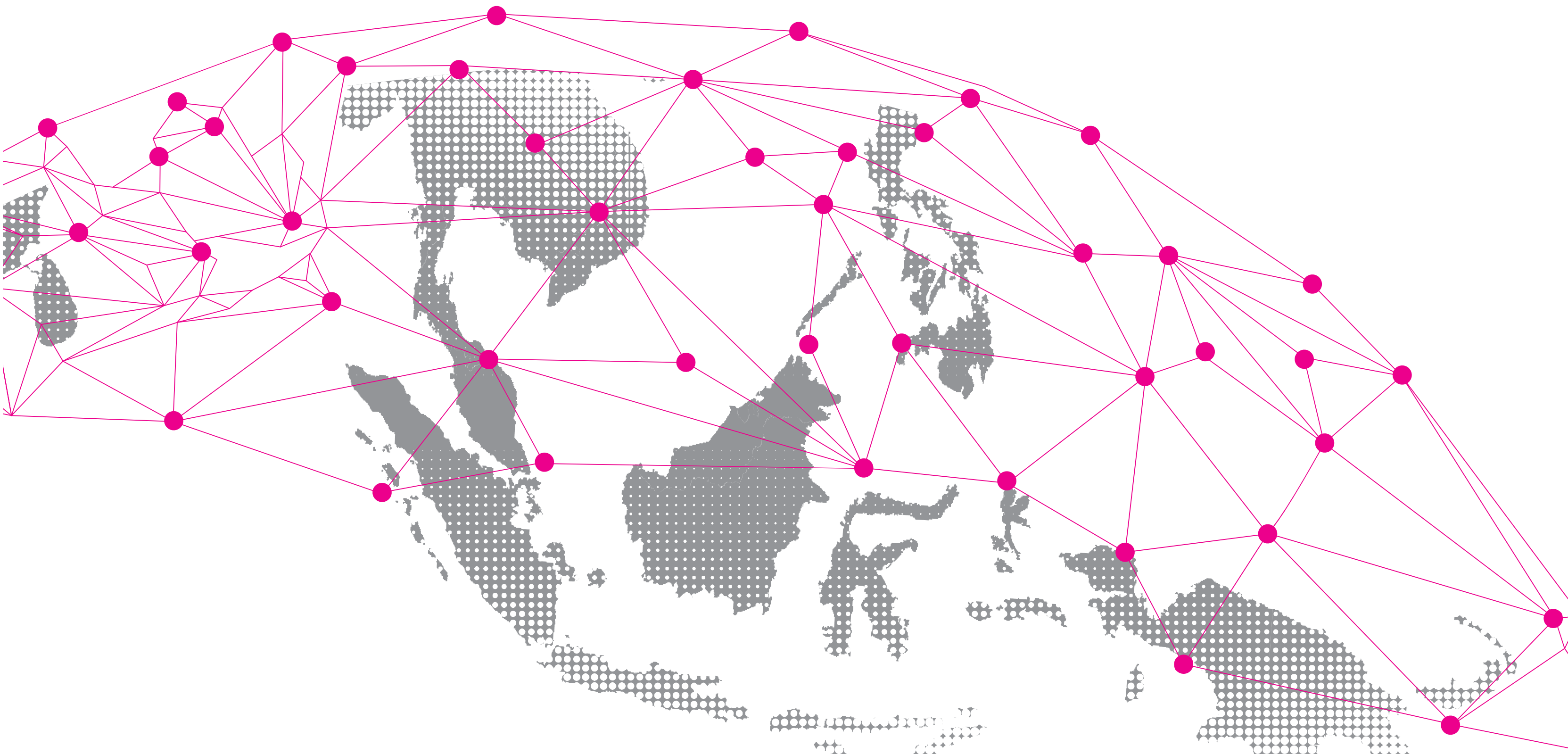
TIME™

ANNUAL REPORT

2020



Contents

Performance Indicators

REVENUE FY2020

RM1,223.2mil

from
RM1,113.9mil
In FY2019

10%

EBITDA FY2020

RM567.1mil

from
RM479.8mil
In FY2019

18%

OPERATING PROFIT FY2020

RM415.2mil

from
RM330.3mil
In FY2019

26%

EPS FY2020

54.8sen

from
53.7sen
In FY2019

2%

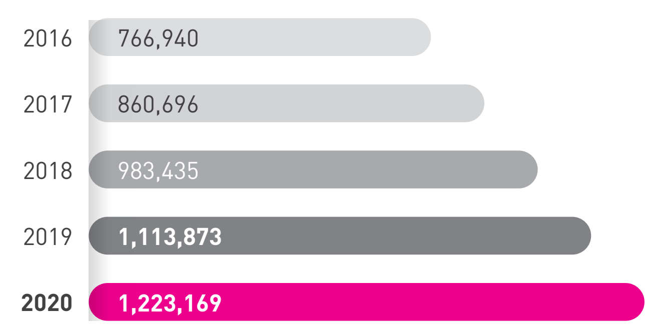
TOTAL SHAREHOLDERS' EQUITY FY2020

RM3,050.3mil

from
RM2,766.9mil
In FY2019

10%

REVENUE (RM'000)



Corporate Profile

INTRODUCTION AND BUSINESS MODEL

Domestic Network	Global Networks	Data Centres	ASEAN
100% fibre optics-based domestic fixed-line telecommunications provider.	International bandwidth provider with a global footprint.	Carrier-neutral data centre operator with world-class data storage facilities and ancillary services.	Strategic acquisitions/joint ventures/partnerships with telecommunications service providers and data centre businesses in ASEAN.

TIME dotCom Berhad ("TIME" or "the Group") is a Malaysia-based telecommunications provider that offers a full range of telecommunications solutions including domestic and global connectivity, data centre, cloud computing and managed service solutions to its customers across the ASEAN region.

TIME's fibre optic network assets extend across Malaysia, Singapore, Thailand, Vietnam and Cambodia – countries in which it has established an operational presence. This is further supplemented by its stakes in the UNITY, FASTER, Asia Pacific Gateway ("APG") and Asia-Africa-Europe-1 ("AAE-1") international subsea cable systems.

The Group's data centre business, AIMS Data Centre ("AIMS") is a leading carrier-neutral data centre and managed services provider in Malaysia and Southeast Asia. As the anchor site for the Malaysia Internet Exchange ("MyIX"), it handles traffic for over 88 peers and networks with international connectivity for customers from various industries. AIMS is headquartered in Malaysia, with a data centre presence in Kuala Lumpur and Cyberjaya. AIMS also has a data centre presence in key ASEAN cities in Singapore, Thailand and Vietnam, either directly or through associates. Furthermore, AIMS has partnered with Bangkok Neutral Internet eXchange ("BKNIX") to set up a third site for the exchange in its facility in Bangkok, Thailand.

The Group has also strengthened its cloud business with the acquisition of a 60% stake in AVM Cloud Sdn Bhd ("AVM"), a leading Malaysian private cloud computing provider that counts itself as one of the top VMware service providers in Southeast Asia.

ASEAN remains a key focus of TIME's regional business growth. Thus far, the Group counts Symphony Communications Public Company Limited ("SYMC") and KIRZ Co. Ltd. ("KIRZ") in Thailand, and CMC Telecommunications Infrastructure Corporation ("CMC") in Vietnam as associates.

TIME's Focus Areas and Telecommunications Solutions

Telecom Segment
- Connectivity
- Co-location

Network/Assets
- Fibre Optic (Terrestrial)
- Fibre Optic (Subsea)
- Data Centre

Customer Segment
- Wholesale
- Enterprise
- Retail

Services
- Connectivity
- Data Centre
- Cloud
- Security
- Managed Services
- Voice*

* Secondary Business Focus

Note:
Wholesale refers to other telecommunications service providers, over-the-top content providers ("OTT") and Internet Service Providers ("ISP"), both domestic and international, while Enterprise includes customers from the Banking, Financial Services, Multinational Corporations, Education, Hospitality, Logistics, Government, Manufacturing and Small and Medium-sized Enterprise sectors.

Corporate Profile

BUSINESS STRENGTHS

TIME's ability to create value stems from its inherent business strengths as a leading telecommunications operator, both domestically and regionally.

Robust Business Model

The Group offers a diverse range of telecommunications and data centre related solutions, which cater to a wide range of customers, both locally and regionally. This is made possible by its strong domestic fibre optic network and its stakes in international subsea cable systems: UNITY, FASTER, APG and AAE-1. This reduces reliance on a single geographical market.

Solid Financial Position

The Group's strong asset base and stable cash position enables it to fund required capital expenditure and drive business growth. TIME's solid financial performance leads to consistent returns for its shareholders.

Expanding Domestic Presence

TIME continues to improve on its reliable high-speed fibre optic network to support its domestic expansion plans.

Expanding Regional Presence

TIME continues to expand its presence in the region. Insights and best practices from different geographic markets are shared across the Group to enhance operational efficiency and drive competitive advantage.

1,300-Strong Professional Workforce

The collective skill, expertise and experience of TIME's professional workforce enable the delivery of services and power the Group's competitive ability. It is the unique skillset, mindset and culture of its talent that enable the Group to deliver on its business goals and benefit from a strong, customer-centric culture.

Corporate Profile

BUSINESS STRATEGIES FOR GROWTH AND SUSTAINABILITY

The Group's business strategies are designed to leverage on its strengths toward driving business and operational sustainability and, ultimately, long-term value creation for stakeholders.

Strengthen and improve network infrastructure for better customer experience.

Extend domestic reach to new territories by increasing the number of premises passed in Peninsular Malaysia and East Malaysia, via the nationwide Cross Peninsular Cable System ("CPCS™") and the Sistem Kabel Rakyat 1 Malaysia ("SKR1M").

Leverage on the UNITY, FASTER, APG and AAE-1 subsea cable systems to boost non-Malaysian revenue.

Expand data centre presence in Malaysia and across the region.

Establish a regional cloud business across ASEAN.

Drive further ASEAN expansion and work closely with its partners in Thailand, Vietnam and Cambodia to create a seamless regional telecommunications network.

CONTINUED EXCELLENCE

Moving forward, TIME will continue to leverage on its strengths to focus on increasing its market share across the geographies it operates in, by delivering a reliable and unparalleled quality experience that is tailored to the present and future requirements of all its customer groups.

TIME is dedicated to delivering service excellence to its customers and stakeholders by constantly pushing the boundaries of technological performance.

Corporate Information

BOARD OF DIRECTORS

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

Elakumari Kantilal
Non-Independent, Non-Executive Director

Hong Kean Yong
Senior Independent, Non-Executive Director

Ronnie Kok Lai Huat
Non-Independent, Non-Executive Director

Mark Guy Dioguardi
Independent, Non-Executive Director

Koh Cha-Ly
Independent, Non-Executive Director

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

Patrick Corso
Non-Independent, Executive Director

Lee Guan Hong
Non-Independent, Executive Director

Audit Committee

Hong Kean Yong (Chairman)
Elakumari Kantilal
Koh Cha-Ly

Nomination And Remuneration Committee

Mark Guy Dioguardi (Chairman)
Elakumari Kantilal
Koh Cha-Ly

Tender Committee

Ronnie Kok Lai Huat (Chairman)
Hong Kean Yong
Mark Guy Dioguardi

Company Secretary

Chew Ann Nee (MAICSA 7030413)
(SSM PC No.: 201908001413)

Registered Office

Level 4, No.14
Jalan Majistret U1/26
HICOM Glenmarie Industrial Park
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Selangor, Malaysia
Tel : +603 5039 3000
Fax : +603 5032 6063

Website

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Share Registrar

Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : +603 2692 4271
Fax : +603 2732 5388

Auditors

KPMG PLT
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 dotCom Berhad

FIXED LINE

- **100%** TT dotCom Sdn Bhd
- **100%** Planet Tapir Sdn Bhd

DATA CENTRES

- **100%** AIMS Cyberjaya Sdn Bhd
- **100%** AIMS Data Centre Pte Ltd
- **100%** AIMS Data Centre Sdn Bhd
  - **0.01%**
- **50.99%** AIMS Data Centre (Thailand) Limited

GLOBAL NETWORKS

- **100%** TIME dotCom Global Services Sdn Bhd
- **100%** Global Transit Limited
- **100%** Global Transit 2 Limited
- **100%** Global Transit 3 Limited
- **100%** Global Transit 5 Limited
- **100%** Global Transit Singapore Pte Ltd
- **100%** Global Transit (Hong Kong) Limited
- **100%** TIME dotCom Japan K.K.

ASEAN

- **100%** TIME dotCom International Sdn Bhd
  - **100%** TIME dotCom (Cambodia) Co., Ltd

CLOUD

- **60%** AVM Cloud Sdn Bhd
  - **100%** Integrated Global Solutions Sdn Bhd
  - **100%** Zeus Ventures Sdn Bhd

Note:
This structure reflects TIME's subsidiaries only. Please refer to Note 7 of the Financial Statements on page 120 of this Annual Report for the list of associates.

Chairman's Statement

DEAR SHAREHOLDERS,

The past year was unlike any in recent history as challenges and uncertainties caused by the COVID-19 pandemic brought major changes and disruptions to daily life. Countries and economies worldwide came to a near standstill as the pandemic escalated in the first half of the year with lockdowns and other regulations introduced to curb the spread of the virus. Alongside these, the importance of Internet connectivity as an essential service surged to the forefront.

We saw broad shifts in Internet usage behaviour as people started working and learning from home. This was compounded by the urgency for businesses to innovate and digitalise in order to continue running in an environment controlled by increasingly stringent protocols. As the end of 2020 approached, it became apparent that the norm as we now knew it would be here to stay for a while.

At TIME, we are well aware of our role and responsibility as a telecommunications provider to support and facilitate the transition of homes and businesses into the new norm. Ensuring network availability and stability to support the needs of our customers have always been our focus and it has become even more vital to keep our customers connected.

YEAR IN REVIEW

While the pandemic has had a significant impact on industries across the board, we have been fortunate as the impact on the Group has been relatively modest. I am pleased to report that TIME was able to register sustained growth in the financial year ended 31 December 2020 ("FY2020") thanks to the long-term strategies the Group has in place.

As we adapted to the challenges arising from the pandemic, we stayed true to our strategies and core beliefs. The health and well-being of our employees and customers were top priorities. Strengthening and improving our network infrastructure to cater to the increased data consumption and connectivity needs of our customers remained a key focus. As a result, the Group's business has remained resilient through FY2020.

As we worked hard to keep our customers connected, we are pleased to have been ranked Malaysia's Most Consistent Broadband Provider by Ookla®, the global leader in Internet testing and analysis. Results obtained from analysis of Speedtest Intelligence® data by Ookla from Q2-Q4 2020 indicated that TIME succeeded in ensuring that our customers not only experienced the speeds they have come to expect of TIME, but also the consistent Internet connectivity that defines today's digitally driven world.

In addition to keeping our customers connected, we have also been mindful of the larger role we have to play in supporting the nation during the pandemic and we have done so through the provision of fibre backhaul to the mobile industry to meet increased data demand. The Group is also fully committed to supporting JENDELA, a 5-year plan initiated by the government aimed at developing the nation's digital infrastructure to deliver digital connectivity and elevate the quality of experience for Malaysians.

We have also made good progress on our regional data centre expansion plans with the opening of AIMS @ Bangkok in September 2020 and the subsequent inking of a partnership between AIMS @ Bangkok and the Bangkok Neutral Internet eXchange ("BKNIX") to enhance our regional network. Our Malaysian data centre operation was also recognised by Frost & Sullivan as Malaysia's Data Centre Service Provider of the Year in FY2020 for offering our customers a robust value proposition with carrier-neutral data centre services, interconnectivity and the capability to connect to major cloud service providers.

Chairman's Statement

FINANCIAL REVIEW

While 2020 proved to be a more challenging year than most, TIME was able to achieve a 10% growth in revenue contributed by all core customer groups.

This can be attributed to the Group's robust business model with its diverse range of products and services, both locally and regionally. We were able to quickly adapt to serve the needs of the market as the effects of the pandemic moved people from working in the office to working from home and digital adoption across all businesses ramped up.

For a more detailed analysis of our financial performance for the year in review, please refer to the **Management Discussion and Analysis** section of this Annual Report.

SHAREHOLDER REWARDS

In line with our financial performance, the Board of Directors declared on 26 February 2021, an ordinary interim and special interim tax exempt (single tier) dividend of 12.50 sen and 20.60 sen per ordinary share, respectively, for FY2020, which was paid on 30 March 2021.

The dividend declared and distributed is consistent with the Group's policy to pay shareholders up to 25% of normalised profit after tax. The additional special interim dividend is a reward to shareholders for their loyalty and support to the Group, especially over these trying times.

ACKNOWLEDGEMENTS

On behalf of the Board, I thank the Ministry of Communications and Multimedia and the Malaysian Communications and Multimedia Commission for their counsel over the course of the year as we worked together to develop the nation digitally amidst a global pandemic.

I thank our loyal shareholders for their trust as we navigated this difficult year. The confidence you have shown the Group is inspiring.

To our frontliners, our employees, thank you for your dedication and resolve to continue delivering quality services to our customers despite the difficulties faced in carrying out your responsibilities. We would not have been able to weather the storm without you.

Lastly, to my fellow Board members and the Senior Management team, I express my gratitude for showing strength and resilience in guiding the Group through a year littered with challenges. However, with challenges come opportunities and it is my firm belief that we will come out of this stronger together.

ABDUL KADIR MD KASSIM
Chairman

Management Discussion & Analysis

MACRO OPERATING ENVIRONMENT REVIEW

FY2020 proved to be a uniquely different year, largely attributed to the socio-economic impact of the global COVID-19 pandemic. The pandemic significantly affected the global economy as the imposition of lockdowns and restricted movement caused disruption to many business sectors and industries as well as global supply chains. Amongst the sectors more adversely impacted were the SME space and in particular, those in aviation and hospitality.

Consequently, global Gross Domestic Product ("GDP") contracted considerably by 4.9%. Consistent with global economic performance, Malaysia's GDP mirrored this trend with a contraction of 5.6% in FY2020. The negative domestic growth was attributed to 3 consecutive contractions in quarterly economic performance with the second quarter of FY2020 alone posting a contraction of 17.1%, while the third and fourth quarters of FY2020 saw contractions of 2.6% and 3.4%, respectively.

TELECOMMUNICATIONS INDUSTRY REVIEW

The telecommunications industry in Malaysia continued to be inherently competitive and tightly regulated. The occurrence of the pandemic brought to the forefront the need to further increase network coverage across both wireless and fixed broadband, on top of maintaining a standard of quality expected of the industry by regulators and customers alike. Recognising this, the Government established the National Digital Infrastructure Plan ("JENDELA") blueprint, intended to improve coverage and quality of service while at the same time, build the foundation for 5G. Amongst the key medium-term aspirations outlined under JENDELA are achieving 4G coverage in 100% of populated areas, 100Mbps mobile speeds by adoption of 5G, and gigabit access to 9 million premises passed. This was formulated by the National Digital Infrastructure Lab, of which industry players including TIME, were participants.

COVID-19 presented a multitude of opportunities as it expedited the digitalisation agenda. The imposition of lockdowns, accompanied by the increased necessity for social distancing, work from home and online learning, resulted in a widespread adoption of digital communication platforms across all customer groups nationwide. This led to increased demand for Internet connectivity and higher bandwidth as businesses and customers transitioned to online and virtual channels to adapt to the new normal.

Consumers and businesses, most notably small and medium enterprises, swiftly transitioned to online activities to supplement their conventional business models. This shift is expected to have a measure of permanence moving forward.

Telecommunications services were categorised as essential services and service providers were allowed to operate through the Movement Control Order ("MCO"), Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") periods. However, new standard operating procedure ("SOP") requirements such as social distancing, reduced manpower, regular disinfection and staggered working hours initially caused disruption to operational productivity. Notably, works related to installations, upgrading and assurance were impacted.

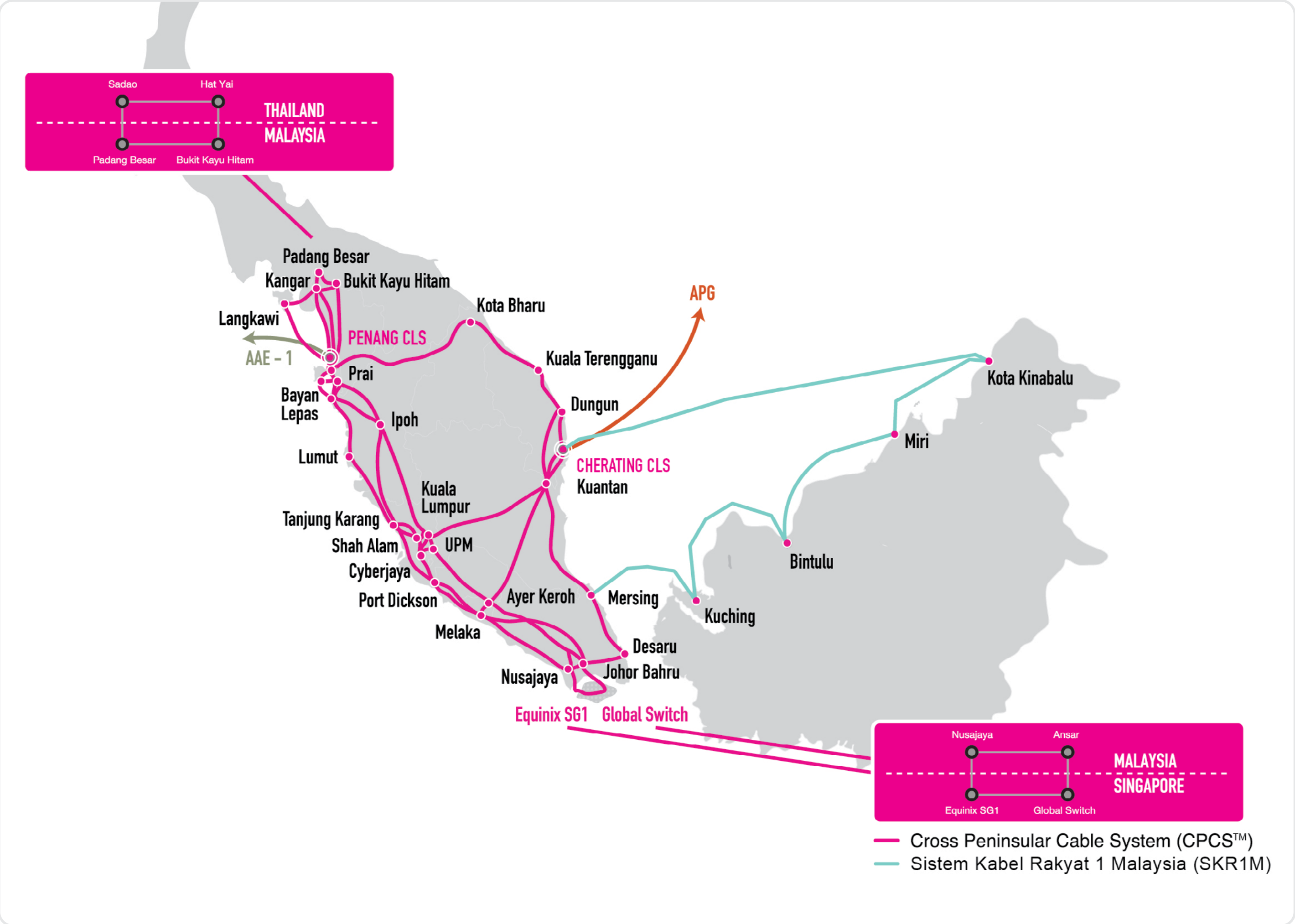
The Group adapted to the new requirements quickly to ensure that disruptions and impact to overall productivity were kept to a minimum. As the Group worked towards safeguarding the health and well-being of its people and customers, it continued to strengthen and improve its network infrastructure to ensure its customers were kept connected at all times.

