

# Quarterly rpt on consolidated results for the financial period ended 30 Sep 2017

## TIME DOTCOM BERHAD

Financial Year End 31 Dec 2017  
 Quarter 3 Qtr  
 Quarterly report for the financial period ended 30 Sep 2017  
 The figures have not been audited

### Attachments

TdC-3rd Qtr Financial Results-30-9-2017.pdf  
 605.2 kB

Press Release.pdf  
 72.4 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2017

|   |   | INDIVIDUAL PERIOD            |                                      | CUMULATIVE PERIOD                  |                                     |
|---|---|------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
|   |   | CURRENT YEAR QUARTER         | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE               | PRECEDING YEAR CORRESPONDING PERIOD |
|   |   | 30 Sep 2017                  | 30 Sep 2016                          | 30 Sep 2017                        | 30 Sep 2016                         |
|   |   | \$\$'000                     | \$\$'000                             | \$\$'000                           | \$\$'000                            |
| 1 | Revenue   | 202,995                      | 194,725                              | 626,734                            | 545,355                             |
| 2 | Profit/(loss) before tax  | 42,472                       | 57,793                               | 135,866                            | 298,274                             |
| 3 | Profit/(loss) for the period  | 28,229                       | 55,383                               | 117,157                            | 292,774                             |
| 4 | Profit/(loss) attributable to ordinary equity holders of the parent               | 28,229                       | 55,383                               | 117,157                            | 292,774                             |
| 5 | Basic earnings/(loss) per share (Subunit)   | 4.86                         | 9.59                                 | 20.23                              | 50.81                               |
| 6 | Proposed/Declared dividend per share (Subunit)                                    | 0.00                         | 0.00                                 | 0.00                               | 13.30                               |
|   |   | AS AT END OF CURRENT QUARTER |                                      | AS AT PRECEDING FINANCIAL YEAR END |                                     |
| 7 | Net assets per share attributable to ordinary equity holders of the parent (\$\$) |                              | 3.7900                               |                                    | 3.7700                              |

Definition of Subunit:

*In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
Example for the subunit as follows:*

| Country        | Base Unit | Subunit |
|----------------|-----------|---------|
| Malaysia       | Ringgit   | Sen     |
| United States  | Dollar    | Cent    |
| United Kingdom | Pound     | Pence   |

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**Announcement Info**

|                         |                    |
|-------------------------|--------------------|
| <b>Company Name</b>     | TIME DOTCOM BERHAD |
| <b>Stock Name</b>       | TIMECOM            |
| <b>Date Announced</b>   | 24 Nov 2017        |
| <b>Category</b>         | Financial Results  |
| <b>Reference Number</b> | FRA-17112017-00020 |

**TIME DOTCOM BERHAD**  
**(413292-P)**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|  | INDIVIDUAL QUARTER      |  | CUMULATIVE QUARTER |                   |
|--|-------------------------|--|--------------------|-------------------|
|  | Current year<br>quarter | Preceding year<br>corresponding<br>quarter | Nine<br>months to  | Nine<br>months to |
|  | 30/9/2017               | 30/9/2016                                  | 30/9/2017          | 30/9/2016         |
|  | RM'000                  | RM'000                                     | RM'000             | RM'000            |
| <b>Operating revenue</b>   | <b>202,995</b>          | <b>194,725</b>                             | <b>626,734</b>     | <b>545,355</b>    |
| Operating expenses   |                         |  |                    |                   |
| - depreciation and amortisation of property, plant and equipment                       | (29,839)                | (23,161)                                   | (83,856)           | (66,927)          |
| - other operating expenses   | (137,494)               | (122,978)                                  | (419,885)          | (360,085)         |
| Other operating income (net)   | 3,079                   | 5,464                                      | 4,476              | 13,843            |
| <b>Profit from operations</b>  | <b>38,741</b>           | <b>54,050</b>                              | <b>127,469</b>     | <b>132,186</b>    |
| Investment income  | 3,715                   | 4,159                                      | 10,689             | 11,707            |
| Realisation of fair value gain from available-for-sale reserve to profit or loss       | -                       | -  | -                  | 157,390           |
| Finance expense  | (2,062)                 | (887)                                      | (6,136)            | (3,943)           |
| Share of profit from equity-accounted investments, net of tax                          | 2,078                   | 471  | 3,844              | 934               |
| <b>Profit before income tax</b>  | <b>42,472</b>           | <b>57,793</b>                              | <b>135,866</b>     | <b>298,274</b>    |
| Income tax expense   | (14,243)                | (2,410)                                    | (18,709)           | (5,500)           |
| <b>Profit for the period attributable to owners of the Company</b>                     | <b>28,229</b>           | <b>55,383</b>                              | <b>117,157</b>     | <b>292,774</b>    |
| <b>Other comprehensive income/(loss):</b>  |                         |  |                    |                   |
| Foreign currency translation differences for foreign operations                        | (3,704)                 | 2,723                                      | (11,232)           | (5,732)           |
| Fair value gain/(loss) on available-for-sale financial assets                          | 211                     | -  | 991                | (63,919)          |
| Realisation of fair value gain from available-for-sale reserve to profit or loss       | -                       | -  | -                  | (157,390)         |
| Other comprehensive (loss)/gain for the period   | (3,493)                 | 2,723                                      | (10,241)           | (227,041)         |
| <b>Total comprehensive income for the period attributable to owners of the Company</b> | <b>24,736</b>           | <b>58,106</b>                              | <b>106,916</b>     | <b>65,733</b>     |
| <b>Earnings per share (based on weighted average number of ordinary shares)</b>        |                         |  |                    |                   |
| - Basic  | 4.86 sen                | 9.59 sen                                   | 20.23 sen          | 50.81 sen         |
| - Diluted  | 4.80 sen                | 9.52 sen                                   | 20.02 sen          | 50.49 sen         |

