

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2021

TIME DOTCOM BERHAD

Financial Year End 31 Dec 2021
 Quarter 3 Qtr
 Quarterly report for the financial period ended 30 Sep 2021
 The figures have not been audited

Attachments

[TdC-3rd Qtr Financial Results 30 Sep 2021.pdf](#)
 861.2 kB

[Press Release.pdf](#)
 188.3 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	346,769	309,545	1,025,282	908,297
2 Profit/(loss) before tax	137,138	90,271	388,033	313,769
3 Profit/(loss) for the period	101,744	65,907	286,634	233,654
4 Profit/(loss) attributable to ordinary equity holders of the parent	100,543	65,945	284,568	233,692
5 Basic earnings/(loss) per share (Subunit)	5.53	3.64	15.68	13.06
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 (\$\$)	1.7300		1.6800	

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
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Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	TIME DOTCOM BERHAD
Stock Name	TIMECOM
Date Announced	26 Nov 2021
Category	Financial Results
Reference Number	FRA-25112021-00052

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current year quarter 30/9/2021 RM'000	Unaudited Preceding year corresponding quarter 30/9/2020 RM'000	Unaudited Nine months to 30/9/2021 RM'000	Unaudited Nine months to 30/9/2020 RM'000
Operating revenue	346,769	309,545	1,025,282	908,297
Operating expenses				
- depreciation and amortisation of property, plant and equipment and right-of-use assets	(40,804)	(39,442)	(121,235)	(112,753)
- other operating expenses	(176,600)	(165,456) *	(537,245)	(488,516)
Other operating income (net)	5,989	(14,843) *	18,088	599
Profit from operations	135,354	89,804	384,890	307,627
Income from investments	3,123	1,758	7,689	8,432
Finance costs	(7,570)	(5,810)	(20,536)	(15,336)
Share of profit from associates, net of tax	6,231	4,519	15,990	13,046
Profit before tax	137,138	90,271	388,033	313,769
Tax expense	(35,394)	(24,364)	(101,399)	(80,115)
Profit for the period	101,744	65,907	286,634	233,654
Profit / (Loss) attributable to:				
Owners of the Company	100,543	65,945	284,568	233,692
Non-controlling interests	1,201	(38)	2,066	(38)
Profit for the period	101,744	65,907	286,634	233,654

* Included in the preceding year corresponding quarter and year-to-date other operating expenses and other operating income (net) is a net foreign exchange loss of RM5,769,000 and a net foreign exchange loss of RM14,851,000 respectively.

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 2020.

TIME DOTCOM BERHAD
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I. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current year quarter 30/9/2021 RM'000	Unaudited Preceding year corresponding quarter 30/9/2020 RM'000	Unaudited Nine months to 30/9/2021 RM'000	Unaudited Nine months to 30/9/2020 RM'000
Profit for the period	101,744	65,907	286,634	233,654
Other comprehensive (expenses) / income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
- Foreign currency translation differences for foreign operations	(5,756)	(9,317)	(7,400)	(5,706)
- Cash flow hedge – associate	95	(891)	392	(891)
	<u>(5,661)</u>	<u>(10,208)</u>	<u>(7,008)</u>	<u>(6,597)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
- Remeasurement of defined benefit plan	-	585	-	585
- Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")	10,623	(1,072)	11,909	1,435
	<u>10,623</u>	<u>(487)</u>	<u>11,909</u>	<u>2,020</u>
Total other comprehensive income / (expense) for the period, net of tax	4,962	(10,695)	4,901	(4,577)
Total comprehensive income for the period	106,706	55,212	291,535	229,077
Total comprehensive income / (loss) attributable to:				
Owners of the Company	105,505	55,250	289,469	229,115
Non-controlling interests	1,201	(38)	2,066	(38)
	<u>106,706</u>	<u>55,212</u>	<u>291,535</u>	<u>229,077</u>
Total comprehensive income for the period	106,706	55,212	291,535	229,077
Earnings per share (based on weighted average number of ordinary shares)				
- Basic	5.53 sen	3.64 sen #	15.68 sen	13.06 sen #
- Diluted	5.52 sen	3.63 sen #	15.66 sen	13.04 sen #

Basic and diluted EPS were adjusted to reflect impact of bonus issue exercise on the basis of two (2) bonus shares for every one (1) existing ordinary share held which was completed on 6 August 2021. Basic EPS previously reported in preceding year corresponding quarter and year-to-date was 10.92 sen and 39.18 sen respectively. Diluted EPS previously reported in preceding year corresponding quarter and year-to-date was 10.90 sen and 39.13 sen respectively.

