ANNUAL REPORT 2011

TIME™

CONTENTS

performance INDICATORS

REVENUE OF RM
313.9
MILLION FYE '11
DOWN 2% FROM RM321.1M IN FYE'10

PROFIT BEFORE TAX MARGIN
↑ 10%
FROM 28% IN FYE'10 TO 38% IN FYE'11

EBITDA OF RM
124.5
MILLION FYE '11
UP 43% FROM RM86.8M IN FYE'10

NET TANGIBLE ASSETS PER SHARE RM
↑ 0.20
FROM RM0.49 IN FYE'10 TO RM0.69 IN FYE'11

PROFIT BEFORE TAX OF RM
119.0
MILLION FYE '11
UP 34% FROM RM88.9M IN FYE'10

SHAREHOLDERS EQUITY RM
↑ 507.8M
FROM RM1,249.8M IN FYE'10 TO RM1,757.6M IN FYE'11

CORPORATE INFORMATION

BOARD OF DIRECTORS

Abdul Kadir Md Kassim
Non-Independent,
Non-Executive Director (Chairman)

Elakumari Kantilal
Non-Independent, Non-Executive Director

Ronnie Kok Lai Huat
Senior Independent, Non-Executive Director

Balasingham A. Namasiwayam
Independent, Non-Executive Director

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

AUDIT COMMITTEE

Ronnie Kok Lai Huat (Chairman)
Elakumari Kantilal
Balasingham A. Namasiwayam

NOMINATION AND REMUNERATION COMMITTEE

Elakumari Kantilal (Chairman)
Ronnie Kok Lai Huat
Balasingham A. Namasiwayam

TENDER BOARD COMMITTEE

Balasingham A. Namasiwayam (Chairman)
Abdul Kadir Md Kassim
Elakumari Kantilal

COMPANY SECRETARY

Misni Aryani Muhamad (LS 0009413)

REGISTERED OFFICE

Level 4, No.14, Jalan Majistret
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WEBSITE

www.time.com.my

SHARE REGISTRAR

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Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail, 50250 Kuala Lumpur,
Malaysia
Tel : +60-3-2692 4271
Fax : +60-3-2732 5399

AUDITORS

Messrs KPMG
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor,
Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

CORPORATE STRUCTURE

TIME

TIME dotCom Berhad

MALAYSIA FIXED LINE	GLOBAL BANDWIDTH	DATA CENTRE
TT dotCom Sdn Bhd 100%	Global Transit Communications Sdn Bhd 100%	The AIMS Asia Group Sdn Bhd 100%
TIME dotNet Berhad 100%	Global Transit Limited 100%	AIMS Data Centre 2 Sdn Bhd 100%
Hakikat Pasti Sdn Bhd 100%	Global Transit Singapore Pte Ltd 100%	AIMS Cyberjaya Sdn Bhd 100%
TIMESat Sdn Bhd 100%	Global Transit (Hong Kong) Limited 100%	

the TIME BUSINESS

TIME dotCom Berhad (TIME) is the second-largest but fastest growing fixed-line telecommunications network operator and solutions provider in Malaysia. As a data-centric operator, TIME's business is anchored at providing backhaul and wholesale bandwidth to leading local, regional and global operators. The Group also offers extensive fibre optics-based telecommunications services to large corporations, government organisations and enterprises that demand high availability.

The 9,000 kilometer-long advanced fibre optics network, the Cross Peninsular Cable System (CPCS™), traversing from Thailand to Singapore is the backbone of the TIME business. Designed as a fully meshed network, the CPCS™ is the most robust transborder terrestrial system ever built. Its design only has one goal in mind, high availability; up to a stunning 99.999%, to be specific. Combined with the latest technology that offers almost limitless scalability in terms of speed and bandwidth due to its higher capacity, this is a network built with the future in mind.

The resilient CPCS™ network delivers the critical 99.999% up time availability required to support TIME's fast-growing core business, its Wholesale segment. TIME's Wholesale business encompasses the sale of bandwidth to support the data traffic between Indochina and Singapore. TIME also provides the crucial fibre backbone support to at least 70% of regional and global service providers with an ever-expanding presence in the Asia Pacific region.

With its core network designed to meet all the future demands of the telecommunications industry, TIME embarked on an aggressive expansion of its 100% fibre network. Its aim is to provide the most reliable Internet products and services to the consumer and enterprise market. TIME Fibre Internet™, the only 100% fibre-to-the-home (FTTH) high-speed broadband, and other TIME services are now widely available in over 100,000 premises in major Malaysian cities. This product offers Malaysian home and enterprise users the fastest broadband connectivity in the country with speeds of up to 50Mbps.

TIME also provides fibre-based leased line and dedicated Internet services, delivering extremely reliable data services that cater to the communication needs of the corporate and government sectors.

The strength of its fibre optics capabilities and network footprint has positioned TIME as the preferred partner in providing the critical backhaul capacity to mobile operators. TIME's FTTH technology is utilised by a leading pay TV operator for the provisioning of IPTV and bundled triple-play services.

The combination of TIME's high performing CPCS™ network, its wide range of 100% fibre-based data products and services, its unwavering customer service and its major industry coups, has positioned the TIME Group to take on future challenges in the country's wired-line telecommunications market.

a new and enlarged TIME Group

After strengthening its domestic presence, TIME is now set to transition itself into a regional wholesale service provider by acquiring a group of companies within the telecommunications industry.

The new companies under the TIME Group are the AIMS Group, one of Malaysia's leading network neutral data centre, Global Transit Communications Sdn Bhd, the region's leading wholesale Internet service and backhaul provider as well as Global Transit Ltd (GTL), which has 10% interest in the much sought after Trans-Pacific submarine cable, the Unity North Cable System.

The enlarged TIME Group is now positioned to enter the high growth global bandwidth business through the combined services and network presence of the acquired companies.

TIME is now able to accelerate its immediate and future revenue growth by diversifying into new income streams within the region.

TIME
- Internet
- Data
- Voice
- Managed Services

GLOBAL TRANSIT
- Wholesale Internet Access
- International Bandwidth
- Japan - US Unity Cable System

AIMS
- Data Centre Services
- Co-Location
- Managed Services

the new and enlarged

TIME GROUP

Global Transit Communications Sdn Bhd

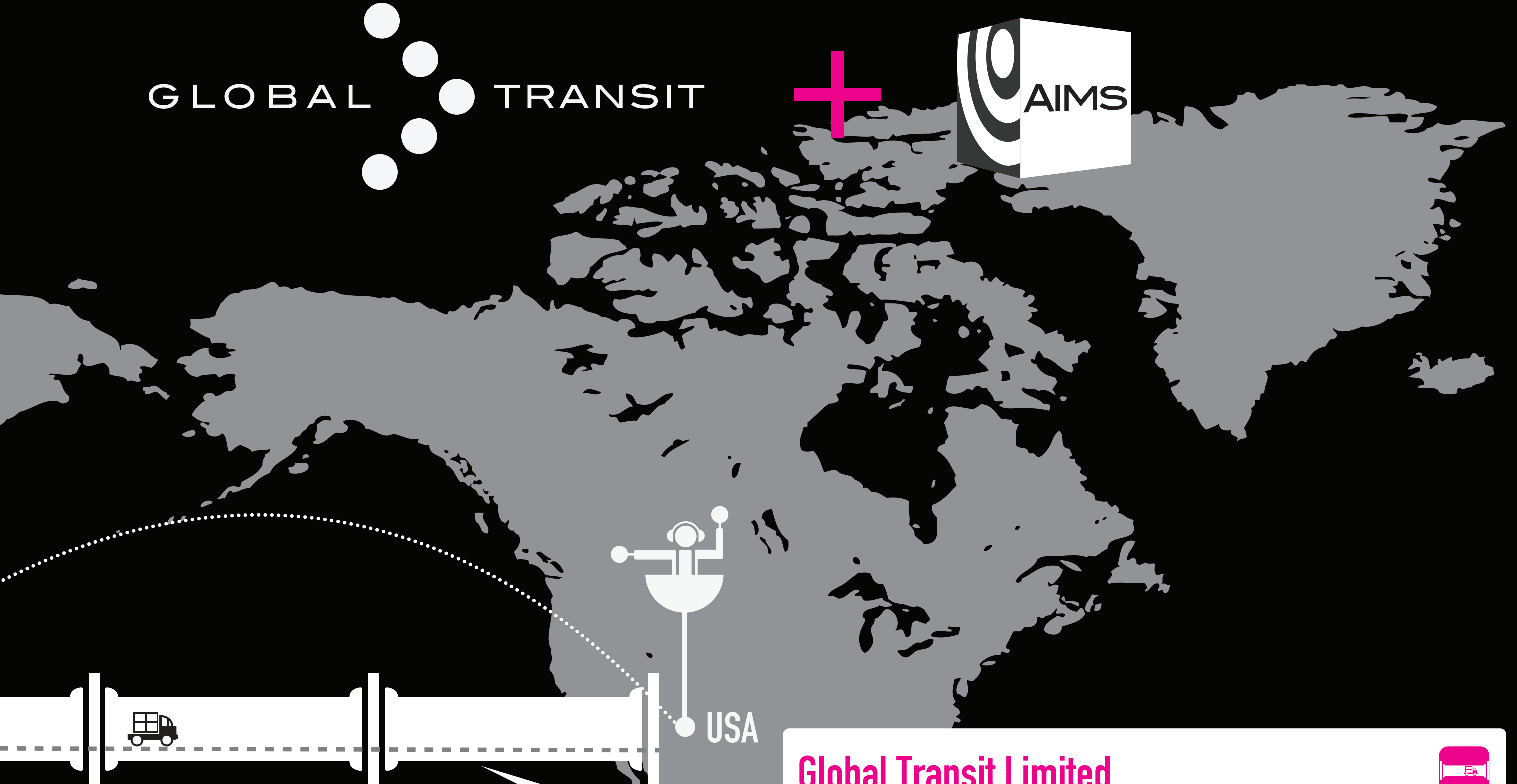
GLOBAL TRANSIT

- Fast-growing IP transit provider
- Specialises in regional connectivity
- Interconnection points in Singapore, Hong Kong and the United States
- > 140 customers

AIMS Group

AIMS

- Awarded 2011 Best Data Centre Engagement of the Year by Outsourcing Malaysia Excellence Awards
- A carrier neutral data centre
- ISO/IEC 27001:2005 & ISO 9001:2008 certified
- One of the most inter-connected sites in Malaysia. Host to:
  - approximately 200 carriers and service providers
  - 100% local carriers & 16 global telecommunications providers
  - Reference site for MyIX

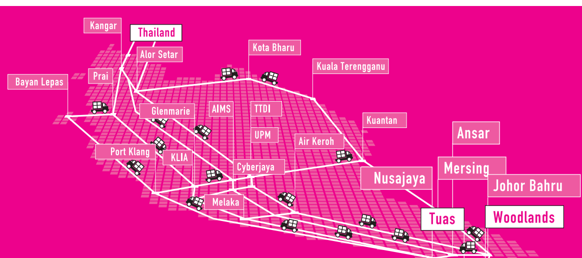


Global Transit Limited

- 10% interest in the UNITY Cable System, partnering Google, Bharti Airtel, KDDI, Pacnet and SingTel
- 9,620 km Trans-Pacific (Japan-US) submarine cable system
- Design capacity of 480 Gbps with the potential to increase to approximately 1 Tbps

TIME dotCom Berhad

- Malaysia's alternative fixed-line operator
- Focused on wholesale and enterprise markets
- Highly reliable transborder fibre network, the CPCS™ operates 5 dedicated routes in Malaysia



improved PERFORMANCE

Dear Shareholders,

Despite business challenges and stiff competition, the TIME Group reported improvements in its overall profitability and solidified itself as a company positioned for its growth years.

industry OVERVIEW

As the demand for data services and connectivity continues to accelerate, telecommunications companies are being challenged to meet these high service standards. The Malaysian Communications and Multimedia Commission (MCMC), has also called for household broadband penetration to hit a target of 75% by the end of 2015. While the number is currently approaching 63.3%, it is expected that high-speed broadband services will advance the nation's Gross Domestic Product (GDP), drive a knowledge-based economy, create high value jobs and spin-off opportunities in related markets.

To drive this agenda, the Government's open access policy on the High Speed Broadband (HSBB) Project has also brought new players to join the fold, adding pressure on customer acquisition and the tussle for market share.

Notwithstanding the increasingly competitive environment, we are optimistic in meeting these demands by remaining focused within our key markets, margin-centric, and aggressive with our coverage rollout.

financial RESULTS

During the year, operating profits improved 94% to RM70.2 million from RM36.1 million recorded in 2010. These improvements came through enhanced focus on higher margin business driven by a healthier product mix within our market segments.

The Group also recorded Profit Before Tax (PBT) of RM119.0 million, a 34% increase from RM88.9 million posted in 2010 with PBT margin increasing by 10 percentage points to 38%.

The non-linear, one-off nature of TIME's global bandwidth sales saw revenue for 2011 dip marginally by 2%. However, on a comparable basis the Group's revenue improved 13% year-on-year, indicating the strengthening of our recurring revenue stream over the year.

Similarly, excluding global bandwidth sales and project revenue discontinued in 2010, our Data business increased by 20% in comparison to 2010. At the same time, albeit in the midst of an industry-wide downward trend, the Group managed to contain Voice revenue decline by introducing market-leading offerings.

The Group's continued earnings improvements further strengthened our financial standing; as of 31 December 2011, our cash and cash equivalent position increased to RM217.4 million from RM199.7 million a year ago.

The Group continued to stay debt free at the end of the financial year. Our shareholders' funds position improved by RM507.9 million to RM1,757.7 million, due to improving profits and increasing value in our investment in DiGi.Com Berhad's shares.

operational HIGHLIGHTS

The team managed to secure key market wins, improve operational efficiencies and put strategic partnerships in place to spur performance improvements for the coming years. Some of our achievements for 2011 include:

- Expanding our 100% fibre network to the most densely populated parts of the Klang Valley and Penang, now with over 100,000 premises accessible with TIME service.
- Transforming our data network, which has now been fully upgraded by swapping outdated technology for newer, future-proof solutions.
- Improving operations through automation, enhancing internal efficiencies across the organisation, all with the focus of providing better customer experience.

corporate DEVELOPMENT

At an Extraordinary General Meeting held on 22 November 2011, the Board put forth a proposal encompassing a capital restructuring exercise and an acquisition of a group of companies.

Minority shareholders voted in favour of the proposal and the exercise has since been concluded.

We have executed a capital restructuring exercise to right-size our capital structure, better reflecting our asset base, and to reduce the number of TIME shares in circulation to approximately 500 million shares.

On 30 May 2012, we returned 2 sen per share in cash to our shareholders through a capital repayment method.

The acquisition and the integration of three telecommunication companies into the TIME Group will transform us into a regional player via their combined services and network presences offered. We will be expanding our revenue streams from purely providing telecommunications services within Malaysia, into new businesses within the regional market.

outlook and PROSPECTS

Over the past three years, we have set a distinct path to growing our business. It is now time for us to take the business to its long-term growth phase.

Going forward, we will further improve our network infrastructure, expand our presence domestically, while leveraging on the newly acquired companies to evolve up the telecommunications value chain.

change in BOARD COMPOSITION

After three years of contribution to the Group, Megat Hisham Hassan, Executive Director and Chief Operating Officer, has made the decision to leave TIME.

I thank Megat for his service during these years. The Board and I wish him every success in his endeavours.

ACKNOWLEDGEMENTS

TIME's performance in 2011 is a reflection of the diligent effort of its employees and management. On behalf of the Board, I would like to thank everyone for their commitment, persistence and cooperation during the year. We look forward to your continuous involvement in the coming years.

Our thanks also goes to the Ministry of Information Communications and Culture, the MCMC and all government and regulatory authorities for their guidance, feedback and collaboration; and to our business partners and customers for their endless support.

The Board also wishes to express our sincere gratitude to you, our shareholders, for your backing and belief in the TIME Group.

Abdul Kadir Md Kassim
Chairman

attention to GROWTH

Dear Shareholders,

At the end of 2011, TIME's profits from operations grew by 94% to RM70.2 million from RM36.1 million in 2010. The Group also recorded a 34% Profit Before Tax (PBT) increase to RM119.0 million. This marks our third full financial year of successive profits.

These are measureable financial indicators of the progress we're making in our core business.

We did this by dedicating our efforts into growing our business, specifically by:

- Focusing on growing our core market segments that are primarily recurring business in nature
- Improving our margins by marketing higher value products and services, and
- Concentrating our efforts on coverage expansion.

We have become acutely aware of our areas of strength and the markets we best compete in, and have focused on these segments.

In the years to come, we will drive growth steadily by developing the following fundamental areas of the TIME business.

1. Monetising the Network

Having re-engineered our core network and delivery platforms over the past three years, our focus now is to fully monetise the assets we've been investing in over the past 15 years.

Our Wholesale customers – both local and international telecommunications operators – are increasingly dependent on the reliability and scalability of our trunk network, the Cross Peninsular Cable System (CPCS™).

The CPCS™ is reputed to be the most reliable network to carry the growing volume of Internet traffic originating from Indochina and Thailand across Malaysia to major gateways in Singapore en route to the United States. As Asia's need for bandwidth multiplies, we intend to reap the full benefits of our CPCS™. Our fibre is going to work harder than ever for us.

During the year, we aggressively pulled more fibre into high-rise buildings. Nine massive Metropolitan Area Network rings were completed, increasing the number of buildings that are ready-for-service.

Today, our 100% fibre-based service has a reach of over 100,000 premises, and this number continues to grow every day.

We believe the high reliability of service on a 100% fibre network and the new breadth of our reach will help us win over more customers and dominate in our addressable markets.

2. Growing Each Market Segment

As our network reach widens, we are seeing a healthy growth in our addressable markets. TIME is now in a greater position to contend for greater market share.

During the year, all three of our business segments marked positive growth numbers against the previous year.

To meet customers' demands, we have developed sales specialists and technical experts who are technically skilled to engage, understand, and recommend solutions that best fit customer needs. By shifting our sales teams from the traditional account manager engagement model towards a "Solutionist" model, TIME is certainly strengthening its position in its Corporate and Government segments over the next year.

We've also committed to expanding our dealer channels, which will boost our reach in the retail market, both in SME and Consumer segments.

3. Astro Collaboration

Our landmark collaboration with Astro, Malaysia's leading pay TV broadcaster, was launched in April 2011. Astro delivers its Astro B.yond IPTV services to over 160,000 homes in Penang and Kuala Lumpur on TIME's 100% fibre network.

The end consumer gets to enjoy Astro B.yond IPTV, TIME Fibre Broadband™ and TIME Voice, all bundled into one market-leading package.

As we progressively wire-up more buildings with our 100% fibre network, this segment has much more growth potential. With encouraging customer take-up so far, we expect to see meaningful revenue returns from this business once we hit mass saturation in 2012.

4. Optimising the Product Mix

Over the years, we've drastically improved the Group's product strategy, consolidating, re-configuring and merging products in our continued effort to garner more market share. TIME now offers a simplified and refreshed product line-up, making it more compelling to the consumer.

While we worked on revitalising our product line-up, we also focused on making our products and services work harder for us. We fought to keep our cost at a minimum, making our margins higher, contributing to our EBITDA improvements and overall profit efficiencies.

Going forward, TIME is dead set on maintaining profits at its optimal point by keeping the product mix relevant to the market.

5. Exceptional Customer Experience

Since my team and I took charge of TIME, we have constantly stressed on and upheld the importance of customer experience. To this effect, TIME is proud to claim that we have diligently kept above our high standards of network and service availability levels.

At the end of 2011, we exceeded all our key indicators, which have a direct impact on customer experience; we continue to strive to achieve even better results this year.

Moving into 2012 and beyond, we aim to expand our customer experience initiatives to go beyond the network quality, towards other interaction points. We fully understand that this would be the critical component that will eventually foster customer loyalty and gain market share for TIME.

6. Going Beyond Our Borders

TIME recently completed the acquisition of three companies within the telecommunications industry. The integration of these companies into the TIME Group will create a platform for us to leverage the growth in the regional telecommunications market by:

- Entering the international submarine cable business
- Tapping into a regional Wholesale customer base and strengthening our Group's presence in the global bandwidth business by accessing international bandwidth at asset owner prices and enabling the provision of IP Transit services, and
- Diversifying into the high-growth data centre and managed services business.

These segments are related expansion options to our existing services, and are businesses in their growth phase. Their exceptional track record is solely driven by the explosion of regional Internet adoption, which is expected to continue over the long term.

As these new opportunities and new markets come into play for TIME, we are now in a position to provide end-to-end telecommunications services regionally. It will be an exhilarating time for us to see these prospects translate into new revenue streams and we are confident on the positive contribution this will bring to the Group.

what the future MAY BRING?

The fact is we have come a long way from where we were.

This journey is the product of many believers, supporters and people who just sat down and did the hard work.