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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**II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>Unaudited<br/>As at<br/>30/9/2017</b> | <b>Audited<br/>As at<br/>31/12/2016</b> |
|--|--|---|
|  | <b>RM'000</b>                            | <b>RM'000</b>                           |
| <b>ASSETS</b>  |  |   |
| <b>Non-current assets</b>  |  |   |
| Property, plant and equipment  | 1,331,339                                | 1,360,361                               |
| Intangible assets  | 213,959                                  | 213,959                                 |
| Investments in equity-accounted investments                                | 112,227                                  | 111,249                                 |
| Other investments  | 22,661                                   | 9,247                                   |
| Deferred tax assets  | 258,426                                  | 259,359                                 |
| Trade and other receivables  | 9,579                                    | 9,929                                   |
|  | <u>1,948,191</u>                         | <u>1,964,104</u>                        |
| <b>Current assets</b>  |  |   |
| Tax recoverable  | 1,664                                    | 3,715                                   |
| Trade and other receivables  | 254,952                                  | 264,449                                 |
| Restricted cash  | 6,859                                    | 8,733                                   |
| Cash and cash equivalents  | 514,158                                  | 506,299                                 |
|  | <u>777,633</u>                           | <u>783,196</u>                          |
| <b>Total assets</b>  | <u><u>2,725,824</u></u>                  | <u><u>2,747,300</u></u>                 |
| <b>EQUITY AND LIABILITIES</b>  |  |   |
| <b>Equity</b>  |  |   |
| Share capital  | 1,172,485                                | 289,147                                 |
| Reserves   | 1,033,476                                | 1,893,746                               |
| <b>Total equity attributable to owners of the Company</b>                  | <u>2,205,961</u>                         | <u>2,182,893</u>                        |
| <b>Non-current liabilities</b>   |  |   |
| Loans and borrowings   | 138,581                                  | 169,658                                 |
| Trade and other payables   | 14,616                                   | 49,504                                  |
| Deferred tax liabilities   | 21,332                                   | 10,209                                  |
|  | <u>174,529</u>                           | <u>229,371</u>                          |
| <b>Current liabilities</b>   |  |   |
| Loans and borrowings   | 39,763                                   | 5,799                                   |
| Trade and other payables   | 303,331                                  | 327,920                                 |
| Provision for tax  | 2,240                                    | 1,317                                   |
|  | <u>345,334</u>                           | <u>335,036</u>                          |
| <b>Total liabilities</b>   | <u>519,863</u>                           | <u>564,407</u>                          |
| <b>Total equity and liabilities</b>  | <u><u>2,725,824</u></u>                  | <u><u>2,747,300</u></u>                 |
| <b>Net assets per share attributable to ordinary owners of the Company</b> | <u><u>RM3.79</u></u>                     | <u><u>RM3.77</u></u>                    |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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**III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | <b>Unaudited<br/>Nine<br/>months to<br/>30/9/2017<br/>RM'000</b> | <b>Unaudited<br/>Nine<br/>months to<br/>30/9/2016<br/>RM'000</b> |
|--|--|--|
| <b>Operating Activities</b>  |  |  |
| Cash receipts from customers   | 696,139  | 660,311  |
| Transfer from restricted cash and bank balances                      | 1,874  | 1,969  |
| Cash payments to suppliers   | (234,889)  | (222,256)  |
| Cash payments to employees and for administrative expenses           | (172,715)  | (153,602)  |
| <b>Cash generated from operations</b>                                | <b>290,409</b>   | <b>286,422</b>   |
| Tax paid   | (3,679)  | (5,572)  |
| Tax refund   | -  | 840  |
| <b>Net cash generated from operating activities</b>                  | <b>286,730</b>   | <b>281,690</b>   |
| <b>Investing Activities</b>  |  |  |
| Acquisition of property, plant and equipment                         | (175,867)  | (267,695)  |
| Proceeds from disposal of property, plant and equipment              | 107  | -  |
| Proceeds from sale on other investments                              | -  | 307,221  |
| Proceeds from sale of equity accounted investment                    | -  | 4,080  |
| Acquisition of other investments                                     | (3,499)  | (2,494)  |
| Investment in equity-accounted investments                           | (9,024)  | (51,811)   |
| Investment income received   | 12,416   | 11,596   |
| <b>Net cash (used in)/generated from investing activities</b>        | <b>(175,867)</b>   | <b>897</b>   |
| <b>Financing Activities</b>  |  |  |
| Proceeds from term loans and other borrowings                        | 16,200   | 52,045   |
| Repayment of term loans and other borrowings                         | (1,875)  | (71,615)   |
| Repayment of finance lease liabilities                               | (1,869)  | (3,252)  |
| Advance to equity accounted investee                                 | (3,596)  | (4,179)  |
| Finance charges paid   | (4,023)  | (3,204)  |
| Transaction cost paid  | -  | (2,766)  |
| Dividend paid  | (100,045)  | (115,478)  |
| <b>Net cash used in financing activities</b>                         | <b>(95,208)</b>  | <b>(148,449)</b>   |
| <b>Net change in Cash and Cash Equivalents</b>                       | <b>15,655</b>  | <b>134,138</b>   |
| Effect of exchange rate fluctuations on cash held                    | (7,796)  | (1,297)  |
| Cash and Cash Equivalents as at beginning of financial period        | 506,299  | 242,494  |
| <b>Cash and Cash Equivalents as at end of financial period</b>       | <b>Note (a) 514,158</b>  | <b>375,335</b>   |
| <b>Note:</b>   |  |  |
| <b>(a) Cash and Cash Equivalents comprise the following amounts:</b> |  |  |
| Cash and bank balances   | 158,520  | 32,354   |
| Deposits with licensed banks   | 362,497  | 351,771  |
|  | <b>521,017</b>   | <b>384,125</b>   |
| Restricted cash  | (6,859)  | (8,790)  |
|  | <b>514,158</b>   | <b>375,335</b>   |

Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | ←----- Non-distributable -----→ |                  |                                   |   | ←----- Distributable -----→           |                    | Total equity,<br>attributable to<br>owners of the<br>Company |                      |
|---|---------------------------------|------------------|-----------------------------------|---|---------------------------------------|--------------------|--|----------------------|
|   | Share<br>Capital                | Share<br>Premium | Available-<br>for-Sale<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Share<br>Grant/<br>Option<br>Reserves | Capital<br>Reserve |  | Retained<br>Earnings |
| <b>Nine months to 30 September<br/>2017 (unaudited)</b>                         | RM'000                          | RM'000           | RM'000                            | RM'000  | RM'000                                | RM'000             | RM'000   | RM'000               |
| Balance as at 1 January 2017  | 289,147                         | 865,585          | -                                 | 37,380  | 26,860                                | 8,760              | 955,161  | 2,182,893            |
| Transfer in accordance with<br>Section 618(2) of Companies<br>Act 2016 (Note a) | 865,585                         | (865,585)        | -                                 | -   | -                                     | -                  | -  | -                    |
| Dividend paid   | -                               | -                | -                                 | -   | -                                     | (8,760)            | (91,285)   | (100,045)            |
| Employee share grant<br>plan/option scheme                                      | -                               | -                | -                                 | -   | 16,197                                | -                  | -  | 16,197               |
| Issuance of shares pursuant to<br>share grant plan                              | 17,753                          | -                | -                                 | -   | (17,753)                              | -                  | -  | -                    |
| Profit for the period   | -                               | -                | -                                 | -   | -                                     | -                  | 117,157  | 117,157              |
| Fair value gain on available-for-<br>sale financial assets                      | -                               | -                | 991                               | -   | -                                     | -                  | -  | 991                  |
| Exchange differences<br>recognised directly in equity                           | -                               | -                | -                                 | (11,232)                                      | -                                     | -                  | -  | (11,232)             |
| Total comprehensive<br>income/(expense) for the<br>period                       | -                               | -                | 991                               | (11,232)                                      | -                                     | -                  | 117,157  | 106,916              |
| <b>Balance as at 30 September<br/>2017</b>                                      | <b>1,172,485</b>                | <b>-</b>         | <b>991</b>                        | <b>26,148</b>                                 | <b>25,304</b>                         | <b>-</b>           | <b>981,033</b>   | <b>2,205,961</b>     |