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 2020.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/9/2021 RM'000	Audited As at 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,805,450	1,689,670
Right-of-use assets	137,896	154,568
Intangible assets	251,966	213,959
Investment in associates	448,664	441,360
Other investments	42,971	31,271
Deferred tax assets	84,436	165,310
Trade and other receivables	2,016	2,112
	<u>2,773,399</u>	<u>2,698,250</u>
Current assets		
Tax recoverable	855	812
Trade and other receivables	559,944	452,393
Restricted cash	4,142	332
Cash and cash equivalents	810,951	748,796
	<u>1,375,892</u>	<u>1,202,333</u>
Total assets	<u>4,149,291</u>	<u>3,900,583</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,379,148	1,340,475
Reserves	1,788,816	1,704,450
Equity attributable to owners of the Company	<u>3,167,964</u>	<u>3,044,925</u>
Non-controlling interests	20,700	5,367
Total equity	<u>3,188,664</u>	<u>3,050,292</u>
Non-current liabilities		
Loans and borrowings	113,569	28,675
Lease liabilities	108,757	118,373
Trade and other payables	314,356	301,616
Deferred tax liabilities	17,617	15,171
	<u>554,299</u>	<u>463,835</u>
Current liabilities		
Loans and borrowings	22,334	18,122
Lease liabilities	24,064	18,851
Trade and other payables	346,962	344,335
Provision for tax	12,968	5,148
	<u>406,328</u>	<u>386,456</u>
Total liabilities	<u>960,627</u>	<u>850,291</u>
Total equity and liabilities	<u>4,149,291</u>	<u>3,900,583</u>
Net assets per share attributable to ordinary owners of the Company	<u>RM1.73</u>	<u>RM1.68</u> #

Net asset per share as at 31 December 2020 was adjusted to reflect impact of bonus issue exercise on the basis of two (2) bonus shares for every one (1) existing ordinary share held which was completed on 6 August 2021. Net asset per share as at 31 December 2020 previously reported was RM5.04.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months to 30/9/2021 RM'000	Unaudited Nine months to 30/9/2020 RM'000
Operating Activities		
Cash receipts from customers	1,025,232	946,184
Transfer to restricted cash	(45)	(164)
Cash payments to suppliers	(321,027)	(256,652)
Cash payments to employees and for administrative expenses	(243,071)	(230,556)
Payment of lease liabilities	(29,092)	(14,456)
Cash generated from operations	431,997	444,356
Tax paid	(11,763)	(6,992)
Net cash generated from operating activities	420,234	437,364
Investing Activities		
Acquisition of property, plant and equipment	(225,291)	(181,588)
Proceeds from disposal of property, plant and equipment	115	150
Proceeds from disposal of investment in a subsidiary to an associate	-	3,597
Acquisition of other investments	-	(2,583)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(44,682)	-
Investment income received	8,274	9,081
Net cash used in investing activities	(261,584)	(171,343)
Financing Activities		
Proceeds from loans and borrowings	104,043	12,512
Repayment of term loans and borrowings	(20,138)	(68,195)
Finance charges paid	(5,889)	(3,430)
Proceeds from issuance of additional shares	15,367	95,979
Proceeds from subscription of shares in a subsidiary to non-controlling interest	3,000	-
Proceeds from subscription of shares in a subsidiary by an associate	-	2,920
Shareholder loan from an associate	3,304	7,156
Dividend paid	(200,011)	(169,982)
Net cash used in financing activities	(100,324)	(123,040)
Net change in cash and cash equivalents	58,326	142,981
Effect of exchange rate fluctuations on cash held	3,829	(1,845)
Cash and cash equivalents as at beginning of financial period	748,796	506,954
Cash and cash equivalents as at end of financial period	Note (a) 810,951	648,090
Note:		
(a) Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	212,936	153,292
Deposits with licensed banks	602,157	495,128
	815,093	648,420
Restricted cash	(4,142)	(330)
Cash and cash equivalents in the statement of financial position	810,951	648,090

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to the owners of the Company →								
	← Non-distributable →			Distributable					
Nine months to 30 September 2021 (unaudited)	Share Capital RM'000	FVOCI Reserve RM'000	Foreign Currency Translation Reserve RM'000	Share Grant/ Option Reserves RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2021	1,340,475	13,131	35,948	24,809	(765)	1,631,327	3,044,925	5,367	3,050,292
Dividend paid	-	-	-	-	-	(200,011)	(200,011)	-	(200,011)
Employee share grant plan/option scheme	-	-	-	18,214	-	-	18,214	-	18,214
Issuance of shares pursuant to the share grant/option granted	38,673	-	-	(23,306)	-	-	15,367	-	15,367
Acquisition of subsidiaries	-	-	-	-	-	-	-	13,267	13,267
Profit for the period	-	-	-	-	-	284,568	284,568	2,066	286,634
Fair value gain on equity investments designated at fair value through other comprehensive income ("FVOCI")	-	11,909	-	-	-	-	11,909	-	11,909
Exchange differences recognised directly in equity	-	-	(7,400)	-	-	-	(7,400)	-	(7,400)
Cash flow hedge - associate	-	-	-	-	392	-	392	-	392
Total comprehensive income/(expense) for the period	-	11,909	(7,400)	-	392	284,568	289,469	2,066	291,535
Balance as at 30 September 2021	1,379,148	25,040	28,548	19,717	(373)	1,715,884	3,167,964	20,700	3,188,664

