,747.0 sq.m	Operation site Office Building	6		8,112,848.99	

TT DOTCOM SDN BHD

LOCATION	DESCRIPTION	TENURE	AREA	EXISTING USE	APPROXIMATE AGE (YEARS)		COST (NBV) (RM)	Remarks (Amortisation)
PT 1277, Lorong Nur Siti Hasmah, Cherating, 26080 Kuantan, Pahang	Land	Freehold	8,004.0 sq.m	Operation Cable Landing Station	6		4,200,000.00	
Lot no.43 & 54 Glenmarie Industrial Park Shah Alam Selangor	Land Building	Freehold	2.225 acre 8,456.6 sq.m	Operation site	21	 Cost Depreciation Balance (nbv)	3,687,963.00 14,717,422.12 14,717,402.12 20.00	
Lot 26 Jln 225 Petaling Jaya, 46100 PJ Selangor	Building Land	Leasehold	1,486.5sq.m 4,577.0 sq.m	Operation site	44	Cost Depreciation Balance (nbv)	5,585,840.00 1,675,752.00 3,910,088.00	99 years Expire 11/4/2072
Lot 6359 Mukim 1, Daerah Seberang Prai, Pulau Pinang	Land	Freehold	2,422.2 sq.m	Operation site	22		1,037,171.46	
Lot P.T.D. 3930 Mukim Tebrau Daerah Johor Bahru, Johor	Land	Freehold	10,940.9 sq.m	Operation site	20	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 Building	Leasehold	881.2 sq.m 668.9 sq.m	Operation site Office Building	36	Cost Amortisation Balance (nbv) Cost Depreciation Balance (nbv)	1,007,000.00 1,006,999.00 1.00 200,000.00 83,999.94 116,000.06	60 years from 1981 to 2041 2% Depreciation

List of Properties
Held as at 31 Dec 2017

TT DOTCOM SDN BHD (CONTINUED)

LOCATION	DESCRIPTION	TENURE	AREA	EXISTING USE	APPROXIMATE AGE (YEARS)		COST (NBV) (RM)	Remarks (Amortisation)
Lot 142-A, Semambu Industrial Estate Kuantan, Pahang	Land	Leasehold	2.5 acre (10,940.5 sq.m.)	Operation site	37	Cost Amortization Balance (nbv)	1,535,000.00 1,534,999.00 1.00	66 years from 1980 to 2046
	Building		1,938.0 sq.m	Office Building			1,065,000.00 489,899.98 575,100.02	2% Depreciation
Kg. Sungai Bedaun, Daerah Labuan, Wilayah Persekutuan Labuan	Land Building	Leasehold	8.0 acre (32,374.9 sq.m) 270.0 sq.m	Operation site	33	Cost Amortization Balance (nbv)	4,145,000.00 4,144,999.00 1.00	99 years from 1984 to 2082
P.T. no 2705, Mukim Ulu Kinta, Daerah Ulu Kinta, Perak	Land	Leasehold	2,162.2 sq.m	Operation site	41	Cost Amortization 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 (12,140.6 sq.m)	Operation site	34	Cost Amortization 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	732.4 sq.m	Operation site	42	Cost Amortization Balance (nbv)	316,702.92 316,701.92 1.00	99 years from 1975 to 2074
Lot PTD 1474, HS (D) 3432, Mukim Jemaluang, Daerah Mersing, Johor	Land	Leasehold	1,237.0 sq.m	Operation site	16	Cost Amortization Balance (nbv)	41,320.00 27,030.17 14,289.83	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	2	Cost	1,503,852.00	

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	12,684.0 sq.m	Vacant		15,599,112.38	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 21st 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 Friday, 1 June 2018 at 9.30 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A.**

As Ordinary Business:-

2. To re-elect the following Directors retiring in accordance with Article 94 of the Company's Articles of Association and, who being eligible, have offered themselves for re-election:-

   i) Elakumari Kantilal — **Resolution 1**
   ii) Hong Kean Yong — **Resolution 2**
   iii) Patrick Corso — **Resolution 3**

3. To re-appoint Messrs KPMG PLT 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:-

4. Ordinary Resolution – Authority to Allot Shares Pursuant To Sections 75 and 76 of the Companies Act, 2016 **Resolution 5**

   "THAT subject always to the Companies Act, 2016 and the Articles of Association of the Company, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot 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."