|  | ←----- Non-distributable -----→ |                  |                                   |   | ←----- Distributable -----→           |                    | Total equity,<br>attributable to<br>owners of the<br>Company |                      |
|--|---------------------------------|------------------|-----------------------------------|---|---------------------------------------|--------------------|--|----------------------|
|  | Share<br>Capital                | Share<br>Premium | Available-<br>for-Sale<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Share<br>Grant/<br>Option<br>Reserves | Capital<br>Reserve |  | Retained<br>Earnings |
| <b>Nine months to 30 September<br/>2016 (unaudited)</b>                                | RM'000                          | RM'000           | RM'000                            | RM'000  | RM'000                                | RM'000             | RM'000   | RM'000               |
| Balance as at 1 January 2016   | 287,800                         | 854,611          | 221,309                           | 30,754  | 15,992                                | 8,760              | 663,321  | 2,082,547            |
| Dividend paid  | -                               | -                | -                                 | -   | -                                     | -                  | (115,478)  | (115,478)            |
| Employee share grant<br>plan/option scheme   | -                               | -                | -                                 | -   | 11,354                                | -                  | -  | 11,354               |
| Issuance of shares pursuant to<br>share grant plan                                     | 1,347                           | 10,974           | -                                 | -   | (12,321)                              | -                  | -  | -                    |
| Profit for the period  | -                               | -                | -                                 | -   | -                                     | -                  | 292,774  | 292,774              |
| Fair value loss on available-for-<br>sale financial assets                             | -                               | -                | (63,919)                          | -   | -                                     | -                  | -  | (63,919)             |
| Realisation of fair value gain<br>from available-for-sale<br>reserve to profit or loss | -                               | -                | (157,390)                         | -   | -                                     | -                  | -  | (157,390)            |
| Exchange differences<br>recognised directly in equity                                  | -                               | -                | -                                 | (5,732)                                       | -                                     | -                  | -  | (5,732)              |
| Total comprehensive<br>(expense)/income for the<br>period                              | -                               | -                | (221,309)                         | (5,732)                                       | -                                     | -                  | 292,774  | 65,733               |
| <b>Balance as at 30 September<br/>2016</b>   | <b>289,147</b>                  | <b>865,585</b>   | <b>-</b>                          | <b>25,022</b>                                 | <b>15,025</b>                         | <b>8,760</b>       | <b>840,617</b>   | <b>2,044,156</b>     |

**Note (a):**

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 Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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**V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**1. Basis of Preparation**

The interim financial statements are prepared in accordance with *MFRS 134: Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial statements also comply with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 December 2016.

**2. Significant accounting policies**

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2016, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application on 1 January 2017:

| <b>Description</b>     |  |
|------------------------|--|
| Amendments to MFRS 107 | <i>Statement of Cash Flows – Disclosure Initiative</i>   |
| Amendments to MFRS 12  | <i>Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i> |
| Amendments to MFRS 112 | <i>Income taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i>                           |

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

| <b>Description</b>                 |   | <b>Effective for annual periods beginning on or after</b> |
|------------------------------------|---|---|
| Amendments to MFRS 1               | <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>   | 1 January 2018  |
| Amendments to MFRS 2               | <i>Classification and Measurement of Share-based Payment Transactions</i>   | 1 January 2018  |
| Amendments to MFRS 4               | <i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>  | 1 January 2018  |
| Amendments to MFRS 128             | <i>Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>   | 1 January 2018  |
| Amendments to MFRS 140             | <i>Investment Property – Transfer of Investment Property</i>  | 1 January 2018  |
| Clarifications to MFRS 15          | <i>Revenue from Contracts with Customers</i>  | 1 January 2018  |
| IC Interpretation 22               | <i>Foreign Currency Transactions and Advance Consideration</i>  | 1 January 2018  |
| IC Interpretation 23               | <i>Uncertainty over Income Tax Treatments</i>   | 1 January 2019  |
| MFRS 9                             | <i>Financial Instruments (2014)</i>   | 1 January 2018  |
| MFRS 15                            | <i>Revenue from Contracts with Customers</i>  | 1 January 2018  |
| MFRS 16                            | <i>Leases</i>   | 1 January 2019  |
| MFRS 17                            | <i>Insurance Contracts</i>  | 1 January 2021  |
| Amendments to MFRS 10 and MFRS 128 | <i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Date yet to be confirmed by MASB                          |

The Group will adopt the above standards, amendments and improvements when they became effective in the respective financial periods. These standards, amendments and improvements are not expected to have any material financial impact on the financial statements of the Group, except for MFRS 9, Financial Instruments, MFRS 15, Revenue from Contracts with Customers and MFRS 16, Leases. The Group is currently assessing the impact of adopting MFRS 9, MFRS 15 and MFRS 16.

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**3. Audit report in respect of the 2016 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2016 was not qualified.

**4. Seasonal or cyclical factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

**5. Unusual items due to their nature, size or incidence**

- a) The construction of the Asia-Africa-Europe-1 cable system ("AAE-1") was deemed partially "Ready-for-Service" on 27 June 2017. Subsequently, the Yemen Branch was completed on 7 September 2017. The remaining routes pending completion are Myanmar, Cambodia, Singapore and Hong Kong. These routes are planned to be "Ready-for-Service" before the end of the year. During the quarter, the Group recognised the net difference between the proceeds from pre-sale and portion of 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 therefrom had previously been accounted as deferred income in the statement of financial position.
- b) 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. Both companies were wholly owned dormant subsidiaries of TIME dotcom Berhad ("TIME") at the time of the striking off.
- c) 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 also helped fund the construction and now owns a portion of the cable system. With the completion of SKR1M, the Group is now able to carry commercial traffic to four landing points in East Malaysia.
- d) On 22 September 2017, the Group completed its acquisition of 5,694,389 ordinary shares in Symphony Communication Public Company Limited ("SYMC"), representing an equivalent of 1.75% equity interest in SYMC, from Dr. Bussakorn Jaruwachirathanakul for a cash consideration of THB69.47 million or approximately RM9.02 million. Please refer Note 17 for further detail regards to the SYMC acquisition.

