



TIME dotCom Berhad
199601040939 (413292-P)
No. 14, Jalan Majistret U1/26
HICOM Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan

Tel: 603-5039 3000
Fax: 603-5032 0183
www.time.com.my

TIME DOTCOM BERHAD
Registration No. 199601040939 (413292-P)
(Incorporated in Malaysia)

MINUTES OF THE POSTPONED 24TH ANNUAL GENERAL MEETING OF TIME DOTCOM BERHAD (“TIME” OR “THE COMPANY”) (“THE MEETING OR AGM”) HELD FULLY VIRTUAL AT TIME DOTCOM BERHAD, NO. 14, JALAN MAJISTRET U1/26, HICOM GLENMARIE INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL EHSAN [HTTPS://WEB.LUMIAGM.COM](https://web.lumiagm.com). ON THURSDAY, 22 JULY 2021 AT 10.00 A.M.

- PRESENT** : **Chairman of the meeting**
Mr Hong Kean Yong
- Directors** *(via Remote Participation and Electronic Voting (“RPEV”) facilities)*
- Puan Elakumari Kantilal
Mr Ronnie Kok Lai Huat
Mr Mark Guy Dioguardi
Ms Koh Cha-Ly
Encik Afzal Abdul Rahim
Mr Patrick Corso
Mr Lee Guan Hong
- Shareholders/Proxies/Corporate Representatives as per Attendance Summary** *(via RPEV facilities)*
- ABSENT WITH APOLOGIES** : Encik Abdul Kadir Md Kassim
- BY INVITATION** : Ms Cheok Huei Shian *(via RPEV facilities)*
- Deputy Chief Financial Officer
- Messrs KPMG PLT** *(via RPEV facilities)*
Mr Chew Beng Hong
Mr Samuel Chia
- IN ATTENDANCE** : Ms Chew Ann Nee *(via RPEV facilities)*
- Company Secretary
-

CHAIRMAN'S OPENING ADDRESS

The Emcee welcomed the shareholders to the meeting and informed that the Chairman, Encik Abdul Kadir Md Kassim was unable to attend the meeting and extended his apologies. Accordingly, the Board had elected Mr Hong Kean Yong, the Senior Independent Director of the Company as the Chairman for the meeting.

The Chairman welcomed the shareholders to the meeting and informed that the virtual meeting was necessary in support of the Government's initiative to discourage mass gatherings as part of its safety measure to contain the spread of COVID-19. He then proceeded to introduce the members of the Board as well as the Company Secretary, the Deputy Chief Financial Officer and the representatives from Messrs KPMG PLT, the external auditors, Mr Chew Beng Hong and Mr Samuel Chia.

VOTING

The Emcee informed the meeting on the following:-

- (i) The Annual Report 2020 could be downloaded from the Company's website at www.time.com.my;
- (ii) A request for a printed copy may be made by returning the completed request form appended to the Notice of AGM; and
- (iii) A reminder on having a stable Internet connection in order to participate in the meeting.

A short video was played to demonstrate the functions available within the LUMI AGM Portal and the shareholders were then given a 1-minute test resolution to cast their votes.

The Emcee informed that voting session for the resolution would commence as soon the Chairman tables the Agenda and shall remain open until the announcement of poll closure by the Chairman.

Boardroom Share Registrars Sdn Bhd had been appointed to act as the Poll Administrator to conduct the e-polling process and Scrutineer Solutions Sdn Bhd had been appointed as the Independent Scrutineer to validate the votes casted at the meeting.

QUORUM

With the requisite quorum being present as confirmed by the Company Secretary, the Chairman declared the meeting to order at 10.10 a.m.

NOTICE OF MEETING

There being no objection from the shareholders, the notice convening the meeting was taken as read.

COMMANDER-IN-CHIEF ("CIC")'S ADDRESS

The Chairman invited Encik Afzal Abdul Rahim, the CIC of TIME, to present his overview, plan and aspirations for the Group. He added that the CIC would also present the questions from the Minority Shareholder Watch Group ("MSWG") and TIME's responses to them.

The CIC provided an overview of the Group's performance for 2020 which encompassed 3 areas as follows:

- (i) Business Review – Domestic Network, Global Network, Data Centre and ASEAN;
- (ii) Financial Review – 2020 Performance Summary, Revenue (by product and customer segment) and Capital Expenditure; and
- (iii) Recent Developments and Outlook – Expansion of Cloud Proposition, Outlook and Priorities for 2021 and Beyond.