On the regulatory front, the Malaysian Communications and Multimedia Commission ("MCMC") issued a Variation to the Commission Determination on the Mandatory Standard on Access Pricing. Under the Variation, Access Pricing previously set for 2020 was extended until 2022. There were no other significant regulatory changes in 2020.

Management Discussion & Analysis

GROUP BUSINESS AND OPERATIONAL PERFORMANCE

Domestic Network



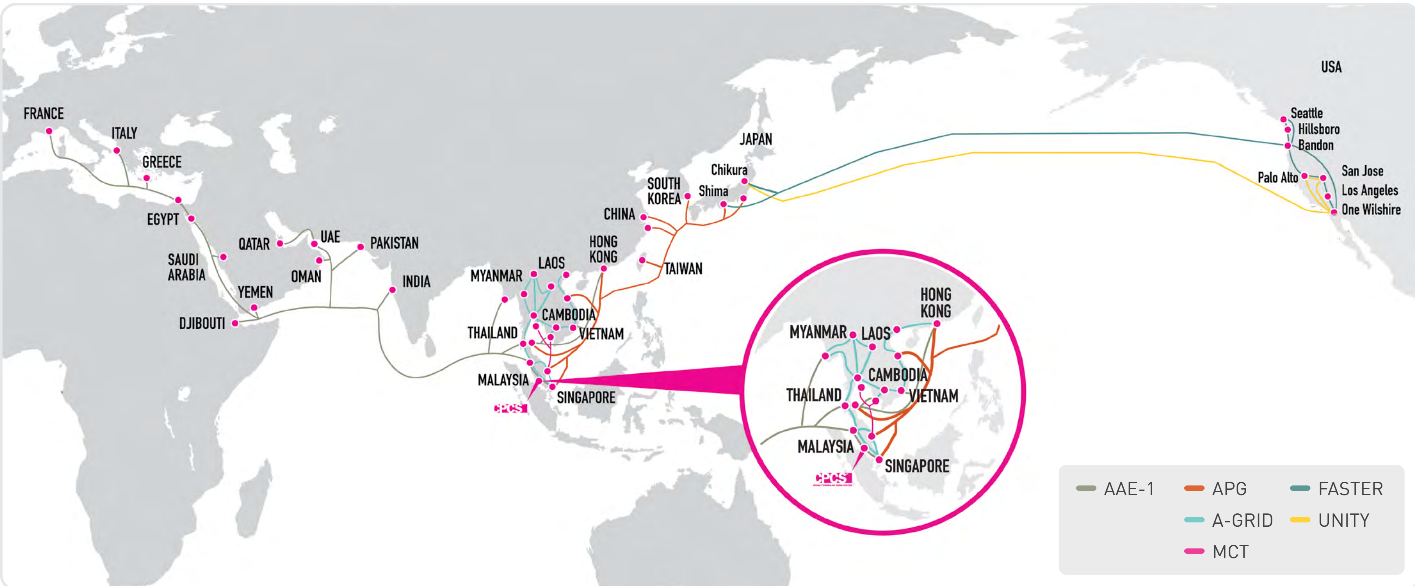
TIME was able to meet the growing demand for broadband and Internet connectivity services and enable its customers to adapt to the new normal of virtual engagement and interaction whether for play, work or studies. The Group continued to strengthen and improve its domestic fibre network infrastructure, whilst expanding its coverage footprint despite the various movement restrictions.

Revenue growth for FY2020 was seen across all core customer groups, led by contributions from Retail and Wholesale customers. In the Retail segment, the Group strove to not only deliver the high speeds that the TIME name has become synonymous with, but to also ensure a high level of reliability and consistency of its Internet connections. On that front, the Group is proud to have been ranked Malaysia's Most Consistent Broadband Provider by Ookla®, the global leader in Internet testing and analysis. Results obtained from analysis of Speedtest Intelligence® data by Ookla from Q2-Q4 2020 indicated that TIME delivered consistent speeds to support the digital lifestyle of its customers.

In the Wholesale segment, price erosion and competition will continue to pose a challenge which is expected to continue in the coming years. Notwithstanding, in FY2020, the Group still saw revenue growth year-on-year. The Group remains cautiously optimistic as it leverages on supporting mobile network operators with their network rollout and other JENDELA initiatives.

Management Discussion & Analysis

Global Networks



As TIME continued to leverage on its extensive subsea cable systems, the Group saw a year-on-year increase in revenue for FY2020 when compared to FY2019. This was achieved on the back of an increased demand for bandwidth.

Furthermore, as the pandemic forced the hand of businesses to accelerate digital adoption, businesses started looking for a cost-effective way to scale and grow by moving to software defined networks. This has changed the way that the Group sells traditional network services, even as it continues to maximise the capacity of its 4 subsea cable systems while repackaging its offerings to include software defined supporting services.

Data Centres

Location	Data Centres (Net Lettable Area in Sq Ft)
Menara AIMS, Kuala Lumpur	56,945
Cyberjaya	18,700
Others	7,270
TOTAL	**82,915**

Note:
Net lettable area stated for Cyberjaya in the table above excludes the new facility that is under construction.

AIMS Data Centre ("AIMS"), the Group's data centre business and Malaysia's leading carrier-neutral data centre service provider, continues to see high traction for its services on the back of continued growth in the over-the-top ("OTT") customer segment. AIMS was recognised as Malaysia Data Centre Service Provider of the Year in Frost & Sullivan's 2020 Best Practices Award, making it the fifth recognition that AIMS has received from the global market research company.

AIMS' FY2020 data centre revenue was driven by structural demand shifts brought on by the expedited digitalisation caused by the pandemic. Other factors that supported the growth of the data centre industry in Malaysia were a large domestic consumption with over 80% of the population using the Internet, the accelerating level of digitalisation, increased scrutiny over data sovereignty and the availability of land for data centre builds.

In FY2020, TIME's data centre business posted a revenue growth of 9% and saw the launch of its facility in Thailand in September 2020. The Group is also expecting to complete construction of its flagship facility in Cyberjaya by the first half of 2021.

Management Discussion & Analysis

ASEAN

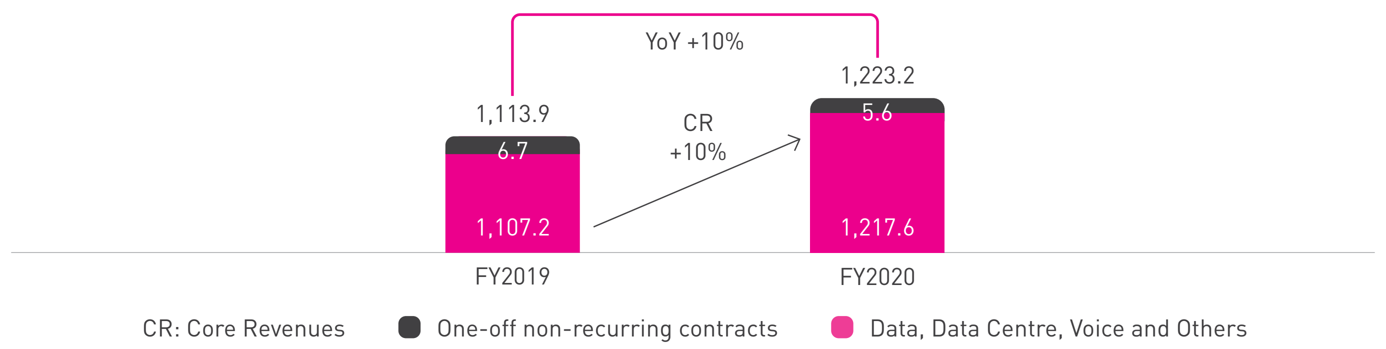
Regional operations have seen similar trends to those experienced in Malaysia. There has been a general greater requirement for connectivity, offset by lockdowns and other restrictions which have impacted some industries more than others.

Despite facing challenges such as not being able to travel or physically meet with customers, the long-term growth trajectory for the telecommunications sector in ASEAN is still intact given its prominence in keeping people and businesses connected to drive the economy.

The Group expects that the role and responsibility of telecommunications providers across the region will increase in prominence as the public and regulators push providers to continue delivering network stability and quality customer support.

FINANCIAL REVIEW

Revenue (RM'million) - TIME Group



Operating Revenue	FY2019 RM'million	FY2020 RM'million
Within Malaysia	1,050.5	**1,150.2**
Outside Malaysia	63.4	**73.0**
	1,113.9	**1,223.2**

In FY2020, TIME posted a consolidated group revenue of RM1,223.2 million, a 10% year-on-year increase (FY2019: RM1,113.9 million). Revenue from all products posted an increase with the exception of the voice product segment.

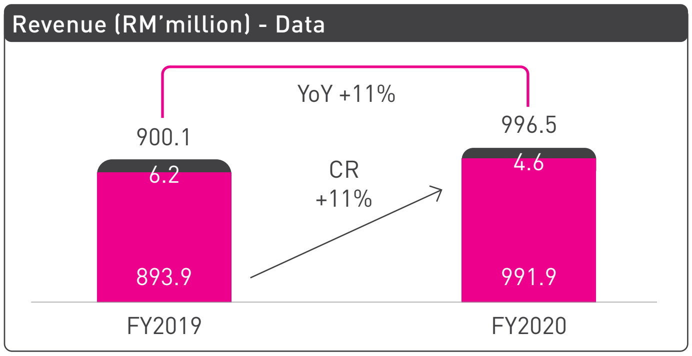
One-off revenues from non-recurring contracts accounted for RM5.6 million out of the total consolidated revenue recognised in FY2020 (FY2019: RM6.7 million).

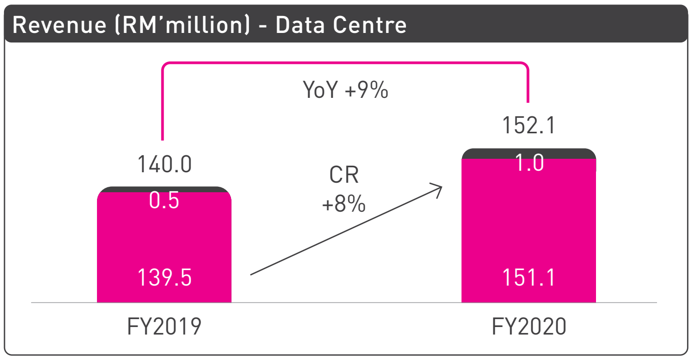
Excluding one-off revenues from non-recurring contracts, the overall consolidated revenue for FY2020 would have shown an increase of RM110.4 million or 10% when compared year-on-year to FY2019.

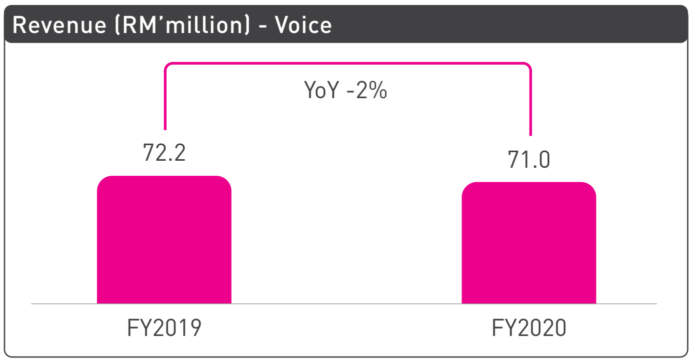
All core customer groups contributed positively to overall revenue growth in FY2020, led by contributions from the Retail and Wholesale customer segments. Malaysia still remains the largest contributor to revenue, accounting for 94% of total Group revenue with the balance derived from overseas operations.

Management Discussion & Analysis

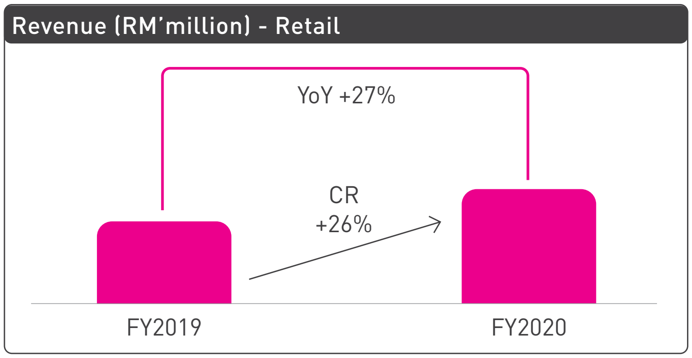
Revenue by Product Group

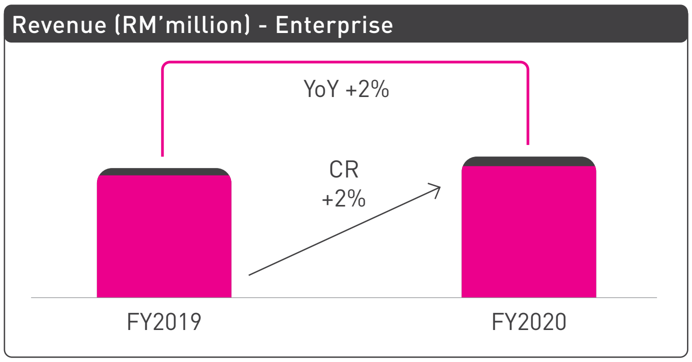


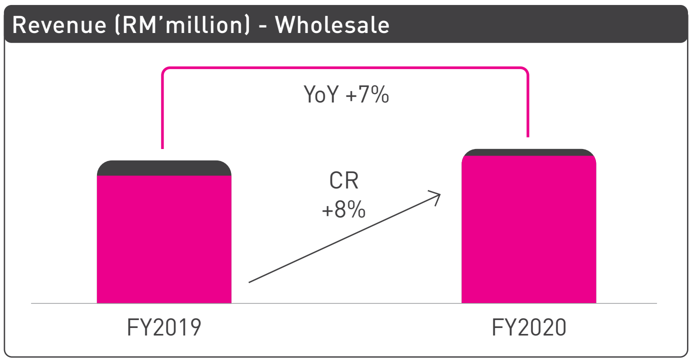




Revenue by Customer Group







CR: Core Revenues   One-off non-recurring contracts   Data, Data Centre, Voice and Others

The Group's improved top-line performance was attributed to stronger revenues attained by data and data centre for FY2020. In FY2020, both data and data centre registered higher revenues of RM996.5 million and RM152.1 million, respectively. This reflected a year-on-year improvement of 11% and 9%, respectively. Revenue for the voice product segment remained stable with a marginal decrease of 2% in FY2020 to RM71.0 million.

In terms of customer group, TIME saw significant revenue growth in the Retail segment with an increase of 27%. The increase is attributed to the rise in subscriber numbers as the populace shifted to working from home.

The Wholesale segment posted a 7% rise in revenues whereas revenue from the Enterprise segment remained relatively constant with a growth of 2%.

Management Discussion & Analysis

INCOME STATEMENT

RM'million	Actual FY2019	Actual FY2020	YTD Variance %
REVENUE	**1,113.9**	**1,223.2**	**10%**
EBITDA	**479.8**	**567.1**	**18%**
PROFIT BEFORE TAX (PBT)	**328.1**	**423.1**	**29%**
PROFIT AFTER TAX (PAT)	**314.0**	**326.9**	**4%**
Adjustments on EBITDA:			
Allowance for doubtful debts for advances to associates	6.5	-	
Donation for fight against COVID-19	-	2.7	
Gain on disposal of Property, Plant and Equipment ("PPE")	(0.1)	-	
Construction deposit and PPE written off	5.8	4.3	
Provision for financial guarantee	16.1	-	
Forex loss	1.9	16.2	
Total adjustments on EBITDA	**30.2**	**23.2**	
Adjustment on PBT and PAT:			
Dividend income	-	(3.1)	
Total adjustment on PBT and PAT	**-**	**(3.1)**	
Adjusted EBITDA	**510.0**	**590.3**	**16%**
Adjusted PBT	**358.3**	**443.2**	**24%**
Adjusted PAT	**344.2**	**347.0**	**1%**

Earnings before interest, tax, depreciation and amortisation ("EBITDA") in FY2020 rose to RM567.1 million which is 18% higher year-on-year (FY2019: RM479.8 million).

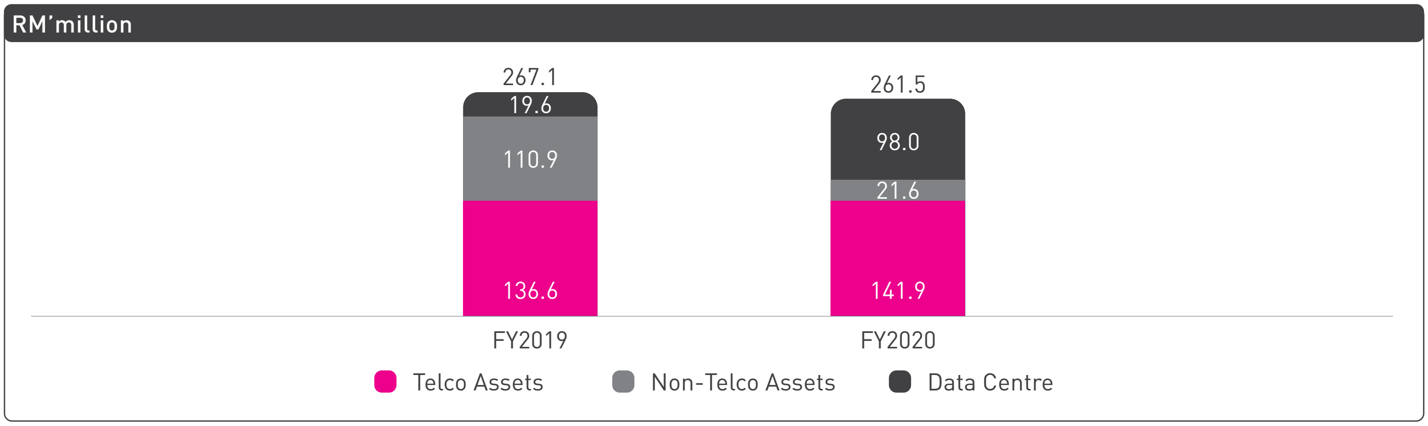
TIME posted stronger profit before tax ("PBT") of RM423.1 million, 29% higher year-on-year (FY2019: RM328.1 million) on the back of stronger top-line performance, improved operational and cost efficiency, lower finance expenses, no provision for financial guarantees in FY2020 and increased share of profits from associates.

The Group's earnings were impacted by donations for the fight against COVID-19 of RM2.7 million, a provision for construction deposits as well as PPE write-offs of RM4.3 million (FY2019: RM5.8 million) and a net foreign exchange loss of RM16.2 million (FY2019: RM1.9 million).

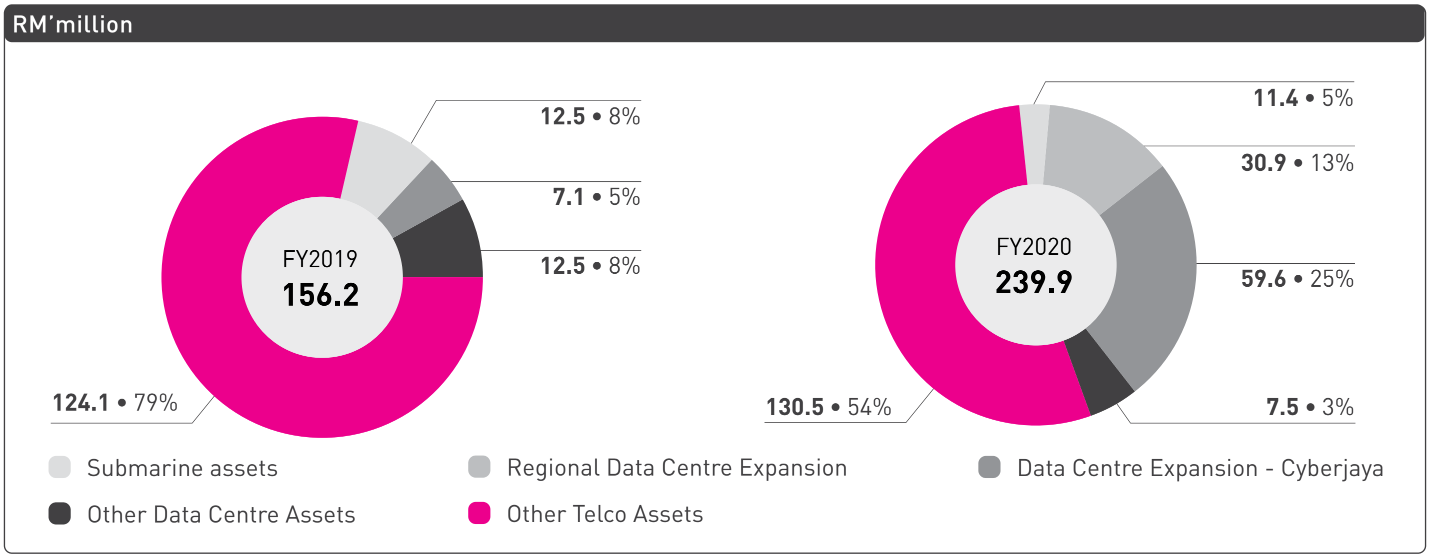
Reflecting the above, the Group's adjusted EBITDA is RM590.3 million in FY2020, which is an increase of 16% when compared to similarly adjusted EBITDA of RM510.0 million in FY2019. A similarly adjusted PBT also showed a growth of 24% year-on-year to reach RM443.2 million in FY2020 (FY2019: RM358.3 million).

The Group's profit after tax ("PAT") was RM326.9 million, which was higher by 4% compared to FY2019. Over the course of FY2020, TIME recorded higher income tax expense as a result of higher deferred tax expense. The higher deferred tax expense arose as the Group had begun to utilise the tax benefit of unabsorbed capital allowances of the Group in FY2020.

