

# Quarterly rpt on consolidated results for the financial period ended 31 Mar 2019

## TIME DOTCOM BERHAD

Financial Year End 31 Dec 2019  
 Quarter 1 Qtr  
 Quarterly report for the financial period ended 31 Mar 2019  
 The figures have not been audited

### Attachments

TdC-1st Qtr Financial Results-31-03-2019.pdf  
 128.4 kB

Press Release.pdf  
 128.5 kB

Default Currency Other Currency

Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2019

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	262,542	230,730	262,542	230,730
2	Profit/(loss) before tax	67,058	65,970	67,058	65,970
3	Profit/(loss) for the period	63,132	62,940	63,132	62,940
4	Profit/(loss) attributable to ordinary equity holders of the parent	63,132	62,940	63,132	62,940
5	Basic earnings/(loss) per share (Subunit)	10.82	10.82	10.82	10.82
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		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 (\$\$)		4.2400		4.3200

*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:*

<b>Country</b>	<b>Base Unit</b>	<b>Subunit</b>
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 May 2019
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-14052019-00002

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current year quarter 31/3/2019 RM'000	Unaudited Preceding year corresponding quarter 31/3/2018 RM'000	Unaudited Three months to 31/3/2019 RM'000	Unaudited Three months to 31/3/2018 RM'000
<b>Operating revenue</b>	<b>262,542</b>	<b>230,730</b>	<b>262,542</b>	<b>230,730</b>
Operating expenses				
- depreciation and amortisation of property, plant and equipment and right-of-use assets	(38,430)	(29,072)	(38,430)	(29,072)
- other operating expenses	(154,968)	(136,958)	(154,968)	(136,958)
Other operating income (net)	383	302	383	302
<b>Profit from operations</b>	<b>69,527</b>	<b>65,002</b>	<b>69,527</b>	<b>65,002</b>
Investment income	2,186	2,980	2,186	2,980
Finance expense	(8,306)	(4,884)	(8,306)	(4,884)
Share of profit from investment in associates, net of tax	3,651	2,872	3,651	2,872
<b>Profit before income tax</b>	<b>67,058</b>	<b>65,970</b>	<b>67,058</b>	<b>65,970</b>
Income tax expense	(3,926)	(3,030)	(3,926)	(3,030)
<b>Profit for the period attributable to owners of the Company</b>	<b>63,132</b>	<b>62,940</b>	<b>63,132</b>	<b>62,940</b>
<b>Other comprehensive income/(loss):</b>				
Foreign currency translation differences for foreign operations	2,767	(4,754)	2,767	(4,754)
Net change in fair value of equity investments designated at fair value through comprehensive income ("FVOCI")/available-for-sale financial assets	548	(606)	548	(606)
Other comprehensive gain/(loss) for the period	3,315	(5,360)	3,315	(5,360)
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>66,447</b>	<b>57,580</b>	<b>66,447</b>	<b>57,580</b>
<b>Earnings per share (based on weighted average number of ordinary shares)</b>				
- Basic	10.82 sen	10.82 sen	10.82 sen	10.82 sen
- Diluted	10.72 sen	10.72 sen	10.72 sen	10.72 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 2018.