QUESTIONS FROM MSWG

The CIC proceeded to present the questions which MSWG had raised in their letter dated 9 June 2021 and TIME's responses to them.

A copy of TIME's written response issued to MSWG on 21 July 2021 is attached to these minutes as Appendix A.

The Chairman thanked the CIC for his presentation and proceeded to the agenda of the meeting.

AGENDA

1. **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the meeting that as provided under Section 340(1) of the Companies Act 2016, Agenda 1 did not require approval of the shareholders and therefore, would not be put forward for voting.

ORDINARY BUSINESS:-

2(I). **ORDINARY RESOLUTION 1 – TO RE-ELECT MR MARK GUY DIOGUARDI WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH RULE 103 OF THE COMPANY'S CONSTITUTION**

The Chairman informed that Mr Mark Guy Dioguardi who retired in accordance with Rule 103 of the Company's Constitution, and being eligible, had offered himself for re-election.

The profile of Mr Mark Dioguardi was set out on page 38 of the 2020 Annual Report.

2(II). **ORDINARY RESOLUTION 2 – TO RE-ELECT MR HONG KEAN YONG WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH RULE 103 OF THE COMPANY'S CONSTITUTION**

The Chairman handed over the Chair to Encik Afzal Abdul Rahim, the CIC to read out Ordinary Resolution 2 as the resolution pertained to his re-election.

The CIC informed that Mr Hong Kean Yong who retired in accordance with Rule 103 of the Company's Constitution, and being eligible, had offered himself for re-election.

The profile of Mr Hong Kean Yong was set out on page 37 of the 2020 Annual Report.

The CIC then handed over the Chair back to the Chairman.

2(III). **ORDINARY RESOLUTION 3 – TO RE-ELECT MR PATRICK CORSO WHO RETIRES AS DIRECTOR IN ACCORDANCE WITH RULE 103 OF THE COMPANY’S CONSTITUTION**

The Chairman informed that Mr Patrick Corso who retired in accordance with Rule 103 of the Company’s Constitution, and being eligible, had offered himself for re-election.

The profile of Mr Patrick Corso was set out on page 39 of the 2020 Annual Report.

3. **ORDINARY RESOLUTION 4 – TO RE-APPOINT MESSRS KPMG PLT AS AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Chairman proceeded to the next resolution on the proposed re-appointment of Messrs KPMG PLT as auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to fix their remuneration.

The Chairman informed the meeting that Messrs KPMG PLT had indicated their willingness to continue in office until the conclusion of the next AGM of the Company.

SPECIAL BUSINESS:-

4. **ORDINARY RESOLUTION 5 – PAYMENT OF DIRECTORS’ FEES OF UP TO RM984,000 FROM THE DAY AFTER THE 24TH ANNUAL GENERAL MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

The Chairman informed that the resolution under Special Business was to consider and, if thought fit, to pass Ordinary Resolution 5 to approve the payment of Directors’ Fees of up to RM984,000 from the day after the 24th Annual General Meeting until the conclusion of the next Annual General Meeting as well as to cater for the possible appointment of a new Director.

The Chairman further informed that the Directors’ Fees breakdown was as follows:-

- (i) RM864,000 for existing Directors; and
- (ii) RM120,000 for a new Director.

5. **ORDINARY RESOLUTION 6 – PROPOSED PAYMENT OF DIRECTORS’ BENEFITS TO THE NON-EXECUTIVE DIRECTORS**

The Chairman proceeded to Ordinary Resolution 6 which was to approve the Directors’ Benefits and, if approved by the shareholders, would give authority to the Company for the payment of benefits which include meeting allowance, medical and hospitalisation coverage and other claimable benefits incurred from the day after the 24th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

The full text of the resolution was set out in the notice of meeting.

QUESTION AND ANSWER (“Q&A”) SESSION

After tabling all the resolutions, the Chairman proceeded with the Q&A session. As advised by the Company Secretary, he informed that TIME had received several questions submitted by shareholders.

The Chairman further informed that TIME would endeavor to answer all the questions, failing which, the Company would reply via email. He then highlighted that many questions had been received pertaining to door gifts for the AGM and referred the meeting to the Revised Administrative Details issued together with the notice of the postponed AGM dated 23 June 2021 where it was stated therein that there would be no distribution of door gifts or vouchers for shareholders/proxies who participate at the virtual AGM.