CAPITAL EXPENDITURE



Breakdown of Telco Assets and Data Centre Acquired



In FY2020, the Group spent a total of RM261.5 million on capital expenditure ("CAPEX") which was approximately 21% of total FY2020 revenues. Of the said CAPEX, RM141.9 million or 59% was used for telecommunication and submarine assets and RM98.0 million or 41% was used for data centre assets.

Higher spending on data centre assets was mainly for data centre expansion at Cyberjaya of RM59.6 million (FY 2019: RM7.1 million) and regional data centre expansion of RM30.9 million in Thailand.

The higher telco assets CAPEX in FY2020 was necessary to expand the Group's domestic network coverage as well as to upgrade network infrastructure to cater for the influx of concurrent users of TIME's services and higher usage of Internet and data.

Management Discussion & Analysis

CASH FLOW

	FY2019 RM'million	FY2020 RM'million
Net cash inflow from operating activities	610.2	**641.2**
Net cash outflow from investing activities	(301.7)	**(264.1)**
Net cash inflow from operating and investing activities	308.5	**377.1**
Net cash outflow from financing activities	(188.3)	**(131.4)**
Net increase in cash and cash equivalents	120.2	**245.7**
Exchange effects on cash and cash equivalents	(2.7)	**(3.8)**
Cash and cash equivalents at beginning of the year	389.4	**506.9**
Cash and cash equivalents at end of the year	506.9	**748.8**

Cash and cash equivalents as at 31 December 2020, stood at RM748.8 million, 48% higher than the prior year (FY2019: RM506.9 million). The Group's cash position improved mainly due to higher cash flows generated from operations and less spending on investing and financing activities in FY2020.

The Group reported a net cash outflow of RM264.1 million from investing activities, a year-on-year reduction of 13% (FY2019: RM301.7 million). Investing activities included RM282.6 million spent on new PPE, RM2.0 million on investment in Sukuk Prihatin and RM0.6 million on other unquoted investments. The amount was set-off by investment income receipts totalling RM17.3 million in FY2020, arising mainly from dividend receipts from associates and interest income, as well as proceeds from disposal of investment in a subsidiary to an associate of RM3.6 million.

Net cash outflow from financing activities was RM131.4 million, a 30% decrease year-on-year (FY2019: RM188.3 million). The amount includes net repayment of term loans and borrowings of RM67.3 million, and total cash dividends paid in FY2020 of RM170.0 million, offset with proceeds of RM96.0 million from the issuance of shares to the Chief Executive Officer and Non-Independent, Executive Director of the Group pursuant to the exercise of share options.

DIVIDENDS

TIME declared on 26 February 2021 an ordinary interim and a special interim tax exempt (single tier) dividend for FY2020 of 12.50 sen and 20.60 sen per ordinary share, respectively, which was paid on 30 March 2021. This represents a total pay-out of RM200.0 million.

The ordinary dividend is consistent with the Group's policy to pay shareholders up to 25% of normalised profit after tax, whilst the special interim dividend was declared as a reward to shareholders for their loyalty and support to the Group, especially over these trying times.

BALANCE SHEET

	FY2019 RM'million	FY2020 RM'million
ASSETS		
Non-current assets	2,617.4	**2,698.3**
Current assets	903.3	**1,202.3**
Total Assets	3,520.7	**3,900.6**
EQUITIES AND LIABILITIES		
Equity		
Share capital	1,200.1	**1,340.5**
Reserves	1,566.7	**1,704.4**
Total equity attributable to owners of the Company	2,766.8	**3,044.9**
Non-controlling interests	-	**5.4**
Total equity	2,766.8	**3,050.3**
Non-current liabilities	357.4	**463.8**
Current liabilities	396.5	**386.5**
Total liabilities	753.9	**850.3**
Total equity and liabilities	3,520.7	**3,900.6**
Net assets per share attributable to ordinary owners of the Company	RM4.73	**RM5.04**

The Group's overall balance sheet remains healthy, and its asset position has strengthened to RM3,900.6 million, which is 11% higher than the prior year (FY2019: 3,520.7 million). The growth in total assets is attributed to the following:

- Increase in plant, property and equipment ("PPE") of RM102.7 million due to the aforementioned network expansion to meet growing demand;
- Increase in right-of-use assets of RM44.4 million due to data centre expansion in Thailand and expansion of network coverage; and
- Increase in cash and cash equivalents of RM241.8 million on the back of strong revenue growth and improved collections in FY2020. Cash and cash equivalents as at 31 December 2020 stood at RM748.8 million, 48% higher year-on-year (FY2019: RM506.9 million).

In FY2020, total liabilities increased by RM96.4 million to RM850.3 million. The biggest changes in liabilities came from higher lease liabilities of RM36.9 million, higher unearned revenue of RM92.8 million from consideration received for services that have yet to be rendered or provided to customers and higher provisions made for Universal Service Obligations. This was offset by lower loans and borrowings due to repayments made during FY2020.

	FY2019 RM'million	FY2020 RM'million
Non-current		
Term loans	43.4	**28.7**
Current		
Term loans	14.2	**14.0**
Revolving credit	55.8	**4.1**
Total borrowings	113.4	**46.8**

Note:
Please refer to Note 14 of the Financial Statements on page 133 for further details on loans and borrowings.

The Group pared down its borrowings in FY2020 which resulted in a net decrease of 59% to RM46.8 million as at 31 December 2020 (FY2019: RM113.4 million). Funds from the Group's borrowings were mainly used to fund regional business expansion as well as CAPEX.

As at 31 December 2020, the Group's gearing ratio stood at 2% (FY2019: 4%). The combination of the Group's low gearing position and its strong cash balance not only indicates that the Group is in a strong and healthy financial position but also displays the Group's abundant capacity to access more funding through debt should the need arise.

RISK MITIGATION

TIME continues to review its strategic, business and operational risks. With the onset of COVID-19, the Group has included the ensuing effects of the pandemic in its overall assessment of risks and necessary adjustments to its risk mitigation strategies have been put in effect over the course of FY2020.

The above have been considered along with other risk factors that exist or are emerging from the Group's external operating environment. The Group's Enterprise Risk Management ("ERM") framework ensures an effective response in identifying and prioritising risk factors and in providing effective mitigation.

Specific details on TIME's ERM framework such as its triple tier structure and supporting processes are provided in the **Statement of Risk Management and Internal Control ("SORMIC")** section of this report.

STRATEGIC PRIORITIES

The Group's key strategic pillars are built around enhancing customer satisfaction, accelerating network expansion and improving service quality. Talent development and succession planning to ensure a sufficient pool of talented leaders is also a strategic focus.

The Group remains committed to ensuring network availability and stability throughout these challenging times for Malaysia. The Group is also looking to introduce new solutions and services to meet the evolving needs of its customers.

In particular, the Group foresees data and data centres being strategic drivers for growth. The increase in digital transformation initiatives by enterprise verticals will support product-as-a-service (PaaS) and infrastructure-as-a-service (IaaS) growth. The presence and expansion of global cloud service providers such as Google and AWS within Malaysia will also support data centre businesses.

The Group looks forward to the upcoming launch of its new wholly-owned data centre in Cyberjaya, Malaysia. Whilst the new data centre is capital intensive and may result in some profit margin compression for the Group in the early periods following completion, it represents an important source of future medium-term revenue growth and further reinforces the Group's strategic position as one of the leading data centre owners and operators in Malaysia.

Management Discussion & Analysis

The recent acquisition of a 60% stake in AVM, one of Malaysia's leading cloud services providers, adds to the Group's product offerings in providing a more comprehensive solution to meet its Enterprise customer requirements.

TIME remains ready and willing to support national aspirations, working closely with the government and its regulatory agencies towards the formulation of far-sighted, progressive policies that support industry development and contribute to the realisation of its national digital economy agenda. The Group will continue to closely monitor ongoing developments such as the government's focus on improving countrywide broadband connectivity.

TIME also hopes to see further progress in the government's efforts to recognise telecommunications as a "third utility", which should enable a faster rollout of broadband nationwide.

OUTLOOK AND PROSPECTS

Operating conditions in FY2021 are expected to remain challenging, though opportunities for business growth and value creation remain. The global economy was initially expected to make a robust recovery, but the continuance of the COVID-19 pandemic in many countries and key economies across the world may impact the expected upswing in economic growth.

However, as mentioned earlier, the present operating environment supports the continued momentum of demand for data connectivity in the retail, enterprise and wholesale segments. This also includes increased demand for data centre services. This dynamic is evident both in Malaysia as well as the other regional markets in which TIME operates.

The long-term industry trends have not diminished due to COVID-19. They remain intact, if not accelerated by the pandemic. These trends include increased digitalisation, growing broadband penetration, a more technologically savvy populace, exponential growth of eCommerce, new digital technology enabled business models, growing consumption of OTT content and others.

The inherent challenges of price erosion, market saturation and stiff industry competition are expected to persist in FY2021. However, recent government initiatives will support the development of the industry and thus provide opportunities for TIME. These include the National 4IR (Industry 4.0), the Digital Economy Council, JENDELA, MyDIGITAL and the Malaysia Digital Economy Blueprint. The implementation of 5G infrastructure and Industry 4.0 practices will push the adoption of technology and digital transformation across key economic sectors.

Sustainability Statement

Sustainability, as measured across economic, environmental and social ("EES") perspectives is becoming increasingly significant to our business model and our continued ability to create value over the short, medium and long-term.

TIME remains cognisant of the growing linkage between business and financial performance and sustainability to the Group. Good governance, coupled with strong environmental and social performance is a prerequisite for ensuring continued robust business growth and financial achievement, which in turn benefits our shareholders with solid returns.

Equipped with this mindset, the Board and Senior Management of TIME have set out to chart a more strategic and planned approach to driving sustainability within the organisation. This is not only about being a better corporate citizen, but also to ensure continued value creation for stakeholders and to sustain the Group's progress as a business entity, amidst a fast-changing, dynamic and highly competitive environment.

REPORTING GUIDELINES

The TIME Sustainability Statement FY2020 ("Statement") has been developed in accordance with Bursa Malaysia's Sustainability Reporting Guide Second Edition. The Statement has also drawn from other related sources such as the Global Reporting Index ("GRI") 2018 Sustainability Framework, Bursa Malaysia FTSE4Good Index Disclosures and the UN Sustainable Development Goals ("UN SDGs").

REPORTING SCOPE AND BOUNDARY

This Statement covers the business operations, key projects, initiatives and activities of TIME's 3 primary business segments within Malaysia. These are Fixed Line, Global Networks and Data Centre. The 3 segments function in a separate yet interconnected manner within the telecommunications industry.

Excluded from this Statement are sustainability matters and impact of operations in other countries where the Group is present, e.g., Singapore, Thailand, Vietnam and Cambodia. Also excluded are associates, third party contractors, suppliers, vendors and other related value chain partners.

REPORTING PERIOD

All data and disclosures for this Statement are for FY2020, which is the period of 1 January 2020 to 31 December 2020. This Statement is to be read together with the rest of the Group's annual report for FY2020.

SUSTAINABILITY GOVERNANCE

The practice of sustainability within TIME is driven by the Group's well defined governance structure. The governance structure enables a systematic approach to providing oversight on EES topics.

Whilst the focus to date has been mainly on economic topics, commencing in FY2020, environmental and social topics have begun to be included in the Group's internal discussion agendas. Going forward, greater focus on environmental and social topics is one of the key improvement areas for TIME.

Sustainability Statement

The following illustrates an overview of the Group's sustainability governance structure and the respective roles and responsibilities of each component of the said structure.

Board of Directors

- The Board of Directors has oversight on sustainability.
- This includes matters such as integrity, anti-corruption, code of conduct, occupational health and safety as well as talent management and risks.

Sustainability Steering Committee ("SSC")

- Comprises Executive Directors (one of whom chairs the SSC), the Company Secretary, Chief People Officer and Chief Financial Officer.
- Aligns the Group's sustainability strategy to long term business growth and goals.
- Executes sustainability matters in line with strategies approved by the Board.
- Evaluates and reviews sustainability strategies, policies and other matters.

Sustainability Working Group ("SWG")

- Comprises the various department heads within the Group.
- Tasked with ensuring that strategies and plans affirmed by the SSC are implemented.
- Monitors progress of sustainability initiatives, activities and targets, and reports to the Chairman of the SSC.

Aside from the above mentioned structure, governance of sustainability is also driven through the Group's formalised policies and procedures, as well as, adherence to industry and regulatory standards and laws.

Group Policies	Regulations And Industry Standards
• Terms of Reference ("TOR") • Code of Conduct & Ethics ("CCE") • Business Integrity & Anti-Corruption ("ABC") Policy • Whistleblowing Policy • Corporate Disclosure Policy • Conflict of Interest Policy • Fair and Transparent Procurement Policy	• Communications and Multimedia Act 1998 and its subsidiary laws and regulations • General Consumer Code of Practice for the Communications and Multimedia Industry in Malaysia • REG-T007 – Regulatory Framework for Telecommunications Network Boundaries • Competition Act 2010 • All relevant Commission Determination and Mandatory Standards • Numbering and Electronic Addressing Plan issued on 17 October 2016 • Personal Data Protection Act 2010 • All State-based regulations on telecommunications • All local council regulations on telecommunications • Companies Act 2016 • Capital Markets and Services Act 2007 • The Bursa Malaysia Listing Requirements for Main Market

For more information related to Governance, please refer to the **Governance** section of this Statement.

COVID-19

The Group was extremely vigilant of the COVID-19 pandemic and the impact it would have on the health and safety of not just its employees and customers, but also that of its vendors, suppliers and partners. The Group developed COVID-19 procedures and work processes and updated its Business Continuity Plan ("BCP") to enable a high level of continued operational momentum, while keeping everyone safe.

The BCP covers all aspects of operations. Measures implemented in FY2020 included:

- Reduced manpower in the office to adhere to new social distancing requirements at the workplace;
- Regular screening and testing of employees, in addition to daily temperature checks;
- Mandatory 14-day quarantine periods for employees who may have been in close contact with positive cases; and
- Regular disinfection at various operational sites.

Daily situational reports were provided to management. A weekly compliance status report was also submitted to the Ministry of International Trade and Industry ("MITI").

A general work-from-home ("WFH") order was issued to all employees with exceptions made for employees who are stationed on site or are required to perform site/field work. Employees were divided into 2 teams and worked on a rotational basis for key departments such as Technology, Product, Customer Experience and Corporate Office Affairs.

Other measures implemented were:

1. Social distancing markers & reminders at all common areas, meeting rooms, lifts & lobbies;
2. Designated isolation areas for potential cases detected on premises;
3. Provision of face masks, hand sanitisers at strategic locations and face shields for receptionists;
4. Installation of digital body temperature scanning technology to reduce human contact;
5. Establishment of cafeteria safe distancing seating rules with acrylic wall partitioning, as well as encouraging employees to bring their own cutlery. Restricting consumption of food only at workstations. Only pre-packed food served in compliance with MITI's regulations; and
6. Regular updates of COVID-19 related matters such as MCO and SOPs on TIME's internal communication channel, TIME LOOP.

Vendors, suppliers and partners were also strongly encouraged to constantly practise the precautions prescribed by the Group's SOPs. For example, TIME service installers had a set of SOPs to follow which included the scanning of body temperatures at the beginning of every day when they report to the office for work as well as scanning again prior to entering a customer's premise. Face masks and gloves had to be worn at all times when performing installation or assurance works.

At the same time, the Group also developed a health declaration form for customers to sign, in order for installation and assurance works to proceed, as a means of mitigating risks associated with face-to-face on-premise exposure required for such works.

The Group has and will continue to take all precautionary measures to ensure the continued safety and well-being of its people while keeping operational disruptions to a minimum.

Sustainability Statement

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains an important component of TIME's approach to sustainability. Despite the reduction in physical engagements due to the COVID-19 pandemic, the Group has utilised digital mediums to actively engage our wide range of stakeholders.

An example of this was the switch to a virtual annual general meeting ("AGM") due to the COVID-19 pandemic. The virtual AGM was a success and further consideration is being given on the feasibility of retaining this approach for future AGMs.

The Group defines stakeholders as individuals, entities or organisations that are impacted by the business operations, strategies and processes of TIME and conversely, individuals, entities or organisations that have the capability to impact the Group in a similar manner.

Employees

Vital to the operations, growth, expansion and sustainability of the business

Strategy	Engagement Method	Material Stakeholder Interests
Ensure the safety and well-being of employees and maintain consistent engagement with employees in light of the COVID-19 pandemic and work from home arrangements. Talent development and retention are also key focus areas	• Intranet, newsletters & broadcasts • Employee self-service portal • Engagement events such as culture, training and development programmes • Virtual town halls conducted at higher frequencies over FY2020 • Annual performance appraisal • Employee satisfaction survey	• Personal and career development • Safety and well-being while working under various movement control orders • Consistent communication with management and leadership • Competitive remuneration

Customers

Subscribe to the Group's products and services, contributing to revenue growth and business expansion

Strategy	Engagement Method	Material Stakeholder Interests
Ensure that customers are kept informed of offerings available to them and other related developments as well as providing various channels for customer feedback	• Contact centre hotline and email • Social media • Advertising & promotions • Client/service managers • Tactical events, roadshows, conferences, webinars, etc.	• Fast and consistent Internet connectivity • Value offerings • Prompt resolution to issues • Extensive product suite, especially for Enterprise and Wholesale customers • Multi-channel payment methods that best suit customers

Shareholders, Investors and Analysts

Provide capital for the growth of the business

Strategy	Engagement Method	Material Stakeholder Interests
Ensure that shareholders, investors and analysts are kept updated on the financial and non-financial performance of the Group	• Shareholder updates • Virtual briefings • Investor relations page on website • Financial reports • Annual report • Virtual annual general meeting	• Business strategy for long-term sustainable growth • Sound corporate governance practices • Transparency regarding business operations, financial performance and related developments affecting the Group • Consistent dividend pay-out

Suppliers, Vendors and Partners

Impact operational cost-effectiveness as well as the value of products and services to customers

Strategy	Engagement Method	Material Stakeholder Interests
Ensure two-way dialogue to support constant improvement, performance monitoring/feedback and updates on internal policies to achieve alignment	• Virtual meetings • Supplier assessment system • Product launches • Virtual briefings and trainings	• Health and safety standards • Fair procurement and treatment • Business collaboration opportunities • Operational and business innovations

Government and Regulators

Provide operating licenses and impose regulatory requirements

Strategy	Engagement Method	Material Stakeholder Interests
Ensure that the Group is compliant with government and regulatory requirements and guidelines	• Meetings (virtual and physical) • Reports • Participation in government and regulatory events and initiatives (e.g. JENDELA)	• Regulatory compliance • Bridging digital divide • Protecting consumer interests e.g., fair pricing, quality of service, etc.

Media

Impacts brand reputation as well as helps disseminate information to the market

Strategy	Engagement Method	Material Stakeholder Interests
Ensure that media is kept up to date on the Group's business e.g., company growth, business strategy and direction, new products and services, etc.	• Social media • Press releases • Media coverage • Product and service launch updates • Website	• Latest updates on business, products and services • Transparency on business performance and related developments affecting the Group

Sustainability Statement

Community

Strengthens socio-economic context in which the business operates and can impact performance

Strategy	Engagement Method	Material Stakeholder Interests
Ensure the Group's products and services serve to impart a positive impact on the community as well as maintaining brand awareness to help the Group grow as a socially responsible corporate citizen	• Social media • CSR activities • Advertising and promotions • Website	• Ensuring access to Internet connectivity • Building national digital infrastructure to bridge digital divide

MATERIALITY ASSESSMENT AND TOPICS

The following approach to materiality was taken in FY2020.

IDENTIFY

TIME identified the risks and opportunities associated with the business in reference to the GRI Standards and the 2nd Edition of the Bursa Sustainability Reporting Guide (2018).

PRIORITISE

The topics that were identified were then mapped against TIME's sustainability pillars so their relevance to the different areas of the business could be illustrated.

VALIDATE

Discussions were then held in determining the scope of the material topics related to the business.

Given the impact of COVID-19 in FY2020, a renewed and comprehensive materiality assessment exercise was undertaken to determine how TIME's top material topics have changed from the previous year. The topics were drawn from the customary lists of EES topics as provided in the GRI, Bursa and FTSE4Good frameworks.

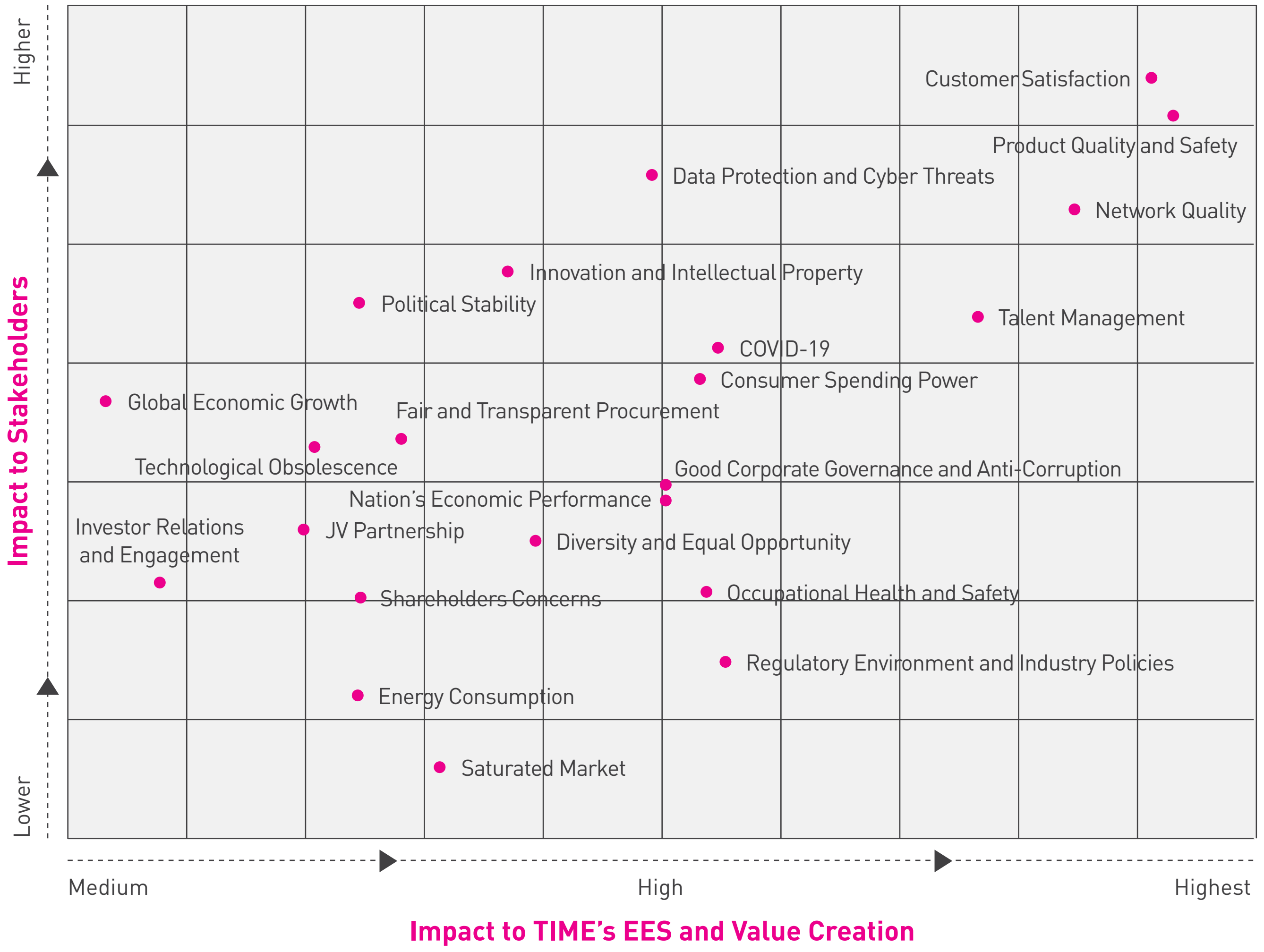
The topics were assessed using a detailed ranking and ratings system supported by a weightage system allotted to topics based on the following criteria:

- Extent of topic's EES impact
- Extent of topic's ability to impact creation of financial value
- Extent of topic's importance/impact on stakeholders

Sustainability Statement

The results from the materiality assessment were then used to develop the following matrix, which was presented to, and approved by, the SSC.