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 2020.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to the owners of the Company →								→
	← Non-distributable →				Distributable				
Nine months to 30 September 2020 (unaudited)	Share Capital RM'000	FVOCI Reserve RM'000	Foreign Currency Translation Reserve RM'000	Share Grant/ Option Reserves RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- controlling interest RM'000	Total Equity RM'000
Balance as at 1 January 2020	1,200,135	11,025	40,278	42,749	-	1,472,670	2,766,857	-	2,766,857
Dividend paid	-	-	-	-	-	(169,982)	(169,982)	-	(169,982)
Employee share grant plan/option scheme	-	-	-	19,821	-	-	19,821	-	19,821
Issuance of shares pursuant to the share grant/option granted	140,340	-	-	(44,361)	-	-	95,979	-	95,979
Subscription of shares in a subsidiary by an associate	-	-	-	-	-	-	-	2,920	2,920
Disposal of investment in a subsidiary to an associate	-	-	-	-	-	-	-	3,590	3,590
Profit/(Loss) for the period	-	-	-	-	-	233,692	233,692	(38)	233,654
Fair value gain on equity investments designated at FVOCI	-	1,435	-	-	-	-	1,435	-	1,435
Exchange differences recognised directly in equity	-	-	(5,706)	-	-	-	(5,706)	-	(5,706)
Cash flow hedge - associate	-	-	-	-	(891)	-	(891)	-	(891)
Remeasurement of defined benefit plan	-	-	-	-	-	585	585	-	585
Total comprehensive income/(expense) for the period	-	1,435	(5,706)	-	(891)	234,277	229,115	(38)	229,077
Balance as at 30 September 2020	1,340,475	12,460	34,572	18,209	(891)	1,536,965	2,941,790	6,472	2,948,262

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 2020.

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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 2020. 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 2020.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2020, except for the adoption of the following amendments to MFRSs with a date of initial application on 1 June 2020 and 1 January 2021:

Description

Amendment to MFRS 16	<i>Leases - Covid-19-Related Rent Concessions</i>
Amendments to MFRS 9, 139, 7, 4 and 16	<i>Interest Rate Benchmark Reform – Phase 2</i>

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16	<i>Leases – Covid-19-Related Rent Concessions beyond 30 June 2021</i> 1 April 2021
Amendments to MFRS 1, 9, 141	<i>First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments and Agriculture - Annual Improvements to MFRS Standards 2018–2020</i> 1 January 2022
Amendments to MFRS 3	<i>Business Combinations – Reference to the Conceptual Framework</i> 1 January 2022
Amendments to MFRS 116	<i>Property, Plant and Equipment - Proceeds before Intended Use</i> 1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16	<i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i> 1 January 2022
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract</i> 1 January 2022
Amendments to MFRS 101	<i>Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies</i> 1 January 2023
MFRS 17	<i>Insurance Contracts</i> 1 January 2023
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i> 1 January 2023
Amendments to MFRS 112	<i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> 1 January 2023
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 and amendments where applicable, when they become effective in the respective financial periods.

The Group, however does not plan to apply amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 141 *Agriculture* and MFRS 17 *Insurance Contracts* that are effective for annual periods beginning on 1 January 2022 and 2023 respectively as they are not applicable to the Group.

The initial application of the abovementioned standards and amendments, where applicable are not expected to have any material financial impact to the current period and prior period financial statements of the Group.

AVM Cloud Sdn. Bhd. (“AVM”) and Integrated Global Solutions Sdn. Bhd. (“IGS”) are currently reporting under Malaysian Private Entities Reporting Standard (“MPERS”). Both companies have now completed the conversion to MFRS. However, the financial impact is not material to the interim financial report.

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3. Audit report in respect of the 2020 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2020 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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current quarter and year-to-date ended 30 September 2021.

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 quarter and year-to-date ended 30 September 2021.