To our shareholders, we appreciate your continued support as the Group keeps proving itself.

On behalf of the Board, the management team, and employees, I would like to thank you for your belief in our ability to make this happen.

And my team at TIME, you guys have faced, fought and won over this battle of turning TIME into what it is today. I'd like to thank you for making this happen.

New challenges are heading our way and I am proud to have you standing beside me to face them.

With Gratitude,
Afzal Abdul Rahim
Chief Executive Officer

embracing a PERFORMANCE driven culture

In 2011 we made good on our promise to keep delivering top-notch performance.

We achieved this by positioning ourselves as a challenger to be reckoned with. We kept our ears to the ground and responded to market demands, trends and most importantly our customers' needs in a timely manner.

We grew our business significantly, transformed and expanded our network, and delivered better products to the market.

network EXPANSION

In 2009 we completed the Cross Peninsular Cable System (CPCS™). With the most advanced and resilient fibre optics network as our backbone, we worked on revamping our metro networks to a 100% Internet Protocol/ Multi-Protocol Label Switching (IP/MPLS) based platform.

This revamp multiplied our network resiliency beyond industry standards. All TIME's services are now delivered through a more reliable and robust network. Additionally, all our services and products are available on one simple platform with a deeper network visibility and scalable cost structure.

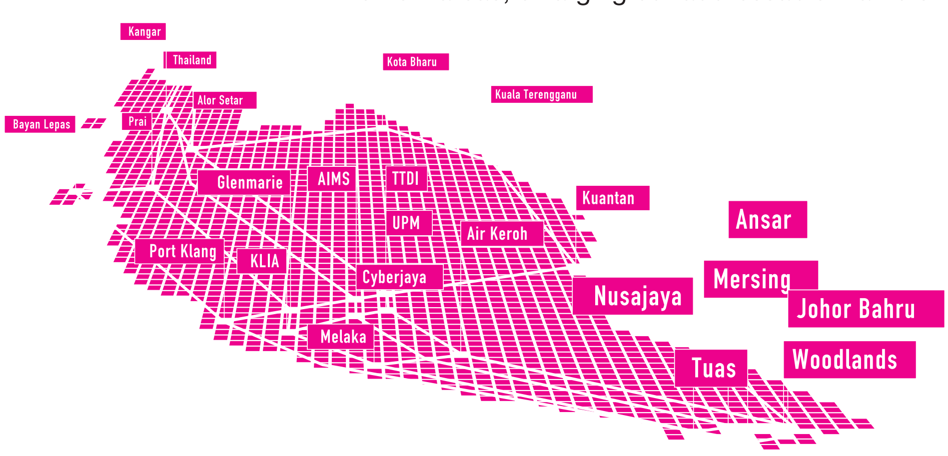
With this transformation, our customers' experience is enhanced through better service levels. We are able to proactively monitor our network and isolate problems even before it impacts our customers.

While we worked on a comprehensive network overhaul, we also kept our focus on expanding our addressable markets.

We completed nine large Metropolitan Area Network rings and increased the number of buildings connected with TIME's 100% fibre network.

Today, over 100,000 premises in the Klang Valley are able to access our services.

In 2012 and on, we will focus on reinforcing additional resiliencies throughout the network while expanding the IP/MPLS and GPON access network to new areas, enlarging our addressable markets.



customer service ENHANCEMENTS

At TIME, we constantly aim to exceed our customers' expectations in terms of on-time activations, technical assistance and all service level indicators.

During the year, we reached a rate of 94.2% for on-time activations in our business segments.

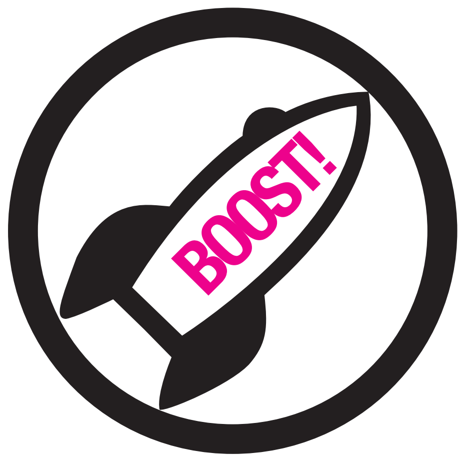
We have also set up dedicated teams for individual business segments, strengthening our technical competencies as we strive to resolve customers' problems at the first call. Last year, the team hit 90% on first call resolutions on all customer calls.

These markers indicate that our efforts have translated into tangible results for our customers. Future improvements in this segment include process automation in terms of proactive notifications, follow-ups and reminders; we are also building improved systems and tools to support expectations set against global benchmarks.

While we have already made a difference in the service to our customers, we target to take things even further by reducing our resolution time and cost, continuously refining customer satisfaction through consistent, high-quality service.

product ALIGNMENT

We spent 2011 realigning and repositioning our products based on customer segments and verticals. The consolidation of products was to focus in the areas of connectivity and managed services.



Ultimately TIME's emphasis is on simple, flexible and easy to understand products that bring direct value to the customer. We focused on what really matters to the customer.

During the year, we managed to tackle the decline in Voice revenue by offering product packages that have set the standard in the market. We have consistently stayed one step ahead of the competition by regularly revamping our product line-up and adding innovative product bundles.

We continue to push our product line-up that is powered by the only 100% fibre connectivity to multi-storey buildings, providing up to 50Mbps speeds at consistent quality.

We have gained significant traction through our offerings and we continue to push our products to even higher standards.

Over the coming year, we will be concentrating on managed services, partnerships and offering a complete set of connectivity products and services ranging from domestic to international solutions. We are also seeking opportunities in supporting cloud computing as demand grows in this space.

business OVERVIEW

We are determined in growing each of our business segments and have worked hard on retaining existing customers by delivering high service levels at competitive prices.

REVENUE BREAKDOWN

74% DATA

25% VOICE

*1% other services

Data services continue to be the mainstay of the TIME business and our highest revenue driver, growing exponentially each year. This underlines the growing demand and appetite for fast and reliable 100% fibre-based services.

On a comparable basis, Data revenue grew by 20% this year.

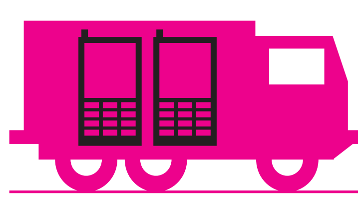
WHOLESALE

Our Wholesale segment, the mainstay of the TIME business, continues to deliver strong revenue growth over the last three years.

We consistently perform well in winning major deals from domestic, regional and global network operators for bandwidth and backhaul links. We provide a more reliable network and cost-effective means to transfer data into neighbouring countries and connect their domestic nodes to their customers.

TIME's dedicated client managers supported by a team of technical service management personnel further strengthened our proposition and made key inroads with Wholesale partners.

With CPCS™ and our network transformation, we are positioned to capture more market share in the coming years; promising better service levels, customer experience and competitive prices to our customers.



ENTERPRISE

We went further to serve our customers by aligning our Enterprise division into three main groups serving Corporate, Government and Financial Services Institutions. Driven by each segment's unique demands, creating focused teams allows us to penetrate deeper into these markets.

We have trained our teams to become "Solutionists" who are commercially and technically well versed in the industry they serve. Our client managers understand our customers' needs and their specific challenges, and are able to tailor innovative solutions to address those needs.

We have already seen positive results from this alignment and expect to garner a larger market share in this segment in the coming year.

SME AND CONSUMER

The growth of our SME business is driven through continuous network expansion allowing us to sell to a larger addressable market. TIME Fibre Broadband™ and TIME Fibre Internet™ continue to gain traction across the consumer and SME business by offering customers the best speed, quality and reliability at competitive price points.

To increase awareness of our product line-up, we constantly execute targeted ground activities and campaigns in the markets we serve. During the year, we have doubled our sales and distribution channels to handle the growing volume of business from a larger addressable market.

ASTRO

Our collaboration with Astro led to a commercial launch of Astro B.yond IPTV services in April 2011. Through this, TIME provides the 100% fibre network to connect Astro customers with IPTV and high-speed Internet access. Astro B.yond IPTV offers an exciting, best of breed product, which allows Internet access and Internet TV boasting the largest variety of channels and services.

In addition to delivering more fibre ready buildings in 2011, we are also working closely with Astro towards increasing the customer penetration in buildings where we are already wired-up.

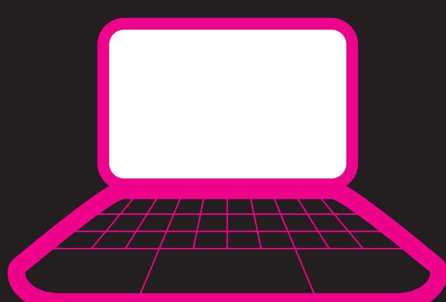
100% FIBRE

internal DEVELOPMENTS

IT IMPROVEMENTS

During the year, the team put their attention on refining our customer facing systems. Significant enhancements were made to the Customer Relationship Management System, which now provides quicker resolutions to customers while improving the overall customer experience.

To optimise internal efficiencies, the team continued to implement business process automation across the company. With this system, all tasks are tracked and measured and any improvements are quickly implemented and institutionalised within the company.



Our IT is currently working on shifting from being merely a technology partner to a value creator by providing tools and systems to grow the efficiency and scalability of the business.

As we grow in terms of systems and complexity, IT policies and governance become even more important to instil operational and development discipline. As such we embarked on adopting two leading industry-standard certifications, Information Security Management System (ISMS) and Information Technology Infrastructure Library (ITIL). We are confident that these certifications will help take our operations to the next level.

PEOPLE DEVELOPMENT

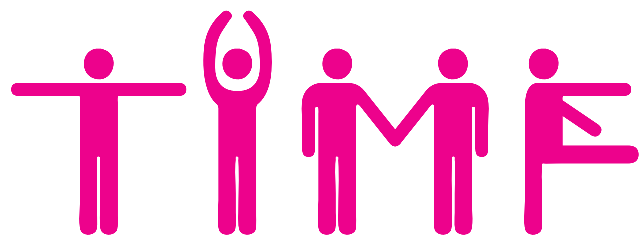
- High Performance Culture
- Nurture Knowledge Professionals
- Compensate according to value

We've continued to reinforce our "People Manifesto" introduced in 2010 to push our people towards a high performance culture. As part of our Core Technical Competency Model, we ran a technical evaluation across the company making sure that each team is adequately proficient and performing at their optimum level.

To drive a culture of continuous learning and development within the company, we provided our people with the opportunity to participate in soft and hard skills training, enhancing their knowledge and filling the gaps where necessary.

We are keeping our policies broad, simple and focused on delivering a more effective and agile workforce. We are positioning our compensation packages in a comprehensive fashion to attract, retain and motivate employees, creating a positive work environment with work life balance.

All these initiatives strive to project a positive culture in terms of synergy and strength while creating a diverse and able team. As people form our backbone of TIME, our "People Manifesto" seeks to create a workforce that is not only more creative but able to push the limits of performance.



SOCIAL RESPONSIBILITY

At TIME, we see our Corporate Social Responsibility as twofold. We not only focus on building improvements in society, but also internally with our own people. As an organisation, our primary duty is our employees' welfare and we work hard to provide outstanding benefits and working conditions for them.

As for giving back to the community we serve in, the Group has given its long-term commitment to serve a children's home in Kuala Lumpur.

At TIME we encourage our employees to take an active stand in social causes and we are always looking to support any causes brought forward by our people.

board of directors' PROFILES

ABDUL KADIR MD KASSIM

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR (CHAIRMAN)

Abdul Kadir Md Kassim, a Malaysian, aged 71, was appointed to the Board of TIME on 22 October 2001 and as Chairman on 15 January 2010. He is a member of the Tender Board Committee.

Kadir holds a Bachelor of Laws (Honours) degree from the University of Singapore and is the Managing Partner of Messrs Kadir, Andri & Partners.

Kadir sits on the Boards of UEM Group Berhad and UEM Land Holdings Berhad and is Chairman of UEM Builders Berhad and Cement Industries of Malaysia Berhad.

Kadir serves as Chairman of the Exchange Committee of Labuan International Financial Exchange Inc, as Chairman of Federation of Investment Managers Malaysia, is a member of the Investment Panel of Lembaga Tabung Haji and the Corporate Debt Restructuring Committee.

He is also a member of the Board of Directors of Danajamin Nasional Berhad, Sabah Ports Sdn Bhd, Express Rail Link Sdn Bhd and Datuk Yaw Teck Seng Foundation. On 15 February 2012, he was appointed as trustee of The Renong Group Scholarship Trust Fund.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Director and/or major shareholder nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

ELAKUMARI KANTILAL

NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR

Elakumari Kantilal, a Malaysian, aged 55, was appointed to the Board of TIME on 8 March 2001. She is the Chairman of the Nomination and Remuneration Committee. She is also a member of the Audit Committee and the Tender Board Committee.

Elakumari currently holds the position of Director of Investments in Khazanah Nasional Berhad ("Khazanah"). She was actively involved in the establishment of Khazanah whilst in the Ministry of Finance. She has been in Khazanah since its inception in 1994 moving from the position of Senior Manager to Director in 2004. During her tenure in Khazanah, she has played a pivotal role in the management and monitoring of Khazanah's investee companies. She started her career in the government sector in 1981 and held various positions within the sector namely in the Accountant General's Office, Ministry of Agriculture and Ministry of Finance. She was involved in the monitoring and restructuring of companies, including debts of non performing companies held by Ministry of Finance (Incorp).

She holds a Master of Science in Accounting and Finance from the University of East Anglia and a Bachelor of Accounting from University Kebangsaan Malaysia. Besides her executive education in IMD Switzerland, she has also attended the Harvard Premier Business Management Program. She is a member of the Malaysian Institute of Accountants.

She also serves as a director on the Boards of Faber Group Bhd and TIME Engineering Bhd.

She has no securities holdings in the Company and/or its subsidiaries. She also has no family relationship with any Director and/or major shareholders nor any conflict of interest with the Company.

She has not been convicted of any offence in the past 10 years.

RONNIE KOK LAI HUAT

SENIOR INDEPENDENT, NON-EXECUTIVE DIRECTOR

Ronnie Kok Lai Huat, a Malaysian, aged 57, was appointed to the Board of TIME on 31 January 2008. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.

Ronnie holds a Degree in Business Administration from the University of Strathclyde, United Kingdom. Prior to joining the Board of TIME, Ronnie held the position of Global Head of Marketing at Sampoerna International from September 2004 to January 2007 and was Sampoerna Malaysia's Marketing Director from June 2002 to August 2004. Between 1996 and 2002, he served as the Vice President of Marketing & Sales at JT International Tobacco Sdn Bhd where he also held the position of Executive Director on the Board of the company. He also sits on the Board of Cement Industries of Malaysia Berhad.

He has direct interest in the securities of the Company. He has no family relationship with any Director and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

BALASINGHAM A. NAMASIWAYAM

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Balasingham A. Namasiwayam, a Malaysian, aged 60, was appointed to the Board of TIME on 13 July 2009. He is the Chairman of the Tender Board Committee. He is also a member of the Audit Committee and the Nomination and Remuneration Committee.

Balasingham holds a Bachelor of Science (Hons) in Electrical Engineering from Portsmouth Polytechnic, United Kingdom. He is a Fellow of The Institution of Engineers, Malaysia and is a Professional Engineer, Malaysia (P. Eng). He is also a Member of The Institution of Engineering and Technology, United Kingdom.

Balasingham has been involved in the telecommunications industry for more than 30 years. Prior to joining the Board of TIME, he served as the Chief Executive Officer of Fiberail Sdn Bhd from September 2003 to June 2008. Balasingham began his career as an Assistant Controller of Telecoms with the then Jabatan Telekom Malaysia and served in various capacities until December 1986. He continued his career with Telekom Malaysia from 1987 to 2003. His last position with Telekom Malaysia was General Manager of Specialised Network Services.

Balasingham has interest in the securities of the Company through his spouse. He has no family relationship with any Director and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

AFZAL ABDUL RAHIM

NON-INDEPENDENT, EXECUTIVE DIRECTOR (CHIEF EXECUTIVE OFFICER)

Afzal Abdul Rahim, a Malaysian, aged 34, was appointed as Director & Chief Executive Officer of TIME on 7 October 2008.

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

Afzal started his career in the automotive industry culminating in a regional role with Group Lotus PLC. A technology entrepreneur, he also founded the Malaysian Internet Exchange (MyIX), which was established in 2006.

Afzal has interest in the securities of the Company through Pulau Kapas Ventures Sdn Bhd. He has no family relationship with any Director and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

attendance of DIRECTORS AT BOARD of directors' meetings

THE BOARD OF DIRECTORS MET SIXTEEN (16) TIMES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2011. DETAILS OF THE DIRECTORS' ATTENDANCE ARE AS FOLLOW :

ABDUL KADIR MD KASSIM
Attendance 15/16
Percentage of Attendance 94%

ELAKUMARI KANTILAL
Attendance 16/16
Percentage of Attendance 100%

RONNIE KOK LAI HUAT
Attendance 16/16
Percentage of Attendance 100%

BALASINGHAM A. NAMASIWAYAM
Attendance 16/16
Percentage of Attendance 100%

AFZAL ABDUL RAHIM
Attendance 16/16
Percentage of Attendance 100%

MEGAT HISHAM HASSAN*
Attendance 9/14
Percentage of Attendance 64%

* Resigned from the Board of TIME, effective 24 November 2011

senior management PROFILES

AFZAL ABDUL RAHIM
CHIEF EXECUTIVE OFFICER

Afzal, 34, was appointed Director & Chief Executive Officer of TIME on 7 October 2008. He holds a Degree in Mechanical Engineering with Electronics, specialising in Acoustic Wave Theory from the University of Sussex, United Kingdom.

Afzal started his career in the automotive industry culminating in a regional role with Group Lotus PLC. A technology entrepreneur, he founded the Malaysian Internet Exchange (MyIX), which was established in 2006.

LONG SHER NENG
CHIEF FINANCIAL OFFICER

Sher Neng, 38, joined TIME in March 2010. He holds a Bachelor of Business Administration (Hons) majoring in Accounting and double minoring in Business Management and General Business from Western Michigan University, USA. He has more than 10 years' experience in Financial Management and Operations. In September 2010, he was appointed Chief Financial Officer. Prior to joining TIME, Sher Neng was attached to Genting Singapore PLC where he was Vice President, Finance Department.

ARJUN T. ARASU
CHIEF MARKETING OFFICER

Arjun, 38, joined TIME in March 2009. He holds a Bachelor of Arts (Hons) majoring in Accounting and Financial Management & Economics from the University of Sheffield, UK. Prior to joining TIME, Arjun was attached to DiGi Telecommunications. He comes with 15 years of experience in the telecommunications industry.

LEE GUAN HONG
CHIEF ENGINEERING OFFICER

Guan Hong, 37, joined TIME in February 2009. He holds a Bachelor's Degree in Management Information Systems from the University of Oklahoma, USA. Guan Hong has more than 10 years' experience ranging from Internet services to the telecommunications industry. In September 2010, he was appointed Chief Engineering Officer in TIME. Prior to joining TIME, he was attached to DiGi Telecommunications.

JULIAN DING
CHIEF INNOVATION OFFICER

Julian, 49, joined TIME in July 2011. He was admitted to the Bar at Lincoln's Inn and holds a Masters in Public Policy and Management. Julian's expertise is in Information Technology that pertains to regulatory and policy frameworks applicable to the communications sector in Malaysia, Brunei and Indonesia. Prior to joining TIME, Julian joined a client as Head of Legal & Regulatory Affairs. Other work experience includes Senior Partner at Zaid Ibrahim & Co and Partner at Andersen Legal (Malaysia).

ANAND VIJAYAN
CHIEF SERVICES OFFICER

Anand, 38, joined TIME in July 2009. He holds a Master's Degree in Business Administration (e-Commerce) from Charles Sturt University, Australia. He obtained his Bachelor of Business (Accountancy) from Royal Melbourne Institute of Technology (RMIT). He is a Certified Practising Accountant (CPA), Australia, and Certified Information Systems Auditor (CISA), Australia, since 1999. Anand has a total of 14 years' experience in financial and IT audit, risk and consulting. In September 2010, he was appointed Chief Services Officer.

LEE WENG FAK
HEAD OF SALES, ENTERPRISE BUSINESS

Weng Fak, 51, joined TIME in March 2011. He holds a Certificate in Computer Programming and Information Processing from London and Guilds, UK and a Diploma in Computer Science, IDPM, UK. Weng Fak has 28 years' experience in the ICT industry dealing with fast-paced, rapidly expanding companies. Prior to joining TIME, he was CEO / Co-founder of Niju Corporation Sdn Bhd (Systems Integrator & ICT Solution Provider for FSI).

