

# 20<sup>TH</sup> ANNUAL GENERAL MEETING

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TINE<sup>TM</sup>

# 2016 AT A GLANCE



## Malaysia's fastest broadband

Launched on 23 March to very encouraging take up.



## Extended global network footprint

Able to connect Malaysia to the US on our two new submarine cables.



## ASEAN expansion

Increased presence in Vietnam via additional stake in CMC Telecom.



## Highest ever operating profit

RM199.1 million in FY 2016, up 17% from FY 2015.



## Returned value to shareholders

Paid out a total of RM115.5 million in dividends during the year. Overall, dividend yield in FY 2016 was 3.92%.

# BUSINESS REVIEW

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# FIXED LINE

## THIS CHANGES EVERYTHING

INTRODUCED 500Mbps FIBRE HOME BROADBAND

100Mbps	300Mbps	500Mbps
RM 149/MONTH	RM 189/MONTH	RM 299/MONTH

AVAILABLE IN OVER 300,000 HOMES AND GROWING



Ultrafast



Unlimited



Symmetrical Speeds

BRINGING MALAYSIA UP TO SPEED  
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**TIME**<sup>TM</sup>



**Growth across all segments**  
with stable recurring revenue streams.

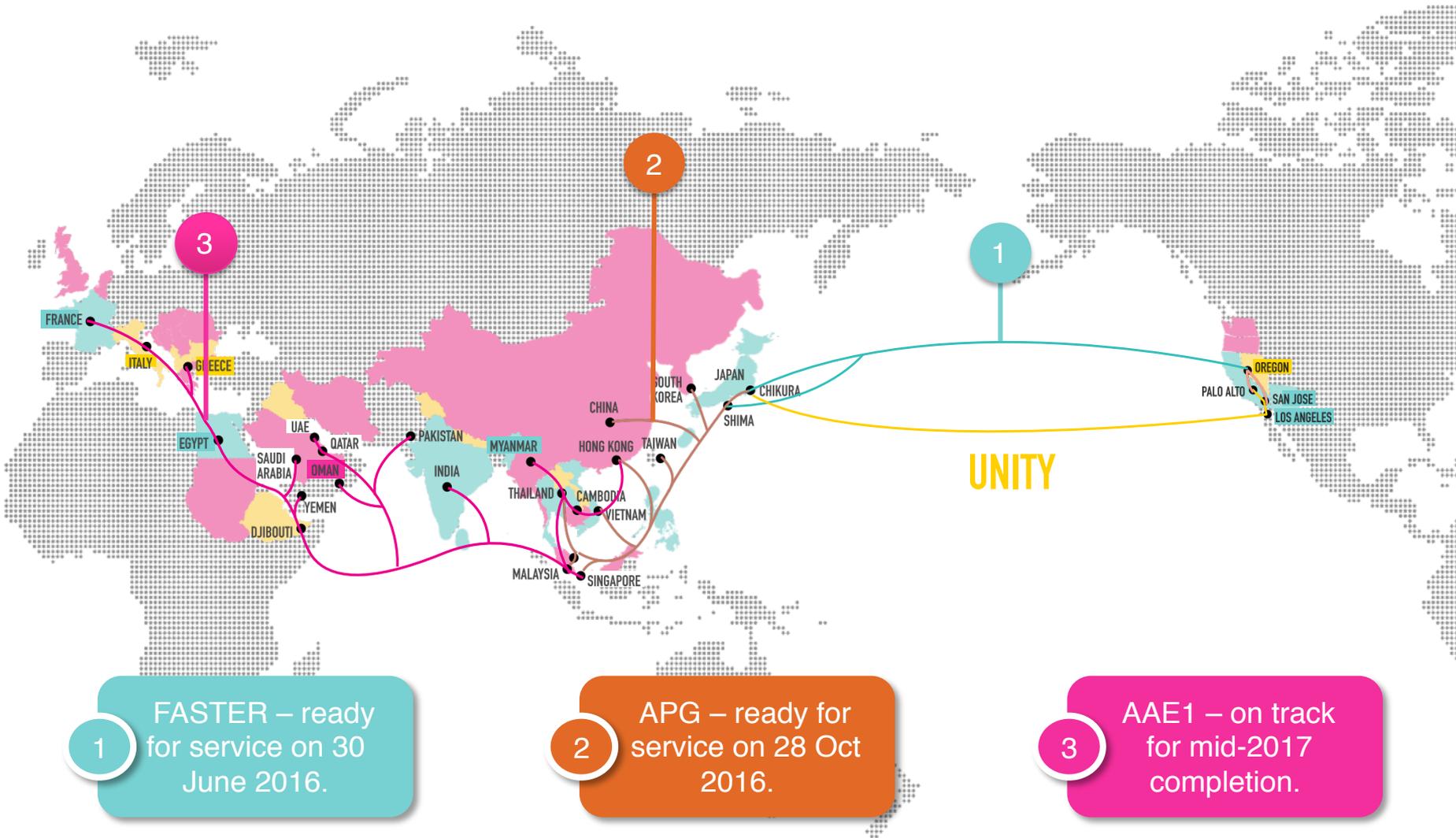


**Strong Retail contribution**  
following fastest fibre home broadband launch.



**Extended domestic reach**  
with a 39% increase in coverage since 2015.

# GLOBAL NETWORKS



# DATA CENTRES

1

24% revenue expansion – outperformed average industry growth.

2

Expanded Menara AIMS in Kuala Lumpur by three additional floors.

Location	Data Centre (Net Lettable Area Sq. Ft.)
Menara AIMS	45,000
Cyberjaya	12,720
Others	2,035
<b>Total</b>	<b>59,755</b>

3

Maintained focus on green initiatives, mainly to improve energy consumption.

# ASEAN EXPANSION

## Vietnam



- Acquired an additional 6,666,124 shares in CMC Telecom for a cash consideration of VND262.3 billion (approx. RM51.3 million).
- Increased stake to **45.27%**.

## Thailand



**SYMPHONY**

- Continued to implement turnaround efforts in Kirz.

- Proposed acquisition of a stake of **up to 49%** in Symphony for a consideration of up to THB 2,200 million (approx. up to RM279.6 million).



Our investments in ASEAN generated for the Group a share of profit of **RM2.1 million** for the financial year ended 31 December 2016.