Materiality Matrix (Medium & High Range)



TIME's key material topics for FY2020 leaned towards a more economic focus, with customer satisfaction and related topics such as network and product quality emerging at the top. This is consistent with the previous year's matrix.

A major factor contributing to the change in priority of material topics in FY2020 was the introduction of the COVID-19 pandemic. The spread of the pandemic has led to more long-term topics being displaced or being deemed less significant for FY2020.

However, it is widely expected that once the COVID-19 pandemic is contained, the matrix will return to showcasing more long-term topics. The Group will explore conducting a further materiality assessment at that point in time.

In the same vein, the Group is also aware that environmental and social topics need greater focus moving forward.

TIME'S SUSTAINABILITY PILLARS

CUSTOMERS	GOVERNANCE	PEOPLE	COMMUNITY	ENVIRONMENT
PG. 27	PG. 29	PG. 31	PG. 35	PG. 35

Based on the results of the materiality assessment exercises and subsequent matrix, the identified material topics were then matched against TIME's sustainability pillars in order to determine the best strategy for approaching them.

Topics	Sustainability Pillars
1. Customer Satisfaction	Customers
2. Service and Network Quality	Customers
3. Talent Management	People
4. Data Protection and Cyber Threats	Customers
5. COVID-19	People
6. Good Corporate Governance and Anti-Corruption	Governance
7. Innovation and Intellectual Property	Customers
8. Regulatory Environment and Industry Policies	Governance
9. Diversity and Equal Opportunity	People
10. Fair and Transparent Procurement	Governance
11. Occupational Health and Safety	People
12. Energy Consumption	Environment

CUSTOMERS

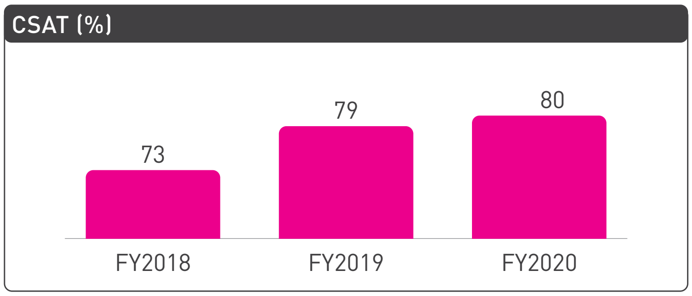
Customer Satisfaction

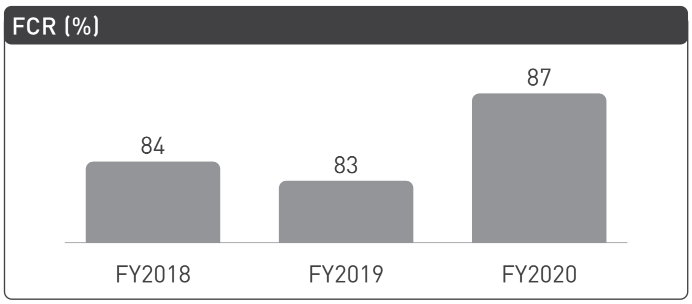
The perceived quality of TIME's products and services is material to the Group as it is directly linked to customer acquisition and retention rates. Hence, the Group has continued to focus on delivering positive customer experiences at every interaction point, be it via its customer acquisition channels or when resolving a technical issue.

In FY2020, TIME continued to see improvements in the Group's customer satisfaction ("CSAT") score and first call resolution ("FCR") rate. The Group was able to achieve these by integrating its internal systems to allow remote troubleshooting towards providing fast resolution to customers' issues during the pandemic period.

For more complicated or technical issues which require on-site troubleshooting, TIME provided greater discretion to frontline employees to arrange for technician visits rather than escalating cases to the technical team for the latter's deliberation.

All technicians sent to customers' premises were provided with safety equipment such as face masks, rubber gloves and hand sanitisers. Technicians were also briefed on SOPs such as social distancing towards ensuring compliance and to reduce their risk of infection.





Service and Network Quality

Network quality is essential in ensuring effective delivery of services and customer satisfaction. Hence, the Group continues to invest in the quality and reach of its network.

TIME has continued to enhance its network architecture and optimise traffic engineering to deliver lower latency network performance. For its efforts, TIME has been ranked as Malaysia's Most Consistent Broadband Provider by Ookla, the global leader in Internet test and analysis.

Results obtained from Ookla's analysis of Speedtest Intelligence data indicates that TIME has been effective in sustaining its efforts in ensuring that customers experience not only ultrafast, but also consistent Internet connectivity.

As part of TIME's "Broadband Done Right" promise, TIME is always upgrading its network and products to elevate the home Internet experience. Smart WiFi technology was introduced in FY2020 to ensure that everyone in the household gets connected to the strongest, fastest signal automatically.

In addition to this, TIME has also improved its ability to diagnose and troubleshoot WiFi connectivity issues more quickly and more accurately with the deployment of the Network Cloud Engine (NCE) management and analysis software in its network. It equips the customer service team with the necessary insights to monitor the network and troubleshoot connectivity issues on various TIME home broadband devices that are connected to the network.

This allows TIME to give its customers a holistic quality experience, from daily usage to faster and better support. TIME also holds the distinction of having achieved several industry firsts as follows:

1. 1st in Malaysia to use Network Service Orchestrator to manage lifecycle of connectivity services such as Internet Direct with vCPE or Internet Direct with vFW resulting in a reduction of manual workload and improving Mean Time to Repair (MTTR) by 55%
2. 1st in Malaysia to deploy network functions virtualisation infrastructure (NFVI) architecture - TIME Cloud NFVI
3. 1st in Malaysia to deploy 200GB DWDM backhaul
4. 1st in Malaysia to offer vCPE/vFW managed services
5. 1st in Malaysia (and 2nd in the world) to achieve the MEF 3.0 accreditation

Sustainability Statement

Data Protection and Cyber Threats

The impact of breaches in data security and cyberattacks can be potentially serious on a large scale. Financial losses aside, the impact on brand credibility would be significant, not forgetting the loss of public trust.

Hence, the Group has implemented strong access controls that include advanced threat detection and prevention for critical systems to increase data security. TIME's ICT systems are certified as follows:

- ISO 27001:2013 for data centre and core network
- ISO 27001:2013, ISO 27017:2015 and ISO 9001:2015 for TIME Cloud Services ("TCS") and TIME Security Advanced Monitoring ("TSAM")
- Certified to PCI-DSS for TCS

There were no incidents of data breaches in FY2020. All denial-of-service attacks faced in FY2020 were arrested and mitigated without affecting the Group's systems, customers or other stakeholders. The certifications below are proof of TIME's robust approach to ensuring data and network security against cyber threats.

ISO/IEC 27001:2013 Information Security Management System	ISMS outlines the requirements for information security management systems and provides a systematic approach to managing company and customer information based on periodic risk assessments.	TIME Cloud Services TIME Security Advanced Monitoring Data Centre Managed Services TIME Core Network Services
ISO/IEC 27017:2015 Security Control For Cloud Services	An additional code of ISMS practice used for cloud services information security controls.	TIME Cloud Services
ISO 9001:2015 Quality Management System	QMS specifies requirements to consistently provide products and services that meet the needs of the customers and other relevant stakeholers.	TIME Cloud Services TIME Security Advanced Monitoring Data Centre Managed Services
Payment Card Industry Data Security Standards	PCI-DSS defines operational and technical requirements for ensuring data security for sharing, processing and transmitting payment cards data i.e. credit card.	TIME Cloud Services

In FY2020, the Group also attained the Cloud Security Alliance Security, Trust & Assurance Registry Program ("CSA STAR") certification. The certification demonstrates that TIME's information security defences are robust and that specific issues critical to Cloud security have been addressed.

Customers can rely upon TIME Cloud Services to comply with the latest Risk Management in Technology ("RMiT") guidelines for financial institutions as issued by Bank Negara Malaysia to ensure data confidentiality, integrity and availability in the cloud.

GOVERNANCE

Regulatory Environment and Industry Policies

Due to the impact of the COVID-19 pandemic which started in the early part of FY2020, regulatory engagements were initially limited as a result of stringent physical distancing and a move towards virtual engagements. Despite this, TIME continued to actively engage key government and regulatory stakeholders, as well as industry peers. In particular, TIME has looked to play a more vocal role in providing its views and insights towards shaping a more robust telecommunications industry. In addition, TIME also continues to support government initiatives such as JENDELA, towards realising national digital aspirations.

TIME continues to engage in dialogue with all relevant ministries and government agencies on a regular basis. As an industry leader and pioneer, the Group remains diligent in playing its part in shaping conducive policies and legislation that will spur the growth of the industry.

TIME continues to abide by the following government and industry regulations and policies that shape the way the Group conducts itself with its stakeholders:

a. Communications and Multimedia Act 1998 and its subsidiary laws and regulations
b. General Consumer Code of Practice for the Communications and Multimedia Industry in Malaysia
c. REG-T007 – Regulatory Framework for Telecommunications Network Boundaries
d. Competition Act 2010
e. Commission Determination and Mandatory Standards:
    i. Commission Determination on the Mandatory Standard on Access, Determination No. 3 of 2016
    ii. Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017
    iii. Commission Determination on Access List Determination, Determination No. 2 of 2015
    iv. Commission Determination on the Mandatory Standards for Quality of Service (Wired Broadband Access Service), Determination No. 2 of 2016
    v. Commission Determination on the Mandatory Standards for Quality of Service (Public Cellular Service), Determination No. 1 of 2015
    vi. Commission Determination on the Mandatory Standards for Quality of Service (Digital Leased Line Service), Determination N0. 3 of 2009
f. Numbering and Electronic Addressing Plan issued on 17 October 2016
g. Personal Data Protection Act 2010
h. All State-based regulations on telecommunications
i. All local council regulations on telecommunications
j. Companies Act 2016
k. Capital Markets and Services Act 2007
l. The Bursa Malaysia Listing Requirements for Main Market

Good Corporate Governance and Anti-Corruption

TIME views anti-corruption as being integral towards the realisation of a more sustainable company. The Group maintains a zero tolerance stance towards corruption as it regards such practices as being detrimental to financial and non-financial value creation.

As such, maintaining a no-compromise disposition to corruption within the organisation and within the supply chain is a natural extension of sustainability.

On 1 June 2020, TIME implemented its ABC Policy in response to the coming into effect of Section 17A of the Malaysian Anti-Corruption Commission Act ("MACC") Act 2009. The ABC Policy provides robust guidelines and procedures to further drive the anti-corruption agenda within the Group and its value chain.

The development and implementation of said policy was effected through the active participation of members of the Board including the Chairman, several Executive Directors and the Audit Committee Chairman.

The ABC Policy is also guided by the Ministerial Direction/Guidelines published by the Malaysian Government, which is anchored to the pillars of T.R.U.S.T.

A Compliance & Ethics Officer ("C&E") role was also established under the Internal Audit department to govern the implementation of the ABC Policy and matters related to the same. The C&E Officer reports directly to the Audit Committee.

On 25 January 2021, the ABC Policy was updated with customers being added to one of the stakeholder groups that the policy is applicable to.

Sustainability Statement

Trainings were conducted on the ABC Policy across the entire organisation from the Board of Directors to employees at all levels of the organisation. The Group was mindful of the pandemic and all trainings were conducted online. As a means of ensuring the effectiveness of the training, ancillary activities such as quizzes and surveys were embedded into the programme and employees were required to pass these for compliance. The Group has continued training and communications so that all employees continue to be aware of the ABC Policy and its contents.

A communications channel was also set up through which stakeholders and employees are able to seek clarification on the ABC Policy and a confidential reporting channel is also available should anyone wish to report suspected ABC breaches.

Training was also extended to the Group's suppliers through close cooperation with the Group's Procurement team.

Updated Code of Conduct and Ethics

Effective 1 January 2020, TIME has strengthened its Conflict of Interest Policy. Changes made include the following:

1. The definition of ***relatives*** means the employee's spouse(s), children (including adopted or step children), brother or sister, parents, a lineal ascendant or descendant of the employee or spouse(s), uncle, aunt or cousin and son-in-law or daughter-in-law.
2. Definition of ***close relations*** means any person who has an existing personal, social or business relationship with the Company's employee.

These changes were made to improve the Code of Conduct and widen the scope for potential conflicts of interest.

The Group's Code of Conduct & Ethics is communicated in written form to all employees during their induction session. The same applies to incoming Board of Directors. The Code sets out accepted norms of corporate behaviour for employees and covers 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. As part of the acceptance of the Group's Code of Conduct & Ethics, all employees are also required to sign the ABC declaration.

Whistleblowing Policy

In compliance with the Whistleblower Protection Act 2010 ("Act 711"), TIME has established its whistleblowing policy which provides for a confidential channel for anyone to report any unethical or corrupt practices that are related to the organisation. The whistleblower shall be accorded full confidentiality and will be protected from victimisation, harassment or disciplinary action for his/her disclosure.

The whistleblowing mechanism is managed by Internal Audit and all whistleblowing reports are to be channelled to the Group's Senior Independent, Non-Executive Director. Thus far, the Group has not received any reports of misdoing via its whistleblowing channel.

For further information on TIME's corporate governance practices, please refer to the **Corporate Governance Overview Statement** section of this Annual Report.

Fair and Transparent Procurement

TIME believes that its ability to create value can be impacted by its value chain of suppliers, business partners and vendors. Hence, the Group continues to adopt a policy of fair and transparent procurement based on open competition and a preference for local procurement. Local procurement is preferred as beyond creating jobs and business opportunities for locals, it enables knowledge and skills development and reduces environmental footprint (when compared to importing goods or services from abroad).

In addition to the TIME Code of Conduct that was made mandatory for suppliers to accept in order to qualify for any tender process, the Group also made it mandatory for suppliers to accept and abide by the ABC Policy with effect from 1 June 2020.

PEOPLE

Talent remains a core strategic focus for the Group as the professional competencies, experience and qualifications of the 1,300-strong workforce is vital to delivering productivity and ultimately, contributing to value creation. The Group's ability to realise business growth and continued delivery of customer satisfaction and service and network quality hinges significantly on its people.

TIME's talent management strategies are focused on the following key areas:

- **Employee Recruitment**
- **Employee Development**
- **Employee Retention**
- **Employee Satisfaction**

Employee Remuneration

TIME continues to provide market competitive compensation packages to all employees. Compensation packages comprise both financial remuneration as well as non-financial benefits and perks. Full-time employees are entitled to an annual bonus, with annual salary adjustments to take into account rising living costs and inflation. The Group also has a long-term incentive plan in place whereby employees who meet performance criteria are awarded shares in the company. In this way, employees become active participants in the value creation of the business as shareholders of the company.

100% of employees receive job appraisals and employees have the right to seek redress or voice grouses via a clearly defined grievance mechanism, which has been developed and managed by the Group's People Division.

Employee Development

TIME continued to develop the professional capabilities of its employees in FY2020. A key difference was the transition to more online courses, where possible, due to the COVID-19 pandemic. The following are some of the internal training highlights from FY2020:

1. Introduction to TIME's Business Integrity and Anti-Corruption Policy
2. Customer Buying Signals and Handling Objection
3. Professional Writing Skills
4. Effective Sales Technique
5. Coaching for Leaders
6. Security Awareness
7. TIME Leadership Attitudes
8. Telco 101
9. Cellular 101
10. IP Address 101

In addition to internal training, 37 external training programmes were also conducted in the following areas:

1. Regulatory, Compliance and Audit
2. Technical Certifications
3. Soft Skills
4. Marketing

In total, 653 employees (representing around 50% of full-time employees) spent a total of 3,487 hours on e-Learning courses in FY2020.

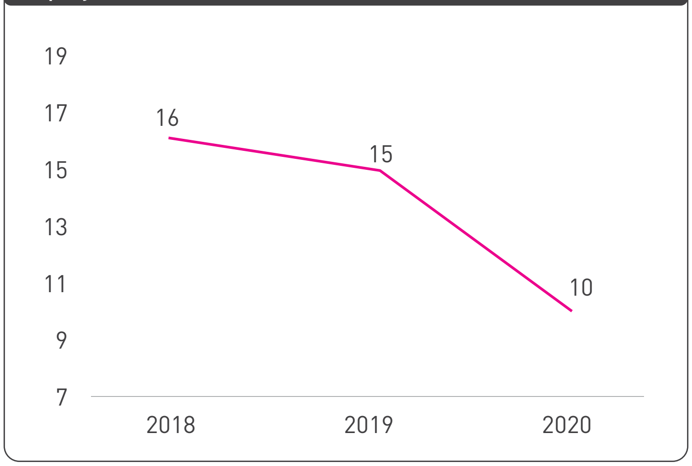
Sustainability Statement

Attrition Rate

The Group has historically reported a low attrition rate which is comparable to the average attrition rate of the industry. However, in FY2020, the Group recorded a significant decline in attrition rate.

It is unclear if this is due to TIME's increasingly conducive workplace environment or due to the COVID-19 pandemic with more employees opting for job security during times of uncertainty, or both.

Employee Attrition (%)



Employee Well-being

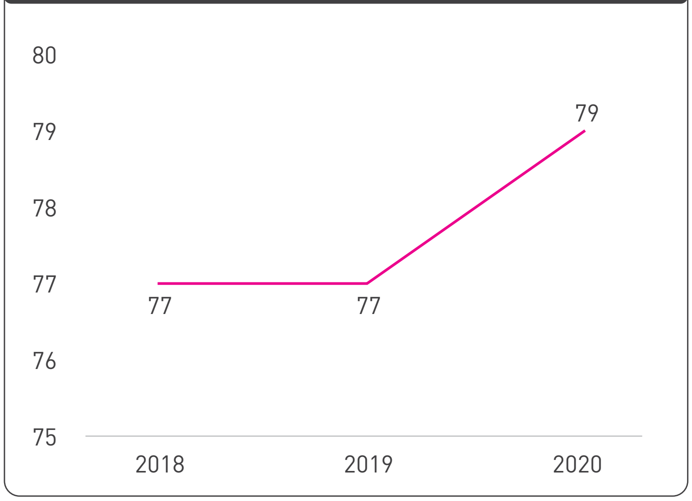
Employees are entitled to a wide range of benefits, which are mostly in excess of those provided for by the Employment Act 1955.

- A period of up to 28 days of statutory paid medical leave without hospitalisation
- A period up to 60 days is granted if hospitalisation is necessary
- Medical and general insurance plan for employees
- Free medical check-up
- Insurance benefits for both employee and registered legal dependants
- Transport allowance
- Free TIME home broadband
- Company mobile line
- TIME Academic Recognition Award (TARA)

With regard to parental leave, female employees are entitled to 90 uninterrupted days of paid maternity leave for each child delivered. Male employees are accorded paternity leave of 5 days.

The FY2020 Employee Satisfaction Index ("ESI") placed FY2020 satisfaction levels at 79%, 2% higher year-on-year. 1,157 employees participated providing a high participation rate of 87%.

ESI (%)



The Group complies with all laws and labour standards including the Employment Act 1955, which prohibits exploitative labour practices. The Company also adheres to the Children and Young Persons (Employment) Act 1966. Both of these statutes are aligned to the International Labour Organisation ("ILO") and the Universal Declaration of Human Rights.

In FY2020, TIME reported zero incidents of infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour. Neither has there been any violation of human rights at any time in the Group's history.

Sustainability Statement

Employee Engagement

TIME has always been a people-centric organisation, with a wide range of employee engagement activities held during the year. Despite the challenges faced due to COVID-19, TIME has not ceased to hold such activities and programmes for its people.

The major distinction from previous years was that in FY2020, a large number of employee events, programmes and activities were conducted virtually using digital communication platforms.

Events held during the year include a weight loss challenge, virtual yoga and zumba classes, an e-sports challenge, a virtual treasure hunt and a Merdeka quiz challenge. A vehicle disinfecting programme was also held for employees. The Group aimed to maintain a high level of engagement amongst employees despite being physically offsite, encouraging employees to develop a focus towards wellness and health during the various movement control periods. These activities also gave employees a chance to socialise with each other virtually and interact in a non-work environment to counteract the stress brought on by movement control restrictions.

The customary Townhall was transitioned to an online setting. In FY2020, 5 online Townhalls were organised and the response to these sessions from employees was positive. Each session saw a large number of employees participating, with many continuing to ask questions or seek clarification on company related matters. These included financial and business results, business strategies, employee related topics, updates and insights on the fight against COVID-19 and more.

Various festive celebrations such as Hari Raya, Deepavali and Christmas were also commemorated virtually.

A major employee engagement highlight in FY2020 was the activities undertaken by the TIME Well-Being Support team. The team was specially set up in response to COVID-19 to ensure that the best psycho-social support was provided to employees. The team was tasked with making sure that TIME employees were adapting well to the new norms brought on by the pandemic, especially from a mental and emotional perspective. The team regularly touched base with employees from all levels throughout the year. From March to June 2020, the Well-Being Support team assisted in the arrangement of meals for more than 200 employees who had to be physically based in the office due to the nature of their duties, at a time when most eateries were not operating.