The Board is not only committed in ensuring the highest standards of corporate governance in the Group as articulated in the Principles and Best Practice promulgated in the Malaysian Code on Corporate Governance (the "Code") but also continually strives to enhance the effectiveness of the Board by improving the Board of Directors' practices and processes.

The Board views corporate governance as synonymous with four key concepts of the Group; namely transparency, integrity and accountability as well as corporate performance. The group adopts these key concepts in the Group's operation and management and consciously applies the principles and best practices of the Code and other global standards.

The Board is pleased to provide the following statement which outlines how the Group has applied the principles and best practices set out in the Code throughout the financial year ended 31 December 2011.

Principles statement

A. Directors

The Board

An effective Board that leads and controls the Group is vital in the stewardship of its direction and operations and ultimately the enhancement of long-term shareholder value. Thus, the Board is responsible for the strategic direction, establishing goals for management and monitoring the achievement of these goals. All Directors are from diverse professional backgrounds with a wide range of business, technical and financial experience. The profile of each Director is presented from pages 24 to 26.

The diversity of the Directors' background is pivotal to provide depth and specific experience and perspective to the leadership of the Group, as needed by the Group's business which is highly regulated and supervised.

In discharging its stewardship, the Board has adopted a formal schedule of matter which includes:

- review, decide and adopt a strategic plan and direction for the Group as well as providing guidance and input on the overall strategic plan and direction to the management;
- setting and establishing targets and goals for the management and monitoring the achievement of these targets and goals;
- review and oversee the corporate performance of the Group;
- identify and manage principal risks in the Group's business;
- establish a plan to retain talents for the Group;
- oversee, supervise and plan the Group's future leaders and human capital and their succession;

The schedule ensures that the governance of the Group is in its hands.

Board Balance

There were six (6) Board members in 2011, comprising one (1) Non-Independent Non-Executive Chairman ("Chairman"), two (2) Independent Non-Executive Directors, two (2) Non-Independent Executive Directors and one (1) Non-Independent Non-Executive Director.

During the year, one (1) Non-Independent Executive Director resigned from the Board upon expiry of his contract of employment.

Principles statement (continued)

A. Directors (continued)

Board Balance (continued)

The Board's composition at the end of year 2011 is in line with the Malaysian Code on Corporate Governance which stipulates that Independent Non-Executive Directors should make up at least one-third (1/3) of the Board membership. The composition of the Board reflects an impressive spectrum of experiences and skills with a mix of legal, financial, technical and business experience which are relevant and vital to the direction and management of the Group. The Board is suitably equipped with members that possess significant experience in the telecommunication industry. The interests of the minority shareholders of the Group is also reflected in the Board composition.

The roles and responsibilities of the Chairman and the CEO are separated with clear distinctions between them. The Chairman leads the Board and is responsible to ensure the effective and smooth interaction of the overall Board and individual Directors, both within and outside the Boardroom as well as driving the discussion toward consensus and to achieve closure in every discussion. The CEO is responsible for developing and implementing strategy of the Group, reflecting long term objectives as well as priorities established by the Board. The CEO assumes full responsibility and accountability to the Board for all aspects of the Company operations and performance. He also represents the Company to major customers, employees, suppliers and professional associations.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and control. The Independent Directors play pivotal roles towards ensuring that the business strategies of the Group and any other matters or agendas discussed are properly and fully deliberated and examined with a view to protect the interests of shareholders and the stakeholders of the Group. They provide independent and impartial views in determining the final decisions taken or endorsed by the Board.

Meetings

The Board meets regularly. In addition to the scheduled meetings, the Board also convenes special meetings when urgent and important decisions need to be taken between scheduled meetings. During the financial year ended 31 December 2011, the Board met 16 times.

For all the meetings, due notices were given and structured formal agenda and papers relating to the agenda items were forwarded to all the Board members for their perusal prior to and in most cases, in advance of the date of each meeting.

All proceedings of the meetings were properly minuted and filed. The minutes are circulated to each and every Board member for their perusal and comments prior to the confirmation of the minutes at the commencement of the next Board meeting. The members may request for clarification or raise comments on the minutes before they are confirmed.

During the year, the Board deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business directions of the Group and Corporate Governance matters during the financial year. Details of Directors' attendance at Board Meetings held during the financial year ended 31 December 2011 are as follows:

Principles statement (continued)

A. Directors (continued)

Meetings (continued)

Date of Board Meeting	Directors' Attendance Independent	Non-Independent	Chief Executive Officer/ Managing Director	Total No. of Attendance/ Total Board Members
24 January 2011	2	3	1	6/6
28 February 2011	2	3	1	6/6
18 March 2011	2	3	1	6/6
28 March 2011	2	3	1	6/6
29 March 2011	2	2	1	5/6
6 April 2011 (Offsite)	2	3	1	6/6
6 May 2011	2	3	1	6/6
30 May 2011	2	3	1	6/6
20 June 2011	2	3	1	6/6
24 August 2011	2	2	1	5/6
22 September 2011	2	1	1	4/6
6 October 2011 – 8 October 2011 (Offsite)	2	2	1	5/6
24 October 2011	2	3	1	6/6
21 November 2011	2	2	1	5/6
25 November 2011	2	2	1	5/5
6 December 2011	2	2	1	5/5

The Board of Directors delegates certain responsibilities to the Board Committees. All Committees have written terms of reference and operating procedures to ensure a clear division of duties between the Board and Board Committees. The Board is kept informed of all proceedings and deliberations of its Board Committees through minutes of Board Committees' meetings which are tabled at the Board meetings, for notation.

The details of meetings and activities of these Committees are discussed in the following paragraphs.

Supply of information

The Board has unrestricted access to information required so as to enable it to discharge its duties, as the decision making process is highly contingent on the strength of information furnished. The Board is provided with monthly reports and updated information and briefings on the performance of the Group and the Company prior to every meeting to enable them to make informed decisions. The Board papers include, amongst others, the following details:-

- Business plan and annual operating plan;
- Quarterly performance reports of the Group;
- Major operational and financial issues including risks and audit issues;
- Market share and market responses to the Group's strategies;
- Major investments, acquisitions and disposals of assets;
- Manpower and human resource issues; and
- Minutes of meetings of all the Committees of the Board.

Senior management and key operational managers are informed and made aware of the quality and timeliness required by the Board with respect to the contents, presentation and delivery of Board papers for each Board meeting.

Principles statement (continued)

A. Directors (continued)

Supply of information (continued)

Key matters such as approval of annual and interim results, annual business plans and budget, major investment, financial decisions, key policies, major proposals and announcements are reserved for the Board. These reserved matters are set out in the Group's Discretionary Authority Limits ("DAL"). The DAL also specifies the levels of authority delegated to the Management by the Board.

The Board, whether as a whole or its members in their individual capacity, can seek independent professional advice at the Company's expense in the course of fulfilling their responsibilities. Every Director also has unhindered access to the advice and services of the Company Secretary. The Company Secretary constantly advises and updates the Board on the statutory and regulatory requirements in relation to their duties and responsibilities. Appointment and removal of the Company Secretary can only be made by the Board as a whole.

Director's Training

During the financial year, the Directors attended seminars, forums and briefings conducted by the regulatory authorities, professional bodies and other organisations in order to keep abreast with relevant developments in laws and regulations and the business environment. The training attended by the Directors during the financial year included the following:-

- Malaysian Directors Academy (MINDA) – Directors Forum 2011
- MINDA – Luncheon Talk – It's People Who Create Value, Not Money
- Bursa Malaysia – Launch of Corporate Integrity Pledge
- Bursa Malaysia – Invest Malaysia 2011
- PriceWaterhouseCooper (PWC) – Communications Forum
- Khazanah – The 7 Myths about Managing People in Malaysia
- CIMB Insurance Broker Sdn Bhd – Directors & Officer Liability : A Changing Landscape
- Khazanah Megatrends Forum 2011
- Khazanah – Special Luncheon Talk by Professor Ha-Joon Chang
- Khazanah – The XL Story-Case Study Collaborative Discussion
- Companies Commission of Malaysia – Seminar on Independent Directors-Gatekeepers of Corporate Governance
- Companies Commission of Malaysia – Financial Statements Analysis for Directors
- Bursatra Sdn Bhd – Making Sense of the Auditors Report and Its Impact

Re-election of retiring Directors

In accordance with the Company's Articles of Association and the Main Market Listing Requirements of Bursa Securities, one-third (1/3) of the Directors shall retire by rotation at every Annual General Meeting and all directors are subject to retirement at an interval of at least once every three (3) years. The Nomination and Remuneration Committee shall, upon reviewing and assessing performance levels, recommend to the Board the re-election of the Directors who are due for retirement at each Annual General Meeting.

Additionally, pursuant to Section 129(6) of the Companies Act, 1965, a Director over seventy (70) years of age is to retire at every Annual General Meeting and may offer himself/herself for re-appointment. In relation to this, the Chairman has offered himself for re-appointment at the forthcoming Annual General Meeting.

Principles statement (continued)

A. Directors (continued)

Board Appraisal Process

Towards its commitment to enhance the Boards' effectiveness and to structure high performing Boards, the Company has adopted an evaluation framework comprising Board Effectiveness Assessment and Board of Directors' Self/Peer Assessment. These assessments are designed to identify the areas that need to be improved to increase the Board's effectiveness and at the same time maintain the cohesiveness of the Board.

Among key performance indicators employed to evaluate the Board's current effectiveness are board administration, board accountability, responsibility and conduct whereas the indicators for individual director's assessment include their interactive contributions, underlying of their roles and quality of input.

The Company carries out the assessment process annually and the Board continuously identifies the areas to be addressed and is committed to align its effectiveness towards the recommended best practices.

B. Board Committees

Appointments of Board Committees

The Board has delegated certain responsibilities to the Board Committees and each and every Board Committee has written terms of reference of its own. The Board receives reports from the Board Committees and is regularly updated of their proceedings and deliberations. In cases where the Board Committee has no authority to decide on certain matters, the Board Committees will assess and examine the issue and subsequently provide their recommendations which are highlighted in their respective reports for the Board's endorsements.

Audit Committee

Paragraph 15.09 of the Main Market Listing Requirements of Bursa Securities requires an Audit Committee to be established. The Company's Audit Committee comprises three (3) Non-Executive Directors headed by the Senior Independent Non-Executive Director. Further details of its composition, roles and activities during the financial year are set out in pages 51 to 56.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprise three (3) members and all of them are Non-Executive Directors. Among them, two (2) are Independent Directors and one (1) is a Non-Independent Director.

The NRC held a total of six (6) meetings during the past year. The details are as follows:

		No. of meetings attended
Elakumari Kantilal* (Chairman)	Non-Independent, Non-Executive Director	6/6
Ronnie Kok Lai Huat	Senior Independent, Non-Executive Director	6/6
Balasingham A. Namasiwayam	Independent, Non-Executive Director	6/6

Principles statement (continued)

B. Board Committees (continued)

Nomination and Remuneration Committee (continued)

Throughout the year 2011, the Nomination and Remuneration Committee conducted meetings to discharge the following duties:

- Revised its Terms of Reference for recommendation to the Board.
- Made recommendations to the Board with respect to the Directors who shall retire at the Company's 14th Annual General Meeting.
- Reviewed the required mix of skills, experience and other qualities of Non-Executive Directors.
- Reviewed the results of the Board/Board Committees Assessment Form for year 2010 on the effectiveness of the Board, Board committees and individual directors.
- Recommended to the Board with respect to the extension of contract for Chief Executive Officer.
- Ratified the appointment of Chief Innovation Officer.
- Recommended to the Board with respect to the remuneration of Executive Directors and Executive Committee members.
- Recommended to the Board the proposal on Long Term Incentive Design and Implementation.
- Instructed Management to arrange for medical benefits for directors to be covered under the ING Insurance policy.
- Approved the mileage claim policy for employees to be applied to directors for their travel on Company business outside the Klang valley.
- Recommended to the Board the payment of 2010 Performance Bonus, 2010 Bonus for the 'Special Mentioned', payment of 2011 annual increment and payment of Cost of Living Adjustment.

In carrying out its duties and responsibilities, the NRC has a full and unrestricted access to the Company's records, properties and personnel and it may also obtain the advice of external advisors if required. The Directors are paid annual fees and attendance allowance for each Board meeting and Board Committee meeting that they attended.

Any change in the Directors' remuneration will be reviewed by the NRC before it is recommended to the Board.

Details of the Directors' remuneration (including benefits-in-kind) during the financial year ended 31 December 2011 are as follows:

Directors	Fixed Fees (RM)	Allowances (RM)	Benefits-in-Kind (RM)	Salary (RM)	Bonus (RM)	Other Expenses (RM)	Total Amount (RM)
Executive	–	97,788	11,400	915,400	335,265	161,330	1,521,183
Non-Executive	270,000*	233,357	1,200	–	–	–	504,557

* Inclusive of the fees paid for sitting in Audit Committee.

The NRC continues to evaluate the effectiveness of the Board and in this regard it assesses the size and composition of the Board to ensure that the required mix of skills are present in the course of discharging the Board's duties and responsibilities.

Principles statement (continued)

B. Board Committees (continued)

Tender Board Committee

The Tender Board Committee was established to facilitate the procurement process. Its main objective is to examine the tenders received and ensure that all necessary criteria, specifications and requirements of the Company have been met and complied with.

The Tender Board Committee consisted of Balasingham A. Namasiwayam (Chairman), Abdul Kadir Md Kassim and Elakumari Kantilal. The Board has delegated its authority to the Tender Board Committee to approve up to RM10.0 million for the budgeted transactions for the acquisition/disposal of fixed assets, trade or stock purchase and the award of contracts after taking into consideration various factors such as the list of tenders received, nature of procurement and the technical and commercial evaluation.

During the year, the Tender Board Committee held five (5) meetings.

C. Shareholders

Investors/Shareholders Relations

The Group recognises and acknowledges that the key element of good corporate governance is being transparent and accountable to all stakeholders. It is fundamental for the Group to establish a provision of clear, relevant and comprehensive information readily accessible to all stakeholders at anytime. Acknowledging this fact, the Group maintains a high level of disclosure and communicates regularly and proactively with its stakeholders, particularly to investors and shareholders, through transparent, effective and readily accessible communication channels. Information on the Group's business activities and financial performance are disseminated through press releases, quarterly reports, annual report and the Annual General Meeting in a timely and efficient manner. In addition, the Company's website at http://www.time.com.my provides a broad range of information to the shareholders.

The Company has taken great care and control to ensure that no market sensitive and any other information that is required to be reported or announced to the Bursa Securities for public release are disseminated or informed to any party without first making such official report or announcement to ensure equal dissemination and information to all investors. Any information released by the Company totally complies with and strictly adheres to disclosure rules and regulations of the Main Market Listing Requirements of Bursa Securities.

The Board has identified Ronnie Kok Lai Huat as the Senior Independent Non-Executive Director to address minority shareholders' issues and to whom minority shareholders' concerns may be conveyed.

Annual Report and Annual General Meetings

The key channel of communication regarding the Group's business activities and financial performance is via the Company's Annual Report. The Annual Report discloses comprehensive details about the Group's business activities and financial performance for the financial year.

The Annual General Meeting is the principal open forum at which shareholders and investors are informed of the current development of the Company. An interactive dialogue is conducted for them to inquire about the Group's activities and prospects as well as communicate their expectations and concerns. Adequate time is allocated for the question and answer sessions between the Directors and the Group's external auditors with the shareholders at the Annual General Meeting held by the Company.

Each item of special business included in the Notice of Annual General Meetings is accompanied by a full explanation of the effects of the proposed resolution.

Principles statement (continued)

D. Accountability and Audit

Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, the Board aims to present a clear and balanced assessment of the Group's position and prospects. The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of such financial reporting.

Related Party Transactions

The Company has established appropriate procedures to ensure the Company meets its obligations under the Main Market Listing Requirements of Bursa Securities relating to related party transactions.

A list of related parties is disseminated to the Company's various business units to determine the number and type of related party transactions. All related party transactions are presented to the Audit Committee for their notation on a quarterly basis. Interested Director(s) who has/have interest(s) in such transaction(s) abstain(s) from all deliberations and voting on the matter either at the Board level or at the general meeting convened for the purpose of considering the matter.

Shareholders' mandate in respect of existing and new recurrent related party transactions was obtained at the Annual General Meeting held on 27 June 2011. Details of recurrent related party transactions entered into by the Group during the financial year under review are set out from pages 39 to 49.

Directors' Responsibility Statement in respect of the Preparation of the Audited Financial Statements

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of their results and cash flows for the period then ended.

In preparing the financial statements, the Directors have considered and ensured that:

- Applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied;
- Suitable and appropriate accounting policies have been adopted and applied consistently; and
- Reasonable and prudent judgments and estimates were made.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 117 of the Financial Statements section of the annual report.

Principles statement (continued)

D. Accountability and Audit

Internal Control

The Board acknowledges its responsibility in maintaining a sound system of internal control to safeguard shareholders' investments and for reviewing the effectiveness, adequacy and integrity of those systems. The Board and Audit Committee are provided with sufficient information as to the Group's risk profile and Risk Management procedures and Management Information System to ensure that the Group's internal controls and systems are effective.

The Statement on Internal Control furnished on pages 57 to 60 of the Annual Report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 51 to 56 of the annual report. It is the Company's practice to invite the external auditors to the Audit Committee meetings where the quarterly financial results are tabled, discussed and reviewed. The external auditors met the Audit Committee without executive Board members present twice in 2011 as prescribed by the Code.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on pages 51 to 56 of the annual report.

Compliance statement

The Board is of the view that the Group has taken necessary steps throughout the financial year under review to comply with the principles and best practices of the Code. The Board will continue to review its governance model to uphold its pledge, commitment and effort to enhance and promote the best practices of corporate governance throughout the Group in its effort to achieve the highest standards of transparency, accountability and above all, integrity. The Board ensures that there is no compromise in the Group's focus on enhancing shareholder value, increasing investor confidence, establishing customer trust and building a competitive and profitable organisation.

The Statement on Corporate Governance is made in accordance with a resolution of the Board on 30 April 2012.

DETAILS OF RECURRENT RELATED PARTY TRANSACTIONS ENTERED INTO BY THE GROUP DURING THE FINANCIAL YEAR UNDER REVIEW, OF WHICH SHAREHOLDERS' MANDATE WAS OBTAINED

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
1	Global Transit Communications Sdn Bhd ("GTC")(4)	Pulau Kapas Ventures Sdn Bhd ("PKV"), Khazanah Nasional Berhad ("KNB"), UEM Group Berhad ("UEMG"), TIME Engineering Berhad ("TEB")(1), Megawisra Investments Ltd ("Megawisra Investments"), Megawisra Sdn Bhd ("Megawisra"), Global Transit International Sdn Bhd ("GTI"), Afzal Abdul Rahim ("Afzal"), Gan Te-Shen ("Te-Shen"), Abdul Kadir Md Kassim ("Abdul Kadir"), Elakumari Kantilal ("Elakumari") and Megat Hisham Hassan ("Megat Hisham")(2)	GTC is a subsidiary of PKV. KNB is a major shareholder of PKV. Therefore, KNB is deemed a major shareholder of GTC by virtue of its shareholdings in PKV. UEMG is a major shareholder of TEB(1), which in turn is a major shareholder of TIME dotCom Berhad ("TdC"). KNB is a major shareholder of UEMG. KNB is deemed a major shareholder of TdC by virtue of its interest held through PKV and TEB(1) via its shareholdings in UEMG. Megawisra Investments is the holding company of Megawisra, which in turn holds GTI. GTI is a major shareholder of PKV. Therefore, GTI, Megawisra and Megawisra Investments are deemed major shareholders of TdC and GTC via GTI's shareholdings in PKV. Afzal is a director and deemed a major shareholder of GTC by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments. He is also a director of PKV and TdC and deemed a major shareholder of TdC by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments.	Provision of bandwidth and IP Transit services by GTC to TdC and/or its subsidiaries Provision of bandwidth business by TdC and/or its subsidiaries to GTC	10,293 16,499

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
			Te-Shen is deemed a major shareholder of GTC and TdC by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[(1)] and PKV. Megat Hisham[(2)] is a nominee director of PKV in TdC and a director of PKV.		
2	The AIMS Asia Group Sdn Bhd ("TAAG") and/or its subsidiaries, AIMS Data Centre 2 Sdn Bhd ("AIMS Data Centre 2") and/or AIMS Cyberjaya Sdn Bhd ("AIMS Cyberjaya"), which are each individually held by Megawisra Sdn Bhd ("AIMS Group")[(4)]	Megawisra, Megawisra Investments, Afzal and Te-Shen	Megawisra is a major shareholder of TAAG, AIMS Cyberjaya and AIMS Data Centre 2. Megawisra is a subsidiary of Megawisra Investments. Megawisra Investments is deemed a major shareholder of TAAG, AIMS Cyberjaya and AIMS Data Centre 2 by virtue of its shareholding in Megawisra. Afzal is a director and deemed a major shareholder of TAAG, AIMS Cyberjaya and AIMS Data Centre 2 by virtue of his interests held through Megawisra via his shareholdings in Megawisra Investments. He is also a director of TdC and deemed a major shareholder of TdC by virtue of his interests held through PKV, GTI and Megawisra via his	Provision for co-location services, rack rental and provision of co-axial cable by AIMS Group to TdC and/or its subsidiaries. Provision of bandwidth services by TdC and/or its subsidiaries to AIMS Group	1,986 1,964

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
			shareholdings in Megawisra Investments. Te-Shen is a director and deemed a major shareholder of TAAG, AIMS Cyberjaya and AIMS Data Centre 2 by virtue of his interests held through Megawisra via his shareholdings in Megawisra Investments. He is also deemed a major shareholder of TdC by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments.		
3	Global Transit Limited ("GTL")[4]	Megawisra Investments, Megawisra, GTI, PKV, Afzal, Te-Shen, Abdul Kadir, Elakumari, Megat Hisham[2], UEMG, TEB[1] and KNB	GTL is an associated company of Megawisra which in turn is a subsidiary of Megawisra Investments. GTI is a subsidiary of Megawisra and a major shareholder of PKV. PKV is a major shareholder of TdC. Therefore, GTI, Megawisra and Megawisra Investments are deemed major shareholders of TdC via GTI's shareholdings in PKV. Afzal is a director of GTL and deemed a major shareholder of GTL by virtue of his interests held through Megawisra via his shareholdings in Megawisra Investments. He is also a director of PKV and TdC and deemed a major shareholder of TdC by virtue of his interests held through PKV,	Provision of bandwidth business by GTL to TdC and/or its subsidiaries	429

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
			GTI and Megawisra via his shareholdings in Megawisra Investments. Te-Shen is a director and deemed a major shareholder of GTL by virtue of his interests held through Megawisra via his shareholdings in Megawisra Investments. He is also deemed a major shareholder of TdC by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments. KNB is deemed a major shareholder of GTL by virtue of its interests held through Continuum Capital Sdn Bhd via its shareholdings in Pulau Tiga Ventures Sdn Bhd. KNB is also deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB(1) via its shareholdings in UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. UEMG is a major shareholder of TEB(1) which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB(1) and PKV. Megat Hisham(2) is a nominee director of PKV in TdC and a director of PKV.		