# FINANCIAL REVIEW

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# PERFORMANCE INDICATORS

FY 2016

FY 2015

REVENUE

RM **766.9** MILLION

 **12%**

RM **682.4** MILLION

ADJUSTED  
EBITDA\*

RM **279.6** MILLION

 **21%**

RM **230.5** MILLION

ADJUSTED  
OPS PROFIT\*

RM **186.1** MILLION

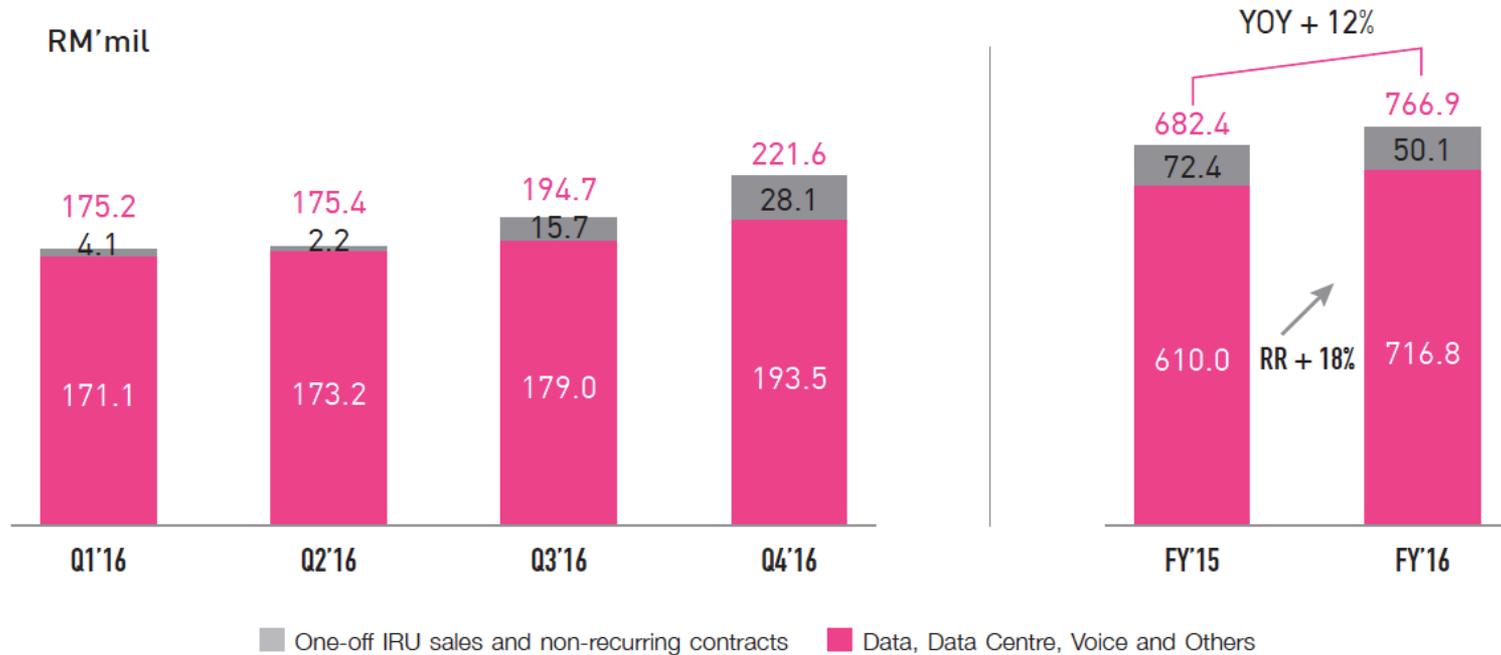