Other than as disclosed above and elsewhere in this report, there were no other items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

**6. Material changes in estimates used**

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

**7. Debt and equity securities**

The Group did not undertake any issuance and/or repayment of share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current period except as follows:

- a) On 7 July 2017, TIME issued its first tranche of Sukuk Murabahah amounting to RM3.0 million in nominal value ("First Tranche Sukuk Murabahah") pursuant to an Islamic Medium Term Notes Programme ("IMTN Programme") approved in 2015. The salient terms and conditions of the First Tranche Sukuk Murabahah are set out below:

|                                 |   |                                |
|---------------------------------|---|--------------------------------|
| 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                    |

In accordance with the terms of the IMTN Programme, proceeds from the First Tranche Sukuk Murabahah shall be utilised for general corporate purposes (including but not limited to the refinancing of credit facilities and/or working capital requirements) of TIME and/or its subsidiaries which shall be Shariah-compliant.



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**7. Debt and equity securities (continued)**

- b) On 18 July 2017, the Company issued 3,159,221 ordinary shares in the Company to eligible employees under the Annual Restricted Share Plan and Annual Performance Share Plan portion of the Company's Share Grant Plan ("SGP"). The closing share price on vesting date was RM9.50 per share. The vesting of the shares under the SGP were subject to the Group achieving certain financial targets and upon the eligible employees meeting the minimum grading criteria in accordance with the performance management system adopted by the Group.

**8. Dividend**

On 31 March 2017, the Group 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 in respect of the financial year ended 31 December 2016.

**9. Segmental Reporting**

|  | Individual Quarter      |  | Cumulative Quarter |                   |
|--|-------------------------|--|--------------------|-------------------|
|  | Current year<br>quarter | Preceding year<br>corresponding<br>quarter | Nine<br>months to  | Nine<br>months to |
|  | 30/9/2017               | 30/9/2016                                  | 30/9/2017          | 30/9/2016         |
| Group  | RM'000                  | RM'000                                     | RM'000             | RM'000            |
| Operating Revenue  |                         |  |                    |                   |
| Voice  | 18,421                  | 22,086                                     | 60,044             | 63,838            |
| Data   | 156,367                 | 145,481                                    | 480,625            | 408,243           |
| Data centre  | 27,000                  | 26,037                                     | 82,333             | 69,503            |
| Others   | 1,207                   | 1,121                                      | 3,732              | 3,771             |
|  | <b>202,995</b>          | <b>194,725</b>                             | <b>626,734</b>     | <b>545,355</b>    |
| Operating Expenses:  |                         |  |                    |                   |
| Depreciation and amortisation of property,<br>plant and equipment                    | (29,839)                | (23,161)                                   | (83,856)           | (66,927)          |
| Other operating expenses   | (137,494)               | (122,978)                                  | (419,885)          | (360,085)         |
| Other operating income (net)   | 3,079                   | 5,464                                      | 4,476              | 13,843            |
| <b>Profit from operations</b>  | <b>38,741</b>           | <b>54,050</b>                              | <b>127,469</b>     | <b>132,186</b>    |
| Investment income  | 3,715                   | 4,159                                      | 10,689             | 11,707            |
| Realisation of fair value gain from available-<br>for-sale reserve to profit or loss | -                       | -  | -                  | 157,390           |
| Finance expense  | (2,062)                 | (887)                                      | (6,136)            | (3,943)           |
| Share of profit from equity-accounted<br>investments, net of tax                     | 2,078                   | 471  | 3,844              | 934               |
| <b>Profit before income tax</b>  | <b>42,472</b>           | <b>57,793</b>                              | <b>135,866</b>     | <b>298,274</b>    |
| <b>Geographical locations</b>  |                         |  |                    |                   |
| Operating Revenue  |                         |  |                    |                   |
| Within Malaysia  | 199,001                 | 184,263                                    | 583,916            | 529,000           |
| Outside Malaysia   | 3,994                   | 10,462                                     | 42,818             | 16,355            |
|  | <b>202,995</b>          | <b>194,725</b>                             | <b>626,734</b>     | <b>545,355</b>    |

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**10. Valuation of Property, Plant and Equipment**

There were no material changes to the valuation of property, plant and equipment since the financial year ended 31 December 2016.

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

- a) 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. Both companies were wholly owned dormant subsidiaries of TIME at the time of the striking off.
- b) A total of 120,395,600 ordinary shares in SYMC, equivalent to 37% equity interest in SYMC were successfully acquired by the Group on 9 November 2017, upon completion of a conditional partial voluntary tender offer for a cash consideration of THB1.47 billion which was funded by borrowings from a licensed bank in Malaysia. Together with the acquisition of 5,694,389 ordinary shares in SYMC acquired from Dr. Bussakorn Jaruwachirathanakul (see Note 5(d)), which took place on 22 September 2017, the Group now owns a total of 126,089,989 ordinary shares or 38.75% equity interest in SYMC. Please also refer to Note 17 for further details regarding the SYMC acquisition.

In the opinion of the Directors, other than stated above or elsewhere in this report, there are no other items, transactions or events of a material and unusual nature which have arisen since 30 September 2017 to 17 November 2017 (being the latest practicable date) that will have a substantial effect on the financial results of the Group.

**12. Changes in the composition of the Group during the financial period ended 30 September 2017**

Other than the striking off of The AIMS Asia Group Sdn Bhd and AIMS Data Centre 2 Sdn Bhd (as stated in Note 5(b)), there were no other changes in the composition of the Group during the nine months period ended 30 September 2017.

**13. Contingent liabilities/assets**

There were no changes in the contingent liabilities or contingent assets since 31 December 2016.

**14. Capital commitments**

|   | <b>As at<br/>30/9/2017<br/>RM'000</b> |
|---|---------------------------------------|
| <b>Property, plant and equipment</b>  |                                       |
| a) Approved and contracted but not provided for in the financial statements | 187,684                               |
| b) Approved but not contracted for  | 25,105                                |

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**15. Fair value information**

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

Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly
- Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data.