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
4	Proton Holdings Berhad ("Proton"), its subsidiaries and other related companies, collectively ("Proton Group")	KNB, UEMG, TEB(1), PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham(2)	KNB is a major shareholder of Proton. UEMG is a major shareholder of TEB(1), which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB(1) via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB(1) and PKV. Megat Hisham(2) is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of internet, voice, data and managed services by TdC and/or its subsidiaries to Proton Group	1,842
5	Telekom Malaysia Berhad ("Telekom") and its subsidiaries, collectively ("Telekom Group")	KNB, UEMG, TEB(1), PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham(2)	KNB is a major shareholder of Telekom. UEMG is a major shareholder of TEB(1), which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB(1) via its shareholdings in UEMG.	Provision of leased line, point of interconnect, point of access and integrated services digital network (ISDN) backup by Telekom Group to TdC and/or its subsidiaries	13,943

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
			Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[(1)] and PKV. Megat Hisham[(2)] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of telecommunication services (Interconnect) by TdC and/or its subsidiaries to Telekom Group	22,176
6	Tenaga Nasional Berhad ("TNB") and its subsidiaries, collectively ("TNB Group) and its associated companies	KNB, UEMG, TEB[(1)], PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham[(2)]	KNB is a major shareholder of TNB. UEMG is a major shareholder of TEB[(1)], which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC.	Provision of telecommunication services (voice) by TdC and/or its subsidiaries to TNB Group and its associated company	440
			KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB[(1)] via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[(1)] and PKV. Megat Hisham[(2)] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of low voltage infrastructure, co-location, leasedline, indoor equipment space, outdoor space, rooftop space and supervision by TNB Group and its associated company to TdC and/or its subsidiaries.	395

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
7	Malaysia Airlines System Berhad ("MAS") and its subsidiary companies	KNB, UEMG, TEB[(1)], PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham[(2)]	KNB is a major shareholder of MAS. UEMG is a major shareholder of TEB[(1)], which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB[(1)] via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[(1)] and PKV. Megat Hisham[(2)] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of telecommunication services (voice) by TdC and/or its subsidiaries to MAS and its subsidiary company	91
8	Pos Malaysia Berhad ("POS")[(3)]	KNB, UEMG, TEB[(1)], PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham[(2)]	KNB is a major shareholder of POS[(3)]. UEMG is a major shareholder of TEB[(1)], which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB[(1)] via its shareholdings in UEMG.	Provision of telecommunication services (voice, data and internet) by TdC and/or its subsidiaries to POS[(3)]	370

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
			Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[1] and PKV. Megat Hisham[2] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.		
9	UEMG and its subsidiaries, collectively ("UEMG Group")	KNB, UEMG, TEB[1], PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham[2]	UEMG is a major shareholder of TEB[1], which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB[1] via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[1] and PKV. Megat Hisham[2] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of telecommuni-cation services (data, internet managed services and voice) by TdC and/or its subsidiaries to UEMG Group Maintenance of regeneration of cabins and repair works for fibre optic cables and ancillaries and the provision of wayleave and right of use by UEMG Group to TdC and/or its subsidiaries	5,143 8,242

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
10	CIMB Group Holdings Berhad ("CIMB Group HB") and its subsidiaries	KNB, UEMG, TEB[(1)], PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham[(2)]	KNB is a major shareholder of CIMB Group HB. UEMG is a major shareholder of TEB[(1)], which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB[(1)] via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[(1)] and PKV. Megat Hisham[(2)] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of telecommunication services (voice, data, managed services and internet) by TdC and/or its subsidiaries to CIMB Group HB and its subsidiaries	1,817

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
11	Axiata Group Berhad ("Axiata") and its subsidiaries, collectively ("Axiata Group")	KNB, UEMG, TEB(1), PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham(2)	KNB is a major shareholder of Axiata. UEMG is a major shareholder of TEB(1), which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB(1) via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB(1) and PKV. Megat Hisham(2) is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of telecommuni-cation services by TdC and/or its subsidiaries to Axiata Group Provision of telecommuni-cation services (point of interconnect) and provision of leaseline by Axiata Group to TdC and/or its subsidiaries	1,613 2,049

No	Related Parties	Interested Related Parties	Nature of Relationship	Type of Transactions	Amount transacted during the year (RM'000)
12	Measat Broadcast Network Systems Sdn Bhd ("Measat")	KNB, UEMG, TEB[(1)], PKV, Afzal, Abdul Kadir, Elakumari and Megat Hisham[(2)]	KNB is a major shareholder of Measat. UEMG is a major shareholder of TEB[(1)], which in turn is a major shareholder of TdC. KNB is a major shareholder of UEMG. PKV is a subsidiary of KNB and also a major shareholder of TdC. KNB is therefore deemed a major shareholder of TdC by virtue of its interests held through PKV and TEB[(1)] via its shareholdings in UEMG. Abdul Kadir is a director of TdC and UEMG. Elakumari is a nominee director of KNB in TdC and a director of TEB[(1)] and PKV. Megat Hisham[(2)] is a nominee director of PKV in TdC and a director of PKV. Afzal is a partner of KNB by virtue of his shareholding in PKV.	Provision of telecommunication services (broadband, voice and internet) by TdC and/or its subsidiaries to Measat	786

Notes:

(1) TEB ceased to be a substantial shareholder of TdC on 2 August 2011. Accordingly, TEB is no longer an interested party with respect to transactions between the TdC Group and the relevant transacting parties.

(2) Megat Hisham has resigned as a Director of TdC on 24 Nov 2011. Accordingly, Megat Hisham is no longer an interested party with respect to transactions between the TdC Group and the relevant transacting parties.

(3) POS is no longer a Related Party pursuant to the disposal by KNB of 172, 997, 339 ordinary shares of RM0.50 each in POS, representing approximately 32.21% of the total issued and paid-up share capital of POS, which was completed on 1 July 2011.

(4) AIMS Group, GTC and GTL became wholly-owned subsidiaries of TdC after the completion of the Acquisitions on 17 May 2012. Accordingly, AIMS Group, GTC and GTL are no longer related parties with respect to the TdC Group.

1. **Material contracts Involving Directors' and Major Shareholders' Interest**

   Save as disclosed below, there were no material contracts entered by the Company and/or its subsidiaries involving shareholders' interest either subsisting as at 31 December 2011 or entered since the end of the previous financial year.

   Wayleave and Right of Use Agreement between Projek Lebuhraya Utara-Selatan Berhad (PLUS) and TT dotCom Sdn Bhd (TTdC) dated 12 May 2000

   The Agreement grants an exclusive right to TTdC to use the fibre optic telecommunications network and infrastructure installed by PLUS in, on or along the North-South Expressway.

   The Agreement shall expire upon the lapse of the concession as granted by the Government of Malaysia to PLUS which is now on 31 December 2038, extended from 30 May 2030, unless renewed by the Government of Malaysia.

   PLUS is a subsidiary of PLUS Expressways Berhad and an associate company of UEM World Berhad (UEM World). UEM Group Berhad is a major shareholder of UEM World and a wholly-owned subsidiary of Khazanah Nasional Berhad (Khazanah). Khazanah is a major shareholder of the Company.

2. **Imposition of Sanctions/Penalties**

   There is no imposition of sanctions and/or penalties on the Company and its subsidiaries, directors or Management by the relevant regulatory bodies.

3. **Non-audit fees**

   The non-audit fees paid to external auditors and corporations affiliated to the auditors' firm for the financial year ended 31 December 2011 was RM453,076.

The Board of Directors is pleased to present the Report of the Audit Committee (Committee) for the financial year ended 31 December 2011.

Composition

The Committee presently comprises three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director.

The members of the Committee during the financial year ended 31 December 2011 are as follows:-

Ronnie Kok Lai Huat (Chairman)	Senior Independent Non-Executive Director
Elakumari Kantilal	Non-Independent Non-Executive Director
Balasingham A. Namasiwayam	Independent Non-Executive Director

The profiles of the Committee members are contained in the "Board of Directors' Profile" set out on pages 24 to 26.

Terms of Reference

The Committee was established on 27 September 2000 to act as a Committee of the Board of Directors, with the terms of reference as set out on pages 53 to 56.

Meetings

The Committee convened five (5) meetings during the financial year ended 31 December 2011. The details of attendance are as follows:-

Name	Attendance	Percentage of attendance
Ronnie Kok Lai Huat (Chairman)	5/5	100%
Elakumari Kantilal	5/5	100%
Balasingham A. Namasiwayam	5/5	100%

The Chief Executive Officer, other Senior Management members and the external auditors attended these meetings upon invitation to brief the Committee on specific issues. The Company Secretary being the secretary of the Committee was present at all the meetings. The Committee also had met with the external auditors without the presence of Management.

Minutes of meetings of the Committee are circulated to all members of the Board and significant issues are discussed at the Board meetings.

Principal Activities in this Financial Year

The Committee carried out its duties in accordance with its terms of reference during the year. The principal activities of the Committee were as follows:

(a) Financial Statements

(i) Reviewed the audited statutory financial statements, quarterly financial results of the Group for 2011 and discussed significant issues before recommending them to the Board of Directors for approval prior to the announcement to Bursa Malaysia.

(ii) Reviewed the annual, interim and any other related financial statements and announcements of the Group for quality of disclosure, and compliance with the Listing Requirements of Bursa Malaysia, approved accounting standards and other relevant legal and regulatory requirements.

(b) Internal Audit

(i) Reviewed results of the internal audit reports, findings and recommendations and action taken on the recommendations.

(ii) Reviewed the key audit issues identified by Internal Audit in the current period and proposed action plans by Management.

(iii) Reviewed the major findings of internal investigation reported through the whistleblowing channel.

(iv) Assessed the performance of the Internal Audit function.

(c) Related Party Transactions

(i) Reviewed the related party transactions to ensure that the transactions were not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders.

(ii) The sub-committee had reviewed and approved the selling of Indefeasible Rights-to-Use transactions to parties related to the Chief Executive Officer and Chief Operating Officer.

(d) Risk Management

(i) Received and reviewed reports on key operational risks to ensure these risks are being managed effectively and actively overseen.

(e) External Audit

(i) Reviewed the reappointment of the external auditors and the annual audit fee.

(ii) Reviewed the external auditors' annual audit plan and their scope of audit.

(iii) Reviewed the annual audit report and accompanying reports to the Management.

(iv) Held private meetings with the external auditors without Management to ensure there were no restrictions on the scope of their audit and to discuss any items that the auditors did not wish to raise in the presence of Management.

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

Internal Audit Function

The Board of Directors is committed to establish and maintain an efficient and effective internal audit function to obtain sufficient assurance of regular review and appraisal of the effectiveness of the Group's system of internal controls.

The internal audit function is performed in-house, by the Internal Audit Division. The total costs incurred for the internal audit function for the financial year ended 31 December 2011 amounted to RM539,595. The internal audit function is guided by its Audit Charter and reports to the Committee. Its primary role is to assist the Committee to discharge its duties and responsibilities by independently reviewing and reporting on the adequacy and integrity of the Group's system of internal controls.

In 2011, Internal Audit executed a range of audit reviews covering financial, operational, fraud investigation and information systems audit. Other reviews are also performed to ensure that the Group's resources are utilised effectively and efficiently. The Internal Audit reports were issued for the audited division's comments and for their response on the action plans and implementation date. Internal Audit also coordinates the follow up reviews on the resolutions of internal audit issues and reports the status to the Committee.

Findings and recommendations for improvements are communicated to Senior Management and the Committee. The Internal Audit function adopts a risk-based approach in the review of internal controls based on an annual audit plan approved by the Audit Committee. The Internal Audit function also adopts the COSO framework in assessing internal controls related to areas of review.

Terms of Reference of The Audit Committee

(A) Membership

- There should be a minimum of three (3) non-executive directors, of which a majority must be independent directors.
- The Chairman of the Audit Committee shall be an independent non-executive director.
- There should be at least one (1) member who is a member of the Malaysian Institute of Accountants or should have at least three (3) years working experience and passed the examinations specified in Part I of the 1st schedule of the Accountants Act, 1967 or is a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Act.
- Vacancies in the Audit Committee must be filled within three (3) months. The Nomination Committee will review and recommend, to the Board for approval, another director to fill up such vacancies.
- The terms of office and performance of the Audit Committee must be reviewed by the Board at least once every three (3) years.
- Alternate directors cannot be a member of the Audit Committee.
- All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.
- Members of the Audit Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as a Director of the Company.
- All Committee Members including the Chairman should be persons of good social standing and possess relevant skills and a good track record in the corporate or business field.

Terms of Reference of The Audit Committee (continued)

(B) Functions of the Audit Committee

(i) To determine that established policies, procedures and guidelines, operating and internal accounting controls are adequate, functioning, effective, and are complied with in promoting efficiency and proper conduct of the Company's business.

(ii) To act as an independent and objective party in reviewing the financial information of the Company presented by Management.

(iii) To review the quarterly and year-end financial statements of the Company for recommendation to the Board for approval, focusing particularly on:-

- Any changes in or implementation of major accounting policies and practices;
- Significant adjustments and unusual events arising from the audit;
- The going concern assumption; and
- Compliance with accounting standards and other legal requirements.

(iv) To consider and recommend the nominations, the appointment and reappointment of the external auditor, the audit fee and any questions of resignation or dismissal.

(v) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved.

(vi) To discuss problems and reservations arising from the interim and final audits, and any other matters the auditor may wish to discuss (in the absence of Management where necessary).

(vii) To review the external auditor's management letter, their evaluation of the systems of internal control and Management's responses thereof.

(viii)To ensure that assistance is given by the employees of the Company in following the best practices in providing full and faithful disclosure of any material information, to the external auditor.

(ix) To do the following where an internal audit function exists:

- Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- Review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- Review any appraisal or assessment of the performance of members of the internal audit function;
- Approve any appointment or termination of senior staff members of the internal audit function; and
- Inform itself of resignations of internal audit staff members and provide the resigning staff to submit his/her reasons for resigning.

Terms of Reference of The Audit Committee (continued)

(B) Functions of the Audit Committee (continued)

(x) To review and report to the board of directors any related party transaction and conflict of interest situations that may arise within the listed issuer or Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

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

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

(xiii) To monitor operational performance against targets set in the Annual Operating Plan in relation to the Group's quarterly financial performance and quarterly announcement to Bursa Malaysia.

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

(C) Rights of the Audit Committee

To enhance the effectiveness of the Audit Committee in the discharge of its duties, the Listing Requirements provides the Audit Committee with the following rights:

- Authority to investigate any matter within its terms of reference;
- Right to resources to perform its duties;
- Full and unrestricted access to information;
- Have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;
- Right to obtain external independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- Right to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees whenever deemed necessary.

(D) Audit Committee Meetings

- The Audit Committee should meet regularly, at least once in every quarter, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities. The quorum should comprise a majority of independent directors.
- The Audit Committee shall aim to reach a consensus on issues discussed, failing which a poll shall be taken through a show of hands.
- The Chairman of the Committee should report on each meeting to the Board. Minutes of each meeting should be kept and distributed to each member of the Committee and of the Board. The Secretary to the Committee should be the Company Secretary.
- The Chief Executive Officer/and Chief Financial Officer (or a person of similar capacity), Head of Internal Audit and a representative of the external auditors shall normally be entitled to attend any meeting of the Committee and to make known their views on any matter under consideration by the Committee, or which in their opinion, should be brought to the Committee's attention.
- The Audit Committee must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.
- The Audit Committee should meet with the external auditors without executive board members present at least twice a year.
- The Audit Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting.

Terms of Reference of The Audit Committee (continued)

(E) Audit Committee Report

The Board of Directors of a listed issuer must publish an Audit Committee Report in its annual report and shall include the following therein:

- Membership of the Audit Committee of which the minimum details are specified in the Listing Requirements;
- The Terms of Reference must be written;
- The number of Audit Committee meetings and details of attendance of each Audit Committee member;
- Summary of the activities of the Audit Committee for the year; and
- Disclosure of the existence of an internal audit function and its activities, and where such a function does not exist, it should be explained what mechanism was in place for the Audit Committee to discharge its functions effectively.

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

- A statement explaining the Board of Directors' responsibility for preparing the annual audited accounts; and
- A statement about the state of internal controls of TdC as a Group (after the same is reviewed by the external auditors with regard to the state of internal controls and the results thereof reported).

(F) Reporting Of Breaches

The Audit Committee must promptly report any matter to Bursa Malaysia, if in its view such matter has not been satisfactorily resolved by the Board of Directors resulting in a breach of Listing Requirements.

(G) Support

The Company Secretary shall provide the necessary support to enable members of the Audit Committee to discharge their functions effectively.

The Board of Directors ("the Board") is committed to maintain a sound system of internal control in the Group and is pleased to provide the following statement on internal control that outlines the nature and scope of internal control of the Group during the financial year pursuant to paragraph 15.26 (b) of Bursa Malaysia's Listing Requirements.

Accordingly, the Board is pleased to provide the following statement that was prepared in accordance with the "Statement On Internal Control Guidance For Directors Of Public Listed Companies".

Board Responsibility

The Board acknowledges its responsibility in maintaining a sound system of internal control to safeguard shareholders' investments and for reviewing the effectiveness, adequacy and integrity of those systems. The system of internal control addresses the corporate objectives on the need for effective and efficient business operations, sound financial reporting and internal control and compliance with relevant laws and regulations. Because of the limitations that are inherent in any system of internal control, this system is designed to mitigate, rather than eliminate the risk of non-achievement of the Group's objectives. Therefore, the system of internal control can only provide reasonable but not absolute assurance against the occurrence of any material misstatement, loss or fraud.

The Board has established a process for identifying, evaluating, monitoring and managing the significant risks that may materially affect the achievement of its corporate objectives. This process has been in place throughout the year under review up to the date of this report.

Whilst the Board maintains ultimate control over risk and control issues, it has been delegated to the Executive Management to implement the system of risk management and internal control within an established framework.

Risk Management Framework

The risk management framework has been adopted and this includes the establishment of the Risk Management Steering Committee (RMSC) in 2002. The Risk Management Secretariat reports to the RMSC to assist it in the undertaking of its functions.

The RMSC is tasked with developing and maintaining an effective risk management system within the Group. Formal risk policies and guidelines have been established as part of the risk management framework. Under the existing risk management framework, risks are managed on a day-to-day basis by the business operating units, departments and divisions coordinated by the Risk Management Secretariat with the oversight function provided by the RMSC. The Internal Audit function and the Audit Committee provide further independent assurance.