The Chairman then invited the CIC to address the questions from the shareholders on behalf of the Board. The pertinent questions and the responses provided by the Board are summarised below:

- (i) Please elaborate on the technology direction of TIME to drive EBITDA growth and to give an insight into the pillar of growth that TIME would strategise around.

Response: TIME is focused on profitability with quite decent and healthy EBITDA, PBT and PAT margins. TIME is still focused on its fixed line business from the technology standpoint with no plans to move into the mobile business. One of the pillars of growth would be cloud computing with the recent acquisition of AVM Cloud, a company with strong goodwill and footprint in the market.

- (ii) In particular, is Internet TV or OTT part of TIME major growth strategy? If so, what is the projected revenue from this segment? Please elaborate on the strategic plan going forward.

Response: TIME had ventured into Internet TV in the past but subsequently pulled out as it did not provide the desired profit margin. As of now, Internet TV and OTT are not part of TIME's major growth strategy. Internet TV/OTT, or more specifically "Content", is not a focus area as access to content and broadcasting rights are very costly, and with the advent of many content platforms like Astro, having its own platform may not be the most value-creating approach.

- (iii) What is the next growth sector and/or revenue area away from current traditional source in our TELCO or IT sector?

Response: At present, the strategic direction is to enhance TIME's position in the fixed line business through coverage expansion whilst strengthening on its data centre and cloud computing capabilities.

- (iv) What was the current construction progress of AIMS@Cyberjaya? When would the Data Centre operation commence and if any significant order from customer had been secured?

Response: The construction of the first phase of AIMS@Cyberjaya had been completed and received the Certificate of Completion and Compliance in June 2021. The data centre had been operational since then and had secured some initial customer orders.

- (v) What was the current market share occupied by AVM Cloud Sdn. Bhd. (“AVM”) in cloud computing sector? How was the proportion of domestic and international customer base of AVM? What would be the expected annual income contributed by AVM to the Group? Appreciate if Management could reveal the Group’s planning in growing the cloud segment as the next pillar of the Group’s business.

Response: AVM Cloud is an Enterprise Cloud provider focused in VMWare cloud technology. VMWare is currently the market leader in the hyperconverged infra and cloud enabler for Enterprise whilst AVM is one of the leading VMWare Cloud providers in Malaysia. AVM’s base is mainly local conglomerates which reflects its focus as a homegrown provider. TIME is not able to provide forward-looking details but AVM is expected to contribute positively. TIME foresee huge potential to continue investing in on-premise, public, private and hybrid cloud eco-system, supported by multi cloud management capabilities.

- (vi) Regarding the strategic partnership with Facebook in investing in internet infrastructure in Malaysia which was expected to be completed in Q3 of 2020, a delay was anticipated due to the MCO in 2020. Is the project completed now and if it had started contributing income to the Group?

Response: It was clarified that the collaboration with Facebook was to invest in internet infrastructure in Malaysia, and not a strategic partnership. It is similar to other commercial arrangement with several other global OTT players. The deliverables under the said collaboration were delivered on time and the project had started contributing income to the Group.

- (vii) What is TIME’s planning and strategy in order to seize the opportunities led by 5G now, in the near future and long term? How to get involved in JENDELA program or even until 2030 at the final stage of MyDIGITAL plan or any other deployment?

Response: TIME is in the business of fixed line services and has plenty of opportunities to support 5G as infrastructure provider with its expansive network coverage, whereby TIME would be able to support mobile operators and Digital Nasional Berhad in their 5G plan by offering mobile network fiberisation and backhaul services.

No comments on MyDIGITAL as TIME had little involvement to date.

- (viii) On Dividend policy: Dividend is currently capped at 25% of Group’s normalised profit after tax. Would it be visited in 2021 onwards in view of its trailing good financial results?

Response: Presently, TIME is maintaining the dividend policy of 25% of Group’s normalised profit after tax. Based on the policy, the Group would be required to pay 12.50 sen of interim dividend for FY2020. However, the Board had also approved an additional 20.60 sen of special dividend. The Board would review the dividend policy from time to time to balance dividend payout and reinvestment opportunities. The primary objective of TIME is still to grow value, safeguard and increase shareholders’ returns.