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

	Unaudited As at 31/3/2019  RM'000	Audited As at 31/12/2018  RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,469,143	1,483,898
Right-of-use assets	118,544	-
Intangible assets	213,959	213,959
Investment in associates	416,179	407,533
Other investments	17,749	17,201
Deferred tax assets	243,783	244,209
Trade and other receivables	2,450	11,858
	<u>2,481,807</u>	<u>2,378,658</u>
<b>Current assets</b>		
Tax recoverable	2,093	1,899
Trade and other receivables	406,586	399,630
Restricted cash	7,909	8,065
Cash and cash equivalents	302,242	389,399
	<u>718,830</u>	<u>798,993</u>
<b>Total assets</b>	<u><u>3,200,637</u></u>	<u><u>3,177,651</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,186,659	1,186,659
Reserves	1,286,060	1,333,056
Total equity attributable to owners of the Company	<u>2,472,719</u>	<u>2,519,715</u>
<b>Non-current liabilities</b>		
Loans and borrowings	98,234	110,166
Lease liabilities	94,818	-
Trade and other payables	155,365	158,374
Deferred tax liabilities	12,746	12,574
	<u>361,163</u>	<u>281,114</u>
<b>Current liabilities</b>		
Loans and borrowings	61,445	62,841
Lease liabilities	14,971	-
Trade and other payables	288,747	313,565
Provision for tax	1,592	416
	<u>366,755</u>	<u>376,822</u>
<b>Total liabilities</b>	<u><u>727,918</u></u>	<u><u>657,936</u></u>
<b>Total equity and liabilities</b>	<u><u>3,200,637</u></u>	<u><u>3,177,651</u></u>
<b>Net assets per share attributable to ordinary owners of the Company</b>	<u><u>RM4.24</u></u>	<u><u>RM4.32</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 2018.

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

	<b>Unaudited Three months to 31/3/2019 RM'000</b>	<b>Unaudited Three months to 31/3/2018 RM'000</b>
<b>Operating Activities</b>		
Cash receipts from customers	261,245	216,801
Transfer from/(to) restricted cash and bank balances	156	(229)
Cash payments to suppliers	(102,651)	(87,589)
Cash payments to employees and for administrative expenses	(62,653)	(62,434)
<b>Cash generated from operations</b>	<b>96,097</b>	<b>66,549</b>
Tax paid	(2,346)	(2,308)
<b>Net cash generated from operating activities</b>	<b>93,751</b>	<b>64,241</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(48,617)	(50,773)
Acquisition of other investments	-	(798)
Investment income received	2,551	3,678
<b>Net cash used in investing activities</b>	<b>(46,066)</b>	<b>(47,893)</b>
<b>Financing Activities</b>		
Repayment of term loans and borrowings	(9,521)	(155,832)
Finance charges paid	(2,336)	(3,901)
Dividend paid	(120,009)	(100,010)
<b>Net cash used in financing activities</b>	<b>(131,866)</b>	<b>(259,743)</b>
<b>Net change in cash and cash equivalents</b>	<b>(84,181)</b>	<b>(243,395)</b>
Effect of exchange rate fluctuations on cash held	(2,976)	(5,825)
Cash and cash equivalents as at beginning of financial period	389,399	576,616
<b>Cash and cash equivalents as at end of financial period</b>	<b>Note (a) 302,242</b>	<b>327,396</b>
<b>Note:</b>		
<b>(a) Cash and cash equivalents comprise the following amounts:</b>		
Cash and bank balances	125,730	174,979
Deposits with licensed banks	184,421	160,436
	<b>310,151</b>	<b>335,415</b>
Restricted cash	(7,909)	(8,019)
	<b>302,242</b>	<b>327,396</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018.

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

<b>Three months to 31 March 2019 (unaudited)</b>	<b>Share Capital RM'000</b>	<b>FVOCI Reserve RM'000</b>	<b>Foreign Currency Translation Reserve RM'000</b>	<b>Share Grant/ Option Reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total equity, attributable to owners of the Company RM'000</b>
Balance as at 1 January 2019	1,186,659	2,415	24,751	27,247	1,278,643	2,519,715
Dividend paid	-	-	-	-	(120,009)	(120,009)
Employee share grant plan/option scheme	-	-	-	6,566	-	6,566
Profit for the period	-	-	-	-	63,132	63,132
Fair value gain on equity investments designated at fair value through comprehensive income ("FVOCI")	-	548	-	-	-	548
Exchange differences recognised directly in equity	-	-	2,767	-	-	2,767
Total comprehensive income for the year	-	548	2,767	-	63,132	66,447
<b>Balance as at 31 March 2019</b>	<b>1,186,659</b>	<b>2,963</b>	<b>27,518</b>	<b>33,813</b>	<b>1,221,766</b>	<b>2,472,719</b>