Diversity and Equal Opportunity

TIME continues to foster diversity in its workforce. The Group views the multi-cultural make-up of its workforce composition as being an asset, as it enables TIME to tap a multitude of varying perspectives and ideas.

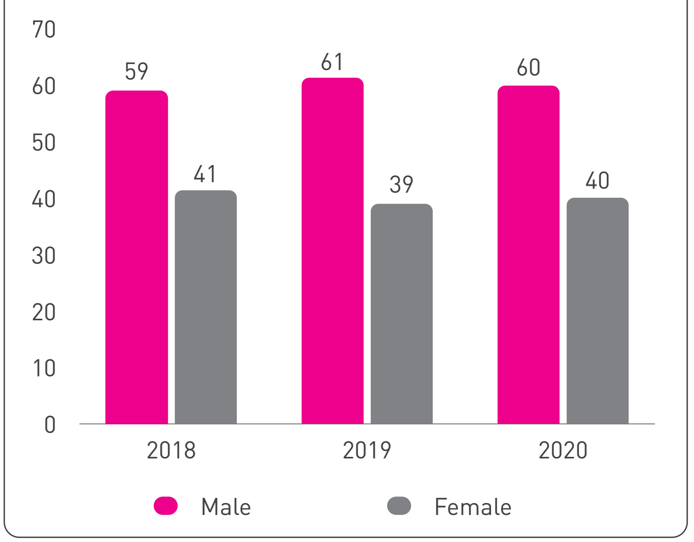
The Group continues to strive in developing a workforce demographic that mirrors that of Malaysia at large.

Merit remains the sole determinant in the hiring, promotion and reward of employees. TIME does not discriminate based on race, religion, gender, age, sexual orientation, disability and nationality. Employment, promotion, rewards and career advancement are based purely on skills, experience and capabilities as well as job performance.

TIME regards itself as an equal opportunity employer, providing equal access to all job openings as well as promotions to both men and women.

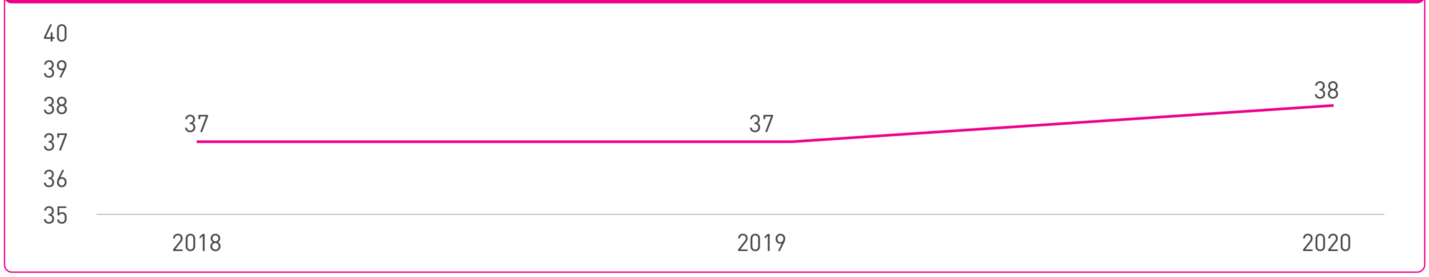
There remains still more men than women in TIME's workforce. However, women do occupy more than a third of all managerial positions within the Group.

Gender Breakdown (%)



Sustainability Statement

Women in Managerial Positions (%)



Occupational Health and Safety

Occupational health and safety ("OHS") is a further focus area for TIME. With the Board's oversight on the topic, the Group's best practices with regard to occupational health and safety include, but are not limited to Hazard Identification, Risk Assessment & Risk Control ("HIRARC"), incident management, emergency preparedness, work place monitoring and inspection, performance reporting, third party supplier management and an optimum management approach based on industry best practices. The latter includes adherence to the applicable requirements under the Department of Occupational Safety and Health Malaysia ("DOSH") and observance of the guidelines of Malaysian Standard (MS) 1722:2011.

The Group's license from the Construction Industry Development Board ("CIDB") was renewed on 8 August 2020. The CIDB license certifies that TIME is a legal contractor and registered under the Malaysian Construction Industry Development Board, according to Section 25, CIDB Act 520. This CIDB license is crucial as it is a prerequisite for many of TIME's customers.

Assessment of High Risk Locations and Mitigation Measures

TIME continues to adopt the practice of HIRARC. This is necessary as a preventive measure with continuous and early identification of potential OHS risks that can eliminate incidents from occurring. In FY2020, HIRARC activities uncovered the following operational locations and processes that may be of higher OHS risk:

IDENTIFIED OHS RISKS

1. Working at high and/or confined spaces
2. Electrocution
3. Falling objects
4. Traffic accidents when working by road sides or high traffic areas
5. Excavation work
6. Heavy lifting activity
7. High voltage

Health and Safety Training

Health and safety related training remains a key component in the overall management approach to OHS. The following is a list of courses that TIME employees attended. All expenses related to these courses were borne by the Group or the relevant subsidiary company.

- Basic Occupational First Aid, CPR & AED
- OSH Coordinator
- Safe Handling of Forklift Truck Training Course
- Authorised Entrant & Standby Person for Confined Space

COMMUNITY

TIME has continued to contribute to community development, although COVID-19 led to disruptions in many of the Group's societal based activities.

The pandemic had led to many programmes and engagements being deferred or cancelled altogether as these events could not be carried out without physical engagement, and thus were non-compliant with official SOPs.

Nevertheless, where possible, TIME has made meaningful contributions which have delivered a positive impact to stakeholders.

The following are activities which TIME has initiated, participated in, sponsored or organised in FY2020:

- Contribution of RM10,000 worth of GRAB Credits to medical frontliners as a token of appreciation for their professionalism, dedication to duty and sacrifices in combating the COVID-19 pandemic.
- Contribution of RM1 million to the 'To Malaysia With Love' initiative, funding the purchase of protective equipment for frontliners.
- Contribution of RM1.7 million for the purchase of ventilators as part of humanitarian and medical-related initiatives to combat COVID-19 in the early part of FY2020.
- Set up 8 Study@TIME WiFi hotspots in 4 Program Perumahan Rakyat ("PPRs") around Klang Valley to aid students with their studies and exams during periods of movement control restrictions.
- Aggressively expanded network coverage as part of the JENDELA initiative to bridge the digital divide of the country and, alongside the industry, overdelivered on the target of 352,101 new premises passed by 23% as at the end of FY2020.
- Supported the telecommunications industry and the JENDELA initiative with fibre backhaul for capacity to serve higher data demands and for building the fibre foundation necessary to transition to technologies like 5G.
- Support to Zoo Negara's animal adoption programme.

ENVIRONMENT

Energy Consumption: Data Centres

	2018	2019	2020
Energy Consumption (MWh)	32,959	35,913	40,803
Net Lettable Area (Sq Ft)	74,015	78,515	82,915
Energy Consumption/ Net Lettable Area	0.445	0.457	0.492

TIME continues to seek ways to manage its environmental footprint, which is largely confined to the consumption of energy, especially that of its data centre operations.

The nature of data centre operations is such that as demand increases and the number of customers grows, energy consumption will also increase. In FY2020, the demand for data centre solutions was further accelerated by the transition to digital caused by the pandemic as businesses moved more of their operations online. The Group is cognisant of this and is doing its part in reducing this impact as much as possible. As such, the Group's data centre operations adhere to a certified Energy Management System ("EMS") and the following are some of industry best practices that have been implemented at TIME's data centre facilities:

- Cold Aisle containment systems and blanking panels to minimize the mixing of cold air and hot air.
- Raised floor height with sufficient floor clearance and good cable management strategy to minimize air flow obstructions.
- Usage of high efficiency Uninterruptable Power Supply (UPS) and Rectifier systems.
- Usage of highly efficient magnetic bearing chillers that employ VFD-equipped pumps and CTI-certified cooling towers.

Energy Consumption: TIME Offices

With regard to the TIME office buildings, the following best practices are implemented to optimise energy consumption:

- Service all electrical installations regularly.
- Monitor monthly energy consumption.
- Regular servicing of air conditioners and maintaining the temperature in offices between 23°C and 24°C.

Equally important, and in line with its desired progress towards energy saving initiatives and technology, TIME has installed solar photovoltaic ("PV") panels in one of its office buildings located in HICOM Glenmarie, Shah Alam. The Group will monitor the energy consumption and savings resulting from the usage of the PV panels to determine if this is a technology that can be deployed on a larger scale to other buildings.

Board of Directors

Abdul Kadir Md Kassim

Independent, Non-Executive Director (Chairman)

Nationality
Malaysian

Age
80

Gender
Male

Appointed To The Board
22 October 2001

Appointed As Chairman
15 January 2010

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

He sits on the Board of Datuk Yaw Teck Seng Foundation and N2N Connect Berhad. On 15 February 2016, he was reappointed as trustee of The Renong Group Scholarship Trust Fund.

Abdul Kadir is also a member of the Corporate Debt Restructuring Committee.

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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Elakumari Kantilal

Non-Independent, Non-Executive Director

Nationality
Malaysian

Age
64

Gender
Female

Appointed To The Board
8 March 2001

Board Committees
Audit (Member)
Nomination and Remuneration (Member)

Elakumari 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 and is a member of the Malaysian Institute of Accountants.

She was actively involved in the establishment of Khazanah Nasional Berhad ("Khazanah") whilst in the Ministry of Finance. She was in Khazanah since its inception in 1994 moving from the position of Senior Manager to Director in Investment Division from 2004 until 2017.

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).

Elakumari also serves as a Director on the Boards of UEM Edgenta Berhad and Danajamin Nasional Berhad.

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

She has not been convicted of any offence (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Hong Kean Yong

Senior Independent, Non-Executive Director

Nationality
Malaysian

Age
58

Gender
Male

Appointed To The Board
1 September 2012

Board Committees
Audit (Chairman)
Tender (Member)

Hong holds a Bachelor of Engineering (Hons) in Electrical and Electronics Engineering from University of Malaya.

He began his career in Accenture Malaysia, where he held various senior positions from March 1987 to December 1994.

Hong has also served in various senior capacities in MBf Group of Companies, Multimedia University, Avanade Malaysia Sdn Bhd and Motorola Multimedia Sdn Bhd prior to his last position as the Group Chief Information Officer in Hong Leong Financial Group from April 2008 to March 2011.

He joined Taylor's Education Group in April 2011 and held the position of Executive Vice President, Board Architect until March 2018.

Hong also sits on the Board of AMMB Holdings Berhad.

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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Ronnie Kok Lai Huat

Non-Independent, Non-Executive Director

Nationality
Malaysian

Age
66

Gender
Male

Appointed To The Board
31 January 2008

Board Committee
Tender (Chairman)

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 sat on the Board of Privasia Technology Berhad until February 2020.

He has direct interest in the securities of the Company. He 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors

Mark Guy Dioguardi

Independent, Non-Executive Director

Nationality
Australian

Age
51

Gender
Male

Appointed To The Board
17 June 2016

Board Committees
Nomination and Remuneration (Chairman)
Tender (Member)

Mark holds a Bachelor of Engineering (Honours) in Electronic and Electrical Engineering and a Master of Business Administration (MBA), Melbourne Business School from the University of Melbourne, Australia.

Mark has more than 29 years' experience in the telecommunications sector with a focus on technology, engineering, construction and operations. He spent the first 11 years of his career at Telstra Corporation Limited ("Telstra"), Australia, the majority in the cellular wireless division, including a 1 year secondment to BTCellnet in the United Kingdom in 2000.

In 2002, Mark joined Maxis Berhad ("Maxis") as General Manager of Radio Planning until 2005 when he returned to Australia to complete an MBA and run his own Information Communication Technology consultancy. In 2009, Mark expatriated a second time to Maxis as their Chief Technical Officer and in 2011, he took the role of joint Chief Operating Officer adding the portfolios of Information Technology, Enterprise Business, Consumer Broadband, Internet Protocol Television (IPTV) as well as Human Resource.

In 2014, Mark joined iiNet Limited, an Australian Internet Service Provider as their Chief Technology Officer until January 2016. He was also a Board member of the Australian Communication Alliance as well as the Competitive Carriers' Coalition and also sits on an Advisory Board for a private company, Skand.

In 2018, Mark joined Spirit Telecom Limited, an Australian Securities Exchange listed provider of high speed Internet solutions as Chief Operating Officer and in June 2019, he became an Executive Director of Spirit Telecom Limited.

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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Koh Cha-Ly

Independent, Non-Executive Director

Nationality
Malaysian

Age
38

Gender
Female

Appointed To The Board
28 February 2020

Board Committees
Audit (Member)
Nomination and Remuneration (Member)

Cha-Ly holds a Masters in City Planning from the Massachusetts Institute of Technology, Massachusetts, United States of America and a Bachelor of Arts (Physics) with Honours from Middlebury College, Vermont, United States of America with Summa Cum Laude and is a member of Phi Beta Kappa.

Cha-Ly is currently the founder and Chief Executive Officer of Urbanmetry Sdn Bhd ("Urbanmetry"), a data company that cleans and analyses large amount of city data, through its proprietary algorithms and provides data intelligence to various companies and government agencies including the World Bank, MyHSR Corporation Sdn Bhd, banks and listed property companies.

Prior to Urbanmetry, she founded Urban Matters Solutions where she acted as the consultant for the World Class Competitive City study commissioned by the Prime Minister's Department Economic Planning Unit in collaboration with the World Bank. She was also consultant for business and organisational strategy for Think City Kuala Lumpur and provided Planning and Business Feasibility Advisory services to various private property developers in Kuala Lumpur.

Prior to that, Cha-Ly served as a Project Manager for the River of Life Entry Point Project of the Kuala Lumpur/Klang Valley Performance Management and Delivery Unit (PEMANDU) and later as the Vice President, Hotel Operations of Destination Resorts and Hotels, Kuala Lumpur.

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

She has not been convicted of any offence (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors

Afzal Abdul Rahim

Non-Independent, Executive Director (Chief Executive Officer)

Nationality
Malaysian

Age
43

Gender
Male

Appointed To The Board
7 October 2008

Afzal holds a Degree in Mechanical Engineering with Electronics from the University of Sussex, United Kingdom.

He 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.

He currently sits on the Boards of CIMB Group Holdings Berhad, Symphony Communication Public Company Limited, CMC Telecommunication Infrastructure Corporation, Megawisra Investments Limited, Megawisra Sdn Bhd, Global Transit International Sdn Bhd and Pulau Kapas Ventures Sdn Bhd.

Afzal has direct and indirect interests in the securities of the Company through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

He 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Patrick Corso

Non-Independent, Executive Director

Nationality
Italian

Age
47

Gender
Male

Appointed To The Board
26 November 2015

Patrick holds a BA (Hons) Degree in European Business Administration from the European Business School, London, United Kingdom.

He has over 20 years of experience in the investment banking and private equity industries, with a focus on the telecoms sector. He spent the first 8 years of his career at Credit Suisse First Boston and Morgan Stanley in London in their European Telecoms groups, with a brief interim stint at Trader Classified Media in a corporate development role.

In 2003, Patrick joined Providence Equity Partners in London, a leading private equity firm focused on the telecoms, media and technology industry sectors. In 2008, he relocated with Providence Equity Partners to Hong Kong to take up the role of Managing Director and Head of the Hong Kong office.

In 2013, he established OST Capital, a private investment firm in Hong Kong, of which he remains a non-executive Director.

He currently sits on the Boards of Symphony Communication Public Company Limited, CMC Telecommunication Infrastructure Corporation, Megawisra Investments Limited, Megawisra Sdn Bhd, Global Transit International Sdn Bhd and Pulau Kapas Ventures Sdn Bhd.

Patrick has indirect interest in the securities of the Company through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

He 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors

Lee Guan Hong

Non-Independent, Executive Director

Nationality
Malaysian

Age
47

Gender
Male

Appointed To The Board
9 March 2017

Guan Hong holds a Degree in Management Information Systems from the University of Oklahoma, United States of America.

He has over 20 years of experience in the technology and telecommunications industry, moving up the management ranks in the last 21 years.

Guan Hong's career started off with a 2-year Information Technology stint in Malaysia. He went on to spend 6 years in a Singapore-based Internet Service Provider where he played a pivotal role in the company's regional expansion.

He joined DiGi.Com Berhad in 2004 and moved on to TIME in 2009 where, on 1 November 2014, he was appointed as Chief Executive Officer of the Company's fixed line business.

Guan Hong has direct interest in the securities of the Company.

He 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Leadership Team

Afzal Abdul Rahim

Nationality	Age	Gender
Malaysian	43	Male

Chief Executive Officer/Commander-in-Chief

Afzal's profile can be found on page 39 of this Annual Report.

Patrick Corso

Nationality	Age	Gender
Italian	47	Male

Executive Director

Patrick's profile can be found on page 39 of this Annual Report.

Lee Guan Hong

Nationality	Age	Gender
Malaysian	47	Male

Executive Director

Guan Hong's profile can be found on page 40 of this Annual Report.

Long Sher Neng

Nationality	Age	Gender
Malaysian	47	Male

Chief Financial Officer

Sher Neng joined TIME in March 2010 and was appointed Chief Financial Officer on 1 September the same year. He helped steer TIME through a period of immense transition and growth, and has been contributing significantly to the Group's financial stability. Sher Neng graduated with a Bachelor of Business Administration (Hons) from Western Michigan University, USA. He is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Virginia Society of Certified Public Accountants (VSCPA USA). He has 25 years of experience in financial management and operations.

He does not hold any directorship in the Company or any public listed companies. He 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 (other than traffic offences) within the past 5 years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Corporate Governance Overview Statement

This Corporate Governance Overview Statement of TIME dotCom Berhad ("TIME" or the "Company") is made pursuant to paragraph 15.25(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main Market Listing Requirements"). In producing this Corporate Governance Overview Statement, guidance was drawn from Practice Note 9 of Main Market Listing Requirements and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Berhad.

The Board is committed in ensuring that high standards of corporate governance are being practised by the Company and its subsidiaries (collectively referred to as the "Group"). In this regard, the Board views disclosures on corporate governance as an opportunity to profile its corporate governance agenda and showcase how the Group is attuned to stakeholders' expectations. This Corporate Governance Overview Statement outlines the Group's corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance.

The Corporate Governance Overview Statement is complemented with a Corporate Governance Report, based on a prescribed format as encapsulated in paragraph 15.25(2) of the Main Market Listing Requirements so as to provide a detailed articulation on the application of the Group's corporate governance practices against the Malaysian Code on Corporate Governance ("MCCG").

The Corporate Governance Report is made available on the Company's website, www.time.com.my as well as via announcement on the website of Bursa Malaysia Berhad. This Corporate Governance Overview Statement should also be read in conjunction with the other statements in the Annual Report (e.g. Directors' Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement) as the application of certain corporate governance enumerations may be better contextually elucidated in the respective statements.

CORPORATE GOVERNANCE APPROACH

The Board endeavours to ensure that the Group remains strong, viable and sustainable in delivering value to its stakeholders. The Board views corporate governance as synonymous with 4 key concepts of the Group; namely transparency, integrity and accountability as well as corporate performance. The Group adopts these key concepts in the various facets of its operations and management.

The Group's approach to corporate governance is to:

- consider corporate governance requirements critically and with a view to determine how the different modalities could be implemented within the Group in a value-adding way;
- adopt the substance behind good corporate governance and not merely the form, with the aim of enhancing stakeholders' value; and
- drive the application of good corporate governance practices through the alignment of the interests of stakeholders and Board as well as Management.

The Board's efforts to promote and drive meaningful and thoughtful application of good corporate governance practices include monitoring local and global developments in corporate governance and assessing their implications.

Acknowledging that improving corporate governance requires adjustments and recalibration to its framework and structures, TIME will continue to enhance its daily processes with a view of reflecting its position as a good corporate citizen.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

TIME has applied all the Practices encapsulated in MCCG for FY2020, save for the following:

- **Practice 4.1**
  (Board to comprise majority Independent Directors for Large Companies)[1];
- **Practice 4.5**
  (Board to comprise at least 30% women Directors for Large Companies);
- **Practice 4.7**
  (The Nominating Committee is chaired by an Independent Director or the Senior Independent Director)[2];
- **Practice 5.1**
  (Conduct of externally facilitated Board evaluation periodically); and
- **Practice 7.2**
  (Disclosure of Senior Management personnel's remuneration on a named basis and in bands of RM50,000).

Notes:

[1] As at 28 February 2020, the Company has complied with Practice 4.1 of MCCG following the appointment of Ms Koh Cha-Ly as an Independent, Non-Executive Director of the Company. In line with Practice 4.2 of MCCG, the Board decided to re-designate Mr Ronnie Kok Lai Huat from an Independent, Non-Executive Director to a Non-Independent, Non-Executive Director of the Company and with that, the Company has departed from the said practice effective from 15 March 2021.

[2] As at 15 March 2021, the Board has appointed Mr Mark Guy Dioguardi, an Independent, Non-Executive Director of the Company, as the Nomination and Remuneration Committee Chairman in place of Puan Elakumari Kantilal, a Non-Independent, Non-Executive Director of the Company. With that appointment, the Company has complied with Practice 4.7 of MCCG.

TIME has provided meaningful explanation where it has departed from the said practices based on the flexibility accorded in the application lever of MCCG. The explanations provided on the departures are supplemented with an articulation on the alternative measures that are in place to achieve the Intended Outcome of the departed Practices, measures that TIME has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices.

Additional details on TIME's application of each individual Practice of MCCG are available on the Corporate Governance Report which is made available on the Company's website as well as via an announcement on the website of Bursa Malaysia Berhad.

A summary of TIME's corporate governance practices with reference to the MCCG is described below.

BOARD RESPONSIBILITIES

The Board of TIME is responsible for overseeing the management of the business and affairs of the Group, including fashioning the strategic direction, establishing short, medium and long-term business goals and monitoring the achievement of these goals.

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established 3 Board Committees, namely, Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC") and Tender Committee ("TC"). The Board is regularly updated on the proceedings and deliberations of the Board Committees and recommendations would be highlighted and reported to the Board. Whilst authority is delegated to the Board Committees in accordance with the Terms of Reference of these Committees and the Group's Limits of Authority, it should be noted that the Board retains collective oversight over the Board Committees at all times. The functionalities of these Board Committees are outlined below:

AC

The **AC** is responsible to support the Board with its oversight role in the areas of financial reporting, related party transactions and conflicts of interests, internal control environment, internal audit and external audit as well as the Group's overall risk management system.

NRC

The **NRC** is responsible to recommend candidates to be appointed to the Board, Board Committees and Senior Management positions, annually evaluate the performance of the Board, Board Committees and individual Directors as well as develop succession plan for Directors and Senior Management besides setting the overarching Group remuneration policy and procedures for Directors and Senior Management.