 **36%**

RM **137.2** MILLION

*\* Adjusted for gain on disposal of PPE, gain on disposal of investment in Campana, PPE written off, net impairment of PPE and forex gain.*

# REVENUE: OVERALL

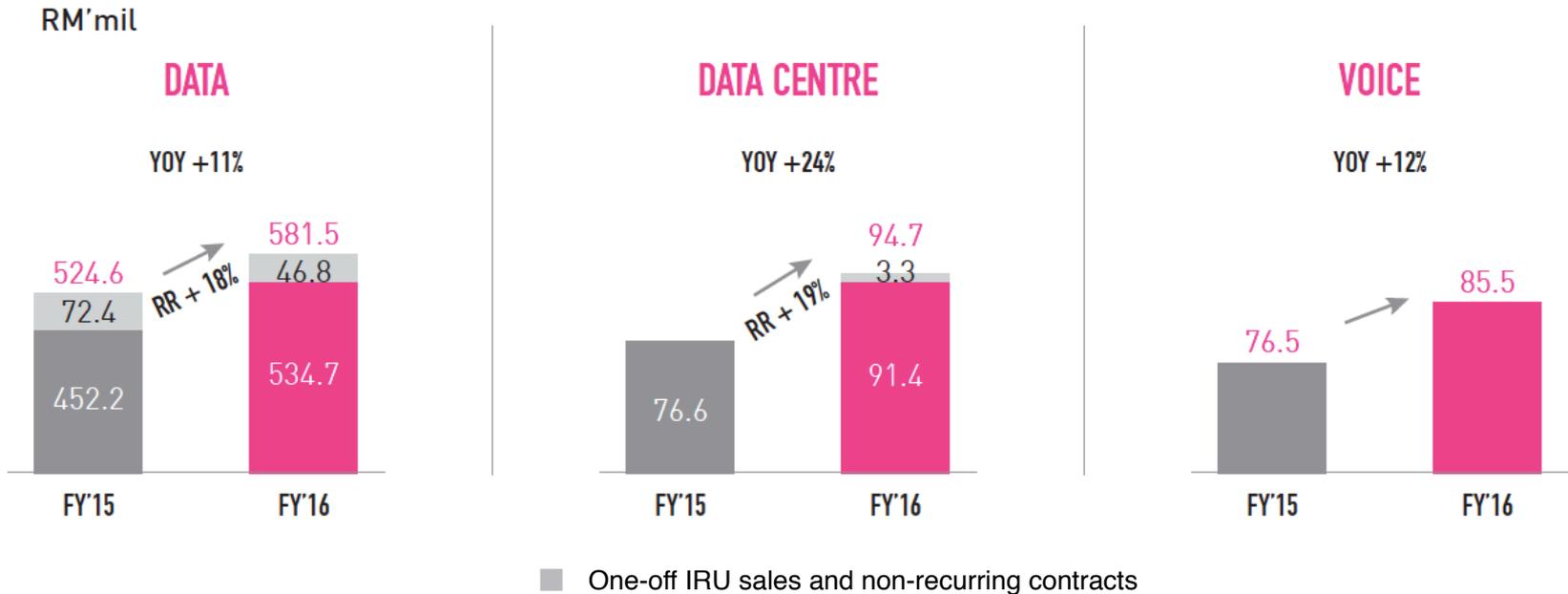
Solid revenue from core operations with lower reliance on one-off revenue items.