<b>Three months to 31 March 2018 (unaudited)</b>	<b>Share Capital RM'000</b>	<b>FVOCI/ Available-for- Sale Reserve RM'000</b>	<b>Foreign Currency Translation Reserve RM'000</b>	<b>Share Grant/ Option Reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total equity, attributable to owners of the Company RM'000</b>
Balance as at 1 January 2018	1,172,485	319	23,051	30,931	1,039,238	2,266,024
Impact arising from adoption of MFRS 15	-	-	-	-	50,745	50,745
Dividend paid	-	-	-	-	(100,010)	(100,010)
Employee share grant plan/option scheme	-	-	-	3,988	-	3,988
Profit for the period	-	-	-	-	62,940	62,940
Fair value loss on available-for-sale financial assets	-	(606)	-	-	-	(606)
Exchange differences recognised directly in equity	-	-	(4,754)	-	-	(4,754)
Total comprehensive (expense)/income for the period	-	(606)	(4,754)	-	62,940	57,580
<b>Balance as at 31 March 2018</b>	<b>1,172,485</b>	<b>(287)</b>	<b>18,297</b>	<b>34,919</b>	<b>1,052,913</b>	<b>2,278,327</b>

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 2018.

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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) and requirements of the Companies Act 2016, where applicable.

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2018. The 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 financial year ended 31 December 2018.

**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 2018, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application on 1 January 2019:

<b>Description</b>	
Amendments to MFRS 3	<i>Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>
Amendments to MFRS 9	<i>Financial Instruments (Prepayment Features with Negative Compensation)</i>
Amendments to MFRS 11	<i>Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>
Amendments to MFRS 112	<i>Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>
Amendments to MFRS 119	<i>Employee Benefits - Plan Amendment, Curtailment or Settlement</i>
Amendments to MFRS 123	<i>Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>
Amendments to MFRS 128	<i>Investments in Associates and Joint Ventures (Long-term interests in Associates and Joint Ventures)</i>
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
MFRS 16	<i>Leases</i>

The adoption of the above did not have any significant effects on the interim report upon their initial application, other than as disclosed below:

**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*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for leases. A lease under MFRS 16 recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments.

The Group has applied MFRS 16 using the modified retrospective method with practical expediency for single discount rate to entire lease portfolio at the date of initial application, recognition exemptions for short-term leases and leases of low-value items and exclude initial direct costs in the measurement of the right of use assets.

The following table summarises the impact of adopting MFRS 16 on the Group's financial statements.

**Statement of Financial Position as at 1 January 2019**

	<b>As reported under MFRS 16 RM'000</b>	<b>MFRS 16 adjustments RM'000</b>	<b>Pre-MFRS 16 RM'000</b>
Right-of-use assets	125,004	(125,004)	-
Trade and other receivables	401,278	10,210	411,488
Lease liabilities	114,794	(114,794)	-

The adoption of MFRS 16 does not have any impact on the Group's statement of profit or loss on 1 January 2019.

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

**MFRS 16, Leases (continued)**

The following table summarises the impact of adopting MFRS 16 on the Group's statement of profit or loss and statement of financial position as at 31 March 2019.

**Profit and loss up till 31 March 2019**

	<b>As reported under MFRS 16 RM'000</b>	<b>MFRS 16 adjustments in the three month period RM'000</b>	<b>Pre-MFRS 16 RM'000</b>
Other operating expenses	(154,968)	(6,755)	(161,723)
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(38,430)	6,460	(31,970)
Finance expense	(8,306)	1,521	(6,785)
Profit for the period	<u>63,132</u>	<u>1,226</u>	<u>64,358</u>
<b>Earnings per share (sen)</b>			
- basic	10.82		11.03
- diluted	<u>10.72</u>		<u>10.93</u>

**Statement of financial position at 31 March 2019**

	<b>As reported under MFRS 16 RM'000</b>	<b>MFRS 16 adjustments RM'000</b>	<b>Pre-MFRS 16 RM'000</b>
Right-of-use assets	118,544	(118,544)	-
Trade and other receivables	409,036	9,981	419,017
Lease liabilities	109,789	(109,789)	-
Retained earnings	<u>1,221,766</u>	<u>1,226</u>	<u>1,222,992</u>

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 3 <i>Business Combination</i>	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material</i>	1 January 2020
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 plans to apply the abovementioned accounting standards, amendments and interpretations where applicable, when they become effective in the respective financial periods.