5. Ordinary Resolution – Authority for Ronnie Kok Lai Huat to continue in office as Senior Independent Non-Executive Director **Resolution 6**

   "THAT authority be and is hereby given to Ronnie Kok Lai Huat who has served as Senior Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as the Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

6. Ordinary Resolution – Directors' Fees **Resolution 7**

   "THAT the Directors' fees of up to RM864,000 from 1 January 2018 until the next Annual General Meeting of the Company be hereby approved."

7. Ordinary Resolution – Proposed payment of Directors' Benefits to the Non-Executive Directors **Resolution 8**

   "THAT approval be and is hereby given for the payment of Directors' Benefits to the Non-Executive Directors which include meeting attendance allowance, medical and hospitalisation coverage and other claimable benefits incurred from 1 June 2018 until the Company's next Annual General Meeting."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD

MISNI ARYANI MUHAMAD (LS 0009413)
Secretary

27 April 2018
Selangor Darul Ehsan

Note A:-

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 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 28 May 2018. Only a depositor whose name appears on the Record of Depositors as at 28 May 2018 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.

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 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.

5. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.

6. 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.

7. 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 allotment of shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.

There was no issuance of shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general mandate which was obtained at the 20th AGM held on 18 May 2017 and the said mandate will expire at the conclusion of the forthcoming 21st AGM.

The Ordinary Resolution 5, if passed at the 21st 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 21st 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 21st 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 continuity of Ronnie Kok Lai Huat as Senior Independent Non-Executive Director of the Company.

Ronnie Kok Lai Huat has served as Senior Independent Non-Executive Director of the Company for a cumulative term of more than 9 years. 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 interest of the Company and shareholders.

Resolution 7

The amount of Directors' fees of RM864,000 under proposed Resolution 7 is for the payment of fees for the existing Non-Executive Directors for the period from 1 January 2018 until the next AGM of the Company and to cater for appointment of a new director.

Resolution 8

The Directors' Benefits comprises the allowances and other emoluments payable to the Non-Executive Directors, details of which are as follows:-

(a) Meeting attendance allowance for each director is RM3,800 per meeting.

(b) Other Benefits
- Medical and hospitalisation coverage and other claimable benefits.

If the proposed Resolution 8 is passed by the shareholders at the 21st AGM, payment of benefits incurred by the Directors from 1 June 2018 until the Company's next AGM will be paid by the Company, as and when incurred.

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FORM OF PROXY

TIME DOTCOM BERHAD
(Company No. 413292-P)

No. of shares	CDS Account No.

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 21st 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 Friday, 1 June 2018 at 9.30 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 Elakumari Kantilal as Director		
2	Re-election of Hong Kean Yong as Director		
3	Re-election of Patrick Corso as Director		
4	Re-appointment of Messrs KPMG PLT as Auditors		
5	Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016		
6	Authority for Ronnie Kok Lai Huat to continue in office as Senior Independent Non-Executive Director		
7	Directors' Fees of up to RM864,000		
8	Proposed payment of Directors' Benefits to the Non-Executive Directors		

Signed this __________day of ________________ 2018.

____
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 28 May 2018. Only a depositor whose name appears on the Record of Depositors as at 28 May 2018 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.
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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

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TIME dotCom Berhad (413292-P)
TT dotCom Sdn Bhd (52371-A)
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Fax : +60-3-5032 0183
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Fax : +60-4-370 0001

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Kawasan Perindustrian Semambu
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Pahang, Malaysia
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Fax : +60-9-556 0691

Southern Region
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Kawasan Perindustrian
Taman Gembira Tampoi
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Fax : +60-7-279 3031

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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)
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Financial Park, Jalan Merdeka
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Sabah, Malaysia
Tel : +60-8-742 7745
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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