Note: Recurring revenue (RR) excludes one-off revenues from IRU sales and non-recurring contracts.

# REVENUE: BY PRODUCT

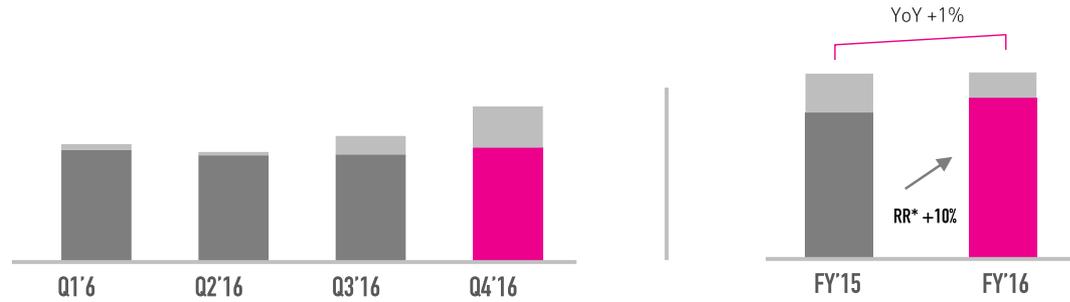
Data remains the key driver, making up for 76% of Group revenue.



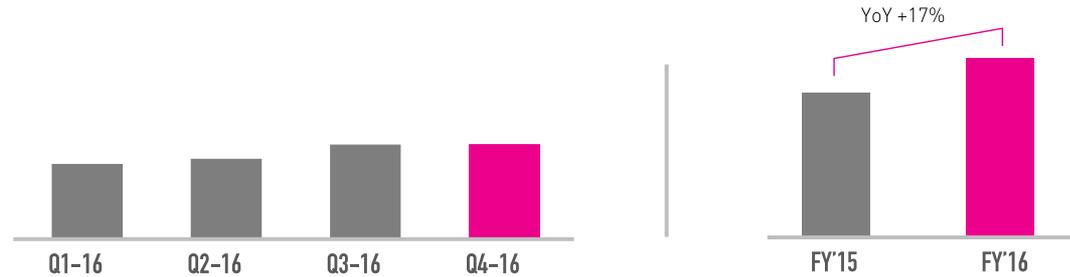
# REVENUE: BY CUSTOMER GROUP



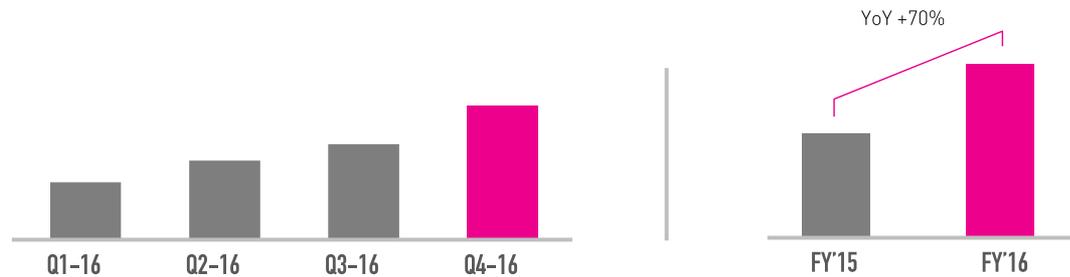
Wholesale



Enterprise



Retail



■ One-off IRU sales and non-recurring contracts

# OUTLOOK

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# 2017 AND BEYOND

1

Expansion and growth opportunities both on the domestic front and in the ASEAN region.

2

Completion of the strategic partnership with Symphony and expansion of network presence in Thailand.

3

Extension of connectivity to East Malaysia through recent SKR1M completion.