The Group, however 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.

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.

**3. Audit report in respect of the 2018 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2018 was not qualified.



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**4. Seasonal or cyclical factors**

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

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

There were no 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 debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter ended 31 March 2019.

**8. Dividend**

On 29 March 2019, the Group paid an interim ordinary and a special interim tax exempt (single tier) dividend of 9.25 sen and 11.31 sen per ordinary share respectively for the financial year ended 31 December 2018.

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**9. Segmental Reporting**

Group	Individual Quarter		Cumulative Quarter	
	Current quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2019 RM'000	31/3/2018 RM'000	31/3/2019 RM'000	31/3/2018 RM'000
Operating Revenue				
Voice	17,122	16,437	17,122	16,437
Data	211,912	183,877	211,912	183,877
Data centre	32,012	29,390	32,012	29,390
Others	1,496	1,026	1,496	1,026
	<b>262,542</b>	<b>230,730</b>	<b>262,542</b>	<b>230,730</b>
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(38,430)	(29,072)	(38,430)	(29,072)
Other operating expenses	(154,968)	(136,958)	(154,968)	(136,958)
Other operating income (net)	383	302	383	302
<b>Profit from operations</b>	<b>69,527</b>	<b>65,002</b>	<b>69,527</b>	<b>65,002</b>
Investment income	2,186	2,980	2,186	2,980
Finance expense	(8,306)	(4,884)	(8,306)	(4,884)
Share of profit from investment in associates, net of tax	3,651	2,872	3,651	2,872
<b>Profit before income tax</b>	<b>67,058</b>	<b>65,970</b>	<b>67,058</b>	<b>65,970</b>
<b>Geographical locations</b>				
Operating Revenue				
Within Malaysia	248,457	226,523	248,457	226,523
Outside Malaysia	14,085	4,207	14,085	4,207
	<b>262,542</b>	<b>230,730</b>	<b>262,542</b>	<b>230,730</b>
<b>Timing of revenue recognition</b>				
Over time	246,054	213,015	246,054	213,015
At a point in time	15,863	16,899	15,863	16,899
Revenue not within the scope of MFRS 15	625	816	625	816
	<b>262,542</b>	<b>230,730</b>	<b>262,542</b>	<b>230,730</b>

**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 2018.

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

In the opinion of the Directors, there are no other items, transactions or events of a material and unusual nature which have arisen since 31 March 2019 to 20 May 2019 (being the latest practicable date) that will have a substantial effect on the financial results of the Group.

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**12. Changes in the composition of the Group during the financial period ended 31 March 2019**

There were no changes in the composition of the Group during the three months period ended 31 March 2019.

**13. Contingent liabilities/assets**

There were no changes in the contingent liabilities or contingent assets since 31 December 2018.

**14. Capital commitments**

	<b>As at 31/3/2019 RM'000</b>
<b>Property, plant and equipment</b>	
a) Approved and contracted but not provided for in the financial statements	<u>128,776</u>
b) Approved but not contracted for	<u>123,959</u>

**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 that the Group can access at measurement date.
- 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 – Unobservable inputs for the asset or liability

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-----→			
<b>31 March 2019</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Financial instruments carried at fair value:</b>				
<b>Financial assets</b>				
Other unquoted investments	<u>-</u>	<u>-</u>	<u>17,749</u>	<u>17,749</u>
<b>Financial instruments not carried at fair value:</b>				
<b>Financial liabilities</b>				
Term loans	-	-	135,517	135,517
Revolving credit	<u>-</u>	<u>-</u>	<u>24,162</u>	<u>24,162</u>
	<u>-</u>	<u>-</u>	<u>159,679</u>	<u>159,679</u>