The table below analyses financial instruments carried at fair value and financial instruments not carried at fair value for which fair value and carrying value is disclosed.

|   | ←-----Total fair value/carrying value -----> |                   |                   |                 |
|---|--|-------------------|-------------------|-----------------|
|   | Level 1<br>RM'000                            | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 |
| <b>30 September 2017</b>                                |  |                   |                   |                 |
| <b>Financial instruments carried at fair value:</b>     |  |                   |                   |                 |
| <b>Financial assets</b>                                 |  |                   |                   |                 |
| Other unquoted investments                              | -  | -                 | 22,661            | 22,661          |
|   | -  | -                 | 22,661            | 22,661          |
| <b>Financial instruments not carried at fair value:</b> |  |                   |                   |                 |
| <b>Financial liabilities</b>                            |  |                   |                   |                 |
| Term loans  | -  | -                 | 177,963           | 177,963         |
| Finance lease liabilities                               | -  | -                 | 381               | 381             |
|   | -  | -                 | 178,344           | 178,344         |

**16. Income tax**

The income tax expense for the Group for current quarter and financial period ended 30 September 2017 was made up as follows:

|   | Individual Quarter      |  | Cumulative Quarter |                   |
|---|-------------------------|--|--------------------|-------------------|
|   | Current year<br>quarter | Preceding year<br>corresponding<br>quarter | Nine<br>months to  | Nine<br>months to |
|   | 30/9/2017               | 30/9/2016                                  | 30/9/2017          | 30/9/2016         |
| <b>Group</b>  | RM'000                  | RM'000                                     | RM'000             | RM'000            |
| Income tax:   |                         |  |                    |                   |
| - Current year  | 3,543                   | 2,424                                      | 6,623              | 5,071             |
| - Under/(Over) provision in prior years                           | 30                      | (228)                                      | 30                 | (228)             |
|   | 3,573                   | 2,196                                      | 6,653              | 4,843             |
| Deferred tax:   |                         |  |                    |                   |
| - Current year  | 9,942                   | 101  | 35,678             | 544               |
| - Recognition of previously<br>unrecognised temporary differences | 728                     | 113  | (23,622)           | 113               |
|   | 10,670                  | 214  | 12,056             | 657               |
| <b>Total</b>  | 14,243                  | 2,410                                      | 18,709             | 5,500             |

The effective tax rate of the Group for the current and preceding year corresponding quarters and financial year-to-date are lower than the statutory tax rate of 24% principally due to certain non-taxable income and utilisation of unabsorbed capital allowances and tax losses available to the Group. The lower effective tax rate is also due to the lower tax rates prevailing in some of the jurisdictions/countries in which the Group operates and the recognition of previously unrecognised temporary differences.

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

On 7 March 2017, the Group announced a proposal to acquire 37% of the issued and paid-up ordinary shares in SYMC, a publicly listed company on the Stock Exchange of Thailand via a conditional partial voluntary tender offer at an acquisition price of THB12.20 per SYMC share or a total of up to 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 consideration for the Sale Shares is also THB12.20 per SYMC Share ("Share Acquisition Price") 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 for a consideration amounting to THB69,471,546 funded via internally generated funds.

On 9 November 2017, the Group acquired a further 120,395,600 ordinary shares in SYMC, equivalent to 37% equity interest in SYMC for THB1,468,827,076, pursuant to the successful completion of the CPVTO. The purchase consideration was satisfied in cash funded via borrowings from a licensed bank in Malaysia.

Following the completion of both the proposed acquisitions, the Group will propose for SYMC to undertake a capital-raising exercise via a rights offering for approximately THB1,000 million. The Group is committed to participate in such rights offering for its pro rata portion, with the option of participating for a higher portion, subject to, at all times, complying with the 49% foreign shareholding limit in SYMC.

There are no other corporate proposals, which have been announced but not completed as at 17 November 2017, being the latest practicable date.

**18. Loans and borrowings**

The loans and borrowings as at 30 September 2017 and 31 December 2016 are as follows:

|                                 | Amount<br>repayable in<br>one year or on<br>demand | Amount<br>repayable after<br>one year | Total   |
|---------------------------------|--|---------------------------------------|---------|
|                                 | RM'000   | RM'000                                | RM'000  |
| <b>30 September 2017</b>        |  |                                       |         |
| <b><u>Secured:</u></b>          |  |                                       |         |
| Finance lease liabilities in RM | 381  | -                                     | 381     |
| Loans and borrowings            |  |                                       |         |
| - Denominated in RM             | 10,338   | 20,296                                | 30,634  |
| - Denominated in USD            | 29,044   | 118,285                               | 147,329 |
| As at 30 September 2017         | 39,763   | 138,581                               | 178,344 |
| <b>31 December 2016</b>         |  |                                       |         |
| <b><u>Secured:</u></b>          |  |                                       |         |
| Finance lease liabilities in RM | 2,250  | -                                     | 2,250   |
| Loans and borrowings            |  |                                       |         |
| - Denominated in RM             | 3,549  | 25,954                                | 29,503  |
| - Denominated in USD            | -  | 143,704                               | 143,704 |
| As at 31 December 2016          | 5,799  | 169,658                               | 175,457 |

The Group's loans and borrowings have mainly been used to fund the Group's working capital requirements and investments in its international submarine cable systems. The Group's loans and borrowings comprise both fixed and floating rate facilities and bear interest at rates ranging from 1.7% to 4.87% per annum.

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**19. Off balance sheet financial instruments**

The cash and cash equivalents of the Group, as at 30 September 2017, do not include bank balances amounting to RM4,228,000 (31.12.2016: RM12,856,000) held by the Group in trust for consortium members of the Asia Pacific Gateway submarine cable project to pay the supplier under the terms of supply contract.

Other than as stated above, the Group does not have any off balance sheet financial instruments as at the date of this quarterly report.