7. Debt and equity securities

- (i) The exercise price for the share option ("Option") to subscribe for up to 3,300,000 of the Company shares granted to Mr. Patrick Corso, a Non-Independent Executive Director of the Company, was adjusted from the previous exercise price of RM7.835 per share to RM7.761 per share, following the payment of a special interim dividend by the Company on 30 March 2021. The adjustment made to the exercise price of the Option granted to Mr. Patrick Corso was made in accordance with the provisions of the Share Option Agreement dated 20 June 2019 taking into account the special dividend paid by the Company.
- (ii) On 16 March 2021, the Company announced a proposed bonus issue of up to 1,212,483,666 bonus shares on the basis of two (2) bonus shares for every one (1) existing ordinary share held in TDC ("TDC Share(s)") held on an entitlement date to be determined and announced later ("Bonus Issue").
- (iii) On 5 April 2021, Mr. Patrick Corso partially exercised 450,000 option shares granted to him at the adjusted exercise price of RM7.761 per share. The Group received proceeds totalling RM3,492,450 as a result of the said exercise.
- (iv) On 22 July 2021, the ordinary resolution as set out in the Notice of Postponed Extraordinary General Meeting ("EGM") dated 23 June 2021 was duly passed by the shareholders at the EGM for a Bonus Issue of up to 1,212,483,666 new ordinary shares on the basis of two (2) bonus shares for every one (1) existing ordinary share held on 5 August 2021. A total 1,209,423,666 bonus shares have been issued and were listed and quoted on the Main Market of Bursa securities on 6 August 2021.
- (v) Pursuant to the Bonus Issue completed on 6 August 2021, Mr. Patrick Corso's remaining option shares of 2,850,000 have been adjusted to 8,550,000 option shares at an adjusted price of RM2.587 per share (from RM7.761 per share previously). The corresponding adjustments to the Option arising from the Bonus Issue was made to ensure fair and reasonable treatment to Mr. Patrick Corso.
- (vi) Adjustments to the Annual Restricted Share Plan and Annual Performance Share Plan (together, the Share Grant Plan or "SGP") arising from the Bonus Issue were also made to ensure fair and reasonable treatment to the eligible employees of our Group. On 16 August 2021, the Company issued 6,893,389 new ordinary shares in the Company to eligible employees under the SGP. The closing share price on the vesting date 20 August 2021 was RM4.73 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.
- (vii) On 1 September 2021, Mr. Patrick Corso partially exercised 4,590,000 option shares granted to him at the adjusted exercise price of RM2.587 per share. The Group received proceeds totalling RM11,874,330 as a result of the said exercise.

The Group did not undertake any other 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 period ended 30 September 2021.

8. Dividend

On 30 March 2021, the Group paid an ordinary interim and a special interim tax exempt (single tier) dividend of 12.50 sen and 20.60 sen per ordinary share, respectively, for the financial year ended 31 December 2020.

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9. Segmental Reporting

Group	Individual Quarter		Cumulative Quarter	
	Current quarter 30/9/2021 RM'000	Preceding year corresponding quarter 30/9/2020 RM'000	Nine months to 30/9/2021 RM'000	Nine months to 30/9/2020 RM'000
Operating Revenue				
Voice	14,089	18,058	52,474	52,928
Data	264,032	251,924	773,632	740,674
Data centre	68,059	38,937	197,666	112,183
Others	589	626	1,510	2,512
	346,769	309,545	1,025,282	908,297
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(40,804)	(39,442)	(121,235)	(112,753)
Other operating expenses	(176,600)	(165,456) *	(537,245)	(488,516)
Other operating income (net)	5,989	(14,843) *	18,088	599
Profit from operations	135,354	89,804	384,890	307,627
Income from investments	3,123	1,758	7,689	8,432
Finance costs	(7,570)	(5,810)	(20,536)	(15,336)
Share of profit from associates, net of tax	6,231	4,519	15,990	13,046
Profit before tax	137,138	90,271	388,033	313,769
Geographical locations				
Operating Revenue				
Within Malaysia	327,328	290,272	967,448	853,040
Outside Malaysia	19,441	19,273	57,834	55,257
	346,769	309,545	1,025,282	908,297
Timing of revenue recognition				
Over time	319,270	274,103	938,352	819,956
At a point in time	27,399	34,912	86,654	86,460
Revenue not within the scope of MFRS 15	100	530	276	1,881
	346,769	309,545	1,025,282	908,297

* Included in the preceding year corresponding quarter and year-to-date other operating expenses and other operating income (net) is a net foreign exchange loss of RM5,769,000 and a net foreign exchange loss of RM14,851,000 respectively.

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 2020.