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**16. Income tax**

The income tax expense for the Group for current quarter and financial period ended 31 March 2019 was made up as follows:

Group	Individual Quarter		Cumulative Quarter	
	Current quarter 31/3/2019 RM'000	Preceding year corresponding quarter 31/3/2018 RM'000	Three months to 31/3/2019 RM'000	Three months to 31/3/2018 RM'000
Income tax:				
- Current year	3,328	1,988	3,328	1,988
Deferred tax:				
- Origination of temporary differences	16,924	30,858	16,924	30,858
- Recognition of previously unrecognised temporary differences	(16,326)	(29,816)	(16,326)	(29,816)
	598	1,042	598	1,042
<b>Total</b>	<b>3,926</b>	<b>3,030</b>	<b>3,926</b>	<b>3,030</b>

The effective tax rate of the Group for the current and preceding year corresponding quarters and financial period-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.

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

There are no corporate proposals, which have been announced but not completed as at 20 May 2019, being the latest practicable date.

**18. Loans and borrowings**

The loans and borrowings as at 31 March 2019 and 31 December 2018 are as follows:

31 March 2019	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
Loans and borrowings			
<b>Secured:</b>			
- Denominated in RM	7,416	9,342	16,758
- Denominated in USD	29,867	88,892	118,759
<b>Unsecured:</b>			
- Denominated in USD	24,162	-	24,162
As at 31 March 2019	<b>61,445</b>	<b>98,234</b>	<b>159,679</b>

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**18. Loans and borrowings (continued)**

The loans and borrowings as at 31 March 2019 and 31 December 2018 are as follows (continued):

31 December 2018	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
Loans and borrowings			
<b><u>Secured:</u></b>			
- Denominated in RM	7,403	11,201	18,604
- Denominated in USD	30,625	98,965	129,590
<b><u>Unsecured:</u></b>			
- Denominated in USD	24,813	-	24,813
As at 31 December 2018	62,841	110,166	173,007

The Group's loans and borrowings have mainly been used to fund the Group's working capital requirements, investments in its international submarine cable systems and investments in associates. The Group's loans and borrowings comprise both fixed and floating rate facilities and bear interest at rates ranging from 3.90% to 6.25% per annum.

**19. Off balance sheet financial instruments**

The cash and cash equivalents of the Group, as at 31 March 2019, do not include bank balances amounting to RM56,704,000 (31.12.2018: RM49,653,000) 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 a supply contract.

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

**20. Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at 20 May 2019, being the latest practicable date.

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**21. Comparison between the current quarter ("Q1 2019") and the immediate preceding quarter ("Q4 2018")**

	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Increase/(decrease)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue by product:</b>				
Voice	17,122	18,272	(1,150)	(6.3)
Data	211,912	206,887	5,025	2.4
Data centre	32,012	35,705	(3,693)	(10.3)
Others	1,496	1,989	(493)	(2.5)
<b>Total revenue</b>	<b>262,542</b>	<b>262,853</b>	<b>(311)</b>	<b>(0.1)</b>
<b>Profit before tax (Pre-MFRS 16)</b>	<b>68,284</b>	<b>87,740</b>	<b>(19,456)</b>	<b>(22.2)</b>
<b>Profit before tax (as reported Post-MFRS 16)</b>	<b>67,058</b>			

The Group has disclosed its financial results for the current period both pre and post-MFRS 16. Analysis and comparisons to the immediate preceding quarter is, however, done excluding the impact of MFRS 16 for better comparability purposes.