- (ix) In reference to the 2020 Annual Report on page 140, note 22
- Please explain what is Deferred Tax and why is there an increase in Deferred Tax charge for the current year by RM 79,975,000?
 - What is the reversal of RM24,594,000 in “recognition of previously unrecognised temporary differences” which was included in the said charge?

Response: Deferred tax is a temporary difference between the carrying value of assets and liabilities in accounts and their tax bases. It is an accounting measure of estimated future tax consequences of transactions or events recognised in the books. Deferred Tax Asset (“DTA”) is not recognised unless there is sufficient evidence of future taxable income. The increase in deferred tax charge was due to the utilisation of DTA as a reduction in deferred tax asset for FY2020.

“Recognition of previously unrecognised temporary differences” on page 125 of the 2020 Annual Report arose from the recognition of previously unrecognised tax losses and capital allowances.

- (x) Could you explain the progress of the Employee Share Option Scheme (“ESOS”) to all employees? Why was the Special Restricted Share Plan (“SRSP”) only available to 2 employees in particular?

Response: There are two equity based incentive schemes at TIME. The first, being a share grant plan, is the Special Restricted Share Plan (“SRSP”) and Annual Restricted Share Plan and Annual Performance Share Plan (“ARPSP”) which are available to all eligible employees (except for two Executive Directors namely, the CIC and Mr Patrick Corso) if certain company and individual targets have been achieved. The second, in the form of an employee stock option scheme (“ESOS”), is a share option plan granted only to the said two Executive Directors.

The rationale was to ensure the proper governance of the ARPSP by segregating the said two Executive Directors, being substantial shareholders, from the benefits that were available to the general employees arising from the share grant plan. It also meant that the CIC and Mr Patrick Corso had to pay to purchase TIME shares via the exercise of the option, as opposed to receiving the shares “for free”.

- (xi) How long has KPMG been the auditors of Company? Would the Company be open to source audit services from other reputable BIG firms at certain time frame instead of rotating the engagement partners of the audit firm? The China wall in professional firms do not necessarily induce good Corporate Governance policy for listed companies nor reflects of readiness of listed companies to embrace changes in audit firms.

Response: KPMG had been appointed as auditors of the Company since 2008. Moving forward, in assessing the suitability, objectivity and independence of the external audit firm, the Audit Committee shall consider the information presented in the Annual Transparency Report of the audit firm in line with Guidance 9.3 of the MCCG 2021.

- (xii) How much did the Company spend on the virtual AGM?

Response: We are not able to disclose the spending cost, but it is more cost efficient to hold a virtual meeting instead of a physical meeting.

- (xiii) Do you think it is possible that blockchain technology such as Theta Network would disrupt the data centre business by creating a decentralized content delivery network?

Response: The blockchain technology used by Theta Network for its video delivery platform would be beneficial to TIME as it would increase the usage of the bandwidth and data centre.

- (xiv) How had the global pandemic impact the internal goals of the Company?

Response: TIME had been very prudent in its approach to ensure it has sufficient financial ability to pull through this difficult period. Goals are continuously reviewed and adjusted based on their achievability. The Enterprise segment has been affected as expected, but conversely the Retail segment continues its strong growth momentum.

With that, the Chairman declared the Q&A session closed.

The Chairman then declared that the Audited Financial Statements for the year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon duly received.

POLLING PROCESS

The Chairman informed the meeting that 10 minutes would be allocated for those shareholders who have yet to vote on the resolutions and another 15 minutes for the Independent Scrutineer to verify the results.

The meeting resumed after 25 minutes upon conclusion of the Independent Scrutineer's validation of the poll results.

ANNOUNCEMENT OF POLL RESULTS

The Chairman called the meeting to order for the announcement of the poll results and invited the Company Secretary, to read out the poll results for all the resolutions tabled at the meeting as follows:-

- (i) Resolution 1 – Re-election of Mark Guy Dioguardi as Director

	<u>Number of Shares</u>	<u>Percentage (%)</u>
Voted FOR	488,445,713	99.6753
Voted AGAINST	1,591,241	0.3247

It was RESOLVED THAT Mr Mark Guy Dioguardi, who retires in accordance with Rule 103 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as a Director of the Company.

- (ii) Resolution 2 – Re-election of Hong Kean Yong as Director

	<u>Number of Shares</u>	<u>Percentage (%)</u>
Voted FOR	440,000,803	99.7531
Voted AGAINST	1,089,031	0.2469

It was RESOLVED THAT Mr Hong Kean Yong, who retires in accordance with Rule 103 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as a Director of the Company.