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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 30 September 2021 to 23 November 2021 (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 2021

On 7 January 2021, the Company completed the acquisition of 600,000 ordinary shares ("AVM Sale Shares") in AVM, representing 60.00% of the equity interest in AVM ("Acquisition of AVM"), pursuant to a share purchase agreement ("AVM SPA") entered into by the Company on 3 December 2020 with the founding shareholders of AVM (collectively, "Founder Shareholders", and each a "Founder Shareholder").

In connection with the Acquisition of AVM, AVM also on 7 January 2021 completed the acquisition of 400,002 ordinary shares ("IGS Sale Shares") in IGS, an existing subsidiary of AVM, representing the balance of approximately 40.00% of the equity interest in IGS which is not already held by AVM ("Acquisition by AVM of IGS Shares"). The Acquisition by AVM of IGS Shares was pursuant to a share purchase agreement ("IGS SPA") entered into by AVM on 3 December 2020 with the minority shareholders of IGS (collectively, "Additional Shareholders", and each an "Additional Shareholder"). The Acquisition of AVM was conditional on the Acquisition by AVM of IGS Shares, and vice versa.

In connection with the completion of the Acquisition of AVM and Acquisition by AVM of IGS Shares, a capital increase of AVM was effected on 7 January 2021 via the issuance of new AVM shares to the Company, the Founder Shareholders and the Additional Shareholders, for a total subscription price of RM7.5 million ("Capital Increase of AVM"). The Company subscribed for a 60.00% portion of the Capital Increase of AVM.

On completion of the Acquisition of AVM and Acquisition by AVM of IGS Shares on 7 January 2021, the Company, the Founder Shareholders, the Additional Shareholders and AVM entered into a shareholders agreement to regulate their relationship as shareholders in AVM.

Pursuant to the completion of the Acquisition of AVM, Acquisition by AVM of IGS Shares and the Capital Increase of AVM, the Company owns 60.00% of the equity interest in AVM, while the Founder Shareholders and the Additional Shareholders collectively own 40.00% of the equity interest in AVM. Pursuant to the completion of the Acquisition by AVM of IGS Shares, AVM owns 100.00% equity interest in IGS.

The Group recognised provisional goodwill for this acquisition amounting to RM38.0 million under the MFRS 3, *Business Combinations*. The Group shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. However, this will be finalised at the end of the measurement period which shall not exceed one year from the acquisition date.

13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since 31 December 2020.

14. Capital commitments

	As at 30/9/2021 RM'000
Property, plant and equipment	
a) Authorised but not contracted for	181,689
b) Contracted but not provided for	237,649

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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 that the Group can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the 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 Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
30 September 2021					
Financial instruments carried at fair value:					
Financial assets					
Other investments	-	-	42,971	42,971	42,971
Financial instruments not carried at fair value:					
Financial liabilities					
Term loans	-	-	132,901	132,901	135,903

16. Tax expense

The income tax expense for the Group for current quarter and financial period ended 30 September 2021 was made up as follows:

Group	Individual Quarter		Cumulative Quarter	
	Current quarter 30/9/2021 RM'000	Preceding year corresponding quarter 30/9/2020 RM'000	Nine months to 30/9/2021 RM'000	Nine months to 30/9/2020 RM'000
Tax expense:				
- Current year	5,153	3,648	17,086	10,975
- Under provision in prior year	581	449	556	449
	5,734	4,097	17,642	11,424
Deferred tax expense:				
- Origination of temporary differences	28,023	20,411	81,420	70,355
- Under/(Over) provision in prior years	1,637	(144)	2,337	548
- Recognition of previously unrecognised temporary differences	-	-	-	(2,212)
	29,660	20,267	83,757	68,691
Total tax expense	35,394	24,364	101,399	80,115

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16. Tax expense (continued)

The higher deferred tax expense arises as the Group has been utilising the accumulated tax losses and capital allowances. Income tax expense increased due to increased profitability.

The effective tax rate of the Group for the current quarter and financial period ended are higher than the statutory tax rate of 24% principally due to non-deductible expenses and deferred tax assets not recognised for certain subsidiaries.

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

There are no other corporate proposals, which have been announced but not completed as at 23 November 2021, being the latest practicable date.

18. Loans and borrowings

The loans and borrowings as at 30 September 2021 and 31 December 2020 are as follows:

	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
30 September 2021			
Loans and borrowings			
<u>Secured:</u>			
- Denominated in RM	10,365	104,526	114,891
- Denominated in USD	11,969	9,043	21,012
As at 30 September 2021	22,334	113,569	135,903
31 December 2020			
Loans and borrowings			
<u>Secured:</u>			
- Denominated in RM	2,511	11,327	13,838
- Denominated in USD	11,445	17,348	28,793
<u>Unsecured:</u>			
- Denominated in USD	4,166	-	4,166
As at 31 December 2020	18,122	28,675	46,797

The Group's loans and borrowings have mainly been used to fund the Group's working capital requirements, foreign investment 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 3.20% to 6.20% per annum.