The Group adopted and applied the new MFRS 16 with effect from 1 January 2019. The Group adopted the standard retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial recognition. This means that lease contracts that are still on-going as at 1 January 2019 will be accounted for as if they had been recognised in accordance with MFRS 16 at the commencement of contracts, but as the Group has adopted the cumulative effect retrospective approach, their corresponding comparative figures will not be restated.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lease under MFRS 16 recognises a right-of-use asset representing the Group's right to use the lease's underlying asset as well as a lease liability representing the Group's obligations to make lease payments for the said asset. The Group had assessed the impact of applying the new standard on its profit and loss for the quarter to be a reduction in other operating expenses of RM6.8 million, an increase in depreciation of right-of-use assets of RM6.5 million and an increase in interest expense of RM1.5 million, resulting in a combined net overall reduction of profit before tax of RM1.2 million.

Adjustments made to profit and loss arises due to:

- i) the lease liabilities being measured at the present value of remaining lease payments, discounted using a rate based on the indicative market rate of borrowings of the Group; and
- ii) the right-to-use assets being measured at an amount equal to the corresponding lease liabilities and depreciated over the remaining useful life of the assets.

Prior to adopting MFRS 16, the Group had recognised operating lease expenses as rental expenses over the term of their respective leases.

The Group recorded a marginally lower consolidated revenue of RM262.5 million in Q1 2019. Included in revenue in the previous quarter were post MFRS 15 one-off non-recurring contract revenues amounting to RM2.9 million (Q1 2019: RMNil) arising from data centre business. Excluding the said one-off non-recurring contract revenues from the previous quarter, the Group would have reported an increase of RM2.6 million or 1.0% in adjusted consolidated revenue in Q1 2019. Data revenue grew RM5.0 million or 2.4% in the current quarter on the back of improved sales from the Group's retail customers. Revenue from retail sales grew 4.4% quarter-on-quarter ("QoQ"). The Group continues to see strong demand for its TIME Fibre Broadband Home service from home users during the quarter. Voice revenues, however, declined 6.3% in Q1 2019 due to lower overall voice minutes recorded in the quarter. Data centre revenues (excluding the abovementioned one-off non-recurring contract revenues), also recorded a marginal decline of RM0.8 million or 2.4% in the current quarter.

The Group's pre-MFRS 16 consolidated profit before tax in Q1 2019 amounted to RM68.3 million, which is RM19.5 million or 22.2% lower than the consolidated profit before tax of RM87.7 million in Q4 2018. The lower Q1 2019 consolidated profit before tax can be attributed mainly to the following:

- a) a net loss of foreign exchange of RM10.9 million recorded in Q1 2019 compared to the net foreign exchange gain of RM6.7 million recorded in Q4 2018;
- b) higher interest expense by RM2.4 million primarily due to the cumulative effect of adopting MFRS 15 despite an overall reduction in actual interest expense from loans and borrowings in Q1 2019;
- c) write-back of provisions for certain expenses no longer required amounting to RM3.9 million in Q4 2018;
- d) lower revenue recorded in the current quarter due mainly to absence of one-off non-recurring contract revenue in the current quarter;

set-off by lower depreciation charges, lower provisions made for doubtful debts, higher share of profit from investment in associates, no write-offs of property, plant and equipment (Q4 2018: RM1.0 million) and no impairment made for outstanding construction deposits (Q4 2018: RM1.8 million) in Q1 2019.

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**22. Comparison between the current quarter ("Q1 2019") versus three month period ended 31 March 2018 ("Q1 2018")**

	Q1 2019	Q1 2018	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
<b>Revenue by product:</b>				
Voice	17,122	16,437	685	4.2
Data	211,912	183,877	28,035	15.2
Data centre	32,012	29,390	2,622	8.9
Others	1,496	1,026	470	45.8
<b>Total revenue</b>	<b>262,542</b>	<b>230,730</b>	<b>31,812</b>	<b>13.8</b>
<b>Profit before tax (Pre-MFRS 16)</b>	<b>68,284</b>	<b>65,970</b>	<b>2,314</b>	<b>3.5</b>
<b>Profit before tax (as reported Post-MFRS 16)</b>	<b>67,058</b>			

The Group has disclosed its financial results for the current period both pre and post-MFRS 16. Analysis and comparisons to the previous year corresponding period is, however, done excluding the impact of MFRS 16 for better comparability purposes.