**20. Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at 17 November 2017, being the latest practicable date.

**21. Comparison between the current quarter ("Q3 2017") and the immediate preceding quarter ("Q2 2017")**

| Description                | Q3 2017        | Q2 2017        | Increase/(decrease) |              |
|----------------------------|----------------|----------------|---------------------|--------------|
|                            | RM'000         | RM'000         | RM'000              | %            |
| <b>Revenue by product:</b> |                |                |                     |              |
| Voice                      | 18,421         | 20,581         | (2,160)             | (10.5)       |
| Data                       | 156,367        | 154,698        | 1,669               | 1.1          |
| Data centre                | 27,000         | 28,669         | (1,669)             | (5.8)        |
| Others                     | 1,207          | 1,373          | (166)               | (12.1)       |
| <b>Total revenue</b>       | <b>202,995</b> | <b>205,321</b> | <b>(2,326)</b>      | <b>(1.1)</b> |
| <b>Profit before tax</b>   | <b>42,472</b>  | <b>37,880</b>  | <b>4,592</b>        | <b>12.1</b>  |

The Group reported consolidated revenue of RM203.0 million in the current quarter compared to consolidated revenue of RM205.3 million in Q2 2017. The lower revenue in Q3 2017 was mainly due to one-off Indefeasible Rights of Use ("IRU") sales amounting to RM6.4 million recognised in Q2 2017 (no IRU sales were recorded in Q3 2017) and lower data centre and voice revenues in the current quarter. Excluding the one-off IRU revenue from Q2 2017 for better comparability, data revenue in Q3 2017 would have been RM8.1 million or 5.5% higher than the adjusted Q2 2017 data revenue of RM148.3 million. The Group's quarter-on-quarter ("QoQ") growth in data revenue (excluding one-off IRU revenue) was driven by strong recurring demand from its retail and wholesale customers. Total revenue in the current quarter was RM4.1 million or 2.1% higher compared to total revenue (excluding IRU revenue) recognised in Q2 2017.

The Group's consolidated pre-tax profit in Q3 2017 amounted to RM42.5 million, which is RM4.6 million higher than the pre-tax profit of RM37.9 million in Q2 2017. The higher consolidated pre-tax profit recorded in Q3 2017 can be attributed mainly to the following:

- a) higher recurring revenues during the quarter on the back of improved cost efficiencies;
- b) lower net foreign exchange loss of RM6.1 million in Q3 2017 compared to RM8.9 million in Q2 2017;
- c) a gain from pre-sale of AAE-1 cable system;
- d) RM1.3 million higher share of profit from equity-accounted investments;
- e) write off of property, plant and equipment amounting to RM2.7 million arising from the decommissioning of old transponder cards pursuant to capacity upgrades for the Unity submarine cable system in Q2 2017 (Q3 2017: RM Nil),

despite no one-off IRU revenues and higher depreciation charge for property, plant and equipment in Q3 2017.

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

**(a) Current quarter ("Q3 2017") versus preceding year corresponding quarter ("Q3 2016")**

| Description                | Q3 2017        | Q3 2016        | Increase/(decrease) |               |
|----------------------------|----------------|----------------|---------------------|---------------|
|                            | RM'000         | RM'000         | RM'000              | %             |
| <b>Revenue by product:</b> |                |                |                     |               |
| Voice                      | 18,421         | 22,086         | (3,665)             | (16.6)        |
| Data                       | 156,367        | 145,481        | 10,886              | 7.5           |
| Data centre                | 27,000         | 26,037         | 963                 | 3.7           |
| Others                     | 1,207          | 1,121          | 86                  | 7.7           |
| Total revenue              | <u>202,995</u> | <u>194,725</u> | <u>8,270</u>        | <u>4.2</u>    |
| Profit before tax          | <u>42,472</u>  | <u>57,793</u>  | <u>(15,321)</u>     | <u>(26.5)</u> |

The Group's reported consolidated revenue of RM203.0 million in Q3 2017 is RM8.3 million or 4.2% higher than the consolidated revenue recorded in Q3 2016 of RM194.7 million. Revenues from data and data centre product segments recorded solid growth in Q3 2017 when compared to the previous year corresponding quarter, despite having no one-off IRU sales recorded in the current quarter. One-off IRU sales and other non-recurring contract revenue recognised in Q3 2016 amounted to RM15.7 million. Excluding such one-off revenues, the Group would have recorded a growth of RM24.0 million or 13.4% on a year-on-year ("YoY") basis as the Group continued to see strong demand from its retail and enterprise customers in Q3 2017. Voice revenues, however, declined 16.6% in Q3 2017 due to lower usage and voice minutes.

The Group's consolidated pre-tax profit in Q3 2017 amounted to RM42.5 million which is RM15.3 million or 26.5% lower than the consolidated pre-tax profit in Q3 2016. The lower consolidated pre-tax profit recorded in Q3 2017 can be attributed mainly to the following:

- a) higher margins received from one-off revenues in Q3 2016;
- b) net loss on foreign currency exchange in Q3 2017 of RM6.1 million compared to a net gain on foreign currency exchange of RM2.7 million in Q3 2016;
- c) higher depreciation of RM6.7 million mainly due to the completion of SKR1M and AAE-1 cable systems during the quarter as well as the impact of depreciation from the Asia Pacific Gateway submarine cable system, which was not yet included in the results for Q3 2016 as the cable system was only completed on 28 October 2016;
- d) RM1.1 million higher interest expense in Q3 2017 when compared to Q3 2016;
- e) lower interest income in the current quarter;

offset by higher recurring revenues on the back of improved cost efficiencies, a gain from pre-sales of AAE-1, higher share of profit from equity-accounted investments of RM1.6 million and a reduced allowance for doubtful debts by RM1.0 million.

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**22. Review of performance for the current quarter and year-to-date (continued)**

**(b) Nine months period ended 30 September 2017 ("9M 2017") versus nine months period ended 30 September 2016 ("9M 2016")**

| Description   | 9M 2017        | 9M 2016        | Increase/(decrease) |               |
|---|----------------|----------------|---------------------|---------------|
|   | RM'000         | RM'000         | RM'000              | %             |
| <b>Revenue by product:</b>  |                |                |                     |               |
| Voice   | 60,044         | 63,838         | (3,794)             | (5.9)         |
| Data  | 480,625        | 408,243        | 72,382              | 17.7          |
| Data centre   | 82,333         | 69,503         | 12,830              | 18.5          |
| Others  | 3,732          | 3,771          | (39)                | (1.0)         |
| Total revenue   | 626,734        | 545,355        | 81,379              | 14.9          |
| <b>Profit before tax (as reported)</b>                              | <b>135,866</b> | <b>298,274</b> | <b>(162,408)</b>    | <b>(54.4)</b> |
| <b>Profit before tax (excluding Realisation of Fair Value Gain)</b> | <b>135,866</b> | <b>140,884</b> | <b>(5,018)</b>      | <b>(3.6)</b>  |

The Group reported a consolidated revenue of RM626.7 million in 9M 2017, which is RM81.4 million or 14.9% higher when compared against the RM545.4 million consolidated revenue recorded in 9M 2016. One-off revenues from IRU sales and non-recurring contracts accounted for RM31.4 million of total data revenue recognised in 9M 2017 (9M 2016: RM22.0 million). Excluding the one-off revenues from IRU sales and non-recurring contracts, overall consolidated revenues in the current period would have shown a 13.7% increase when compared to the similarly adjusted revenues in the preceding year corresponding period. The increase in 9M 2017 revenues can be attributed to higher sales recorded from data (excluding IRU sales) and data centre (excluding data centre related non-recurring contracts) product segments which grew RM59.6 million (15.3% YoY growth) and RM16.1 million (24.4% YoY growth) respectively. The Group also saw revenue growth from all core customer groups, particularly from its retail customers which almost doubled with a growth rate of 93.1% YoY. The Group had launched its 100Mbps, 300Mbps and 500Mbps TIME Fibre Home Broadband service in late-March 2016 and has since continued to see strong demand for the said service from home users. The Group's enterprise and wholesale customers (excluding one-off revenues) also showed YoY growth in 9M 2017 with growth rates of 10.3% and 1.8% respectively. Voice revenues, however, declined 5.9% due to lower usage in 9M 2017.