19. Off balance sheet financial instruments

The cash and cash equivalents of the Group, as at 30 September 2021, do not include bank balances amounting to RM10,333,000 (31.12.2020: RM23,679,000) 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 23 November 2021, being the latest practicable date.

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21. Comparison between the current quarter ("Q3 2021") and the immediately preceding quarter ("Q2 2021")

	Q3 2021	Q2 2021	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	14,089	23,228	(9,139)	(39.3)
Data	264,032	257,819	6,213	2.4
Data centre	68,059	65,232	2,827	4.3
Others	589	902	(313)	(34.7)
Total revenue	346,769	347,181	(412)	(0.1)
Profit before tax	137,138	125,519	11,619	9.3

The Group reported a consolidated revenue of RM346.8 million in Q3 2021, which is RM0.4 million or 0.1% lower when compared to the RM347.2 million consolidated revenue reported in Q2 2021. No one-off revenues from non-recurring contracts were recorded in Q3 2021 as compared to RM10.5 million recorded in Q2 2021 (Q2 2021: non-recurring revenue from data centre, voice and data contracts amounted to RM0.5 million, RM8.9 million and RM1.1 million respectively). Should one-off revenues from non-recurring contracts be excluded from consolidated revenue for better comparability, consolidated revenue in the current quarter would have been RM10.1 million or 3.0% higher. The growth in consolidated revenue (excluding one-off revenues from non-recurring contracts) is mainly attributable to the increase in data centre and data sales, which grew 5.3% and 2.8% quarter-on-quarter respectively. All core customer groups also continued to show growth in recurring revenue led by retail and enterprise customers.

The Group's consolidated profit before tax in Q3 2021 amounted to RM137.1 million, which is RM11.6 million or 9.3% higher than the consolidated profit before tax of RM125.5 million in Q2 2021. The increase in Q3 2021 consolidated profit before tax was mainly due to the following:

- a) lower provision for doubtful debts of RM2.3 million;
- b) higher share of profit from associates of RM1.4 million;
- c) higher net gain on foreign exchange of RM2.5 million;
- d) higher dividend income of RM0.5 million;
- e) higher interest income of RM0.6 million

offset by higher finance costs and depreciation charged for property, plant and equipment and right-of-use assets.

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

(a) Comparison between the current quarter ("Q3 2021") versus three months period ended 30 September 2020 ("Q3 2020")

	Q3 2021	Q3 2020	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	14,089	18,058	(3,969)	(22.0)
Data	264,032	251,924	12,108	4.8
Data centre	68,059	38,937	29,122	74.8
Others	589	626	(37)	(5.9)
Total revenue	346,769	309,545	37,224	12.0
Profit before tax	137,138	90,271	46,867	51.9

The Group reported a consolidated revenue of RM346.8 million in Q3 2021, which was RM37.2 million or 12.0% higher when compared to the RM309.5 million consolidated revenue recorded in Q3 2020. No one-off revenues were recorded in Q3 2021 and Q3 2020 respectively. The increase in Q3 2021 consolidated revenue was mainly due to higher recurring data centre revenue, which grew RM29.1 million (or 74.8%), and data revenue, which grew RM12.1 million (or 4.8%). Year-on-year recurring revenue growth is mainly contributed by retail and enterprise customers.

The Group recorded a current quarter consolidated profit before tax of RM137.1 million which is RM46.9 million or 51.9% higher than the consolidated profit recorded in Q3 2020 of RM90.3 million. The increase in the Group's Q3 2021 profit before tax results was mainly due to the following:

- a) higher overall revenue growth in Q3 2021;
- b) higher net gain on foreign exchange of RM5.8 million in Q3 2021 as compared to loss on foreign exchange of RM20.6 million in Q3 2020;
- c) higher interest income of RM0.9 million;
- d) higher share of profit from associates of RM1.7 million;
- e) lower provision for doubtful debts of RM3.6 million;
- f) higher dividend income of RM0.5 million

offset by higher depreciation charged for property, plant and equipment and right-of-use assets and finance costs in the current quarter.