(iii) Resolution 3 – Re-election of Patrick Corso as Director

	<u>Number of Shares</u>	<u>Percentage (%)</u>
Voted FOR	468,822,962	98.9493
Voted AGAINST	4,978,392	1.0507

It was RESOLVED THAT Mr Patrick Corso, who retires in accordance with Rule 103 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as a Director of the Company.

(iv) Resolution 4 – Re-appointment of Messrs KPMG PLT as Auditors

	<u>Number of Shares</u>	<u>Percentage (%)</u>
Voted FOR	489,001,111	99.9723
Voted AGAINST	135,347	0.0277

It was RESOLVED THAT Messrs KPMG PLT be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to determine their remuneration.

(v) Resolution 5 – Directors' fees of up to RM984,000

	<u>Number of Shares</u>	<u>Percentage (%)</u>
Voted FOR	439,741,815	99.8277
Voted AGAINST	758,851	0.1723

It was RESOLVED THAT the Directors' fees of up to RM984,000 from the day after the 24th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company be hereby approved.

(vi) Resolution 6 – Proposed payment of Directors' Benefits to the Non-Executive Directors

	<u>Number of Shares</u>	<u>Percentage (%)</u>
Voted FOR	439,721,216	99.8277
Voted AGAINST	759,050	0.1723

It was RESOLVED THAT approval be and is hereby given for the payment of Directors' Benefits which include meeting allowance, medical and hospitalisation coverage and other claimable benefits incurred from the day after the 24th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

Based on the poll results, the Chairman declared that all the resolutions tabled at the meeting were carried.

ANY OTHER BUSINESS

The Chairman had been duly advised by the Group Company Secretary that the Company had not received any notice of any other business in accordance with the Companies Act, 2016.

CLOSURE

There being no other business, the Chairman declared the fully virtual meeting closed at 11.40 a.m. and thanked shareholders for their participation in the meeting.

CONFIRMED AS CORRECT

- Signed -

HONG KEAN YONG

Chairman of the meeting

Dated : 27 August 2021
Selangor Darul Ehsan

TIME dotCom Berhad (413292-P)
No.14, Jalan Majistret U1/26
HICOM Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan

Tel: 603-5032 6000
Fax: 603-5032 0183
www.time.com.my

21 July 2021

Chief Executive Officer
Badan Pengawas Pemegang Saham Minoriti Berhad
Tingkat 11, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attention: Mr Devanesan Evanson

Dear Sir,

**Re: 24th Annual General Meeting of TIME dotCom Berhad (“TIME” or “the Company”)
to be held on Thursday, 22 July 2021**

We refer to your letter dated 9 June 2021 on the above matter and are pleased to set out our responses to your queries below:-

Operational and Financial Matters

1. The Group is fully committed to supporting JENDELA, a 5-year plan initiated by the government aimed at developing the nation’s digital infrastructure to deliver digital connectivity and elevate the quality of experience for Malaysians. (Page 7 of Annual Report (AR) 2020)

What specifically are the Group’s plans in supporting JENDELA in terms of delivering its digital connectivity?

Answer

For digital connectivity, we are supporting and will continue to support JENDELA by contributing in its network expansion objectives by increasing our network coverage footprint in line with JENDELA’s fibre connectivity targets. In addition, we will continue to support industry players with their infrastructure needs, such as fibre backhaul and mobile network fiberisation for mobile operators.

2. TIME has also made good progress on its regional data centre expansion plans with the opening of AIMS @ Bangkok in September 2020 and the subsequent inking of a partnership between AIMS @ Bangkok and the Bangkok Neutral Internet eXchange (“BKNIX”) to enhance its regional network. (Page 7 of AR 2020)
- (a) What will be the total net lettable area of AIMS @ Bangkok with its opening?
 - (b) What is the additional net lettable area (and % increase in lettable area) due to the new Cyberjaya facility that is under construction?

Answer

- (a) The total net lettable area of AIMS @ Bangkok is 5,500 sq ft.
 - (b) The first block of our new AIMS @ Cyberjaya data centre has a total of 60,000 sq. ft. in capacity, with 10,000 sq. ft. of it readily saleable to customers today. With the readily available space, our net lettable area in Malaysia will increase by approximately 12%.
3. The Group continued to strengthen and improve its domestic fibre network infrastructure, whilst expanding its coverage footprint despite the various movement restrictions. (Page 10 of AR 2020)

What is the Group’s plan to upgrade its fibre network capacity and length? What are the current areas served, targeted areas and timeframes?