4

AAE-1 is scheduled to be completed and become operational in 2017. Thereafter, it can be a new source of revenue to the Group .

5

Enhancement of operational and cost efficiencies throughout the Group.

# MSWG Q&A

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# STRATEGIC & FINANCIAL

1. What would be the expected non-Malaysia revenue contribution of the Asia-Africa-Europe-1 (AAE-1) to the Group for FY2017, which is expected to be completed by mid-2017?

It is difficult to predict exactly how much non-Malaysian revenue will be generated from AAE-1 in FY2017, however, based on existing revenue trends seen from our other international submarine cable assets, non-Malaysian revenues generally make up between 80% and 90% of revenues generated from submarine cables in a year. It is also important to note that while historical trends can provide us with some general guidance as to the possible proportion of non-Malaysian revenue contribution in AAE-1, past performance of other submarine cable systems may not always be representative of future revenue proportion. TIME, nonetheless, remains optimistic that AAE-1 will contribute positively to the Group's overall revenues upon completion.

# STRATEGIC & FINANCIAL

2. It was stated in the Management Discussion and Analysis that the Group had increased its equity stake in CMC Telecommunication Infrastructure Corporation to 45.27%. The regional investments have been positive, generating significantly higher share of profits than the year before.
  - i. Would the Group be further increasing its stake in CMC Telecommunication in FY2017?

Vietnam's foreign ownership laws prevent us from increasing our stake in CMC Telecommunication past 49%.

# STRATEGIC & FINANCIAL

*Continued*

2. It was stated in the Management Discussion and Analysis that the Group had increased its equity stake in CMC Telecommunication Infrastructure Corporation to 45.27%. The regional investments have been positive, generating significantly higher share of profits than the year before.
  - ii. Does the Board plan to undertake new strategic acquisitions, partnerships and/or joint ventures for FY2017?

TIME has announced and is currently in the midst of acquiring a stake of up to 49% in Symphony Communication Public Company Limited, a publicly listed company on the Stock Exchange of Thailand, which we expect to close in Q3 2017. TIME may also consider any other strategic opportunities within the telecommunications and its related sectors in ASEAN if and when such opportunities arise. TIME will, however, be occupied for the rest of the year working on executing the proposed acquisition.

# STRATEGIC & FINANCIAL

3. The Group registered a year-on-year growth for all its core product segments.

Does the Board expect this trend to continue for FY2017?

**TIME remains optimistic and will endeavour to achieve continued year-on-year revenue growth of its core product segments.**

4. Revenue trends have begun to shift as the Group achieved noticeable increase and contribution in revenue for the Group's recurring revenue streams.

What would be the likely trend for FY2017?

**Strong recurring revenue growth is evidence of a stable and sustainable revenue base. As such, TIME will strive to ensure that such recurring revenues continue to grow in FY2017.**

# STRATEGIC & FINANCIAL

5. The Group disposed its entire equity stake in Campana Group Pte. Ltd. (“Campana”) on 29 April 2016 and the disposal resulted in a gain of RM2.5 million to the Group.

What was the reason for the Group to dispose this investment?

The Group disposed its investment in Campana when it realised that it was not in alignment with its partners on the strategic direction of the company.

# CORPORATE GOVERNANCE

1. The Company is seeking shareholders' approval for the payment of Directors benefits which include meeting attendance allowance, medical and hospitalisation coverage and other claimable benefits incurred from 31 January 2017 until the next AGM.

Could the Board provide the total amount of benefits to be approved by shareholders as it was not stated in the agenda?

- i. Meeting attendance allowance (Board of Directors' meetings, Audit Committee meetings, Tender Committee meetings and Nomination & Remuneration Committee meetings)

We expect to incur an estimated amount of meeting attendance allowance of approximately RM500,000 for the Board and Board Committees for the period from 1 January 2017 until the Company's next AGM.

# CORPORATE GOVERNANCE

*Continued*

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Could the Board provide the total amount of benefits to be approved by shareholders as it was not stated in the agenda?

ii. Medical and hospitalisation coverage (per director)

As and when incurred:-

- Outpatient : RM4,000 per annum
- Hospitalisation : RM20,000 per annum with room and board @ RM350 per day.

iii. Other claimable benefits (per director)

- Handphone service : RM300 per annum

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# Thank You

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