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

(b) **Nine month period ended 30 September 2021 ("9M 2021") versus nine month period ended 30 September 2020 ("9M 2020")**

	9M 2021 RM'000	9M 2020 RM'000	Increase/(decrease) RM'000	%
Revenue by product:				
Voice	52,474	52,928	(454)	(0.9)
Data	773,632	740,674	32,958	4.4
Data centre	197,666	112,183	85,483	76.2
Others	1,510	2,512	(1,002)	(39.9)
Total revenue	1,025,282	908,297	116,985	12.9
Profit before tax	388,033	313,769	74,264	23.7

The Group reported a consolidated revenue of RM1,025.3 million in 9M 2021, which is RM117.0 million or 12.9% higher when compared to the RM908.3 million consolidated revenue recorded in 9M 2020. One-off revenues from non-recurring contracts accounted for RM12.0 million out of the total consolidated revenue recognised in 9M 2021 (9M 2020: RM4.5 million). Excluding one-off revenues from non-recurring contracts, the overall consolidated revenue in the nine months period would have shown an increase of RM109.5 million or 12.1% when compared to the similarly adjusted revenue in the preceding year corresponding period. The increase in 9M 2021 revenue (excluding one-off non-recurring contracts) is mainly due to higher recurring data centre revenue of RM83.5 million (or 74.4%) and data revenue of RM36.3 million (or 4.9%). Retail and enterprise customers contributed positively to overall revenue growth in 9M 2021.

The Group recorded a consolidated profit before tax of RM388.0 million which is RM74.3 million or 23.7% higher than the consolidated profit before tax recorded in 9M 2020 of RM313.8 million. The increase in the Group's 9M 2021 profit before tax results was mainly due to the following:

- a) higher overall revenue in the nine months' period;
- b) higher share of profit from associates of RM2.9 million;
- c) higher interest income of RM1.4 million;
- d) higher net gain on foreign exchange of RM23.3 million;
- e) lower fixed asset written off of RM1.9 million

offset by higher depreciation charged for property, plant and equipment and right-of-use assets, finance costs and lower dividend income.

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23. Profit before tax

Group	Individual Quarter		Cumulative Quarter	
	Current quarter 30/9/2021	Preceding year corresponding quarter 30/9/2020	Nine months to 30/9/2021	Nine months to 30/9/2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(40,804)	(39,442)	(121,235)	(112,753)
Amortisation of borrowing costs	(78)	(76)	(252)	(251)
Interest expense				
- Interest on borrowings	(1,698)	(612)	(3,688)	(2,369)
- Other interest expense	(4,311)	(3,633)	(11,974)	(8,620)
- Interest on lease liabilities	(1,483)	(1,489)	(4,622)	(4,096)
Interest income	2,673	1,758	7,239	5,873
Dividend income	450	-	450	2,559
Net bad debt recovered	78	(403)*	444	164
Net gain/(loss) on foreign currency exchange	5,836	(20,620)	17,547	(5,769)
Net allowance for doubtful debts	(2,328)	(5,883)	(9,339)	(9,518)
Net gain/(loss) on disposal of property, plant and equipment	-	25	(64)	25
Property, plant and equipment written off	-	(2)	-	(1,859)

* Inclusive of RM484,000 reclassified to net allowance for doubtful debts.

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24. Prospects

The Group continued its robust operational and financial performance in the first 9-months of this year, in line with the gradual reopening of the economy after the disruptions seen earlier this year due to the COVID-19 pandemic. Demand for TIME's products and services remains resilient, particularly in the Retail and Enterprise segments, and the Group is optimistic of further growth prospects arising from the nation gradually entering Phase 4 of the National Recovery Plan.

Network availability and stability remains the Group's top priority along with the health and safety of its employees and other stakeholders.

Domestically, the Group remains committed to further expand its network footprint and innovating to offer high quality products and services, in line with the Government's objectives to increase broadband coverage and building the digital economy. This is reinforced by the coming into operation of the Group's new data center, AIMS Cyberjaya, which is poised to meet the high market demand.

Regionally, the Group will continue to strengthen its strategic position in the cloud and data centre space while continuing to meet cross-border connectivity requirements of its customers.

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 30/9/2021	Preceding year corresponding quarter 30/9/2020	Nine months to 30/9/2021	Nine months to 30/9/2020
Basic EPS:				
Weighted average number of shares in issue ('000)	1,818,055	603,884	1,815,066	596,438
Bonus issue subsequent to year end ('000)	-	1,207,768	-	1,192,876
	<u>1,818,055</u>	<u>1,811,652</u>	<u>1,815,066</u>	<u>1,789,314</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>100,543</u>	<u>65,945</u>	<u>284,568</u>	<u>233,692</u>
Basic EPS	<u>5.53 sen</u>	<u>3.64 sen #</u>	<u>15.68 sen</u>	<u>13.06 sen #</u>
Diluted EPS:				
Weighted average number of shares in issue ('000) (Basic)	1,818,055	603,884	1,815,066	596,438
Effect of share options	1,757	1,050	1,761	815
Weighted average number of shares in issue ('000) (Diluted)	1,819,812	604,934	1,816,827	597,253
Bonus issue subsequent to year end ('000)	-	1,209,868	-	1,194,506
	<u>1,819,812</u>	<u>1,814,802</u>	<u>1,816,827</u>	<u>1,791,759</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>100,543</u>	<u>65,945</u>	<u>284,568</u>	<u>233,692</u>
Diluted EPS	<u>5.52 sen</u>	<u>3.63 sen #</u>	<u>15.66 sen</u>	<u>13.04 sen #</u>