Answer

The Group plans to continue to roll out our fibre network and targets to increase premises passed in 2021 by approximately 20%. We currently serve predominantly multi-dwelling units (MDU) and will continue to expand in that demographic, particularly in the main cities in Peninsular Malaysia.

4. AIMS Data Centre (“AIMS”), the Group’s data centre business and Malaysia’s leading carrier-neutral data centre service provider, continues to see high traction for its services on the back of continued growth in the over-the-top (“OTT”) customer segment. (Page 11 of AR 2020)

Considering that revenue from Data Centre is growing well, what is the Group’s plan for expanding the segment whether domestically or regionally?

Answer

At this juncture, we are excited to keep the momentum going with the initial opening of AIMS @ Cyberjaya, whilst expanding regionally with the opening of our AIMS @ Bangkok data centre in September 2020. Currently, we are also working towards expansion into Vietnam through our associate company, CMC Telecom.

In addition to that, we also believe that with the consolidation of AVM Cloud into the TIME Group, this will further enhance our cloud services proposition, thus also contributing positively to our Data Centre’s growth prospects.

5. TIME posted stronger profit before tax (“PBT”) of RM423.1 million, 29% higher year-on-year (FY2019: RM328.1 million) on the back of stronger top-line performance, improved operational and cost efficiency, lower finance expenses, no provision for financial guarantees in FY2020 and increased share of profits from associates. (Page 14 of AR 2020)
- (a) Are the better performances in the top-line and bottom-line figures sustainable in FY2021?
 - (b) How was the provision for financial guarantees that appeared in FY2019 settled in 2020?
 - (c) What were the reasons for the better financial performance of associates in FY2020? What is the outlook for the associates in FY2021?

Answer

- (a) We expect the market to continue to be competitive and challenging but we remain positive on the prospects of our financial and operational performance for 2021.
 - (b) The provision was determined based on the maximum amount of exposure to the Group. Negotiation for the settlement of the said bank facilities are still ongoing with the Group’s partners in Thailand.
 - (c) The better performance from associates in FY2020 was driven by strong topline growth and cost discipline which delivered our share of profit from associates of RM18.0 million, compared with RM14.7 million in FY2019. Similar to Malaysia, we expect the market to continue to be competitive and challenging in Thailand and Vietnam, but we remain positive on the outlook for the associates in FY 2021.
6. The recent acquisition of a 60% stake in AVM, one of Malaysia’s leading cloud services providers, adds to the Group’s product offerings in providing a more comprehensive solution to meet its Enterprise customer requirements. (Page 18 of AR 2020)

How has the cloud services contributed meaningfully to revenue from Enterprise customers and what is its outlook for FY2021?

Answer

AVM Cloud has had a positive contribution to our Enterprise revenues, starting in Q1 2021, which was the first quarter we consolidated AVM Cloud. Our Enterprise revenues in Q1 2021 grew by 26% YoY and 21% QoQ, and AVM Cloud contributed meaningfully to this growth. We do not provide forward-looking forecasts, but expect the positive momentum of AVM Cloud to continue throughout FY2021.

7. Net impairment on trade receivables increased to RM13.1 million in FY2020 from RM8.9 million in FY2019. (Page 140 of AR 2020)
- (a) What was the reason for the substantial increase in impairments?
 - (b) How much of these impairments have been recovered to-date?
 - (c) What percentage of these impairments are expected to be non-recoverable? Are impairments expected to increase, going forward?

Answer

- (a) The impairment on trade receivables was recognised based on our credit policy and loss allowance for expected credit losses. The impairment increased from 0.8% of revenue in FY2019 to 1.1% of revenue in FY2020, due to an increase in credit risk across most customer segments, in light of the current pandemic.
- (b) RM4.4 million has been recovered up to June 2021.
- (c) We do not disclose any forecast on recoverability. The Group has established credit management control in place. We are committed and focused on recovering as much as possible of the amount through negotiation for settlement and legal proceedings. We would expect impairments as a % of revenue going forward to remain approximately in line with FY2020 levels.

Thank you.

Yours faithfully,
TIME dotCom Berhad

-Signed-

CHEW ANN NEE
Company Secretary