The Group reported a consolidated revenue of RM262.5 million in Q1 2019, which is RM31.8 million or 13.8% higher when compared to the RM230.7 million consolidated revenue recorded in Q1 2018. One-off revenues from non-recurring contracts accounted for RM4.4 million of total revenue recognised in Q1 2018. Excluding one-off revenues from non-recurring contracts in Q1 2018, the overall consolidated revenue in the current period would have shown an increase of RM36.2 million or 16.0%. The increase in Q1 2019 revenues is mainly attributed to higher sales recorded from all core product segments led by data and data centre businesses. The Group also saw its revenue growth come from all its customer groups (i.e. wholesale, enterprise and retail customers). Voice revenues also grew 4.2% year-on-year due to higher usage in Q1 2019 as compared to Q1 2018.

The Group recorded a current quarter pre-MFRS 16 consolidated profit before tax of RM68.3 million which is RM2.3 million or 3.5% higher than the consolidated profit recorded in Q1 2018 of RM66.0 million. The increase in the Group's Q1 2019 profit before tax results was mainly due to the following:

- a) higher revenue growth from all core product segments and customer groups despite having no one-off revenues from non-recurring contracts in the current quarter;
- b) lower net allowance for doubtful debts of RM0.6 million (Q1 2018: RM4.2 million);
- c) higher share of profit from investment in associates of RM3.7 million (Q1 2018: RM2.9 million)

offset by higher depreciation of property, plant and equipment, higher interest expense arising mainly from MFRS 15 related adjustments, lower interest income and higher net loss on foreign exchange in the current quarter.

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**23. Profit before income tax**

Group	Individual Quarter		Cumulative Quarter	
	Current quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	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	(31,970)	(29,072)	(31,970)	(29,072)
Depreciation of right-of-use assets	(6,460)	-	(6,460)	-
Amortisation of borrowing costs	(206)	(254)	(206)	(254)
Interest expense:				
- Interest on borrowings	(2,241)	(3,401)	(2,241)	(3,401)
- Interest from MFRS 15 adoption	(4,338)	(1,229)	(4,338)	(1,229)
- Interest from MFRS 16 adoption	(1,521)	-	(1,521)	-
Interest income	2,186	2,980	2,186	2,980
Rental income	11	12	11	12
Bad debt recovered	25	17	25	17
Net loss on foreign exchange	(10,898)	(3,546)	(10,898)	(3,546)
Net allowance for doubtful debts	(631)	(4,249)	(631)	(4,249)
Net gain on disposal of property, plant and equipment	-	3	-	3



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**24. Prospects**

The telecommunications industry is expected to remain competitive and challenging throughout 2019. To address these challenges, the Group will continue to closely monitor developments within the industry and focus on delivering an unparalleled quality network experience to all its customers.

In Malaysia, the Group will look to further strengthen and improve its existing domestic fibre network infrastructure whilst concurrently intensifying efforts to expand its coverage footprint throughout the country. The Group may also introduce new meaningful solutions and services to its customers, when and where deemed appropriate, which are designed to help the Group gain further market share and be strategically beneficial to the Group in the long term.

On the regional front, the Group will continue to work with its partners in Thailand, Vietnam and Cambodia to create a seamless regional telecommunications network which will connect Indochina to Malaysia and Singapore. The Group will also look to expand its data centre market presence regionally and grow its current ecosystem of customers to include interconnected players from various industries.