Basic and diluted EPS were adjusted to reflect impact of bonus issue exercise on the basis of two (2) bonus shares for every one (1) existing ordinary share held which was completed on 6 August 2021. Basic EPS previously reported in preceding year corresponding quarter and year-to-date was 10.92 sen and 39.18 sen respectively. Diluted EPS previously reported in preceding year corresponding quarter and year-to-date was 10.90 sen and 39.13 sen respectively.

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27. Related party transactions

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

	Cumulative Quarter	
	Nine	Nine
	months to 30/9/2021 RM'000	months to 30/9/2020 RM'000
Related parties		
Revenue from data, voice and other services	47,104	65,722
Sales of IT related services	36,079	-
Interconnect revenue	1,110	1,546
Fee for wayleave and right of use of telecommunications facilities	(7,806)	(7,851)
Interconnect charges	(929)	(1,529)
Leased line and infrastructure costs	(32,186)	(28,885)
Network maintenance costs	(1,847)	(1,857)
Training expenses	(305)	(115)
Rental of office and utility charges	(85)	(105)
Professional fees on corporate exercise	(5)	(60)
Interest on advances	(436)	-
	(436)	-
Companies in which Directors have significant financial interest		
Revenue from data, voice and other services	41	59
Professional legal fees costs	-	(51)
	-	(51)

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

CHEW ANN NEE
(MAICSA 7030413)
(SSM PC No.: 201908001413)
Company Secretary

Selangor
26 November 2021

PRESS RELEASE
For Immediate Release

TIME Delivers Resilient Results for 9M 2021

- Registered consolidated revenue growth of 12.9% year-on-year
- Data centre and data product groups lead revenue growth
- Posted consolidated profit before tax of RM388.0 million in 9M 2021

Shah Alam, 26 November 2021 – TIME dotCom (TIME or the Group) announced its financial results for the nine-month period ended 30 September 2021 (9M 2021), posting consolidated Group revenue of RM1,025.3 million. The 12.9% year-on-year increase was a result of higher revenues from the data centre and data product groups, with the highest contributions coming from the Retail and Enterprise customer segments.

The Group's consolidated profit before tax for the period under review increased by 23.7% to RM388.0 million from RM313.8 million for the same period of the preceding year. The increase was attributed to higher overall revenues, a higher share of profits from associates as well as a higher net gain on foreign exchange.

"The Group's operational and financial performance has been robust for the past nine months and we are optimistic that the Group's growth will gain traction as the country moves into Phase 4 of the National Recovery Plan," said Afzal Abdul Rahim, TIME's Commander-in-Chief.

Dividend

The Group also declared a special interim tax exempt (single tier) dividend of 8.22 sen per ordinary share in light of its strong profitability and healthy cash balance. The dividend will be paid out on 22 December 2021.

Outlook

Following a slower start to the year due to the COVID-19 pandemic, the country has made progress with the gradual reopening of the economy. Demand for TIME's products and services has remained resilient, particularly in the Retail and Enterprise segments, and the Group anticipates market demand will pick up as the economy recovers.

Network availability and stability remains a top priority for the Group alongside safeguarding the health and safety of its employees and stakeholders.

The Group is committed to expanding its domestic network footprint in line with the Government's aspiration towards building a stronger digital economy. TIME will also continue to innovate to deliver products and services that exceed market expectations. This is reinforced by the Group's new data centre, AIMS Cyberjaya, coming into operation to meet increasing market demand.

Regionally, the Group will continue to strengthen its strategic position in the cloud and data centre space while continuing to meet cross-border connectivity requirements of its customers.

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, cloud computing and managed services to customers across ASEAN. Powering TIME's businesses are its fibre optic network assets that span Malaysia, Singapore, Thailand, Vietnam and Cambodia – countries in which it has an established operational presence. TIME's network extends beyond the region to deliver international connectivity via its stakes in the UNITY, FASTER, Asia Pacific Gateway (APG) and Asia-Africa-Europe-1 (AAE-1) subsea cable systems. TIME is headquartered in Shah Alam. Visit <http://www.time.com.my> for more information.

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