The Group disposed all its remaining ordinary shares held in DIGI.Com Berhad for a total cash consideration of approximately RM307.2 million via a private placement exercise to eligible third party institutional/sophisticated investors and realised a fair value gain from available-for-sale reserve to profit and loss amounting to RM157.4million ("Realisation of Fair Value Gain") in 9M 2016.

The Group's consolidated pre-tax profit of RM135.9 million in 9M 2017 is RM5.0 million or 3.6% lower when compared to the consolidated pre-tax profit (excluding the Realisation of Fair Value Gain) for 9M 2016 of RM140.9 million. The reduction is mainly attributed to the following:

- a) higher net loss on foreign exchange of RM17.6 million in 9M 2017 compared to RM5.2 million in 9M 2016;
- b) higher depreciation charged for property, plant and equipment, mainly arising from the completion of new submarine cable systems;
- c) no dividend income in 9M 2017 (9M 2016: RM3.4 million);
- d) gain on disposal of the Group's equity stake in Campana Group Pte Ltd in 9M 2016 of RM2.5 million (9M 2017: RM Nil);
- e) higher write-off of property, plant and equipment mainly arising from decommissioning and upgrading of submarine cable transponder cards in 9M 2017;
- f) lower gain on pre-sale of submarine cable system in the current period; and
- g) higher interest expense in 9M 2017;

offset by higher data and data centre revenues, backed by higher IRU sales in 9M 2017, RM2.4 million higher interest income in 9M 2017 and higher share of profit from equity accounted investments of RM3.8 million in 9M 2017 as compared to RM0.9 million in 9M 2016.

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**23. Profit before income tax**

| Group  | Individual Quarter   |                                      | Cumulative Quarter |                |
|--|----------------------|--------------------------------------|--------------------|----------------|
|  | Current year quarter | Preceding year corresponding quarter | Nine months to     | Nine months to |
|  | 30/9/2017            | 30/9/2016                            | 30/9/2017          | 30/9/2016      |
|  | RM'000               | RM'000                               | RM'000             | RM'000         |
| <b>Profit before income tax is arrived at after (charging)/crediting:</b>        |                      |                                      |                    |                |
| Depreciation and amortisation of property, plant and equipment                   | (29,839)             | (23,161)                             | (83,856)           | (66,927)       |
| Amortisation of borrowing costs  | (302)                | (275)                                | (966)              | (662)          |
| Interest expense   | (1,760)              | (612)                                | (5,170)            | (3,281)        |
| Interest income  | 3,715                | 4,159                                | 10,689             | 8,339          |
| Dividend income from quoted equity investment in Malaysia                        | -                    | -                                    | -                  | 3,368          |
| Realisation of fair value gain from available-for-sale reserve to profit or loss | -                    | -                                    | -                  | 157,390        |
| Rental income  | 13                   | 54                                   | 33                 | 158            |
| Bad debt recovered   | 433                  | 27                                   | 569                | 98             |
| Net (loss)/gain on foreign exchange  | (6,137)              | 2,670                                | (17,635)           | (5,159)        |
| Net allowance for doubtful debts   | (1,057)              | (2,037)                              | (2,716)            | (1,925)        |
| Net gain on disposal of property, plant and equipment                            | 2,548                | 736                                  | 2,667              | 5,575          |
| Net reversal of write off of outstanding construction deposits                   | -                    | -                                    | 13                 | -              |
| Write off of property, plant and equipment                                       | -                    | (89)                                 | (2,697)            | (89)           |
| Gain on disposal of equity-accounted investment                                  | -                    | -                                    | -                  | 2,477          |
| Impairment of other investment *   | (100)                | -                                    | (100)              | -              |

\* Refers to impairment made on the Group's share of investment of RM100,000 into Konsortium Rangkaian Serantau Sdn Bhd ("KRS") due to its planned closure and liquidation. KRS was a consortium of 24 domestic telecommunication licenses, initially set up under one of the Government's Entry Point Projects to buy international bandwidth for internet traffic to lower the costs of Internet Protocol transit in the country.

Other than as disclosed above, there were no other gains/losses on disposal or impairment of quoted and unquoted securities, investments, properties and/or derivatives included in the results for the current quarter and preceding year corresponding quarter.



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**24. Prospects**

The Group expects the telecommunications industry to remain competitive and challenging in the remaining months of 2017 as traditional revenue streams continue to be threatened and telecommunication service offerings become more and more commoditised. To face these challenges, the Group will look to leverage on its existing strengths and gain market share by delivering a fast, reliable and unparalleled quality network experience and by understanding and providing meaningful solutions that are specifically tailored to the present and future requirements of each of its customer bases. The Group will also look to further strengthen its domestic fibre network and intensify efforts to extend its coverage footprint throughout the country, whilst at the same time enhancing operational and cost efficiencies within the Group. The Group continues to be encouraged by the demand for its TIME Fibre Home Broadband offerings and will look into opportunities to further tap into this market segment in Malaysia.

The Group is also looking forward to working with its new partner in Thailand, SYMC. SYMC currently owns an existing terrestrial fibre network across Thailand that also has cross border capabilities to connect Myanmar, Cambodia and Laos to TIME's own Malaysian network. The Group intends to work closely with its Thai counterparts in SYMC to bring both networks together and to eventually create a seamless regional telecommunications network across Indochina and Malaysia. The Group is also eager to tap on operational synergies and opportunities from SYMC's established wholesale customer base.

**25. Profit forecast and profit guarantee**

The Group has not provided any profit forecast or profit guarantee in any public document.