TC

The **TC** was established to facilitate the procurement process. The main objective of the TC is to examine the tenders received and ensure that all necessary criteria, specifications and requirements of the Group have been met and complied with.

Corporate Governance Overview Statement

The Board and its Committees meet regularly to deliberate on matters under their purview. In addition to the scheduled meetings, the Board and Board Committees also convene special meetings when urgent and important deliberations need to be made or decisions need to be taken between scheduled meetings. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators. The attendance of individual Directors for the meetings of the Board and Board Committees during the year under review are outlined below:

Directors	Board	AC	NRC	TC
Abdul Kadir Md Kassim	6/6			
Elakumari Kantilal	6/6	4/4	2/2	4/4
Ronnie Kok Lai Huat	6/6	4/4	2/2	4/4
Hong Kean Yong	6/6	4/4	2/2	4/4
Mark Guy Dioguardi	6/6			4/4
Koh Cha-Ly[1]	5/5			
Afzal Abdul Rahim	6/6			
Patrick Corso	6/6			
Lee Guan Hong	6/6			

Board/Board Committee Chairman **Member**

[1] Koh Cha-Ly was appointed as an Independent, Non-Executive Director on 28 February 2020.

Post FY2020, there were changes to the composition of the Board Committees effective from 15 March 2021 and the new compositions can be found on page 5 of this Annual Report.

The responsibilities of the Board and Management are clearly demarcated. The Chairman leads the Board and is responsible to ensure the effective and smooth interaction of Directors, both within and outside the boardroom as well as driving the discussions toward consensus and to achieve closure in every deliberation. The Chief Executive Officer ("CEO") as the Head of Management is meanwhile responsible for developing and implementing strategy of the Group, reflecting short, medium and 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 Group's operations and performance. He also represents the Group in interfacing with major customers, employees, suppliers and professional associations.

The Board has formalised a Board Charter which delineates the responsibilities of the Board, Board Committees and individual Directors, including the matters that are solely reserved for the Board's decision. The Board Charter also serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and its Committees. The Board Charter is periodically reviewed by the Board to ensure it reflects the fast changing market dynamics as well as the evolving needs of the Group. The Board Charter is also made available on the Company's website.

In discharging its responsibilities, the Board is supported by a professionally qualified and competent Company Secretary. The Company Secretary is present for all Board and Board Committee meetings and acts as counsel and resource support on corporate governance matters to the Board whilst also coordinating information flow and meeting proceedings. Directors are provided with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions on pertinent matters. The Board is also updated by the Company Secretary on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

The Board is also cognisant of its responsibility to set the "tone from the top" and as a result, drive the "tune in middle" and "beat at the feet". A Code of Conduct and Ethics and Whistleblowing Policy have been put in place to foster an ethical culture and allow bona fide suspected or presumed malpractices to be raised in confidence without the risk of reprisal. The Code of Conduct and Ethics is reviewed periodically by the Board and published on the Company's website.

BOARD COMPOSITION

The Board acknowledges that besides being a domestic fixed-line telecommunications service provider, TIME is a leading carrier-neutral data centre operator and an international bandwidth provider with a growing network footprint. Premised on this, the Board endeavours to ensure that it has an appropriate mix of skills, experience and diversity to reflect the Group's nature of business. The Board, from time to time, undertakes a review of its composition to determine areas of strengths and improvement opportunities.

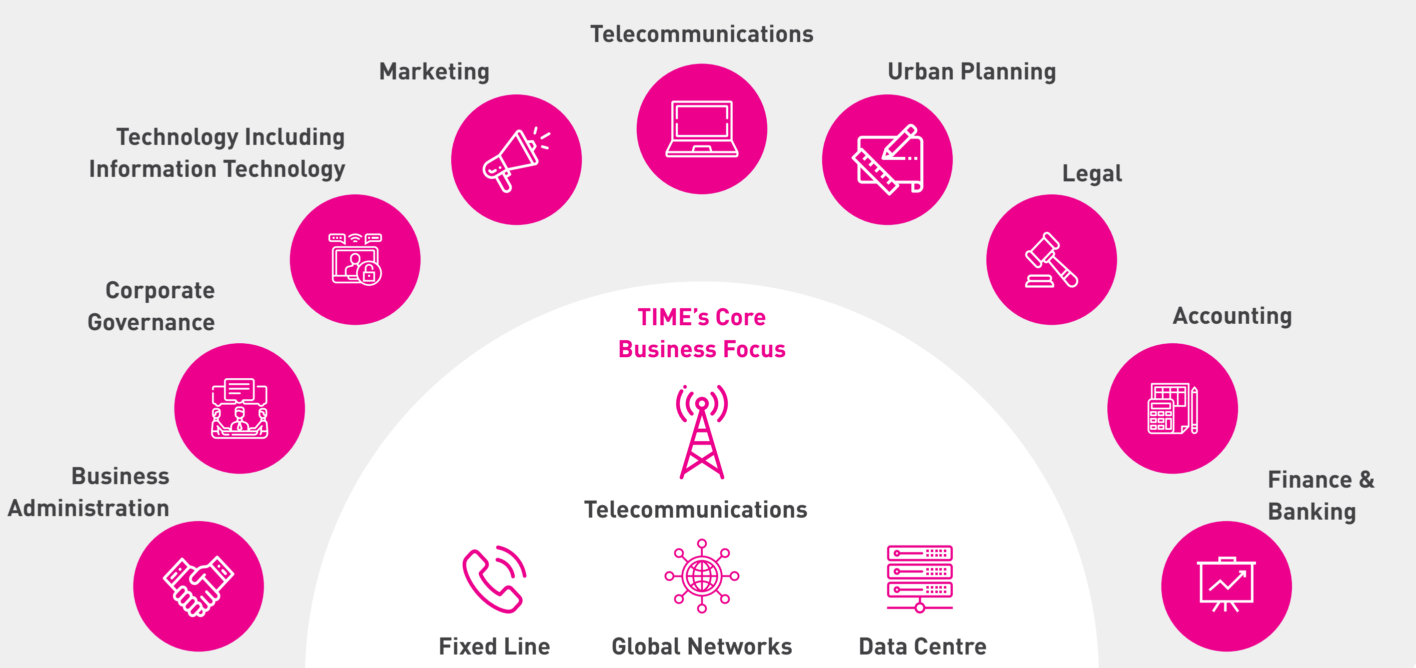
The Directors of TIME channel their combined knowledge and professional experience to provide valuable perspectives on TIME's business operations and strategies. The expertise possessed by Management as well as access of Directors to external professional experts complement the effective functioning of the Board. The composition of the Board which comprises 9 members can be viewed in a more granular lens as follows:

45%
INDEPENDENT DIRECTORS

33%
EXECUTIVE DIRECTORS

22%
NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

Directors' Skill Sets



Corporate Governance Overview Statement

On 31 January 2020, Mr Ronnie Kok Lai Huat completed his 12-year tenure as the Company's Independent, Non-Executive Director and at the 23rd Annual General Meeting ("AGM") of the Company held on 25 August 2020, the shareholders approved for him to serve as an Independent, Non-Executive Director of the Company until the conclusion of the next AGM. In line with Practice 4.2 of the MCCG which does not encourage independent directors of Large Companies (as defined by the MCCG) to serve beyond 12 years, the Board decided to re-designate Mr Ronnie Kok from an Independent, Non-Executive Director to a Non-Independent, Non-Executive Director effective from 15 March 2021.

With the above change, the Board now comprises 4 Independent, Non-Executive Directors including 1 Senior Independent, Non-Executive Director, 2 Non-Independent, Non-Executive Directors and 3 Executive Directors including the CEO. The higher proportion of Non-Executive Directors present on the Board helps to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group. The composition of the respective Board Committees meet the independence criteria outlined in Main Market Listing Requirements and there is appropriate cross-memberships to further promote effectiveness.

The NRC assesses Independent Directors annually to ascertain if they display a strong element of detached impartiality. In conducting this assessment, the NRC and Board adopt a qualitative approach in assessing if Independent Directors possess the intellectual honesty and moral courage to advocate professional views without fear or favour. The Board is cognisant of the widely held notion that extended tenure leads to entrenchment and as such, the Board remains watchful for such indicators of entrenchment amongst long serving Independent Directors.

The NRC also reviews the terms of office and performance of the AC and each of its members annually to determine whether the AC and its members have carried out their duties in accordance with their terms of reference.

Appointments to the Board are made via a formal, rigorous and transparent process, premised on meritocracy and taking into account the skills, experience and diversity needed on the Board in the context of the Group's strategic direction. In terms of gender diversity, the Board currently comprises 2 female Directors and the Board is taking steps to improve women representation on the Board by casting "a wider net" in its sourcing and nomination process.

REMUNERATION

The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors and Senior Management. Towards this end, the Board has adopted a remuneration policy and respective procedures to provide a formal structure for remunerating Directors and Senior Management.

The Board seeks to ensure the remuneration package of the Group is at a level which is sufficient to attract and retain high-calibre Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors including the functions, workload and responsibilities involved.

The component remuneration packages for Executive Directors and Senior Management have been structured to link rewards to corporate and individual performance whilst Non-Executive Directors' remuneration package reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.

A detailed review on the remuneration of Directors and Senior Management is undertaken periodically and benchmarked against relevant industry players. Changes made to the remuneration of Directors and Senior Management will be reviewed by the NRC before it is recommended to the Board.

AUDIT COMMITTEE

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions and conflict of interest situations as well as risk management framework.

The AC is led by the Senior Independent Director who is distinct from the Chairman of the Board. All members of the AC are financially literate and possess a sound understanding of the business for them to discharge their responsibilities effectively. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The AC has established formal and transparent arrangements to maintain an appropriate relationship with the Company's external auditor. These includes policies and procedures to review the suitability and independence of the external auditor.

During the year under review, the external auditor has confirmed to the AC that its personnel are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the Malaysian Institute of Accountants' By-Laws (On Professional Ethics, Conduct and Practice).

In relation to related party transactions, a list of related parties is disseminated to the Group's various business units to determine the number and type of related party transactions. All related party transactions are presented to the AC for their notation on a quarterly basis. Interested Directors who have interest in such transactions abstain 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.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework supports the Group to achieve its value-creation targets by providing information on risks to enable better formulation of the Group's strategies and decision making. The Group's risk management and internal control framework covers not only financial controls but also non-financial controls which inter alia include operational and compliance controls.

The Risk Management Steering Committee (a Management-level Committee) takes responsibility for risk management, building upon already established structures and mechanisms to implement the processes for identifying, evaluating, monitoring and reporting of risks as well as to take appropriate and timely corrective actions as required. A Risk Management Framework and Risk Management Procedure Manual have been adopted to guide the Risk Management Secretariat and Divisional Risk Coordinators to identify, analyse and evaluate business and operational risks. The Risk Management Secretariat monitors implementation and updates of action plans and report to the Risk Management Steering Committee.

The Group has an in-house internal audit department reporting to the AC which is independent of the activities or operations of the other operating units in the Group. The internal audit function provides the AC and the Board with assurance regarding the adequacy and integrity of the systems of risk, governance and internal controls.

Further information on the Group's risk management and internal framework is made available on the **Statement of Risk Management and Internal Control** section of the Annual Report.

Corporate Governance Overview Statement

COMMUNICATION WITH STAKEHOLDERS

The Board believes that all stakeholders of the Group should be apprised in a timely manner of all material business events that impact the Group. The Board ensures continuous disclosures are made through announcements to Bursa Malaysia Securities Berhad as well as the Company's website. The Company's website contains recent announcements, past and current reports to shareholders, including summaries of key financial data, operational briefing presentations as well as copies of recent notices and minutes of general meetings. The Annual Report meanwhile discloses comprehensive details about the Group's business activities and financial performance for the financial year.

Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Board has identified the Senior Independent, Non-Executive Director as the conduit to address minority shareholders' issues and to whom minority shareholders' concerns may be conveyed.

In terms of investor relations activities, during the year under review, the Group worked with bankers and analysts to target key institutional investors with an investment matrix that fits the Group.

During the year under review, the Group also engaged various investor groups through regular face-to-face meetings, investor conferences etc. to keep them abreast of constant updates and latest developments within the Group, the regulatory environment and the telecommunications industry in general.

CONDUCT OF GENERAL MEETING

The AGM serves as the principal open forum at which shareholders and investors are informed of the current developments of the Group.

At its 23rd AGM held on 25 August 2020, the Company leveraged on technology to enable remote shareholders' participation and online remote voting. The AGM was conducted fully virtual. Shareholders who attended and participated at the AGM via live webcast were invited to submit their questions which were addressed by the relevant directors, CEO, Chairmen of Board Committees and Senior Management.

At each of the Company's AGM, an interactive dialogue is conducted for shareholders to inquire about the Group's activities and prospects as well as to communicate their expectations and concerns. The Chairman, CEO and Chairmen of Board Committees will provide written answers to any significant questions that cannot be readily answered. Whenever appropriate, a press conference is held at the end of each AGM whereby the CEO will advise the press on the resolutions passed and answer questions in respect of the Group as well as to clarify and explain any issues.

The date and time of the General Meetings are determined by taking into consideration the need to provide shareholders with a wide window of opportunity to attend and participate either in person, by corporate representative or by proxy. Each item of special business included in the Notice of AGM is accompanied by a full explanation of the effects of the proposed resolutions.

As called upon by MCCG, the notice to the upcoming AGM alongside relevant accompanying materials have been provided more than 28 days in advance to enable shareholders to make adequate preparation.

FOCUS AREAS OF CORPORATE GOVERNANCE

During the year under review, TIME acquired a 60% equity interest in AVM and its wholly-owned subsidiaries Integrated Global Solutions Sdn Bhd and Zeus Ventures Sdn Bhd to complement the existing services and products offered by TIME. The acquisitions were completed on 7 January 2021.

The Board remains committed to enhance its corporate governance practices as it continues its expansion.

The Board is taking steps to narrow the gaps of the remaining few departures from the MCCG practices and instill governance awareness culture throughout the organisation.

During the year under review, the Board agreed with the Sustainability Steering Committee's ("SSC") proposal to establish a road map towards becoming an Established Reporter by 2022 by enhancing Sustainability Reporting so that the Group has a strong foundation that can later transition to Integrated Reporting.

The corporate governance areas which were at the forefront of the Board's radar are as follows:

Business Integrity and Anti-Corruption Policy

On 28 May 2020, the Board approved the adoption of the Business Integrity and Anti-Corruption Policy ("ABC Policy") for the implementation of ABC Policy on 1 June 2020 for the Company to comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Company subsequently launched and communicated to its employees the ABC Policy which sets out the Company's policy and general principles, guidelines and processes to minimize and eliminate the Company's exposure to the risk of unlawful conduct relating to bribery and corruption. Employees and vendors will receive regular and relevant trainings to assist them to adhere to this policy.

Human Capital

TIME recognises the adage that "a chain is as strong as its weakest link" and therefore, human capital is the biggest driver of the Group's governance and performance. Since 2018, talent reviews have been officiated and conducted for the Group with a view of identifying top talents and determining ways to retain them either through competitive compensation, development opportunities and career growth.

TIME also places emphasis on talent mobility and integration of corporate culture with its regional presence. A global mobility policy has been carved to enable mobility for overseas assignments. Human capital policies and procedures are continually being harmonised for the Group. In terms of training, internal development solutions for leadership, soft skills, technical and regulatory areas have been rolled-out to maximise knowledge and experience sharing.

The Board acknowledges that succession planning is critical for the continuity of TIME's business operations in a seamless manner. Successors for key Management positions have been identified and the Board will continue to ensure that succession planning is a priority for positions that have been earmarked as critical.

Corporate Governance Overview Statement

Risk Management and Internal Control Framework

The Group continues to place risk management as its utmost priority. Guided by the Enterprise Risk Management ("ERM") framework, the Group implemented several initiatives in 2020 to minimise key risks which includes operational, technological and cyber-security related risks. Such initiatives were implemented to ensure that the Service Level Guarantees ("SLGs") were continuously met and its growing customer base remains well served. Additionally, significant investments were made to ensure that business and operations were supported by the latest technology and infrastructure. The Group is also consistently improving its network security to minimise the threats of cyber-attacks, data theft and information leakage.

The Risk Management Secretariat, which is governed by the AC, is tasked to enforce the ERM framework and ensure that mitigating action plans are successfully executed to address key risks.

In relation to internal audit, any observation noted will be addressed on a Group-wide basis covering the process under consideration. Improvement opportunities identified in relation to internal audit will also be subjected to a root-cause analysis.

COVID-19 Pandemic

The Board recognises the far-reaching effects of the COVID-19 pandemic not just on the Group's employees, but also that of its customers, partners, vendors and suppliers. As a result, the Group's Risk Management team has identified risks and formulated strategies to address these risks.

The Board worked with and approved various recommendations by Management to implement a set of Standard Operating Procedures ("SOPs") as prescribed by the relevant authorities to ensure the health and safety of its employees while enabling a high level of operational momentum.

These SOPs were also extended to its partners, vendors and suppliers and they were strongly encouraged to constantly practise precautions to minimise any disruption to daily operations.

The Group has also continued to strengthen and improve its network infrastructure to cater to the shift in usage behaviour to support its customers who now work and learn from home. Furthermore, the Group aggressively enhanced coverage under the JENDELA initiative, alongside the industry, to bridge the digital divide across the country.

Professional Development of Directors

During the year under review, Directors were provided with opportunities to develop and maintain their skills and knowledge. Directors attended training programmes to keep themselves abreast of changes in legislative promulgations, new accounting standards, industry practices and new technology.

Ms Koh Cha-Ly who was appointed on 28 February 2020 attended and successfully completed the Mandatory Accreditation Programme ("MAP") as prescribed by the Main Market Listing Requirements.

The list of training programmes that were attended by the Board members are outlined below:

Name	Programme Title	Date(s)
Executive Directors		
Afzal Abdul Rahim	edotco Group Strategy Day Forum	2 July 2020
	Macquarie ASEAN Virtual Conference 2020	26 August 2020
	Invest Malaysia 2020: Advancing Malaysia 5G and Industry 4.0	1 September 2020
	Anti-Bribery and Corruption Education Session	21 December 2020
Patrick Corso	Anti-Bribery and Corruption Education Session	21 December 2020
Lee Guan Hong	Huawei Cloud Mobile World Congress 2020 (MWC 2020)	21 May 2020
	Anti-Bribery and Corruption Education Session	21 December 2020
Non-Independent, Non-Executive Director		
Elakumari Kantilal	Anti-Money Laundering and Anti-Terrorism Financing	18 September 2020
	Knowledge Sharing Session with MACC: Corporate Malaysia's New Norm	21 September 2020
	Section 17A of Malaysian Anti-Corruption Commission Act AMLCFT 2018	12 October 2020
	Economic Outlook for end 2020 - 2021	2 November 2020
	Anti-Bribery and Corruption Education Session	21 December 2020
Independent, Non-Executive Directors		
Abdul Kadir Md Kassim	Anti-Bribery and Corruption Education Session	21 December 2020
Ronnie Kok Lai Huat[1]	Anti-Bribery and Corruption Education Session	21 December 2020
Hong Kean Yong	Anti-Bribery and Corruption Education Session	21 December 2020
Mark Guy Dioguardi	Anti-Bribery and Corruption Education Session	21 December 2020
Koh Cha-Ly	MAP for Directors of Public Listed Companies	15 to 17 June 2020
	Second Annual Malaysia REIT Forum 2020 *(Speaker and Participant)*	1 December 2020
	Anti-Bribery and Corruption Education Session	21 December 2020

[1] Ronnie Kok was re-designated as a Non-Independent, Non-Executive Director effective from 15 March 2021.

CORPORATE GOVERNANCE PRIORITIES (2021 AND BEYOND)

The Board acknowledges that improvement in corporate governance is a "marathon and not a sprint". In recognition of this journey, the Board has identified the following forward-looking action items that will help it to achieve its corporate governance objectives.

Short and Medium Term Plan (1 to 3 Years)

Evaluation of Board, Board Committees and Individual Directors

The Board aims to undertake an externally facilitated evaluation of its Board, Board Committees and individual Directors once every 3 years. The Board is considering to enlist an independent expert for the forthcoming year so as to inject rigour and objectivity into the process.

The Board recognises that independent experts can frequently pinpoint areas of improvement as the experts would likely have accumulated a database of results from their experience of conducting similar assessments for other Boards, Board Committees and individual Directors.

Corporate Governance Overview Statement

Boardroom Independence

With the appointment of an additional independent director on 28 February 2020 and the re-designation of Mr Ronnie Kok Lai Huat from an Independent to a Non-Independent, Non-Executive Director effective from 15 March 2021, the total independent directors is now 4. The Board believes that equipped with the critical mass, Independent Directors will be able to encourage, support and drive each other in the value creation process of the Group. In the course of making this change, TIME will not compromise on the business imperative and make unwieldy changes to its Board composition. In order to create a more conducive environment for insightful deliberations, the Board will consider enlisting Independent Directors with strong business acumens and a broad range of industry experience.

During the year 2020, the Board was satisfied that none of the Independent, Non-Executive Directors had any relationship that could materially interfere with, or perceived to materially interfere with their unfettered and independent judgement and ability to act in the best interest of the Company.

Following the re-designation of Mr Ronnie Kok Lai Huat as a Non-Independent, Non-Executive Director, the Board has identified Mr Hong Kean Yong, the Senior Independent, Non-Executive Director as the conduit to address minority shareholders issues and to whom minority shareholders' concerns may be conveyed.

Long Term Plan (3 to 5 Years)

Boardroom Diversity

The Board of TIME will focus its efforts to constitute a diverse Board which bears a variety in the dimensions of skills, experience, age, cultural background and gender. With the appointment of Ms Koh Cha-Ly as an Independent, Non-Executive Director of the Company to the Board during the year, the percentage of the Company's women directors increased to 22%.

The Board continues in its efforts to achieve the national target of having at least 30% women on the boards of corporate Malaysia, and will broaden its search mechanisms to source for meritorious female candidates. The Board recognises that diversity should extend to Senior Management and not just the Boardroom.

Corporate Reporting

TIME has embarked on its journey of Integrated Reporting and will seek to progress towards a more mature form of Integrated Reporting in the upcoming years.

In this regard, the Company will seek to better synergise its connectivity of reporting from management, its business analysis and decision-making process. The Board will set the direction for Management to establish the necessary supporting infrastructure with the presence of quality non-financial data that will support the progression towards an enhanced Integrated Report.

Additional Compliance Information

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 2020 or entered since the end of the previous financial year.

Wayleave and Right of Use Agreement between Projek Lebuhraya Usahasama Berhad ("PLUS") and TT dotCom Sdn Bhd ("TTdC") dated 8 May 2017. This Agreement grants a wayleave and right of use to TTdC to use the telecommunications infrastructure in or along the Applicable Expressways including the North-South Expressway ("NSE"), New Klang Valley Expressway ("NKVE"), North-South Expressway Central Link ("ELITE"), Malaysia-Singapore Second Crossing ("LINKEDUA"), Butterworth-Kulim Expressway ("BKE") and Penang Bridge.