During the financial year, the RMSC reviewed the enterprise risk profiles and Management's action plan on high risks. Designated risk coordinators were tasked with maintaining the risk registers for their operating units and to follow up on action plans to manage and mitigate the risk factors. The Risk Management Secretariat meets with representative of all divisions during the Risk Coordinator Meeting at least once every six (6) months to discuss developments pertaining to the enterprise risk and updates the registers accordingly.

Control Environment and Structure

The Board recognises that in order to achieve a sound system of internal control, a conducive control environment and framework must be established. The Board is fully committed to the maintenance of such control environment within the Group and, in discharging their responsibilities, adopts the following key system of internal control within the Group to govern the manner in which the Group and its employees conduct themselves. The key elements of internal control, among others, comprise the following:

1.0 Control Environment

- **Formal Organisational Structure** is in place with clearly defined lines of reporting, aligned to business and operations requirements. This promotes good corporate governance, provides proper segregation of duties, promotes ownership and accountability for risk taking and delegated authority for planning, executing, controlling and monitoring business operations to ensure effective and independent stewardship.

- **Board Committees** are set up by the Group to promote corporate governance and transparency with specific terms of reference and authority. The Board Committees formed by the Group are the Audit Committee, Nomination and Remuneration Committee and Tender Board Committee. These Committees report to the Board and make recommendations for the Board's decision.

- **Audit Committee**, of which the majority comprise Independent Directors, was maintained throughout the financial year. All members of the Committee are non-executive. The members of the Committee meet at least once every quarter, and bring with them a variety of experience from different industries and background to discuss among others, on the significant issues on the financial results, internal audit findings, related party transactions, risk management and to discuss on external audit appointment. The Audit Committee reviews and approves the Internal Audit Charter and Internal Audit Plan. The Committee also oversees the Internal Audit Division's function, scope of works and resources.

- **Human Resource Policies & Code Of Conduct** are available to all employees via the intranet. All employees are required to sign and adhere to the Confidentially Agreements and Declaration of Non-Conflict of Interest upon their appointments and renew their Declaration of Non-Conflict of Interest on an annual basis. The Code of Conduct sets out principles to guide the employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties. The Code covers areas such as compliance with respective local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality and conflicts of interest.

- **Discretionary Authority Limits Table** delineates authority limits to ensure accountability and segregation of duties. The Discretionary Authority Limits Table is established for various levels of Management for it to be more effective and efficient in supporting the business operations. The last revision was presented and approved by the Board of Directors on 28 May 2009.

- **Procedures For Hiring, Termination, Appraisal, Training And Development** of employees are in place to ensure that the People Division's requirements are met in achieving the Group's business objectives. Recruitment is based on competency selection process. The approach is guided by the Group's objective as well as the desired employee's profile. The policy and procedure on termination process is according to the Malaysian employment laws. The Group has developed a web-based performance management system known as ePerformance to ensure that the Group's objectives are cascaded to the employees' Key Performance Indicators (KPIs). Learning and development in the Group is based on a structured competency assessment. The focus was to establish a Core Technical Competency Model with the key objective to enhance and upgrade the technical capability of the employees.

1.0 Control Environment (continued)

- **Supplier Conduct Principles** have been established which outline the standard for ethnical and business conduct expected from contractors and suppliers in their relationship with the Group. These principles are incorporated in the contracts with vendors and Request for Proposals documents.

2.0 Risk Assessment

- **Risk Management** function is set up as part of Corporate Governance in the Group, to identify potential events that may affect the entity and to manage risks to be within the risk appetite as approved by the Management.

- **TIME Risk Management Framework** that is based on ISO 31000 serves to guide the Risk Management Secretariat to identify, analyse and evaluate business and operation risks. The Risk Management Secretariat monitors implementation of action plans and report to the Risk Management Steering Committee on a quarterly basis.

- **Risk Management Procedure Manual** is in place to guide the Risk Management Secretariat in identifying and assessing business and operation risks, monitor implementation of action plans, reporting risks and tracking of appointments, transfers and resignations of Divisional Risk Coordinators.

3.0 Control Activities

- **Operational And Accounting Manuals** are in place to guide key business processes and are regularly updated for application across the Group. Financial statements are prepared in compliance with Financial Reporting Standards. In addition, ISO 9001:2008 procedures for collections are regularly monitored to ensure compliance.

- **The Whistleblowing Policy** outlines the Company's commitment to encourage employees to disclose any malpractice or misconduct of which they become aware and to provide protection for employees who report allegations such as malpractice or misconduct. The policy provides clear procedure and framework by which directors, staff, contractors and consultants can confidently and anonymously if they wish, voice concerns or complaints without fear of potential recrimination against them.

- **Business Continuity Management (BCM) Framework** has been established in 2011 as a guide to develop and maintain the Group's BCM programme in a coordinated and consistent manner based on MS1970:2007, BS25999-1:2006, BS25999-2:2007 and PD25666. The implementation of Group's BCM programme will facilitate the following:

  i. To respond effectively to business disruptions, resume critical operations from major failures or disasters; and

  ii. To minimize the impact to the Group's business operations in the event of disasters.

- **Financial And Operational Information** is prepared and presented to the Board. Annual budgets and business plans are prepared by all business units and consolidated at Group level for the Board's approval. Operating results are monitored by the Senior Management against budgets on a monthly basis. The Audit Committee and Board review the results on a quarterly basis to enable it to track the Group's achievement against its annual targets.

3.0 Control Activities (continued)

- **Board Meetings** are scheduled regularly. Board papers are distributed to the Board members ahead of meetings and the members have access to all relevant information. Decisions are made by the Board only after the required information is presented and deliberated. This ensures that the Board maintains full and effective control on the direction of the Group.

- **Management Meetings** are carried out by the Executive Committee, Management Council and Business Council. The management meetings attended by the Senior Management are held regularly. The meetings are held to review how business is executed against key strategic objectives/plans and discuss action items, initiatives, key issues and other forward-looking operational subjects in a cross-functional environment.

4.0 Information And Communication

- **Corporate Communication Policy** is in place in managing all Group external communications. All Group's external communication is channeled to the Corporate Communication team for messaging alignment in monitoring, with Management approval obtained prior to the release.

5.0 Monitoring

- **Internal Audit Function** reports to the Audit Committee and is guided by the Audit Charter. Findings and recommendations for improvements are communicated to the Senior Management and the Audit Committee with regular follow up on the implementation status of action plans. The Internal Audit function adopts a risk-based approach in the review of internal control based on an annual audit plan approved by the Audit Committee. The Internal Audit function examines the adequacy and effectiveness of the verification, recording and disclosure procedures for related party transactions, recurrent or otherwise, in conformance with Bursa Malaysia's Listing Requirements on related party transactions.

- **Fraud Control And Credit Management** functions are in place to ensure that subscriber usage patterns are continuously monitored, appropriate actions taken immediately for suspected fraud, and customer acceptance and credit management procedures are adhered to.

- **Quality Of Service** processes that measure and monitor billing performance, customer complaints, service availability, service restoration performance and network performance, are in place to ensure mandatory compliance with Mandatory Standard for quality of service issued by Malaysian Communications and Multimedia Commission.

- **Revenue Assurance** functions as continuous monitoring of potential revenue leakage that may arise from day-to-day operations. Processes and controls within the revenue value chain are reviewed on a regular basis to ensure effectiveness and efficiency. Identified revenue leakage issues with recommendations for mitigation are circulated to the relevant departments for action. Action plans and status are reported to Management in Management meetings.

The Board is cognisant of the importance of maintaining appropriate controls and will continue to review the adequacy and integrity of the Group's internal control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

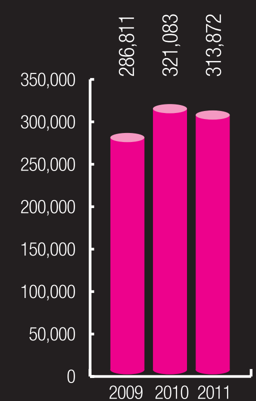
The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 31 December 2011 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

GROUP FINANCIAL HIGHLIGHTS

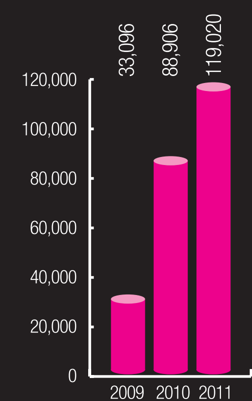
	2009	2010	2011
Revenue (RM'000)	286,811	321,083	313,872
Profit Before Tax (RM'000)	33,096	88,906	119,020
Profit After Tax (RM'000)	33,086	107,071	117,354
Total Shareholders' Equity (RM'000)	1,065,732	1,249,803	1,757,657
Total Assets (RM'000)	1,219,472	1,435,733	1,950,698
Net Tangible Assets per Share (RM)	0.42	0.49	0.69
Net Assets per Share (RM)	0.42	0.49	0.69
Return on Equity (ROE) (%)	3%	9%	7%
Revenue Growth (Y-o-Y) (%)	0%	12%	(2%)
Basic Earnings per Ordinary Share (sen)	1.31	4.23	4.64

GROUP FINANCIAL HIGHLIGHTS

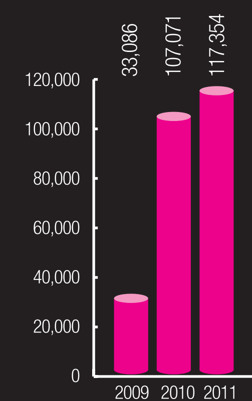
Revenue (RM'000)



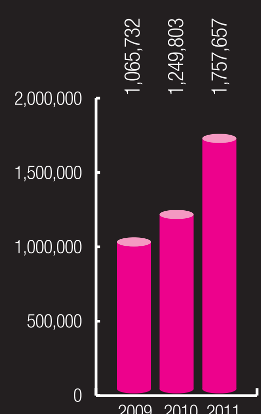
Profit Before Tax (RM'000)



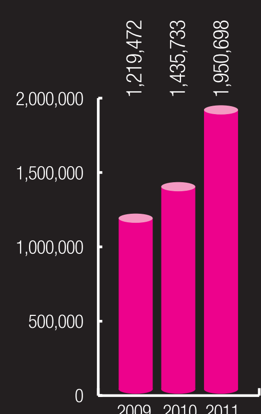
Profit After Tax (RM'000)



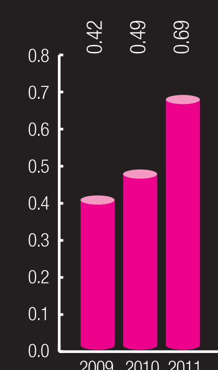
Total Shareholders' Equity (RM'000)



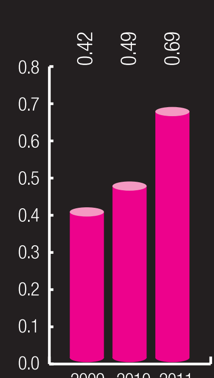
Total Assets (RM'000)



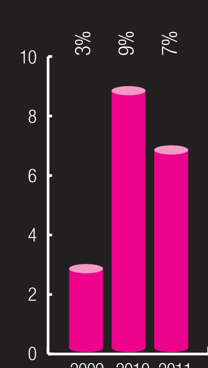
Net Tangible Assets per Share (RM)



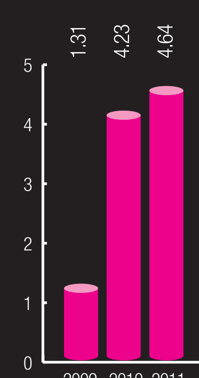
Net Assets per Share (RM)



Return on Equity (ROE) (%)



Basic Earnings per Ordinary Share (sen)



FINANCIAL STATEMENTS

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2011.

Principal activities

The Company is principally engaged in investment holding, provision of management and marketing/promotional services and retailing of telecommunications products whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year	117,354	3,688

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividends

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

Directors of the Company

Directors who served since the date of the last report are:

Abdul Kadir Md. Kassim (Chairman)
Elakumari Kantilal
Ronnie Kok Lai Huat
Balasingham A. Namasiwayam
Afzal Abdul Rahim (Chief Executive Officer)
Megat Hisham Hassan (Chief Operating Officer) (resigned on 24 November 2011)

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.1.2011	Bought	Sold	At 31.12.2011
Deemed interest in the Company:				
Afzal Abdul Rahim				
- own *	760,209,826	–	–	760,209,826
Interest in the Company:				
Balasingham A. Namasiwayam:				
- other (spouse)	25,000	–	–	25,000

* *Afzal Abdul Rahim is deemed interested through Pulau Kapas Ventures Sdn Bhd ("PKV"), which holds 30.04% of the ordinary shares in the Company as at 31 December 2011*

By virtue of Afzal Abdul Rahim's deemed interest in the shares of the Company, he is also deemed interested in the shares of subsidiaries during the financial year to the extent that TIME dotCom Berhad has an interest.

None of the other directors holding office as at 31 December 2011 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary as a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest (other than certain Directors who has significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fees paid to a firm in which a Director is a member) as disclosed in the financial statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than as disclosed in the section entitled "Significant events", by virtue of Afzal Abdul Rahim's deemed interest in PKV and Megawisra Sdn Bhd ("Megawisra").

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company and the Company has not issued any debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

Other statutory information

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate allowance have been made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2011 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

The Company had, on 15 November 2010, announced that it had entered into two memoranda of agreement for the following proposals:

(i) Proposed acquisition of 100% equity stake in Global Transit Communications Sdn Bhd ("GTC") for a purchase consideration of RM106 million to be fully settled through issuance of approximately 29.86 million new TIME dotCom Berhad ("TdC") shares ("Proposed Acquisition of GTC");

(ii) Proposed acquisition of 100% equity stake in Global Transit Limited ("GTL"), for a purchase consideration of RM105 million to be settled through issuance of approximately 14.79 million new TdC shares and a cash consideration of RM52.50 million ("Proposed Acquisition of GTL");

(iii) Proposed acquisition of 100% equity stake in Global Transit (Hong Kong) Limited and Global Transit Singapore Pte Ltd (collectively defined as "Global Transit Entities"), for a cash consideration of RM1 each ("Proposed Acquisitions of Global Transit Entities"); and

(iv) Proposed acquisition of AIMS Group which comprises 100% equity stakes in AIMS Data Centre 2 Sdn Bhd, The AIMS Asia Group Sdn Bhd and its subsidiaries and AIMS Cyberjaya Sdn Bhd (collectively defined as "AIMS Group"), for a total purchase consideration of RM128 million to be settled through issuance of approximately 25.24 million new TdC shares and a cash consideration of RM38.40 million ("Proposed Acquisition of AIMS Group").

GTC, GTL, Global Transit Entities and AIMS Group are collectively referred to as "Acquiree Companies" while the Proposed Acquisition of GTC, Proposed Acquisition of GTL, Proposed Acquisitions of Global Transit Entities and Proposed Acquisition of AIMS Group are collectively referred to as the "Proposed Acquisitions".

The Company also announced on the same day that it had resolved to undertake the following proposals:

(i) Proposed capital repayment of RM50,615,500 representing RM0.02 per TdC share to the entitled shareholders of TdC ("Proposed Capital Repayment");

(ii) Proposed capital restructuring comprising:

- Proposed capital reduction of TdC's existing issued and paid-up share capital of RM2,530,775,000 comprising 2,530,775,000 ordinary shares of RM1.00 each in TdC via cancellation of RM0.90 of the par value of each TdC ordinary share pursuant to Section 64 of the Companies Act, 1965 ("Proposed Capital Reduction");

- Proposed set-off of TdC's share premium account against the accumulated losses of TdC ("Proposed Share Premium Reduction"); and

- Proposed share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC after the Proposed Capital Reduction into 506,155,000 TdC shares, on the basis of five (5) ordinary shares of RM0.10 each in TdC into one (1) ordinary share of RM0.50 each in TdC ("Proposed Share Consolidation").

The Proposed Capital Reduction, Proposed Share Premium Reduction and the Proposed Share Consolidation are collectively referred to as the "Proposed Capital Restructuring" while the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring are collectively referred to as the "Proposals".

Significant events (continued)

Subsequently, the Company announced, on 6 December 2010, that it had entered into four (4) conditional sale and purchase agreements (referred to as "SPAs") with the following parties:

(i) PKV, for the Proposed Acquisition of GTC;

(ii) Megawisra, Halfmoon Bay Capital Limited, Accurate Gain Profits Limited, Continuum Capital Sdn. Bhd. and Nicholas Lim Ping (collectively referred as "GTL Vendors"), for the Proposed Acquisition of GTL;

(iii) Global Transit International Sdn Bhd ("GTI"), a wholly owned subsidiary of Megawisra, for the Proposed Acquisitions of the Global Transit Entities; and

(iv) Megawisra, for the Proposed Acquisition of AIMS Group

for their respective equity interests in the Acquiree Companies.

On 15 March 2011, the Company announced that pursuant to the completion of the due diligence exercise undertaken on the Acquiree Companies, an independent valuation for and only for the non-interested directors of TdC was undertaken and by letters of agreement executed on 15 March 2011 which are supplemental to the respective SPAs between TdC and PKV, the GTL Vendors and Megawisra, the transacting parties have mutually agreed to revise the purchase consideration as follows:

(i) the Proposed Acquisition of GTC will be for a purchase consideration of RM102 million, to be fully settled through the issuance of 28,732,394 new TdC shares;

(ii) the Proposed Acquisition of GTL will be for a purchase consideration of RM101 million, to be fully settled via the issuance of 17,070,421 new TdC shares and a cash payment of approximately RM40.4 million;

(iii) the Proposed Acquisition of the AIMS Group will be for a purchase consideration of RM119 million to be fully settled via the issuance of 20,112,676 new TdC shares and a cash payment of approximately RM47.6 million.

The Proposals are conditional upon obtaining the following approvals and other condition precedents for the Proposed Acquisitions:

(i) the shareholders of TdC at an extraordinary general meeting ("EGM") to be convened (approval from the shareholders was obtained on 22 November 2011);

(ii) the High Court of Malaya, for the Proposed Capital Repayment and Proposed Capital Restructuring pursuant to Section 64 of the Companies Act 1965;

(iii) Bursa Securities for the listing and quotation of the securities to be issued pursuant to the Proposed Acquisitions (approval was obtained on 9 June 2011);

(iv) the Securities Commission of Malaysia ("SC"), for the Proposed Dispensation (detailed below) (approval was obtained on 19 September 2011);

(v) the SC, for the Proposed Exemptions (detailed below) (approval was obtained on 29 December 2011);

(vi) the creditors of TdC, if necessary; and

(vii) any other relevant parties / authorities, if required.

Significant events (continued)

The SC had on 30 September 2008, inter alia, ruled that GTI will not trigger a mandatory offer obligation in TdC in connection with PKV's acquisition of thirty point zero four percent (30.04%) voting shares in TdC from KNB and the grant of the call or put options provided that GTI's effective equity stake in TdC through their shareholding in PKV remains below twenty percent (20%) ("20% Condition"). The dispensation or waiver of the 20% Condition by GTI ("Proposed Dispensation) was granted by the SC on 19 September 2011 subject to certain disclosure requirements. The Proposed Dispensation is not subject to shareholders' approval but is a condition precedent to the Proposals.

Further, pursuant to the Proposed Acquisitions:

(i) in addition to Megawisra's indirect stake of thirty one point six percent (31.60%) in TdC held by PKV through GTI, Megawisra will obtain a direct shareholding of four point three four percent (4.34%) in TdC. Therefore, the TdC shares that Megawisra controls will increase from thirty point zero four percent (30.04%) to thirty five point nine four percent (35.94%), i.e. an increase by a single entity to more than thirty three percent (33%) and accordingly, Megawisra will trigger a mandatory general offer obligation under the Malaysian Code of Take-Overs and Mergers, 2010 ("Code"); and

(ii) Megawisra's and the persons acting in concert with Megawisra's ("PAC Group") shareholding in TdC will increase from forty two point three nine percent (42.39%) to forty seven point three five percent (47.35%), i.e. an increase in TdC's shareholding by more than two percent (2%) within a period of six (6) months and, accordingly, the PAC Group will trigger a mandatory general offer obligation under the Code.

In view of the above:

(i) Megawisra has sought an exemption under paragraph 16 of Practice Note 9 of the Code from having to undertake a mandatory general offer on TdC Shares not already held by it upon completion of the Proposed Acquisitions ("Proposed Megawisra Exemption"); and

(ii) The PAC Group has sought an exemption under paragraph 16 of Practice Note 9 of the Code from having to undertake a mandatory general offer on TdC Shares not already held by them upon completion of the Proposed Acquisitions ("Proposed PAC Group Exemptions").

Collectively referred as "Proposed Exemptions".

The Proposed Exemptions were sought and approved by SC on 29 December 2011 as it was not Megawisra's and the PAC Group's intention to undertake a take-over offer as a result of the Proposals. The grant of the Proposed Exemptions constitutes one of the conditions precedent for the Proposals (save for the Proposed Capital Restructuring and proposed amendment to TdC's Memorandum of Association ("Proposed Amendment"). The Proposed Amendment is made to facilitate the Proposed Acquisitions, Proposed Capital Repayment and Proposed Capital Restructuring).