**26. Earnings per share ("EPS")**

|  | Individual Quarter      |  | Cumulative Quarter |                   |
|--|-------------------------|--|--------------------|-------------------|
|  | Current year<br>quarter | Preceding year<br>corresponding<br>quarter | Nine<br>months to  | Nine<br>months to |
|  | 30/9/2017               | 30/9/2016                                  | 30/9/2017          | 30/9/2016         |
| <b>Basic EPS:</b>  |                         |  |                    |                   |
| Weighted average number of shares in issue ('000)                    | 580,870                 | 577,475                                    | 579,163            | 576,230           |
| Profit for the period attributable to owners of the Company (RM'000) | 28,229                  | 55,383                                     | 117,157            | 292,774           |
| <b>Basic EPS</b>   | 4.86 sen                | 9.59 sen                                   | 20.23 sen          | 50.81 sen         |
| <b>Diluted EPS:</b>  |                         |  |                    |                   |
| Weighted average number of shares in issue ('000) (Basic)            | 580,870                 | 577,475                                    | 579,163            | 576,230           |
| Effect of CEO share options  | 6,652                   | 4,140                                      | 6,142              | 3,601             |
| Weighted average number of shares in issue ('000) (Diluted)          | 587,522                 | 581,615                                    | 585,305            | 579,831           |
| Profit for the period attributable to owners of the Company (RM'000) | 28,229                  | 55,383                                     | 117,157            | 292,774           |
| <b>Diluted EPS</b>   | 4.80 sen                | 9.52 sen                                   | 20.02 sen          | 50.49 sen         |

**TIME DOTCOM BERHAD**  
**(413292-P)**  
**Incorporated in Malaysia**

**27. Related party transactions**

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

|   | Cumulative Quarter                    |                                       |
|---|---------------------------------------|---------------------------------------|
|   | Nine months to<br>30/9/2017<br>RM'000 | Nine months to<br>30/9/2016<br>RM'000 |
| <b>Related parties</b>  |                                       |                                       |
| Revenue from data, voice and other services                             | 50,118                                | 49,535                                |
| Interconnect revenue  | 4,835                                 | 4,962                                 |
| Fee for wayleave and right of use of telecommunications facilities      | (7,883)                               | (7,851)                               |
| Interconnect charges  | (9,114)                               | (8,407)                               |
| Leased line and infrastructure costs                                    | (20,942)                              | (20,646)                              |
| Network maintenance costs   | (1,648)                               | (1,325)                               |
| Training expenses   | (320)                                 | (221)                                 |
| Project management services costs                                       | (138)                                 | (41)                                  |
| Rental of office  | (53)                                  | -                                     |
| Leasing of transportation services                                      | -                                     | (461)                                 |
| Professional fees on corporate exercise                                 | (370)                                 | (422)                                 |
| Acquisition of telecommunication infrastructure and fibre optics cables | (4,000)                               | -                                     |
| <b>Companies in which Directors have significant financial interest</b> |                                       |                                       |
| Revenue from data, voice and other services                             | 71                                    | 131                                   |
| Professional legal fees costs   | (11)                                  | (201)                                 |

The Directors of the Group 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.

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

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits, as disclosed pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements are as follows:

|                                      | As at<br>30/9/2017<br>RM'000 | As at<br>31/12/2016<br>RM'000 |
|--------------------------------------|------------------------------|-------------------------------|
| Total retained earnings of the Group |                              |                               |
| - Realised                           | 746,060                      | 674,426                       |
| - Unrealised                         | 234,973                      | 280,735                       |
| Total retained earnings              | 981,033                      | 955,161                       |

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

**By Order of the Board**

**MISNI ARYANI MUHAMAD**  
**(LS 0009413)**  
**Secretary**

**Selangor**  
**24 November 2017**



**PRESS RELEASE**  
**For Immediate Release**

**TIME Delivers 9M 2017 Revenue Growth of 14.9%**

- Revenue up 14.9% year-on-year to RM626.7 million
- Data and data centre sales continue to grow at a steady pace
- 38.75% strategic investment in Symphony in Thailand completed

**Shah Alam, 24 November 2017** - TIME dotCom Berhad ("TIME" or "the Group") reported a consolidated revenue of RM626.7 million for the nine months ended 30 September 2017 (9M 2017), which represents a 14.9% or RM81.4 million year-on-year (YoY) increment (9M 2016: RM545.4 million).

Revenue growth was driven by higher recurring sales recorded from its data (+15.3% YoY) and data centre (+24.4% YoY) product segments, offset by a 5.9% decline in voice revenues. The Group also benefited from one-off revenues in the period under review, excluding which, it would have registered a growth of 13.7% when compared to similarly adjusted revenues from a year earlier.

Pre-tax profit for 9M 2017 stood at RM135.9 million (9M 2016: RM298.3 million). Included in last year's pre-tax profit was the realisation of a RM157.4 million fair value gain arising from the Group's disposal of its shares in DiGi.Com Berhad. Excluding this and other smaller one-off items, pre-tax profit grew marginally despite, among others, higher net forex losses and depreciation charges in the period.

"We are feeling the pressure of increased competition but believe that the strategies we have in place will help sustain our medium-term growth," said Afzal Abdul Rahim, TIME's Commander-in-Chief.

**Outlook**

The Group looks forward to working closely with its Thai counterparts in Symphony Communication Public Company Limited to tap into the potential of the strategic investment, including creating a seamless network across Indochina and Malaysia.

The telecommunications industry will remain competitive and challenging as pressure persists on traditional revenue streams and telecommunication service offerings become more commoditised. TIME expects to face these challenges by intensifying efforts to extend its coverage footprint, deliver a fast, reliable and unparalleled quality network experience, and unlock more potential from its TIME Fibre Home Broadband offerings for which demand continues to be encouraging.

**END**

## **Forward-Looking Statements**

This press release contains forward-looking statements that reflect the current views of TIME dotCom Berhad (TIME) management with respect to future events. The words "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should" and similar expressions including all statements that are not historical facts are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties, most of which are difficult to predict and are generally beyond TIME's control, including, without limitation, general industry and economic conditions, competition from other companies and avenues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, governmental policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Forward-looking statements are based on current plans, estimates and projections, and therefore too much reliance should not be placed on them. TIME does not intend or assume any obligation to update these forward-looking statements.

## **About TIME dotCom Berhad**

TIME is a telecommunications provider with businesses spanning Fixed Line, Data Centres and Global Networks. The Company is primarily focused on the Wholesale and Enterprise segments, providing Data and Internet connectivity to customers across ASEAN. TIME is headquartered in Kuala Lumpur. Visit [www.time.com.my](http://www.time.com.my) for more information. TIMECOM.

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