This Agreement shall expire upon the lapse of the Concession as granted by the Government of Malaysia ("GoM") to PLUS which is now on 31 December 2038 or in the event the GoM expropriates PLUS.

On 27 October 2017, the GoM made an announcement of the abolishment of toll collection at Batu Tiga and Sungai Rasau toll plazas on the Federal Highway Route 2 and at the Bukit Kayu Hitam toll plaza on the North-South Expressway, effective as at 1 January 2018. On 12 February 2018, PLUS and TTdC entered into a Supplemental Agreement to address this matter.

PLUS is a wholly-owned subsidiary of PLUS Malaysia Berhad ("PLUS Malaysia") and PLUS Malaysia is jointly controlled by UEM Group Berhad ("UEMG") and Employees Provident Fund Board, which owns 51% and 49% of PLUS Malaysia's equity. UEMG is a wholly-owned subsidiary of Khazanah Nasional Berhad.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees paid or payable to the external auditors, KPMG PLT and firms affiliated to KPMG PLT for services rendered to the Company and the Group for FY2020 are RM163,000 and RM658,000 respectively.

The amount of non-audit fees paid or payable to the external auditors and corporations affilliated to the auditors' firm, for services rendered to the Company and the Group for FY2020 are RM35,000 and RM77,000 respectively.

Audit Committee Report

The Board of Directors is pleased to present the Report of the Audit Committee ("the Committee") for FY2020.

COMPOSITION

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

The members of the Committee during FY2020 are as follows:

Ronnie Kok Lai Huat (Chairman)	Senior Independent, Non-Executive Director
Elakumari Kantilal	Non-Independent, Non-Executive Director
Hong Kean Yong	Independent, Non-Executive Director

The profiles of the Committee members are contained in the "Board of Directors' Profile" set out on pages 36 to 37.

Post FY2020, there was a change to the composition of the Committee effective from 15 March 2021 and the new composition can be found on page 5 of this Annual Report.

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 57 to 62.

MEETINGS

The Committee convened 4 meetings during FY2020. The details of attendance are as follows:

Name	Attendance	Percentage of Attendance
Ronnie Kok Lai Huat (Chairman)	4/4	100%
Elakumari Kantilal	4/4	100%
Hong Kean Yong	4/4	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 had also 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.

Audit Committee Report

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) The Committee reviewed the audited statutory financial statements, quarterly financial results of the Group for 2020 and discussed significant issues before recommending them to the Board of Directors for approval prior to the announcement to Bursa Malaysia.

(ii) Additionally, the Committee also 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) The Group Internal Audit & Compliance Division conducted audit activities as per the 2020 Audit Plan approved by the Committee on 26 November 2019. The Head of Internal Audit & Compliance presented the status of the audit plan and audit reports at every AC meeting during the year, for the Committee to review and discuss on the following:

a) Results of the internal audit reports, findings and recommendations and action taken on the recommendations;

b) Key audit issues identified by Internal Audit in the current period and proposed action plans by Management;

c) Major findings of internal investigation reported through the whistleblowing channel; and

d) Status of completion of 2020 Audit Plan.

(ii) The 2020 Audit Plan was reviewed on a quarterly basis or as required, which required inclusion of unplanned audit assignments to be carried out on an ad-hoc basis upon Management's request or arising from significant corporate events. A total of 30 audit assignments were completed in 2020, categorised as follows:

a) IT Audits: Information Technology related audits, including application development and management;

b) Strategic and Operational Audits: Audits of core operations within the Group such as Wholesales Management and Retail Sales Management, and support services such as Vendor Management and Customer Billing Management;

c) Regional Audit: Operation and support service audit of Symphony Communication Public Company Limited and CMC Telecommunication, which includes Sales and Procurement, Infrastructure and Other Associated Costs;

d) Fraud Investigation: Ad-hoc/unplanned investigation based on complaint or report made via whistleblowing channel; and

e) Recurring Audit: Recurring audit assignments conducted on an annual basis such as periodic stocktake, sales incentive and Information Security Management System.

(iii) Performance, adequacy and competency of the Group Internal Audit & Compliance Division is assessed on an annual basis, or as necessary.

(iv) Appraise and approve the appointment and termination of Head of Internal Audit & Compliance.

Audit Committee Report

PRINCIPAL ACTIVITIES IN THIS FINANCIAL YEAR (cont'd)

(c) Related Party Transactions

The Committee reviewed the related party transactions presented by Management 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.

(d) Risk Management

(i) Reports on key operational risks were presented to the Committee for their review to ensure the risks identified are being managed effectively and actively overseen, in order to ensure the effectiveness of the process for identifying, evaluating and managing risks.

(ii) Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report.

(e) External Audit

(i) The Committee reviewed the reappointment of the external auditors and the annual audit fee, together with the engagement letter confirming their independence and objectivity and their scope of work as follows:

a) Annual audit plan and scope of audit prior to its implementation;

b) Annual audit report and accompanying reports to the Committee and Management;

c) The Management Letters together with Management's responses, in order to be satisfied that appropriate actions are being taken; and

d) Provision of non-audit services by the external auditors for recommendation to the Board for approval.

(ii) The Committee also 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.

(iii) Additionally, the Committee also reviewed and approved the policy established to assess suitability and independence of external auditors, and methodology in assessing the assessment tools of suitability and independence of external auditors.

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

TRAINING

The training attended by the Committee members during the financial year is reported under the Corporate Governance Statement on page 51.

INTERNAL AUDIT FUNCTION

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

INTERNAL AUDIT FUNCTION (cont'd)

The internal audit function is performed in-house by a group of 13 internal auditors that are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The function is headed by Syed Abdul Qader bin Mohd Ansari, who has more than 15 years of internal auditing experience in the telecommunications, airline and banking industries. All the internal auditors have tertiary qualifications and the level of expertise and professionalism as at the end of 2020 as follows:

Expertise Category	Percentage of Total Auditors
Bachelor's Degree	77%
Professional (ACCA, CISA, CA, CIA and ISMS)	46%
Professional Membership (ACCA, MIA, IIA & ISACA)	46%

The total costs incurred for the internal audit function for FY2020 amounted to RM 2,178,499.85.

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 2020, Internal Audit executed a range of audit reviews covering financial, operational, fraud investigation and information systems audit. Other reviews were 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 coordinated the follow up reviews on the resolutions of internal audit issues and reported the status to the Committee.

Findings and recommendations for improvements were 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 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 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 who is not the Chairman of the Board.
- There should be at least 1 member who is a member of the Malaysian Institute of Accountants or should have at least 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 Accountants Act, 1967.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

(A) Membership (cont'd)

- Vacancies in the Audit Committee must be filled within 3 months. The Nomination Committee will review and recommend, to the Board for approval, another director to fill up such vacancies based on the following personal qualities:-

  (a) the ability to act independently and be pro-active in advising the Board of any concerns;

  (b) the ability to ask relevant questions, evaluate the responses and continue to probe for information until completely satisfied with the feedback provided;

  (c) the ability and desire to constantly engage in self-development programmes;

  (d) the ability to appreciate the company's values and a determination to uphold these values coupled with a thoughtful approach to the ethical issues that may be faced;

  (e) have a professional approach to duties, including an appropriate commitment of time and effort;

  (f) have the courage to take and stand by tough decisions and high ethical standards; and

  (g) the ability to encourage openness and transparency which is demonstrated by the ability to accept mistakes and not ascribe blame.

- The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination and Remuneration Committee annually.

- 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 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. They must have the required skills to engage with management and the auditors and be prepared to ask key and probing questions about the company's financial position, operational risks and internal controls, compliance with applicable approved accounting standards and other related requirements. The Audit Committee's effectiveness is dependent on its members' broad business experience, knowledge and competence in business matters, financial reporting, internal controls and auditing.

- No former key audit partner shall be appointed as a member of the Audit Committee before observing a cooling-off period of at least 2 years.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

(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 matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed; and
- compliance with accounting standards and other legal requirements.

(iv) To consider and recommend the nominations, 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 audit firm is involved.

(vi) To discuss problems and reservations arising from the interim and final audits, and any other matter 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 monitor the effectiveness of the external auditors' performance and their independence and objectivity.

(x) 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 according to the standards set by recognised professional bodies, 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 (cont'd)

(B) Functions of the Audit Committee (cont'd)

(xi) To review and report to the Board of Directors any related party transaction and conflict of interests' situation that may arise within the listed issuer or Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

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

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

(xiv) 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.

(xv) To assess risk and control environment by:-

(a) determining whether Management has implemented policies ensuring the Company's risks are identified and evaluated and that internal controls in place are adequate and effective to address the risks; and

(b) making enquiry as to whether each category of risks is adequately monitored and addressed by the Company's risk management procedures.

(xvi) 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 any information pertaining to the Company, including access to resources;
- 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 of the Company whenever deemed necessary.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

(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 ("CEO") or/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 for the following purposes:-

  (a) to discuss accounting principles and judgments made in connection with the preparation of the company's financial statements and possible alternative accounting treatments, and whether these alternatives have been discussed with management or if these alternative policies would better reflect the values as disclosed in the financial statements;

  (b) to seek understanding and clarification on accounting treatments and methods and their appropriateness;

  (c) to make inquiry on significant discussions between the Company's CEO or equivalent, Chief Financial Officer or other key Management personnel; and

  (d) to have a better understanding on the nature and extent of issues discussed with Management during the audit.

- 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 (cont'd)

(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 number of Audit Committee meetings and details of attendance of each Audit Committee member;
- summary of the work of the Audit Committee in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and
- summary of the work of the internal audit function.

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 financial statements; and
- a statement about the risk management and internal controls of TdC as a group (after the same is reviewed by the external auditors and the results thereof reported).

(F) Reporting of Breaches

The Audit Committee must promptly report any matter to Bursa, 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.

(H) Review of Terms of Reference

The Terms of Reference should be assessed, reviewed and updated periodically, at least when there are changes to the Malaysian Code on Corporate Governance 2017, Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the company that may affect the audit committee's role.

Directors' Statement on Risk Management and Internal Control

The Malaysian Code on Corporate Governance 2017 ("the Code") sets out the Principles, Practices and Guidance for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") to establish a proper risk management framework and internal control system in order to assist the Company in making informed decisions on the level of risk tolerance and necessary controls to pursue the Company's objectives.

The Board of Directors ("the Board") is committed to establish a sound framework to manage risks and is pleased to provide the following statement in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements, Practice Note 9 issued by Bursa Securities, Statement on Risk Management & Internal Control (Guidelines For Directors of Listed Issuers) and guided by Principle B and Practice and Guidance 9.1 and 9.2 of the Code on recognising and managing risks within the Group.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investments and the Group's assets, and to discharge their stewardship responsibilities in identifying principal risks and ensuring the implementation of appropriate systems to manage these risks in accordance with the best practices of the Code.

However, due to the limitations inherent in any risk management and internal control systems, it should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Therefore, the systems can only provide a reasonable and not an absolute assurance against the occurrence of any material misstatement, loss or fraud. The internal control systems of the Group cover, inter alia, risk management, financial, operational and compliance controls.

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 responsibility over risk and control issues, the responsibility has been delegated to the Senior Management to implement the internal control systems within an established framework. The Group's Internal Audit function provides an independent assessment and assurance on the system of risk management and internal controls based on the internal audit reviews carried out during the financial year.

CONTROL ENVIRONMENT AND STRUCTURE

The Board recognises that in order to achieve a sound system of risk management and internal controls, a conducive control environment and framework must be established. The key elements of internal control, among others, comprise the following:

(a) Control Environment

(i) **A Formal Organisational Structure and Discretionary Authority Limits** is in place with defined lines of reporting, to align with business and operational requirements. The structure facilitates the segregation of duties and accountability. Formal limits of authority delegation are implemented for planning, executing, controlling and monitoring business operations.

(ii) **Board Committees** are set up by the Group to uphold corporate governance and transparency with its specific terms of reference and authority. The Board Committees comprise of the Audit Committee, Nomination and Remuneration Committee and Tender Committee. These Committees report to the Board and provide the relevant recommendations for the Board's decision.

(iii) **An Audit Committee**, of which the majority comprises Independent, Non-Executive Directors, was maintained throughout the financial year. The Audit Committee convenes meetings at least once every quarter, and discusses amongst others the financial results, internal audit findings, related party transactions, risk management as well as the external auditor's appointment and their external audit plan and results. The Audit Committee reviews and approves the Internal Audit Plan on an annual basis and also oversees the Internal Audit Division's function, scope of work and resources. Further details of the activities undertaken by the Audit Committee of the Group are set out in the Audit Committee Report.

Directors' Statement on Risk Management and Internal Control

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(a) Control Environment (cont'd)

(iv) **Employee Handbook & Code of Conduct** are provided and made available to employees of the Group via Intranet. All employees are required to sign and adhere to the Confidentiality Agreements and Declaration of Non-Conflict of Interest upon their appointment. The Declaration of Non-Conflict of Interest is also required on an annual basis. The Code of Conduct sets out principles to guide the employees in carrying out their duties and responsibilities and covers areas as per the diagram below:

CODE OF CONDUCT

- Professional Conduct
- Disciplinary Action
- Attendance/Punctuality
- Code of Ethics
- Alchohol and Drug Abuse
- Appearance
- Sexual Harrassment

As part of awareness and reminder to the employees, the Code of Conduct information have also been published by internal communication channel, TIME LOOP.

(v) **Policy/Guideline and Procedure for Selection & Recruitment, Termination/Resignation, Performance Appraisal, Learning and Development** are in place to ensure that the desired standard of human resource practices are met in achieving the Group's business objectives. Selection and recruitment are based on both the business requirements and the individual's competency and behavioural assessment while the policy/guideline and procedure on termination/resignation process is developed in consideration of the Company's business requirements and the applicable Malaysian employment laws. A web-based performance management system is in place to manage and facilitate performance monitoring and evaluation at Company, Divisional and Individual level. People capability assessment encompassing managerial, technical, functional and behavioral areas are being conducted on annual basis.

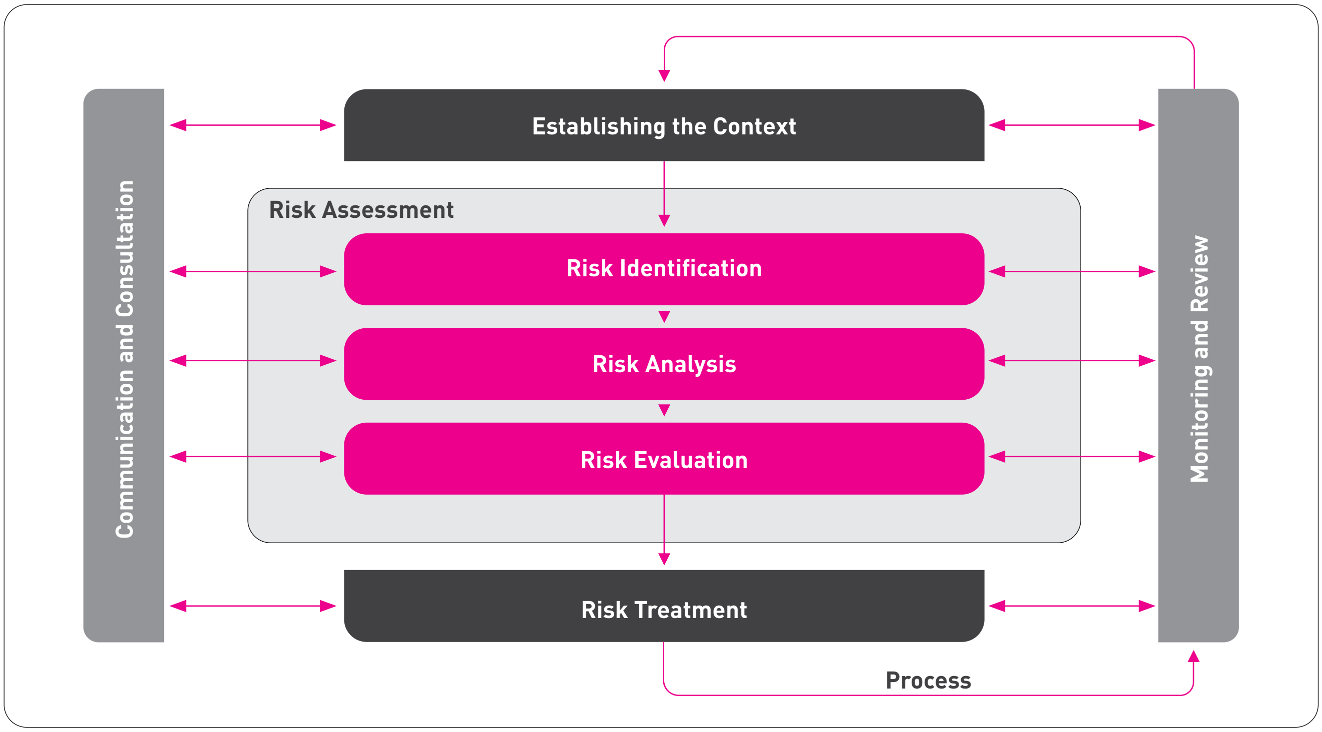
(vi) **Supplier Conduct Principles** have been established which outlines the standard for ethical and business conduct expected from contractors and suppliers in their relationship with the Group. These principles are incorporated in vendor code of conduct documents.

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(b) Risk Assessment

(i) **The Risk Management Framework** outlined in the **Risk Management Procedure Manual** has been adopted to guide the Risk Management Secretariat and the organization to identify, analyse and evaluate strategic, business, operational and related risks. The Risk Management Secretariat monitors implementation and updates of action plans, and reports to the Risk Management Steering Committee ("RMSC") and the Audit Committee ("AC") on a quarterly basis.

The overall Risk Management Framework of the Group is provided in the diagram below:



The Group faces various risks and uncertainties, however the Risk Management Secretariat aims to mitigate and manage the exposures through identified risk treatment plans and measures. A summary of the key risks faced by the Group are listed in Appendix 1 of this statement.

(ii) **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, the business operating units, departments and divisions are responsible for compliance with risk policies and guidelines. During the financial year, the RMSC reviewed the enterprise risk profiles and management's action plan on risk areas.

(iii) **The Risk Management Secretariat** reports to the RMSC to assist it in the undertaking of its functions. The Risk Management Secretariat works with risk owners across business divisions to facilitate implementation and monitoring of risk treatment plans. Key risks and its status are identified and reported to the Board on a quarterly basis.

Directors' Statement on Risk Management and Internal Control

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(c) Control Activities

(i) **Operational and Accounting Manuals** are in place to provide guidelines and standard operating procedures over the Group's key business processes. In addition, TIME's Credit Management, Payable & Fixed Asset Management, and Treasury Management has been ISO 9001:2015 certified. These departments were independently certified by SIRIM QAS International for various relevant periods from 2019 until 2021.

(ii) **The Whistleblowing Policy** outlines the Group's commitment to encourage employees to disclose any malpractice or misconduct of which they become aware and to provide protection for employees who report such allegations. The policy provides the framework and procedures by which directors, staff, contractors and consultants can anonymously voice concerns or complaints.

(iii) **Business Continuity Management (BCM) Framework** has been established in 2011 as a guide to develop and maintain the Group's BCM programme based on management's evaluation of the requirements/definitions/guidelines in reference to Malaysia/International standards i.e. ISO22301. The implementation of Group's BCM programme will facilitate the following:

- To respond to business disruptions, resume critical operations from major failures or disasters; and
- To minimise the impact to the Group's business operations in the event of disasters.

(iv) **Financial and Operational Information** is prepared and presented to the Board on a quarterly basis. Annual budgets and business plans are prepared by all business units and consolidated for the Board's review and approval. Operating results are monitored against budget on a monthly basis and presented to the Board at least on a quarterly 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.

(v) **Board Meetings** are scheduled at least quarterly. 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 to facilitate appropriate oversight and responsibility on the direction of the Group by the Board.

(vi) **Management** is accountable to the Board and responsible for implementing the processes of identifying, evaluating, monitoring and reporting of risks and the effectiveness of internal control systems, taking appropriate and timely corrective actions as required.

(d) Monitoring

(i) **Internal Audit Function** reports to the Audit Committee at least quarterly and is guided by the Audit Charter. Findings and recommendations for improvements are communicated to the Senior Management and the Audit Committee with relevant 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 Securities Listing Requirements on related party transactions on a biennial basis.

(ii) **Fraud Monitoring and Credit Management** functions are in place to ensure that subscriber usage patterns are continuously monitored, appropriate actions taken for suspected fraud and credit management procedures are adhered to.

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(d) Monitoring (cont'd)

(iii) **Regulatory Affairs Department** coordinates the requirements for compliance as outlined through relevant telecommunications laws, its supporting regulations and guidelines as well as requirements as stated in license conditions.

Regulatory Affairs also participate in industry forums and consultation and industry development activities conducted by the regulatory agencies.

(iv) **Revenue Assurance** function monitors potential revenue leakages that may arise from daily operations. 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 periodic management meetings.

REVIEW OF THIS STATEMENT

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report, in line with the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"), and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board had received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively.

For the financial year under review and up to the date of this report, the Board is satisfied with the Group's system of risk management and internal control and will continue to review the adequacy and integrity of the Group's internal control. The SORMIC has not dealt with or included the state of risk management and internal control of the associates. There are no material losses, contingencies or uncertainties that have arisen from any inadequacy or failure of the Group's system of risk management and internal control that would require separate disclosure in the Group's Annual Report.

Directors' Statement on Risk Management and Internal Control

APPENDIX 1 – KEY RISKS FACED BY THE GROUP

1. Operational Risk

With the increasing competition in the Telecommunications industry, customers' expectations have increased tenfold. However, TIME continues to strive for improvement to meet committed Service Level Guarantee (SLGs) and exceed customers' expectations.

Even with all proper controls in place, risks of network failure and disruption will always remain. To mitigate these risks, continuous initiatives and various projects were implemented to provide stronger network and operations resiliency. Investments towards improving its infrastructure were continuously made to meet TIME's increasing customer base. Operational process and procedures were continuously improved emphasizing the need to provide exceptional customer support and service improvement.

Business Continuity Management (BCM) strategies were also embedded to ensure quick response and action in any undesirable event.

2. Technology Risk

Keeping competitive in the market is vital to TIME's success in the industry. Failure in keeping up with current technology in its Network and IT infrastructure may lead to TIME incapable to compete and meet customer demand efficiently and effectively.