The Proposed Capital Repayment, the Proposed Exemptions and the Proposed Acquisitions are inter-conditional upon one another. The Proposed Capital Repayment, the Proposed Exemptions and the Proposed Acquisitions are conditional upon the Proposed Capital Restructuring and Proposed Amendment. The Proposed Capital Restructuring and the Proposed Amendment are inter-conditional upon one another. The Proposed PAC Group Exemption and the Proposed Megawisra Exemption are not inter-conditional upon one another.

Significant events (continued)

On 10 June 2011, the Company announced that Bursa Securities has, via its letter dated 9 June 2011, approved the following:

(a) Proposed Share Consolidation; and

(b) the listing and quotation of 65,915,491 new ordinary shares of RM0.50 each in TdC to be issued pursuant to the Proposed Acquisition on the Main Market of Bursa Securities;

subject to the following conditions:

(a) TdC and its advisor must fully comply with the relevant provisions under the Main Listing Requirements of Bursa Securities pertaining to the implementation of the Proposals;

(b) TdC and its advisor to inform Bursa Securities upon completion of the Proposals;

(c) TdC to incorporate Bursa Securities' comments on the circular to shareholders;

(d) TdC to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;

(e) TdC to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals; and

(f) TdC or its advisor is also required to make the relevant announcements pursuant to paragraph 13.10(2) of the Main Market Listing Requirements of Bursa Securities.

On 22 November 2011, the Company held an extraordinary general meeting ("EGM") for the purpose of considering and, if thought fit, passing (with or without modifications), the Proposals. The shareholders approved the Proposals during the EGM.

On 29 December 2011, the Securities Commission approved the Proposed Exemptions subject to Megawisra and the PAC Group disclosing the holdings and dealings in the securities of TdC in accordance with Paragraph 16.10, Practice Note 9 of the Code.

On 19 January 2012, the Company submitted its application to the High Court of Malaya for the Proposed Capital Repayment and Proposed Capital Restructuring.

Significant events (continued)

At the date of this report, the following approvals are still pending:

(i) the High Court of Malaya, for the Proposed Capital Repayment and Proposed Capital Restructuring pursuant to Section 64 of the Companies Act 1965;

(ii) the creditors of TdC, if necessary; and

(iii) any other relevant parties / authorities, if required.

Auditors

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

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

Afzal Abdul Rahim

Elakumari Kantilal

Shah Alam, Selangor
Date: 23 February 2012

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Assets					
Property, plant and equipment	3	**34,205**	28,160	**8,137**	5
Telecommunications network	4	**426,972**	349,548	**–**	–
Investment in subsidiaries	5	**–**	–	**565,949**	565,949
Other investments	6	**1,067,040**	676,500	**–**	–
Deferred tax assets	7	**18,504**	18,504	**420**	420
Trade receivables	8	**10,802**	19,706	**–**	–
Total non-current assets		**1,557,523**	1,092,418	**574,506**	566,374
Trade and other receivables	8	**157,944**	142,821	**294,022**	318,168
Tax recoverable		**705**	833	**–**	45
Restricted cash		**17,084**	–	**17,084**	–
Cash and cash equivalents	9	**217,442**	199,661	**114,778**	112,223
Total current assets		**393,175**	343,315	**425,884**	430,436
Total assets		**1,950,698**	1,435,733	**1,000,390**	996,810
Equity					
Share capital	10	**2,530,775**	2,530,775	**2,530,775**	2,530,775
Reserves	11	**(773,118)**	(1,280,972)	**(1,533,867)**	(1,537,555)
Total equity		**1,757,657**	1,249,803	**996,908**	993,220
Liabilities					
Trade payables	12	**238**	4,259	**–**	–
Total non-current liabilities		**238**	4,259	**–**	–
Trade and other payables	12	**192,581**	181,671	**3,284**	3,590
Provision for tax		**222**	–	**198**	–
Total current liabilities		**192,803**	181,671	**3,482**	3,590
Total liabilities		**193,041**	185,930	**3,482**	3,590
Total equity and liabilities		**1,950,698**	1,435,733	**1,000,390**	996,810

The notes on pages 77 to 116 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Operating revenue	13	**313,872**	321,083	**9,410**	3,043
Cost of sales	14	**(133,418)**	(179,991)	**–**	–
Gross profit		**180,454**	141,092	**9,410**	3,043
Other income		**1,167**	1,864	**8**	5
Distribution expenses		**(16,152)**	(17,781)	**(210)**	(1,168)
Administrative expenses		**(87,600)**	(82,305)	**(8,762)**	(16,871)
Other expenses		**(7,682)**	(6,755)	**–**	(74)
Results from operating activities		**70,187**	36,115	**446**	(15,065)
Income from investments	15	**48,833**	52,829	**4,299**	1,467
Finance costs	16	**–**	(38)	**–**	(38)
Profit/(Loss) before tax	17	**119,020**	88,906	**4,745**	(13,636)
Income tax (expense)/benefit	18	**(1,666)**	18,165	**(1,057)**	420
Profit/(Loss) for the year		**117,354**	107,071	**3,688**	(13,216)
Other comprehensive income for the year, net of tax					
Fair value gain on available-for-sale financial assets	6	**390,500**	72,600	**–**	–
Total comprehensive income for the year attributable to owners of the Company		**507,854**	179,671	**3,688**	(13,216)
Basic and diluted earnings per ordinary share (sen)	19	**4.64**	4.23		

The notes on pages 77 to 116 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2011

	/--------- Non-distributable ---------/				
	Share capital RM'000	Share premium RM'000	Available-for-sale reserve RM'000	Accumulated losses RM'000	Total RM'000
Group					
At 1 January 2010	2,530,775	1,570,758	4,400	(3,035,801)	1,070,132
Profit for the year	–	–	–	107,071	107,071
Fair value gain of available-for -sale financial asset	–	–	72,600	–	72,600
Total comprehensive income for the year	–	–	72,600	107,071	179,671
At 31 December 2010/1 January 2011	2,530,775	1,570,758	77,000	(2,928,730)	1,249,803
Profit for the year	–	–	–	117,354	117,354
Fair value gain of available-for -sale financial asset	–	–	390,500	–	390,500
Total comprehensive income for the year	–	–	390,500	117,354	507,854
At 31 December 2011	2,530,775	1,570,758	467,500	(2,811,376)	1,757,657

	/--Non-distributable--/			
	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000	Total RM'000
Company				
At 1 January 2010	2,530,775	1,570,758	(3,095,097)	1,006,436
Loss for the year	–	–	(13,216)	(13,216)
At 31 December 2010/ 1 January 2011	2,530,775	1,570,758	(3,108,313)	993,220
Profit for the year	–	–	3,688	3,688
At 31 December 2011	2,530,775	1,570,758	(3,104,625)	996,908

The notes on pages 77 to 116 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from operating activities					
Cash receipts from customers		**325,059**	302,609	**1,092**	796
Transfer to restricted cash		**(17,084)**	–	**(17,084)**	–
Cash payments to suppliers		**(154,610)**	(196,657)	**(6,358)**	(11,981)
Cash payments to employees and for administrative expenses		**(67,145)**	(57,648)	**(4,190)**	(11,218)
Cash received from subsidiary companies		**–**	–	**32,005**	128,467
Cash generated from operations		**86,220**	48,304	**5,465**	106,064
Tax (paid)/refund		**(1,317)**	58	**(815)**	–
Net cash from operating activities		**84,903**	48,362	**4,650**	106,064
Cash flows from investing activities					
Purchase of property, plant and equipment and telecommunications network	(ii)	**(116,859)**	(74,468)	**(7,020)**	(1)
Proceeds from disposal of property, plant and equipment		**125**	–	**–**	–
Investment income received		**49,612**	52,252	**4,925**	1,118
Net cash (used in)/generated from investing activities		**(67,122)**	(22,216)	**(2,095)**	1,117
Cash flows from financing activities					
Finance charges paid		**–**	(38)	**–**	(38)
Net cash used in investing activities		**–**	(38)	**–**	(38)

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Net increase in cash and cash equivalents		**17,781**	26,108	**2,555**	107,143
Cash and cash equivalent at 1 January		**199,661**	173,553	**112,223**	5,080
Cash and cash equivalent at 31 December	(i)	**217,442**	199,661	**114,778**	112,223

Note:

(i) Cash and cash equivalents comprise the following amounts:

Cash and bank balances	**22,357**	6,461	**5,726**	623
Deposits placed with licensed banks	**212,169**	193,200	**126,136**	111,600
	234,526	199,661	**131,862**	112,223
Restricted cash	**(17,084)**	–	**(17,084)**	–
	217,442	199,661	**114,778**	112,223

(ii) Acquisition of property, plant and equipment and telecommunications network

During the year, the Group and the Company acquired property, plant and equipment and telecommunications network with an aggregate cost of RM139,962,000 (2010: RM84,297,000) and RM8,143,000 (2010: RM Nil) respectively.

During the financial year, the Group and the Company paid RM116,859,000 (2010: RM74,468,000) and RM7,020,000 (2010: RM Nil) respectively to suppliers for property, plant and equipment and telecommunications network that was either acquired in the prior financial years or in the current financial year.

The notes on pages 77 to 116 are an integral part of these financial statements.

TIME dotCom Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Level 4, No. 14, Jalan Majistret U1/26
Hicom Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan

The consolidated financial statements as at and for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group").

The Company is principally engaged in investment holding, provision of management and marketing/promotional services and retailing of telecommunications products whilst the principal activities of the subsidiaries are as stated in the Note 5.

The financial statements were authorised for issue by the Board of Directors on 23 February 2012.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following new/revised accounting standards (including the consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRS/Interpretations	Effective for annual periods beginning on or after
• Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement	1 July 2011
• IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
• FRS 124, Related Party Disclosures (revised)	1 January 2012
• Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
• Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets	1 January 2012
• Amendments to FRS 112, Income Taxes – Deferred Tax: Recovery of Underlying Assets	1 January 2012
• Amendments to FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	1 July 2012

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

(a) Statement of compliance (continued)

FRS/Interpretations	Effective for annual periods beginning on or after
• FRS 9, Financial Instruments (2009)	1 January 2013
• FRS 9, Financial Instruments (2010)	1 January 2013
• FRS 10, Consolidated Financial Statements	1 January 2013
• FRS 11, Joint Arrangements	1 January 2013
• FRS 12, Disclosure of Interests in Other Entities	1 January 2013
• FRS 13, Fair Value Measurement	1 January 2013
• FRS 119, Employee Benefits (2011)	1 January 2013
• FRS 127, Separate Financial Statements (2011)	1 January 2013
• FRS 128, Investments in Associates and Joint Ventures (2011)	1 January 2013
• IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

On 19 November 2011, the MASB announced the adoption of the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS framework is effective from 1 January 2012 and is to facilitate convergence with the International Financial Reporting Standards (IFRS). Following the announcement, the Group's and Company's next set of financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the MFRS framework issued by MASB and IFRS. As a result of the Group's and Company's adoption of the MFRS framework, the Group and Company will not be adopting the above FRSs, Interpretations and Amendments.

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

(d) **Use of estimates and judgements (continued)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed in Note 7 - recognition of deferred tax assets, Note 12.4 – recognition of provisions and Note 25.5 – computation of fair value of non-current financial assets and liabilities.

2. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated in the notes to financial statements.

(a) **Basis of consolidation**

(i) **Subsidiaries**

Subsidiaries are entities, including unincorporated entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses unless the investment is held for sale.

(ii) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) **Foreign currency**

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or financial instruments designated as hedges of currency risk, which are recognised in other comprehensive income.

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit and loss

Fair value through profit and loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or designated as effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit and loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity instruments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and where the Group or the Company has the positive intention and ability to hold to maturity. Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, including trade and other receivables. Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

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

(c) Financial instruments (continued)

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

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in the other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On de-recognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or designated as effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income or expenses and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially transferring all risk and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

The cost of self-constructed assets also include the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Leasehold land is depreciated over the shorter of the term of the associated lease or 50 years, being the estimated useful lives, on a straight line basis. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	50 years
• improvements	5 years
• office equipment, furniture and fittings	5 years
• loose tools	5 years
• computer systems	5 years
• motor vehicles	5 years

Depreciation method, useful lives and residual values are reviewed at the end of the reporting date and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for prepaid property interest held under operating lease, the leased assets are not recognised on the Group's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Telecommunications network

(i) Recognition and measurement

The telecommunications network, acquired or constructed under the telecommunications license, is granted by the Ministry of Information, Communication and Culture.

Items of telecommunications network are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the construction and acquisition of the asset, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

The cost of self-constructed assets also include the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. The construction of the telecommunications network, where applicable is carried out in phases based generally on geographical areas as determined by the Group. The commissioning of the network is accordingly carried out at the completion of each phase of construction. Purchased software that is integral to the functionality of the related telecommunications network is capitalised as part of that telecommunications network.

When significant parts of an item of telecommunications network have different useful lives, they are accounted for as separate items (major components) of telecommunications network.

Gain or loss on disposal of an item of telecommunications network is determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within "other income" or "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of telecommunications network is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of telecommunications network are recognised in profit or loss as incurred.

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

(f) Telecommunications network (continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of telecommunications network. Telecommunications network under construction (Network in progress) are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Telecommunications network - Commissioned network (excluding global bandwidth assets)	3 - 20 years

Depreciation method, useful lives and residual values are reviewed at the end of the reporting date and adjusted as appropriate.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit and loss and investment in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events which cannot be reasonably estimated, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in the profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of an unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. Significant accounting policies (continued)

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Issue expenses

Cost directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to the statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to that liability. The unwinding of the discount is recognised as finance costs.

(l) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. Significant accounting policies (continued)

(m) Revenue and other income

(i) Operating revenue

Operating revenue of the Company consists of management fees. Management fees are recognised when services are rendered.

Revenue of the Group consists of gross billings of a wide range of telecommunications and internet services provided net of discounts and gross invoiced value of goods sold net of discounts and returns. Except for non-license activities, revenues are derived from Individual License and Class License as stipulated in the Communications and Multimedia Act 1998.

Revenue for billings is recognised when services are rendered or upon delivery of products and when the risk and rewards have passed. Revenue from global bandwidth agreements which provide access to a specified amount of bandwidth or capacity are accounted for either as a sale of goods or rendering of services.

(ii) Dividend income

Revenue on dividend income is recognised when the right to receive payment is established.

(iii) Rental income

Rental income is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(n) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. Significant accounting policies (continued)

(p) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, where applicable.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Total RM'000
Cost								
At 1 January 2010	11,154	7,508	8,971	4,728	11,788	77,215	4,832	**126,196**
Additions	–	–	144	101	450	1,741	–	**2,436**
Write offs	–	–	–	(53)	–	(996)	(169)	**(1,218)**
At 31 December 2010/ 1 January 2011	11,154	7,508	9,115	4,776	12,238	77,960	4,663	**127,414**
Additions	8,113	–	655	258	21	2,639	2,154	**13,840**
Disposal	–	–	–	(26)	–	–	(891)	**(917)**
Write offs	–	–	–	–	–	(76)	–	**(76)**
At 31 December 2011	19,267	7,508	9,770	5,008	12,259	80,523	5,926	**140,261**
Depreciation and impairment losses								
At 1 January 2010								
Accumulated depreciation	–	5,274	3,021	4,403	11,787	64,929	4,832	**94,246**
Accumulated impairment losses	–	–	–	–	–	–	–	**–**
	–	5,274	3,021	4,403	11,787	64,929	4,832	**94,246**
Depreciation for the year	–	375	234	254	90	5,273	-	**6,226**
Write offs	–	–	–	(53)	–	(996)	(169)	**(1,218)**
At 31 December 2010/ 1 January 2011								
Accumulated depreciation	–	5,649	3,255	4,604	11,877	69,206	4,663	**99,254**
Accumulated impairment losses	–	–	–	–	–	–	–	**–**
	–	5,649	3,255	4,604	11,877	69,206	4,663	**99,254**
Depreciation for the year	–	375	289	130	90	4,503	307	**5,694**
Impairment losses	2,101	–	–	–	–	–	–	**2,101**
Disposal	–	–	–	(26)	–	–	(891)	**(917)**
Write offs	–	–	–	–	–	(76)	–	**(76)**
At 31 December 2011								
Accumulated depreciation	–	6,024	3,544	4,708	11,967	73,633	4,079	**103,955**
Accumulated impairment losses	2,101	–	–	–	–	–	–	**2,101**
	2,101	6,024	3,544	4,708	11,967	73,633	4,079	**106,056**
Carrying amounts								
At 1 January 2010	11,154	2,234	5,950	325	1	12,286	–	**31,950**
At 31 December 2010/ 1 January 2011	11,154	1,859	5,860	172	361	8,754	–	**28,160**
At 31 December 2011	17,166	1,484	6,226	300	292	6,890	1,847	**34,205**

3. Property, plant and equipment (continued)

3.1 Impairment losses

During the financial year, the Group recognised an impairment loss on a freehold land amounting to RM2,101,000 (2010: RM Nil). The carrying amount of the freehold land amounted to RM2,845,000 (2010: RM4,946,000). The impairment loss arose following the Group's annual assessment of the carrying amount of its assets against the respective recoverable amounts. The recoverable amount of the freehold land was determined based on fair value of the said land less costs to sell. The impairment loss has been recognised in the statement of comprehensive income.

3.2 Leasehold land

Included in the carrying amounts of leasehold land are:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Leasehold land with unexpired lease period of		
- less than 50 years	**565**	683
- more than 50 years	**919**	1,176
	1,484	1,859

Company	**Freehold land RM'000**	**Office equipment, furniture and fittings RM'000**	**Computer systems RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Cost					
At 1 January 2010	–	290	8,112	93	**8,495**
Write offs	–	–	(98)	–	**(98)**
At 31 December 2010/ 1 January 2011	–	290	8,014	93	**8,397**
Additions	8,113	30	–	–	**8,143**
At 31 December 2011	8,113	320	8,014	93	**16,540**
Depreciation					
At 1 January 2010	–	273	8,112	93	**8,478**
Depreciation for the year	–	12	–	–	**12**
Write offs	–	–	(98)	–	**(98)**
At 31 December 2010/ 1 January 2011	–	285	8,014	93	**8,392**
Depreciation for the year	–	11	–	–	**11**
At 31 December 2011	–	296	8,014	93	**8,403**
Carrying amounts					
At 1 January 2010	–	17	–	–	**17**
At 31 December 2010/ 1 January 2011	–	5	–	–	**5**
At 31 December 2011	8,113	24	–	–	**8,137**

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use, with cost amounting to RM85,334,000 (2010: RM74,490,000) and RM8,363,000 (2010: RM8,346,000) respectively.

4. Telecommunications network

Group	Total RM'000
Cost	
At 1 January 2010	1,352,420
Additions	81,861
Write offs	(27,076)
At 31 December 2010/1 January 2011	1,407,205
Additions	126,122
Write offs	(1,028)
At 31 December 2011	1,532,299
Depreciation	
At 1 January 2010	
Accumulated depreciation	778,981
Accumulated impairment losses	258,610
	1,037,591
Depreciation for the year	44,493
Write offs	(15,621)
Impairment written off	(8,806)
At 31 December 2010	
Accumulated depreciation	807,853
Accumulated impairment losses	249,804
	1,057,657
Depreciation for the year	48,641
Write offs	(422)
Impairment written off	(549)
At 31 December 2011	
Accumulated depreciation	856,072
Accumulated impairment losses	249,255
	1,105,327
Carrying amounts	
At 1 January 2010	314,829
At 31 December 2010/1 January 2011	349,548
At 31 December 2011	426,972

4. Telecommunications network (continued)

	Total	
	2011	**2010**
	RM'000	**RM'000**
Network cost:		
Commissioned network	**1,463,017**	1,367,426
Network in progress	**69,282**	39,779
	1,532,299	1,407,205
Less: Accumulated impairment losses	**(249,255)**	(249,804)
Less: Accumulated depreciation	**(856,072)**	(807,853)
Net book value	**426,972**	349,548

Included in commissioned network are global bandwidth assets with a fixed monetary value of RM5,647,000 (2010: RM Nil). The global bandwidth assets are charged to profit or loss over the duration of the contract. The carrying amount for the said global bandwidth assets at the reporting date was RM5,365,000 (2010: RM Nil).

Included in telecommunications network of the Group are fully depreciated assets which are still in use, with costs amounting to RM681,666,000 (2010: RM483,109,000).

During the financial year, the Group wrote off certain items within its telecommunications network with carrying amounts totalling RM606,000 (2010: RM11,455,000) of which RM549,000 (2010: RM8,806,000) was written off against impairment losses. The remaining amount of RM57,000 (2010: RM2,649,000) was charged to statement of comprehensive income.