**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 quarter 31/3/2019	Preceding year corresponding quarter 31/3/2018	Three months to 31/3/2019	Three months to 31/3/2018
<b>Basic EPS:</b>				
Weighted average number of shares in issue ('000)	583,701	581,454	583,701	581,454
Profit for the period attributable to owners of the Company (RM'000)	63,132	62,940	63,132	62,940
<b>Basic EPS</b>	<b>10.82 sen</b>	<b>10.82 sen</b>	<b>10.82 sen</b>	<b>10.82 sen</b>
<b>Diluted EPS:</b>				
Weighted average number of shares in issue ('000) (Basic)	583,701	581,454	583,701	581,454
Effect of CEO share options	5,320	5,595	5,320	5,595
Weighted average number of shares in issue ('000) (Diluted)	589,021	587,049	589,021	587,049
Profit for the period attributable to owners of the Company (RM'000)	63,132	62,940	63,132	62,940
<b>Diluted EPS</b>	<b>10.72 sen</b>	<b>10.72 sen</b>	<b>10.72 sen</b>	<b>10.72 sen</b>

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**27. Related party transactions**

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

	Cumulative Quarter	
	Three months to 31/3/2019 RM'000	Three months to 31/3/2018 RM'000
<b>Related parties</b>		
Revenue from data, voice and other services	24,310	19,622
Interconnect revenue	942	1,283
Interest income from an associate	-	333
Fee for wayleave and right of use of telecommunications facilities	(2,637)	(2,619)
Interconnect charges	(1,265)	(1,932)
Leased line and infrastructure costs	(8,236)	(7,164)
Network maintenance costs	(509)	(740)
Training expenses	(69)	(62)
Project management services costs	-	(4)
Rental of office	(98)	(80)
Professional fees on corporate exercise	(130)	(130)
Marketing expenses	-	(944)
<b>Companies in which Directors have significant financial interest</b>		
Revenue from data, voice and other services	39	38
Professional legal fees costs	-	(10)

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.

**By Order of the Board**

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

**Selangor**  
**24 May 2019**



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

**TIME Stays On Track In Q1 2019**

- Consolidated Group revenue grew 13.8% to RM262.5 million
- Revenue growth recorded across all product segments and core customer groups

**Shah Alam, 24 May 2019** – TIME dotCom Berhad (“TIME” or “the Group”) posted consolidated Group revenue of RM262.5 million for the quarter ended 31 March 2019. The 13.8% year-on-year growth can be attributed to higher sales recorded from all core product segments. The data and data centre businesses led growth by 15.2% and 8.9%, respectively.

All customer groups contributed to growth, led by Retail as a result of continued demand for its TIME Fibre Home Broadband service.

The Group recorded a 3.5% (pre-MFRS 16) increase in pre-tax profit to RM68.3 million. The increase is mainly due to higher revenue growth across core product segments and customer groups, and a higher share of profit from investment in associates.

The Group has intensified efforts to expand its footprint domestically in line with providing better broadband connectivity. It has bolstered its domestic network as evidenced by the Group’s recent achievements.

- Ookla® Speedtest® Award for Fastest Fixed Network in Malaysia, Q3-Q4 2018
- First telco in Malaysia and second in the world to achieve the Metro Ethernet Forum (MEF) 3.0 certification

“The initiatives that we have put in place will help us to weather a challenging 2019 while we look towards securing future growth,” said Afzal Abdul Rahim, TIME’s Commander-in-Chief.

**Dividends**

On 29 March 2019, the Group paid an interim ordinary and a special interim tax-exempt (single tier) dividend of 9.25 sen and 11.31 sen per ordinary share respectively for the financial year ended 31 December 2018.

**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 that delivers domestic and global connectivity, data centre and managed services to customers across ASEAN. Powering TIME's businesses are its fibre optic network assets that span Malaysia, Singapore, Thailand and Vietnam – countries in which it has an established operational presence. TIME's network extends beyond the region via its stakes in Unity, Faster, Asia Pacific Gateway (APG) and Asia-Africa-Europe-1 (AAE-1) subsea cable systems that cover two thirds of the globe. TIME is headquartered in Kuala Lumpur. Visit [www.time.com.my](http://www.time.com.my) for more information. TIMECOM.

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