5. Investment in subsidiaries

		Company	
	Note	**2011**	**2010**
		RM'000	**RM'000**
At cost:			
Unquoted shares		**2,869,685**	2,869,685
Accumulated impairment losses	5.1	**(2,303,736)**	(2,303,736)
		565,949	565,949

5. **Investment in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2011 %	Effective ownership interest 2010 %
TT dotCom Sdn. Bhd.	Malaysia	Provision of voice, data, video and image communication services through its established domestic and international network.	**100**	100
TIME dotNet Bhd.	Malaysia	Provision and marketing of internet services to customers. This includes the provision of access to the world wide web, the organisation and aggregation of content, provision of virtual private network, on-line call center, internet telephony, on-line services, on-net advertising and virtual data storage and provision of application services.	**100**	100
TIMESat Sdn. Bhd.	Malaysia	Provision of telecommunication facilities and services using satellite and microwave. The company is currently dormant.	**100**	100
Hakikat Pasti Sdn. Bhd.	Malaysia	Acquiring and holding shares, stocks, debenture bonds, notes, obligations and securities and every other kind and description of movable and immovable property for investment purposes.	**100**	100

5. Investment in subsidiaries (continued)

5.1 Accumulated impairment losses

As at the year end, the Company has recognised accumulated impairment losses totalling RM2,303,736,000 (2010: RM2,303,736,000) for investments in following subsidiary companies:

	Company	
	2011 RM'000	**2010 RM'000**
TT dotCom Sdn. Bhd.	**2,192,264**	2,192,264
TIME dotNet Bhd	**42,363**	42,363
TIMESat Sdn. Bhd.	**69,109**	69,109
	2,303,736	2,303,736

6. Other investments

	Group	
	2011 RM'000	**2010 RM'000**
Quoted shares in Malaysia		
Non-current		
At book value on 1 January	**676,500**	603,900
Fair value gain on available-for-sale financial assets	**390,500**	72,600
At book value on 31 December	**1,067,000**	676,500
Market value of quoted investments	**1,067,000**	676,500
Unquoted shares in Malaysia		
Non-current		
At book value on 1 January	**–**	–
Addition	**40**	–
At book value on 31 December	**40**	–
Total other investments	**1,067,040**	676,500

7. Deferred tax assets

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Temporary differences in respect of excess of tax capital allowances over book depreciation	**(44,550)**	(54,604)	**(3)**	(5)
Other deductible temporary difference	**206**	323	**–**	23
Unabsorbed capital allowance	**62,848**	72,785	**423**	402
Total	**18,504**	18,504	**420**	420

Deferred tax assets and liabilities are offset only when the entity have a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax assets have been recognised only to the extent that it is probable that future taxable profits will be available against which the Group and the Company can utilise the benefits there from.

Unrecognised deferred tax assets

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unabsorbed capital allowances	**1,969,114**	1,988,477	**5,530**	10,332
Unutilised tax losses	**641,324**	641,901	**110,323**	110,900
	2,610,438	2,630,378	**115,853**	121,232

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that sufficient future taxable profits will be available against which the Group can utilise the benefits there from.

8. Trade and other receivables

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Non-current					
Trade					
Accrual of global bandwidth revenue	8.1	**10,802**	19,706	**–**	–
Current					
Trade					
Trade receivables	8.2	**74,541**	81,752	**–**	–
Amount due from other related companies	8.2	**19,724**	12,882	**–**	–
		94,265	94,634	**–**	–
Less: Allowance for doubtful debts	8.3	**(9,782)**	(10,057)	**–**	–
		84,483	84,577	**–**	–
Accrual of global bandwidth revenue	8.1	**16,654**	23,237	**–**	–
		101,137	107,814	**–**	–
Non-trade					
Amount due from subsidiaries	8.4	**–**	–	**284,463**	308,587
Other receivables		**41,440**	19,814	**–**	–
Prepayments	8.5	**15,367**	15,193	**9,559**	9,581
		157,944	142,821	**294,022**	318,168

The above trade and other receivables are categorised as loans and receivables financial instruments except for prepayments.

8.1 Accrual of global bandwidth revenue

Accrual of global bandwidth revenue relates to certain long term global bandwidth contracts entered into by the Group whereby the payment terms have been mutually agreed to be made by the customer over a period of up to 3 years.

8.2 Trade receivables and amount due from other related companies

The credit period granted for sales rendered is 30 days (2010: 30 days).

8.3 Allowance for doubtful debts

The allowance for doubtful debts account in respect of the trade receivables is used to record impairment losses. Included in the amounts are doubtful debts in relation to outstanding balance due from other related parties amounted to RM686,000 (2010: RM1,596,000).

8. Trade and other receivables (continued)

8.4 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand. The balances arise mainly from inter-company advances and expenses paid on behalf.

8.5 Prepayments

Included in prepayments of the Group and Company is an amount of RM9,090,000 (2010: RM9,090,000) relating to prepayments made and held by the legal advisers on behalf of the vendors for the Proposed Acquisition (details as disclosed in "Significant events" in the Directors' Report).

9. Cash and cash equivalents

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Cash and bank balances	**22,357**	6,461	**5,726**	623
Deposits placed with licensed banks	**212,169**	193,200	**126,136**	111,600
	234,526	199,661	**131,862**	112,223
Restricted cash	**(17,084)**	–	**(17,084)**	–
	217,442	199,661	**114,778**	112,223

10. Share capital

	Group and Company			
	Amount 2011 RM'000	**Number of shares 2011 `000**	**Amount 2010 RM'000**	**Number of shares 2010 `000**
Authorised:				
Ordinary shares of RM1 each	**5,000,000**	**5,000,000**	5,000,000	5,000,000
Issued and fully paid:				
Ordinary shares of RM1 each	**2,530,775**	**2,530,775**	2,530,775	2,530,775

11. Reserves

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Non-distributable				
Share premium	**1,570,758**	1,570,758	**1,570,758**	1,570,758
Available-for-sale reserve	**467,500**	77,000	**–**	–
Accumulated losses	**(2,811,376)**	(2,928,730)	**(3,104,625)**	(3,108,313)
	(773,118)	(1,280,972)	**(1,533,867)**	(1,537,555)

Share premium

The share premium of the Group and the Company represents premium arising from the issuance of ordinary shares of the Company at an issue price above par value.

Available-for-sale reserve

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are de-recognised or impaired.

12. Trade and other payables

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Non-current					
Trade					
Accrual for global bandwidth cost	12.1	**238**	4,259	**–**	–
Current					
Trade					
Trade payables	12.2	**81,673**	48,905	**–**	–
Amount due to other related companies	12.2	**145**	5,247	**145**	145
Accrual for global bandwidth cost	12.1	**10,501**	7,292	**–**	–
		92,319	61,444	**145**	145
Non-trade					
Other payables		**8,377**	9,279	**878**	2,193
Accrued expenses		**36,196**	31,292	**2,261**	1,252
Unearned revenue	12.3	**38,847**	47,665	**–**	–
Provisions	12.4	**16,842**	31,991	**–**	–
		192,581	181,671	**3,284**	3,590

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

12. Trade and other payables (continued)

12.1 Accrual for global bandwidth cost

Accrual for global bandwidth cost relates to certain long term global bandwidth contracts entered into by the Group whereby the payment terms have been mutually agreed to be made over a period of up to 3 years.

12.2 Trade payables and amount due to other related companies

The average credit period granted to the Group and Company for trade purchases ranges from 30 to 45 days (2010: 30 to 45 days).

12.3 Unearned revenue

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

12.4 Provisions

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

During the year, adjustments were made to provisions recognised previously for certain projects and service contracts amounting to RM15,149,000. The adjustments made resulted in a one-time reduction in cost of sales (refer Note 14) and reflect the Group's current assessment and best estimate of its current obligations as at the reporting date.

13. Operating revenue

Summary of revenue by type of license:

Group	2011 RM'000	2010 RM'000
Individual license	**104,592**	105,446
Class license	**209,280**	211,751
Non-license	**–**	3,886
	313,872	321,083
Company		
Management fee receivable from subsidiary companies	**9,410**	2,902
Management fee receivable from other related company	**–**	141
	9,410	3,043

The Group's reportable revenue segments are data, voice and others as disclosed in Note 22 to the financial statements. Included within data revenue are revenue from global bandwidth business from a company in which Director has a significant financial interest (see Note 24) in the current year amounting to RM9,187,000 (2010: RM46,520,000).

14. Cost of sales

	Group 2011 RM'000	Group 2010 RM'000 Restated
Interconnect charges	**17,890** **	21,441
Depreciation of telecommunications network	**48,641**	44,493
Telecommunications maintenance charges	**11,692**	10,517
Network and leased line charges	**19,118**	39,232
Fee for wayleave and right of use pertaining to telecommunications facilities	**7,427** *	17,787
Site and customer premises rental	**11,269**	9,496
Universal service obligation	**9,989**	11,299
Purchase of inventories for resale	**–**	3,189
Internet service provider costs	**(2,191)** **	16,080
Direct installation costs	**9,910**	3,945
Others	**(327)** **	2,512
	133,418	179,991

* During the current year, the Group had negotiated a revision of wayleave fee payment with a highway concessionaire, where both parties agreed to revise the 2010's wayleave fee resulting in a reduction of RM3,537,000 which was adjusted to cost of sales in 2011. The revised fee schedule agreed will also lower the 2011 wayleave fee by RM8,323,000. The revised payment schedule was agreed upon after taking into consideration both the highway concessionaire's and the Group's future cash flows and commitments.

** Included in interconnect charges, internet service provider costs and others are adjustments made amounting to RM22,921,000 for expenses recognised previously for certain projects and service contracts. The adjustments made resulted in a one-time reduction of cost of sales in the current year. The adjustments arose as part of the Group's regular review of its current obligations at each statement of financial position date. The adjustments reflect the Group's current assessment and best estimate of its current obligations.

Certain comparative have been reclassified to conform to current year's presentation as disclosed below:

	Group As restated RM'000	Group Previously restated RM'000
Cost of sales		
Network and leased line charges	39,232	45,483
Internet service providers costs	16,080	9,829

15. Income from investments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income from short-term deposits	**6,758**	4,979	**4,299**	1,467
Dividend income from quoted shares in Malaysia	**42,075**	47,850	**–**	–
	48,833	52,829	**4,299**	1,467

16. Finance costs

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest on bank borrowings	**–**	38	**–**	38
	–	38	**–**	38

17. Profit/(Loss) before tax

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit/(loss) before tax is arrived at after charging:				
Personnel expenses				
-Contributions to Employee Provident Fund	**7,329**	7,400	**336**	1,362
-Salaries, allowances and others	**62,706**	60,505	**2,884**	11,614
Depreciation of property, plant and equipment	**5,694**	6,226	**11**	12
Depreciation of telecommunications network	**48,641**	44,493	**–**	–
Rental of:				
- Offices	**157**	129	**–**	–
- Equipment	**89**	348	**–**	134
- Motor vehicles	**17**	69	**–**	–
- Site and customer premises	**11,269**	9,496	**–**	–
Directors' remuneration	**2,013**	1,682	**2,013**	1,682
Auditor's remuneration				
- Statutory audit	**140**	118	**52**	40
- Other services	**39**	19	**27**	7
Write off of telecommunications network	**57**	2,649	**–**	–
Net allowance for doubtful debts	**–**	5,621	**–**	–
Unrealised loss on foreign exchange	**–**	602	**–**	–
Net realised loss on foreign exchange	**1,952**	640	**–**	–

17. Profit/(Loss) before tax (continued)

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit/(loss) before tax is arrived at after charging (continued):				
Allowance for long outstanding construction deposits	**3,006**	–	**–**	–
Impairment loss on property, plant and equipment	**2,101**	–	**–**	–
Interest on bank borrowings	**–**	38	**–**	–
and after crediting:				
Bad debt recovered	**378**	943	**–**	–
Net reversal of allowance for doubtful debt	**275**	–	**–**	–
Interest income from short term deposits	**6,758**	4,979	**4,299**	1,467
Dividend income from quoted shares	**42,075**	47,850	**–**	–
Unrealised gain on foreign exchange	**583**	–	**–**	–
Rental income	**149**	126	**–**	–
Gain on disposal of property, plant and equipment	**125**	–	**–**	–

18. Income tax expense/(benefit)

Recognised in profit or loss

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax expense - current year	**1,666**	–	**1,057**	–
- prior year under provision	**–**	339	**–**	–
Deferred tax benefit	**–**	(18,504)	**–**	(420)
Net tax expense/(benefit)	**1,666**	(18,165)	**1,057**	(420)

18. Income tax expense/(benefit) (continued)

Reconciliation of effective income tax expense:

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit/(Loss) before tax	**119,020**	88,906	**4,745**	(13,636)
Tax at statutory tax rate of 25%	**29,755**	22,226	**1,186**	(3,409)
Non-deductible expenses	**15,382**	13,308	**1,060**	206
Under provision of tax expense in prior years	**–**	339	**–**	–
Non-taxable income	**(10,704)**	(13,456)	**–**	(14)
Deferred tax assets not recognised	**–**	2,342	**–**	2,339
Utilisation of tax losses surrendered to subsidiary company	**–**	–	**–**	878
Recognition of previously unrecognised deferred tax benefit	**–**	(18,504)	**–**	(420)
Utilisation from previously unrecognised temporary difference	**(32,767)**	(24,420)	**(1,189)**	–
Tax expense/(benefit)	**1,666**	(18,165)	**1,057**	(420)

19. Earnings per ordinary share

The basic and diluted earnings per ordinary share in 2011 is calculated by dividing the net profit attributable to owners of the Company of RM117,354,000 (2010: RM107,071,000) by the weighted average number of ordinary shares in issue during the year of 2,530,775,000 (2010: 2,530,775,000).

20. Directors' remuneration

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Executive directors:				
Emoluments	**1,412**	1,147	**1,412**	1,147
Other emoluments and expenses	**98**	80	**98**	80
Non-executive directors:				
Fees	**270**	298	**270**	298
Other emoluments and expenses	**233**	157	**233**	157
	2,013	1,682	**2,013**	1,682

The estimated monetary value of benefits-in-kind received and receivable by Directors of TIME dotCom Berhad other than in cash from the Group and the Company amounted to RM13,000 (2010: RM12,668).

20. Directors' remuneration (continued)

Included in Directors' remuneration are amounts totalling RM105,000 (2010: RM85,000) payable to related parties for services rendered by a non-executive director of the Company.

The number of directors of the Company whose remuneration fall into the respective bands are as follows:

Range of Remuneration RM	Executive Directors	Non-executive Directors
100,001 to 200,000	–	4
Above 400,000	2	–

21. Key management personnel remuneration

The key management personnel remuneration is as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Directors:				
Fees	**270**	298	**270**	298
Other short term benefits (including estimated monetary value of benefits-in-kind)	**1,756**	1,397	**1,756**	1,397
	2,026	1,695	**2,026**	1,695
Other key management personnel:				
Short-term employee benefits	**2,559**	1,404	**2,559**	1,404
Other key management compensation	**25**	20	**25**	20
	2,584	1,424	**2,584**	1,424

Other key management personnel in the current year comprise persons other than the directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. Included in the previous year's other key management personnel was executive directors' remuneration amounting to RM1,240,000.

22. Operating segments

Operating segments are components in which separate financial information is available that is evaluated by the Chief Executive Officer in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of telecommunications as its sole operating segment.

22. Operating segments (continued)

Performance is measured based on revenue derived from the various products sold and per consolidated profit before income tax of the Group as included in the internal management reports that are reviewed by the Chief Executive Officer. The Group's segment assets and liabilities, as disclosed in the Group's statement of financial position (as represented by total assets and liabilities), is also reviewed by the Chief Executive Officer. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and telecommunication assets.

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

	Group	
	2011 RM'000	**2010 RM'000**
Reportable revenue		
Data	**233,801**	237,308
Voice	**77,270**	77,564
Others	**2,801**	6,211
	313,872	321,083
Operating expense		
Depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	**(56,436)**	(50,719)
Other operating expense	**(188,416)**	(236,113)
Other operating income	**1,167**	1,864
Profit from operations	**70,187**	36,115
Income from investments	**48,833**	52,829
Finance costs	**–**	(38)
Consolidated profit before tax	**119,020**	88,906

Major customers

Revenues from a related party of the Group amounts to approximately RM16,499,000 (2010: RM54,924,000) of the Group's total revenues.

23. Capital and other commitments

	Group	
	2011 RM'000	**2010 RM'000**
Telecommunications network		
Authorised but not contracted for	**36,007**	10,590
Contracted but not provided for in the financial statements	**110,079**	65,727

23. Capital and other commitments (continued)

Lease commitments

Telecommunications network	Group 2011 RM'000	Group 2010 RM'000
Non-cancellable commitments for rental of office premises, sites and right of use pertaining to telecommunications facilities		
- Payable within 1 year	**15,463**	14,942
- Payable within 2 - 3 years	**24,294**	24,606
- Payable after 3 years	**181,619**	191,667
	221,376	231,215

On 12 May 2000, the Group entered into an agreement with a highway concessionaire for wayleave and right of use pertaining to telecommunications facilities on the North-South Expressway. The agreement shall terminate upon expiry of the concession agreement signed by the highway concessionaire and government in 31 December 2038.

24. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group, if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The key management personnel include all the Directors of the Group and certain members of senior management of the Group. Key management personnel compensation is disclosed in Note 21.

24. Related parties (continued)

Significant transactions with related parties of the Group and the Company during the financial year are as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Subsidiary companies:				
Management fees income	**–**	–	**9,410**	2,902
Management fees expense	**–**	–	**(60)**	–
Other related companies:				
Revenue from data, voice and other services	**28,099**	9,279	**–**	–
Interconnect revenue	**7,460**	8,800	**–**	–
Management fees income	**–**	141	**–**	141
Fee for wayleave and right of use of telecommunications facilities	**(6,611)**	(17,592)	**–**	–
Interconnect charges	**(9,501)**	(13,537)	**–**	–
Leased line cost	**(6,678)**	(7,689)	**–**	–
Network maintenance	**(1,838)**	(2,048)	**–**	–
Purchase of inventories for resale	**–**	(3,189)	**–**	–
Companies in which a Director has significant financial interest:				
Revenue from data, voice and other services	**9,277**	10,515	**–**	–
Global bandwidth business revenue	**9,187**	46,520	**–**	–
Internet service provider costs	**(10,293)**	(7,492)	**–**	–
Network and leased line charges	**(429)**	–	**–**	–
Site and customer premises rental	**(1,986)**	(1,229)	**–**	–
Global bandwidth business cost	**–**	(11,118)	**–**	–
Professional fees	**(490)**	(15)	**(490)**	(15)

The Directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

The outstanding balances due from and due to the related parties of the Group and the Company are disclosed in Notes 8 and 12 respectively.

25. Financial instruments

25.1 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

25.2 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers (including other related companies) and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiaries and deposits with banks and financial institutions.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are required to be performed on all new customers. Depending on the nature of the transaction, the Group may require upfront deposits as collateral.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. For receivables from corporate, wholesale and government sectors, allowance for doubtful debts will generally be provided for amounts aged more than 365 days based on historical payment trends and patterns unless there is objective evidence to indicate otherwise.

The Group and the Company have a lower exposure to international credit risk as most of its trade receivables are concentrated in Malaysia.

25. Financial instruments (continued)

25.2 Credit risk (continued)

Receivables (continued)

Impairment losses

The ageing of trade receivables (including amounts due from other related companies) as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2011			
Not past due	**63,136**	**(5)**	**63,131**
Past due 0-30 days	**18,321**	**(75)**	**18,246**
Past due 31-120 days	**24,287**	**(372)**	**23,915**
Past due more than 120 days	**15,977**	**(9,330)**	**6,647**
	121,721	**(9,782)**	**111,939**
2010			
Not past due	79,388	–	79,388
Past due 0-30 days	15,215	(367)	14,848
Past due 31-120 days	19,133	(279)	18,854
Past due more than 120 days	23,841	(9,411)	14,430
	137,577	(10,057)	127,520

The allowance account in respect of the trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The movement in the allowance for doubtful debts of trade receivables (including amounts due from other related companies) during the year were as follows:

	Group 2011 RM'000	2010 RM'000
At 1 January	**10,057**	6,075
Net allowance (reversed)/recognised	**(275)**	5,621
Allowance written off	**–**	(1,639)
At 31 December	**9,782**	10,057

Allowance for doubtful debts in relation to outstanding balance due from other related parties amounted to RM686,000 (2010: RM1,596,000).

25. Financial instruments (continued)

25.2 Credit risk (continued)

Deposits with banks and other financial institutions and other financial assets

Risk management objectives, policies and processes for managing the risk
The Group's and the Company's cash and cash equivalents are deposited with licensed banks and financial institutions.

Exposure to credit risk, credit quality and collateral
The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

Impairment losses
As at the end of the reporting period, there was no indication that the amounts deposited with licensed bank and financial institutions are not recoverable.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries and monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral
As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. Advances are only provided to subsidiaries which are wholly owned by the Company. The Company consider its subsidiaries as companies associated with low credit risk.

Impairment losses
As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable.

25.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's exposure to liquidity risk arises principally from its various payables and other applicable contractual obligations and commitments. The Group reviews and strives to maintain a prudent level of cash and cash equivalents and banking facilities to ensure working capital requirements are met.

25. Financial instruments (continued)

25.3 Liquidity risk (continued)

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000
Group				
2011				
Financial liabilities				
Trade and other payables*	**137,130**	**137,396**	**137,158**	**238**
Company				
2011				
Financial liabilities				
Trade and other payables	**3,284**	**3,284**	**3,284**	**–**
Group				
2010				
Financial liabilities				
Trade and other payables*	109,313	109,717	105,458	4,259
Company				
2010				
Financial liabilities				
Trade and other payables	3,590	3,590	3,590	–

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

There are no contractual interest rates for the above financial liabilities.

25.4 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

25. Financial instruments (continued)

25.4 Market risk (continued)

Currency risk

Risk management objectives, policies and processes for managing the risk

The Group has a potential currency risk exposure arising from trade transactions entered with companies where the amounts are denominated in currencies other than Ringgit Malaysia. Exposure to foreign currency risk is monitored on an ongoing basis and where considered necessary, the Group may consider using financial instruments to hedge its foreign currency risk. The Company is not significantly exposed to currency risk.

Exposure to foreign currency risk

The Group's exposure to foreign currency risk mainly relates to United States dollar ("USD") as follows:

	Denominated in USD	
	2011	**2010**
	RM'000	**RM'000**
Group		
Trade receivables	**8,491**	7,799
Trade payables	**(1,494)**	(1,077)
Net exposure in the statement of financial position	**6,997**	6,722

Currency risk sensitivity analysis

A strengthening of the Ringgit Malaysia, as indicated below, against the USD at 31 December would have decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010, as indicated below:

	Profit or loss
	RM'000
31 December 2011	
1% strengthening of RM against USD	**(70)**
31 December 2010	
1% strengthening of RM against USD	(67)

Conversely, a weakening of the Ringgit Malaysia against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

25. Financial instruments (continued)

25.4 Market risk (continued)

Interest rate risk

The interest rate profile of the Group's and the Company's significant interest-earning financial asset, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Fixed rate instruments				
Financial assets				
- Deposits with licensed banks	**212,169**	193,200	**126,136**	111,600

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Equity price risk

Equity price risk arises from the Group's available-for-sale investments in quoted securities.

Risk management objectives, policies and processes for managing the risk

Investments are allowed in liquid securities that are quoted and traded on the local stock exchange on specific business case basis and upon the evaluation and approval by the Board of Directors. The existing available-for-sale investment in quoted securities represents the consideration received in prior years as a result of the Group's disposal of its 3G spectrum licence to DiGi.Com Berhad. The Group does not transact in any derivative financial instruments.

Equity price risk sensitivity analysis

A 1% increase in the quoted price of the Group's existing available-for-sale investment at the end of the reporting period would have increased equity by RM10,670,000 (2010: RM6,765,000). A 1% weakening in quoted price of the Group's existing available-for-sale investment would have had an equal but opposite effect on the Group's equity.

25.5 Fair value

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate their fair values due to the relatively short term nature of these instruments.

25. Financial instruments (continued)

25.5 Fair value (continued)

The fair value of available-for-sale financial assets are disclosed in Note 6. Fair value of quoted assets are based on quoted closing market price at the date of the statement of financial position. Fair value of unquoted assets are measured at cost.

Non-current financial receivables and payables are recognised initially at fair value, which is calculated based on the present value of future principal and interest cash flows, discounted at the prevailing indicative interest rate of 4.5% (2010: 4.5%).

25.6 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2011				
Financial assets				
Investment in quoted shares	**1,067,000**	**–**	**–**	**1,067,000**

Comparative figures have not been presented for 31 December 2010 by virtue of the exemption provided in paragraph 44G of FRS 7.

26. Capital management

The Group's objectives when managing capital is to maintain an optimal capital structure and to safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as results from operating activities divided by total shareholders' equity.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

27. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation as disclosed in Note 14.

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

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the accumulated losses of the Group and the Company as at 31 December 2011 are as follows:

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total accumulated losses of the Company and its subsidiaries:-					
- realised		**(2,827,523)**	(2,944,402)	**(3,105,045)**	(3,108,733)
- unrealised		**16,147**	15,672	**420**	420
Total accumulated losses	11	**(2,811,376)**	(2,928,730)	**(3,104,625)**	(3,108,313)

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

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

STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 72 to 116 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2011 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 28 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Afzal Abdul Rahim

Elakumari Kantilal

Shah Alam, Selangor
Date: 23 February 2012

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, Long Sher Neng, the officer primarily responsible for the financial management of TIME dotCom Berhad, do solemnly and sincerely declare that the financial statements set out on pages 72 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 23 February 2012.

Long Sher Neng

Before me:

K Nermala
License No: W378
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of TIME dotCom Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of TIME dotCom Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 72 to 115.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 28 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Ahmad Nasri Abdul Wahab
Approval Number: 2919/03/12(J)
Chartered Accountant

Petaling Jaya, Selangor
Date: 23 February 2012

STOCKHOLDING ANALYSIS

As at 4 May 2012

Authorised Share Capital	:	RM5,000,000,000.00
Issued and paid-up Capital	:	RM2,530,775,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
No. of Shareholders	:	23,866
Voting Right	:	One (1) vote per Ordinary Share

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100	132	2,827	0.00
100 to 1,000	6,372	5,966,791	0.24
1,001 to 10,000	12,029	59,252,337	2.34
10,001 to 100,000	4,543	144,823,514	5.72
100,001 to less than 5% of issued shares	787	1,061,330,614	41.94
5% and above of issued shares	3	1,259,398,917	49.76
Total	**23,866**	**2,530,775,000**	**100.00**

Thirty (30) Largest Shareholders

as at 4 May 2012

	Names of Shareholders	No. of Shares	%
1.	Pulau Kapas Ventures Sdn Bhd	760,209,826	30.04
2.	UEM Group Berhad	312,458,851	12.35
3.	Kumpulan Wang Persaraan (Diperbadankan)	186,730,240	7.38
4.	Amanahraya Trustees Berhad - Public Islamic Sector Select Fund	83,708,100	3.31
5.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for America International Assurance Berhad	68,178,400	2.69
6.	Amanah Raya Trustees Berhad - Public Smallcap Fund	58,523,300	2.31
7.	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	47,389,200	1.87
8.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for Eastspring Investments Berhad	30,028,700	1.19
9.	Amanahraya Trustees Berhad - PB Growth Fund	29,464,800	1.16
10.	Amsec Nominees (Tempatan) Sdn Bhd - Amtrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	25,858,400	1.02
11.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	25,212,900	1.00
12.	Amanahraya Trustees Berhad - Public Islamic Optimal Growth Fund	22,372,800	0.88

Thirty (30) Largest Shareholders (continued)

as at 4 May 2012

	Names of Shareholders	No. of Shares	%
13.	Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	21,012,300	0.83
14.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (HDBS)	17,378,000	0.69
15.	Amanahraya Trustees Berhad - Public Index Fund	15,502,700	0.61
16.	Cartaban Nominees (Asing) Sdn Bhd - BBH (Lux) SCA for Fidelity Funds Malaysia	14,932,200	0.59
17.	Amanahraya Trustees Berhad - Public Sector Select Fund	14,334,800	0.57
18.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AM INV)	14,000,000	0.55
19.	CIMB Commerce Trustee Berhad - Public Focus Select Fund	12,879,000	0.51
20.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (PHEIM)	12,655,300	0.50
21.	Universal Trustee (Malaysia) Berhad - CIMB Islamic Small Cap Fund	11,393,740	0.45
22.	Public Invest Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Indera Permai Sdn Bhd (M)	9,970,500	0.39
23.	Amanahraya Trustees Berhad - PB Balanced Fund	9,142,800	0.36
24.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (AIM 6939-405)	8,000,000	0.32
25.	Indera Permai Sdn Bhd	7,159,600	0.28
26.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for OSK-UOB Smart Treasure Fund (4694-002)	7,070,000	0.28
27.	HSBS Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	7,004,900	0.28
28.	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Bank Berhad (EDP 2)	6,985,700	0.28
29.	Amanahraya Trustees Berhad - Public Islamic Mixed Asset Fund	6,819,000	0.27
30.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for CIMB-Principal Small Cap Fund (240218)	6,764,880	0.27
TOTAL		**1,853,140,937**	**73.22**

Substantial Shareholders

as at 4 May 2012

Names of Shareholders	No. of Shares			
	Direct Interest	(%)	Deemed Interest	(%)
Pulau Kapas Ventures Sdn Bhd	760,209,826	30.04	–	–
UEM Group Berhad	312,458,851	12.35	–	–
Kumpulan Wang Persaraan (Diperbadankan)	186,730,240	7.38	–	–

Khazanah Nasional Berhad is deemed interested through Pulau Kapas Ventures Sdn Bhd and UEM Group Berhad.

Global Transit International Sdn Bhd, Megawisra Sdn Bhd, Megawisra Investments Ltd, Afzal Abdul Rahim and Gan Te-Shen are deemed interested through Pulau Kapas Ventures Sdn Bhd.

Statement on Directors' Interests in Shares

Afzal Abdul Rahim, a Director on the Board of TIME dotCom Berhad, is deemed to have interest in the shares of the Company by virtue of Section 6A(4)(c) of the Companies Act, 1965 through Pulau Kapas Ventures Sdn Bhd.

Ronnie Kok Lai Huat, a Director on the Board of TIME dotCom Berhad, holds 300,000 shares in TIME dotCom Berhad, whilst Balasingham A. Namasiwayam, a Director on the Board of TIME dotCom Berhad, holds 25,000 shares in TIME dotCom Berhad through his spouse.

LIST OF PROPERTIES
held as at 31 Dec 2011

TT DOTCOM SDN BHD

Vendor	Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)		Cost (NBV) (RM)	Remarks (Amortization)
Antrac Holdings(M) Sdn. Bhd.	Lot no.43 & 54, Glenmarie Industrial Park Shah Alam, Selangor.	Land	Freehold	2.222acre	Operation site	15		3,687,963.00	
		Building		8,456.64 sq.m			Cost Depreciation Balance (nbv)	14,717,422.12 14,717,402.12 20.00	
Time Engineering Bhd (Henry Butcher, Lim & Long Sdn Bhd)	Lot 26 Jln 225 Petaling Jaya 46100 PJ Selangor	Building Land	Leasehold	16,000 s.f (1486.45 sq mtr) 49,266.37 s.f (4,577 sq mtr)	Operation site	38	Cost Depreciation Balance (nbv)	5,585,840.00 1,005,451.20 4,580,388.80	99 years Expire 11/4/2072
Mega Capital Sdn. Bhd. (Messrs Neoh,Norizah & Co.)	Lot 4465, Mukim 1, Daerah Seberang Prai, Pulau Pinang	Land	Freehold	96921 s.f	Operation site			2,519,946.00	
Kotajasa Sdn. Bhd. (Messrs Arthur Lee & Co.)	Lot P.T.D. 3930, Mukim Tebrau, Daerah Johor Bahru, Johor.	Land	Freehold	117767 s.f	Operation site	14	Cost Impairment Balance (nbv)	4,946,214.00 2,101,214.00 2,845,000.00	
Raine & Horne International (Gan Teik Chee & Co.) Vendor : Yuan Seng Building Trading Sdn Bhd	102M,Lengkok Kampung Jawa 2, Miel Industrial Estate Bayan Lepas, Pulau Pinang.	Land	Leasehold	9485 s.f	Operation site	30	Cost Amortization Balance (nbv)	1,007,000.00 766,438.75 240,561.25	60 years from 1981 to 2041
		Building		668.9 sq.m	Office Building		Cost Depreciation Balance (nbv)	200,000.00 59,999.94 140,000.06	2 % Depreciation
Win Muar Sdn. Bhd.	Lot 142-A, Semambu Industrial Estate Kuantan,Pahang	Land	Leasehold	2.5 acre (10,940.5 sq.m.) (117,762.45 sq.ft.)	Operation site	31	Cost Amortization Balance (nbv)	1,535,000.00 1,304,762.17 230,237.83	66 years from 1980 to 2046
		Building		1,938 sq.m	Office Building		Cost Depreciation Balance (nbv)	1,065,000.00 362,099.98 702,900.02	2 % Depreciation
Sy. Tanah Lawas Sdn. Bhd. (Messrs Neoh,Norizah & Co.)	Kg. Sungai Bedaun, Daerah Labuan, Wilayah Persekutuan Labuan.	Land	Leasehold	8.0 acre	Operation site	27	Cost Amortization Balance (nbv)	4,145,000.00 3,325,823.11 819,176.89	99 years from 1984 to 2082
		Building		270 sq.m				–	
Martimex Sdn. Bhd.	P.T. no 2705, Mukim Ulu Kinta, Daerah Ulu Kinta, Perak	Land	Leasehold	23274 s.f	Operation site	35	Cost Amortization Balance (nbv)	350,000.00 282,762.50 67,237.50	60 years from 1976 to 2036

LIST OF PROPERTIES
held as at 31 Dec 2011

TT DOTCOM SDN BHD (Continued)

Vendor	Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)		Cost (NBV) (RM)	Remarks (Amortization)
Chong Han Ting	Lot 37, Kg. Sungai Bedaun, Settlement scheme, Labuan, WP Labuan	Land	Leasehold	3.0 acre	Operation site	27	Cost Amortization Balance (nbv)	**80,000.00** **64,631.33** **15,368.67**	**99 years from 1984 to 2082**
	Lot No. 469, mukim Batu Burok, Kuala Trengganu, Trengganu	Land	Leasehold	8712 s.f	Operation site	36	Cost Amortization Balance (nbv)	**350,000.00** **266,388.83** **83,611.17**	**99 years 1975 - 2074**
	Lot PTD 1474, HS (D) 3432, Mukim Jemaluang, Daerah Mersing, Johor	Land	Leasehold	1237 sq.m	Operation site	10	Cost Amortization Balance (nbv)	**41,320.00** **14,634.17** **26,685.83**	**60 years 2001-2061**

TIME DOTCOM SDN BHD

Vendor	Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Remarks (Amortization)
Barney Communication Sdn Bhd	Lot no. 53 Glenmarie Industrial Park Shah Alam,Selangor.	Land	Freehold	4,260 sq.m	Operation site		**8,112,848.99**	
		Building		3,747 sq.m	Office Building			

NOTICE IS HEREBY GIVEN THAT the 15th Annual General Meeting (AGM) of the Company will be held at **Saujana Ballroom, Ground Floor, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan** on **Thursday, 28 June 2012** at **10.00 a.m.** for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**.

As Ordinary Business:-

2. To re-elect Elakumari Kantilal, a Director retiring in accordance with Article 94 of the Company's Articles of Association and, who being eligible, has offered herself for re-election. **Resolution 1**

3. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:- **Resolution 2**

   "THAT Abdul Kadir Md Kassim who retires in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company."

4. To approve the Directors' fees amounting to RM270,000 for the financial year ended 31 December 2011. **Resolution 3**

5. To re-appoint Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **Resolution 4**

As Special Business:-

To consider and if thought fit, pass the following Ordinary Resolutions:-

6. Ordinary Resolution – Authority to Issue Shares Pursuant To Section 132D of the Companies Act, 1965 **Resolution 5**

   "THAT subject always to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting; and FURTHER THAT the Directors be and are hereby empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

7. Ordinary Resolution – Proposed Increase in Directors' Fees **Resolution 6**

   "THAT the aggregate fees payable to the Directors of the Company be hereby increased to an amount not exceeding RM738,000 per annum for the financial year ending 31 December 2012 and for each financial year thereafter AND THAT the Directors' Fees be paid quarterly."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

MISNI ARYANI MUHAMAD (LS 0009413)
Secretary

6 June 2012
Selangor Darul Ehsan

Note A:-
This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:-
1. For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depository as at 21 June 2012. Only a depositor whose name appears on the Record of Depositors as at 21 June 2012 shall be regarded as a member entitled to attend, speak and vote at the Company's AGM or appoint proxies to attend and/or vote on his/her behalf.

2. A member entitled to attend and vote at the above Meeting of the Company is entitled to appoint a proxy/ proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.

4. A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

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

6. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, **Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur** not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Explanatory Note on Special Business:-

Ordinary Resolution 5

The Ordinary Resolution 5 is proposed for the purpose of granting a renewed general mandate for the issuance of shares in the Company pursuant to Section 132D of the Companies Act, 1965.

There was no issuance of shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was obtained at the 14th AGM held on 27 June 2011 and the said mandate will expire at the conclusion of the forthcoming 15th AGM.

The Ordinary Resolution 5, if passed at the 15th AGM, will give authority to the Directors of the Company to issue and allot shares at any time without convening a general meeting, in order to avoid any delay and cost involved in convening one. The authorisation so granted is valid from the date of the 15th AGM, and unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate if renewed at the 15th AGM, will provide the Company the flexibility to raise funds for funding future investment project(s), working capital and/or acquisition(s).

Ordinary Resolution 6

The Ordinary Resolution 6 is proposed to ensure that the Directors are adequately remunerated so that the Company will be able to retain and attract persons of calibre and credibility with the necessary skills and experience to manage the Company. The skills and experience of the Directors are required more particularly towards the application of and in compliance with the Best Practices in Corporate Governance set out in the Malaysian Code on Corporate Governance, which will be for the benefit of the shareholders of the Company. It is therefore proposed that the Directors' fees be increased and that the approval be given in advance so that the Directors may be paid in the course of the financial year.

In accordance with Article 83 of the Company's Articles of Association, the Board recommends that shareholders approve in advance, Directors' fees of an aggregate amount not exceeding RM738,000 for the financial year ending 31 December 2012 and for each financial year thereafter. The Board will seek fresh approval from the shareholders when there is a need to increase the amount.

All the Directors of the Company, with the exception of the Chief Executive Officer, will abstain from voting on Ordinary Resolution 6.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements
of Bursa Malaysia Securities Berhad

1. Elakumari Kantilal, a Director, who is retiring by rotation, is seeking re-election.

2. Abdul Kadir Md Kassim, a Director, who is over the age of seventy years, is seeking re-appointment.

3. Details of attendance of Directors at Board Meetings held during the financial year are set out on page 27.

Further details of Directors who are standing for re-election and re-appointment at the 15th Annual General Meeting are set out on pages 24 to 26.

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TIME DOTCOM BERHAD
(Company No. 413292-P)

FORM OF PROXY

No. of shares	CDS Account No.

I/We, ______________________________ Identification/Company No. ____________________
(Name in block letters)
of ____
(Full Address)
being a member/members of **TIME dotCom Berhad** hereby appoint the following person(s):-

Name of Proxy & NRIC	No. of shares to be represented by proxy
1.	
2.	

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held at **Saujana Ballroom, Ground Floor, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 28 June 2012** at 10.00 a.m. and at any adjournment thereof.

You may indicate with an "X" or "✓" in the boxes provided below how you wish your votes to be cast. Please note that the filling of this form is for indicative purposes only and shall not bind the Company or in any way oblige or require the Company to ensure that your proxy shall vote in the manner as indicated by you.

Please take further note that the Company shall accept the vote cast by your proxy as a valid vote whether or not your proxy has acted in accordance with your instructions.

	For	**Against**
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		
Resolution 6		

Signed this __________day of ________________ 2012.

____
Signature/Common Seal of Appointer

NOTES:-

1. For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depository as at 21 June 2012. Only a depositor whose name appears on the Record of Depositors as at 21 June 2012 shall be regarded as a member entitled to attend, speak and vote at the Company's AGM or appoint proxies to attend and/or vote on his/her behalf.
2. A member entitled to attend and vote at the above Meeting of the Company is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.
4. A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.
6. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, **Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur** not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

AFFIX
POSTAGE
HERE

Mega Corporate Services Sdn Bhd
Level 15- 2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

TIME

TIME dotCom Berhad (413292-P)
TT dotCom Sdn Bhd (52371-A)
TIME dotNet Berhad (507273-T)
No. 14, Jalan Majistret U1/26
HICOM Glenmarie Industrial Park
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Selangor, Malaysia
Tel : +60-3-5032 6000
Fax : +60-3-5032 6353
Website : www.time.com.my

Northern Region
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MIEL Industrial Zone
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Eastern Region
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Southern Region
Level 4, Matang Building
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Sabah & Sarawak
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For General or Product Inquiries
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AIMS

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GLOBAL TRANSIT

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Fax : +60-3-2020 1880
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Global Transit Singapore Pte. Ltd.
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Global Transit Limited (LL06360)
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