As a growing company with vast infrastructure and tenure internally and external to TIME, it is TIME's responsibility to ensure infrastructures are managed and monitored closely to avoid business interruptions and services outage. Hence, TIME ensures sufficient maintenance and support towards its infrastructure, as well as having a dedicated team to monitor new technologies that can support to improve TIME's operations. Significant investments were made to mitigate technology risk, and ensure that business and operations are being run and supported by the latest technology.

3. Cyber-threat Risk

Cyber-attacks, data theft and information leakage maintains as a constant threat throughout the industry. Weakness in controls over these areas may result in operation disruption and financial losses. Data and information theft may impact the company's reputation, losing customer base with legal consequences. TIME has taken steps to ensure that the company is well protected from such threats and vulnerabilities. IT and Network securities and parameters are being reviewed and enhanced continuously and consistently to meet industry standard.

TIME adopts information confidentiality policies and procedures to further mitigate the risk and exposure towards the cyber security risks. TIME is also certified in Information Security Management Systems (ISO/IEC 27001).

4. External Risk

In today's borderless world, developments in other countries may have an adverse impact to our day-to-day operations. As such, it is imperative for TIME to be aware of any development and happenings around the world that may directly and/or indirectly impact the company and its key partners. This allows us to be more prepared in leveraging on any opportunities or in mitigating any potential risks that may impact our business.

Group Financial Highlights

	2016	2017	2018	2019	2020
Revenue (RM'000)	766,940	860,696	983,435	1,113,873	**1,223,169**
Revenue Growth (%)	12	12	14	13	**10**
EBITDA (RM'000)	292,563	297,191	427,436	479,797	**567,059**
Operating Profit (RM'000)	199,102	183,091	302,441	330,302	**415,182**
Profit After Tax (RM'000)[1]	249,928	175,362	288,670	314,036	**326,904**
Return on Equity (%)[1]	11	8	11	11	**11**
Basic Earnings per Ordinary Share (sen)[1]	43.33	30.25	49.56	53.73	**54.82**
Financial Position					
Total Shareholders' Equity (RM'000)	2,182,893	2,266,024	2,519,715	2,766,857	**3,050,292**
Total Assets (RM'000)	2,747,300	3,078,050	3,177,651	3,520,734	**3,900,583**
Net Tangible Assets per Share (RM)	3.40	3.53	3.95	4.36	**4.69**
Return on Assets (%)[1]	9	6	9	9	**8**

Notes:

Figures for FY2018 onwards are shown post-MFRS15. Figures for FY2019 onwards are shown post-MFRS16.

[1] For comparison purposes, excludes realisation of fair value gain reclassified from available-for-sale reserve to profit or loss due to full disposal of shares in DiGi.Com Berhad on 20 May 2016 of RM157,390,000.

Group Financial Highlights

Revenue
(RM'000)

2016	766,940
2017	860,696
2018	983,435
2019	1,113,873
2020	**1,223,169**

Revenue Growth
(%)

2016	12
2017	12
2018	14
2019	13
2020	**10**

Operating Profit
(RM'000)

2016	199,102
2017	183,091
2018	302,441
2019	330,302
2020	**415,182**

Profit After Tax
(RM'000)

2016	249,928
2017	175,362
2018	288,670
2019	314,036
2020	**326,904**

Return on Equity
(%)

2016	11
2017	8
2018	11
2019	11
2020	**11**

Basic Earnings per Ordinary Share
(Sen)

2016	43.33
2017	30.25
2018	49.56
2019	53.73
2020	**54.82**

Total Shareholders' Equity
(RM'000)

2016	2,182,893
2017	2,266,024
2018	2,519,715
2019	2,766,857
2020	**3,050,292**

Total Assets
(RM'000)

2016	2,747,300
2017	3,078,050
2018	3,177,651
2019	3,520,734
2020	**3,900,583**

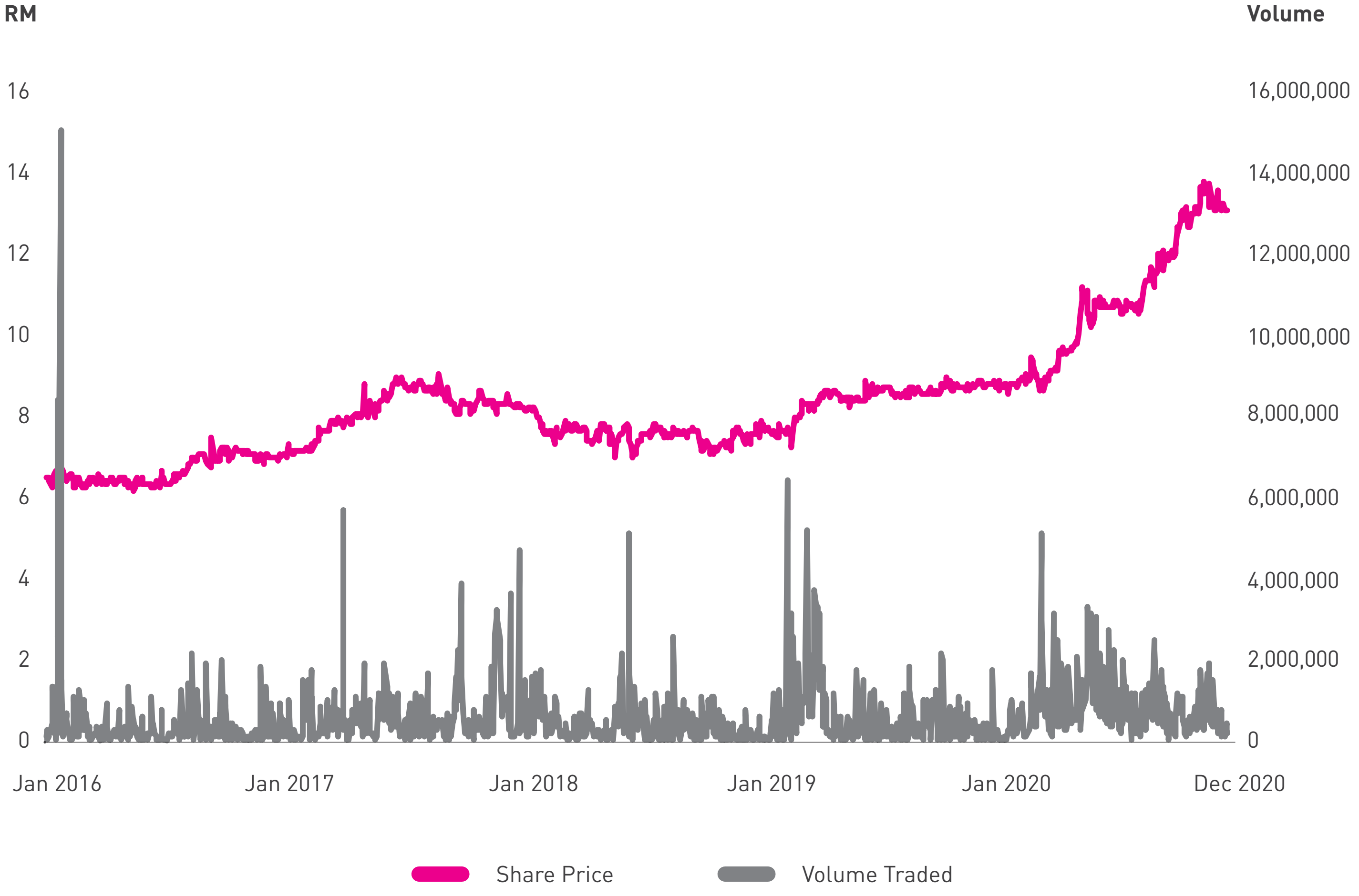
Return on Assets
(%)

2016	9
2017	6
2018	9
2019	9
2020	**8**

Notes:
Figures for FY2018 onwards are shown post-MFRS15. Figures for FY2019 onwards are shown post-MFRS16.

5-Year Share Price Movement

as at 31 December 2020



Source: Bloomberg

Financial Statements

Directors' Report

for the year ended 31 December 2020

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for FY2020.

Principal activities

The Company is principally engaged in investment holding, provision of management and marketing/promotional services whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(Loss) for the year attributable to:		
Owners of the Company	328,047	241,796
Non-controlling interests	(1,143)	-
	326,904	241,796

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid an ordinary interim and a special interim tax exempt (single tier) dividend of 9.95 sen and 19.08 sen per ordinary share, respectively, on 31 March 2020 totaling to RM169,982,000.

The Directors declared on 26 February 2021, an ordinary interim and a special interim tax exempt (single tier) dividend of 12.50 sen and 20.60 sen per ordinary share, respectively, for FY2020, which will be paid on 30 March 2021.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Abdul Kadir Md. Kassim (Chairman)
Afzal Abdul Rahim (Chief Executive Officer)
Patrick Corso (Executive Director)
Lee Guan Hong (Executive Director)
Ronnie Kok Lai Huat
Elakumari Kantilal
Hong Kean Yong
Mark Guy Dioguardi
Koh Cha-Ly (Appointed on 28 February 2020)

The names of the Directors of subsidiaries are set out in the respective subsidiaries' statutory financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

Directors' Report
for the year ended 31 December 2020

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial 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			
	At 1.1.2020	**Acquired/ Vested**	**Sold**	**At 31.12.2020**
Deemed interest in the Company:				
Afzal Abdul Rahim - own*	178,608,690	-	-	178,608,690
Patrick Corso - own*	178,608,690	-	-	178,608,690
Interest in the Company:				
Afzal Abdul Rahim - own	-	17,215,907	(11,000,000)	6,215,907
Patrick Corso - own	371,800	-	(150,000)	221,800
Lee Guan Hong - own	921,383	247,619	(150,000)	1,019,002
Ronnie Kok Lai Huat - own	5,000	-	-	5,000

	Number of share options over ordinary shares			
	At 1.1.2020	**Granted**	**Exercised**	**At 31.12.2020**
Interest in the Company:				
Afzal Abdul Rahim - own	17,215,907	-	(17,215,907)	-
Patrick Corso - own	3,300,000	-	-	3,300,000

* Deemed interested by virtue of their interests held through Pulau Kapas Ventures Sdn Bhd, Global Transit International Sdn Bhd and Megawisra Sdn Bhd via their shareholdings in Megawisra Investments Limited pursuant to Section 8 of the Companies Act 2016.

By virtue of Afzal Abdul Rahim and Patrick Corso's interest in the shares of the Company, they are 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 2020 had any interest in the 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 those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of 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 have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business and professional legal fees paid to the firms in which the Directors are the members as disclosed in Note 29 to the financial statements.

Directors' benefits (cont'd)

There were no arrangements during and at the end of the financial year, to which the Company is a party and 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 from the grant of a share option to Afzal Abdul Rahim, the Chief Executive Officer ("CEO") of the Company and Patrick Corso, an Executive Director of the Company, and the Company's share grant plan in which only Lee Guan Hong, an Executive Director of the Company is eligible to participate.

Issue of shares and debentures

During the financial year, the issued and paid-up capital of the Company was increased from 585,534,587 ordinary shares to 604,261,833 ordinary shares by the issuance of 17,215,907 and 1,511,339 new ordinary shares pursuant to the Company's share option and share grant plan, respectively. The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

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

Options and grants over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the granting of share options to the CEO and an Executive Director of the Company and the share grant plan to employees.

Share options to the Chief Executive Officer ("CEO") and an Executive Director

At an Extraordinary General Meeting held on 20 May 2015, the Company's shareholders approved the granting of a share option to Afzal Abdul Rahim, the CEO and Non-Independent, Executive Director of the Company to subscribe for up to 17,215,907 new ordinary shares in the Company.

The salient terms of the share option granted are as follows:

a) The option period commenced on 21 July 2015 and will end on the earlier of the day prior to the fifth anniversary of the date of the Share Option Agreement or the date on which the CEO ceases to hold any executive position within the Group by reason of his voluntary resignation becoming effective or the lawful termination of his employment with just cause or excuse. The option shall automatically lapse and become null and void upon expiry of the option period.

b) The aggregate number of shares to be issued shall not be more than 17,215,907 new ordinary shares.

c) The option price of RM5.99 per share was determined based on a discount of 9.9% to the five days volume weighted average market price of the Company shares immediately preceding the date on which the option was granted by the Company to the CEO. The option price per share was subsequently adjusted to RM5.66 per share with no change made to the number of option shares granted pursuant to special dividends paid by the Company on 30 September 2016, 31 March 2017, 28 March 2018 and 29 March 2019. In the current financial year, the option price was again adjusted to RM5.575 per share with no change made to the number of option shares granted pursuant to a special dividend paid by the Company on 31 March 2020.

d) The option may be exercised by the CEO at any time and from time to time during the option period up to a maximum of 20% of the total option shares per annual period of the option period. Any portion of the option which is unexercised can be carried forward to the next period without reducing the maximum exercisable portion in the next period.

Directors' Report
for the year ended 31 December 2020

Share options to the Chief Executive Officer ("CEO") and an Executive Director (cont'd)

e) In the event of any alteration in the capital structure of the Company during the option period, whether by way of capitalisation of profits or reserves, right issues, bonus issues, capital reduction (save for set-off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, unless otherwise provided in the Share Option Agreement, such corresponding alterations (if any) may be made to the Proposed Grant in terms of the option exercise price and/or the number of option shares which have not yet been exercised so as to give the CEO a fair and reasonable entitlement in respect of the option shares, as shall be certified by an external auditor or an investment bank.

f) During the financial year, a total of 17,215,907 share options were fully exercised in two tranches. The first on 8 April 2020 for 11,000,000 new ordinary shares and the balance for 6,215,907 new ordinary shares on 16 April 2020. Both tranches were completed at the adjusted exercise price of RM5.575 per share. The holding company received proceeds totaling RM95,978,682 as a result of the said exercise of share options.

On 14 June 2019, the Company's shareholders approved the granting of a share option to Patrick Corso, a Non-Independent, Executive Director of the Company to subscribe for up to 3,300,000 new ordinary shares in the Company.

a) The option period commenced on 20 June 2019 and will end on the earlier of the day prior to the fifth anniversary of the date of the Share Option Agreement or the date on which the Executive Director ceases to hold any executive position within the Group by reason of his voluntary resignation becoming effective or the lawful termination of his employment with just cause or excuse. The option shall automatically lapse and become null and void upon expiry of the option period.

b) The aggregate number of shares to be issued shall not be more than 3,300,000 new ordinary shares.

c) The option price of RM7.95 per share was determined based on a discount of 10% to the five days volume weighted average market price of the Company shares immediately preceding the date on which the option was granted by the Company to the Executive Director. In the current financial year, the option price per share was adjusted to RM7.835 per share with no change made to the number of option shares granted pursuant to a special dividend paid by the Company on 31 March 2020.

d) The option may be exercised by the Executive Director at any time and from time to time during the option period up to a maximum of 20% of the total option shares per annual period of the option period. Any portion of the option which is unexercised can be carried forward to the next period without reducing the maximum exercisable portion in the next period.

e) In the event of any alteration in the capital structure of the Company during the option period, whether by way of capitalisation of profits or reserves, right issues, bonus issues, capital reduction (save for set-off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, unless otherwise provided in the Share Option Agreement, such corresponding alterations (if any) may be made to the Proposed Grant in terms of the option exercise price and/or the number of option shares which have not yet been exercised so as to give the Executive Director a fair and reasonable entitlement in respect of the option shares, as shall be certified by an external auditor or an investment bank.

Share grant plan to employees

At an Extraordinary General Meeting held on 28 June 2012, the Company's shareholders approved the establishment of the Share Grant Plan ("SGP"), which collectively comprises the Special Restricted Share Plan ("SRSP") and Annual Restricted Share Plan and Annual Performance Share Plan ("ARPSP"). The SRSP was granted and fully vested on 30 November 2012.

The salient features of the share grant plan are, inter alia, as follows:

a) The Scheme Committee (appointed by the Board of Directors to administer the SGP) may, in its discretion and where necessary, direct the implementation and administration of the plan. The Committee may at any time within the duration of the plan, offer ARPSP awards under the SGP to eligible employees in which such offer shall lapse should the eligible employees or Executive Director of the Group fail to accept within the period stipulated. Non-Executive and Independent Directors and the CEO are not eligible for the SGP.

b) The total number of shares to be issued under the SGP shall not exceed in aggregation 10% of the issued and paid-up capital of the Company (excluding treasury shares) at any point of time during the tenure of SGP period to eligible employees of the Group.

c) All new ordinary shares issued pursuant to the SGP will rank pari passu in all respect with the then existing ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any rights, dividends or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission or otherwise.

d) The shares granted will only be vested to the eligible employees of the Group who have duly accepted the offer of awards under the SGP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:

   - Eligible employees of the Group must remain in employment with the Group and shall not have given notice of resignation or received notice of termination of service as at the vesting dates.

   - Eligible employees of the Group having achieved his/her performance targets as stipulated by the Committee and as set out in their offer of awards.

   - Eligible employees of the Group having achieved his/her minimum grading in his/her individual performance in accordance with the performance management system adopted by the Company.

e) The SGP shall be in force for a period of eight years or such longer period as may be extended but not exceeding ten years from the adoption date of the SGP.

f) On 20 July 2020, the Company's Board of Directors approved the extension of the SGP for a further two years from 2 November 2020 to 1 November 2022, pursuant to Clause 14.3 of the By-Laws of the ARPSP vide a resolution of the Board of Directors.

Directors' Report
for the year ended 31 December 2020

Indemnity and insurance costs

During the financial year, the Company maintained a corporate liability insurance for the Directors and Officers of the Group, which provides appropriate insurance cover for the Directors and Officers of the Group. The amount of insurance premium paid by the Company for the financial year 2020 was RM38,965 (2019: RM37,110).

There were no indemnity and insurance costs effected for auditors of the Company.

Other statutory information

Before the financial statements 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 that adequate provision has 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 provision 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 12 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 FY2020 has 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 details of such events are disclosed in Note 32 to the financial statements.

Subsequent events

The details of such events are disclosed in Note 33 to the financial statements.

Auditors

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

The auditors' remuneration is disclosed in Note 21 to the financial statements.

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

Afzal Abdul Rahim
Director

Patrick Corso
Director

Date: 26 February 2021

Statements of Financial Position

as at 31 December 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Assets					
Property, plant and equipment	3	1,689,670	1,586,926	8,113	8,115
Right-of-use assets	4	154,568	110,194	-	-
Intangible assets	5	213,959	213,959	-	-
Investments in subsidiaries	6	-	-	451,633	444,668
Investments in associates	7	441,360	433,295	-	-
Other investments	8	31,271	26,582	2,000	-
Deferred tax assets	9	165,310	243,986	5,916	7,586
Trade and other receivables	10	2,112	2,443	74,390	81,540
Total non-current assets		2,698,250	2,617,385	542,052	541,909
Tax recoverable		812	921	-	-
Trade and other receivables	10	452,393	395,308	1,021,923	959,095
Restricted cash	11	332	166	34	33
Cash and cash equivalents	11	748,796	506,954	110,925	31,866
Total current assets		1,202,333	903,349	1,132,882	990,994
Total assets		3,900,583	3,520,734	1,674,934	1,532,903
Equity					
Share capital	12	1,340,475	1,200,135	1,340,475	1,200,135
Reserves	13	1,704,450	1,566,722	326,895	273,021
Equity attributable to owners of the Company		3,044,925	2,766,857	1,667,370	1,473,156
Non-controlling interests		5,367	-	-	-
Total equity		3,050,292	2,766,857	1,667,370	1,473,156
Liabilities					
Loans and borrowings	14	28,675	43,402	-	-
Lease liabilities	15	118,373	86,111	-	-
Trade and other payables	16	301,616	214,017	-	-
Deferred tax liabilities	9	15,171	13,872	-	-
Total non-current liabilities		463,835	357,402	-	-
Loans and borrowings	14	18,122	69,948	4,166	55,791
Lease liabilities	15	18,851	14,229	-	-
Trade and other payables	16	344,335	308,486	3,087	3,800
Provision for tax		5,148	3,812	311	156
Total current liabilities		386,456	396,475	7,564	59,747
Total liabilities		850,291	753,877	7,564	59,747
Total equity and liabilities		3,900,583	3,520,734	1,674,934	1,532,903

The notes on pages 89 to 159 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	17	1,223,169	1,113,873	266,089	188,413
Cost of sales	18	(490,614)	(461,640)	-	-
Gross profit		732,555	652,233	266,089	188,413
Other income		578	515	11	2,331
Operating expenses		(284,603)	(283,277)	(22,206)	(20,265)
Net loss on impairment of financial instruments and contract assets	21	(15,276)	(14,700)	-	-
Other expenses		(18,072)	(24,469)	(4,187)	-
Results from operating activities		415,182	330,302	239,707	170,479
Income from investments	19	11,396	9,645	5,601	4,409
Finance costs	20	(21,520)	(26,541)	(513)	(785)
Share of profit from associates, net of tax		18,040	14,722	-	-
Profit before tax	21	423,098	328,128	244,795	174,103
Tax expense	22	(96,194)	(14,092)	(2,999)	(956)
Profit for the year		326,904	314,036	241,796	173,147
Profit attributable to:					
Owners of the Company		328,047	314,036	241,796	173,147
Non-controlling interests		(1,143)	-	-	-
Profit for the year		326,904	314,036	241,796	173,147

Statements of Profit or Loss and Other Comprehensive Income (Cont'd)
for the year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Other comprehensive (loss)/ income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(4,330)	15,527	-	-
Cash flow hedge – associate		(765)	-	-	-
		(5,095)	15,527	-	-
Items that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")	13.1	2,106	8,610	-	-
Actuarial gain on long-term employee benefits, net of tax - associate		585	-	-	-
		2,691	8,610	-	-
Other comprehensive (loss)/income for the year, net of tax		(2,404)	24,137	-	-
Total comprehensive income for the year		324,500	338,173	241,796	173,147
Total comprehensive income attributable to:					
Owners of the Company		325,643	338,173	241,796	173,147
Non-controlling interests		(1,143)	-	-	-
Total comprehensive income for the year		324,500	338,173	241,796	173,147
Earnings per ordinary share (sen)	23				
- Basic		54.82	53.73		
- Diluted		54.73	53.14		

The notes on pages 89 to 159 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2020

Group	Non-distributable Share capital RM'000	FVOCI reserve RM'000	Foreign currency translation reserve RM'000	Share grant/option reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2019	1,186,659	2,415	24,751	27,247	1,278,643	2,519,715
Net changes in fair value on equity investment designated at FVOCI	-	8,610	-	-	-	8,610
Exchange differences recognised directly in equity	-	-	15,527	-	-	15,527
Total other comprehensive income for the year	-	8,610	15,527	-	-	24,137
Profit for the year	-	-	-	-	314,036	314,036
Total comprehensive income for the year	-	8,610	15,527	-	314,036	338,173
Contributions by and distributions to owners of the Company						
- Dividend to owners of the Company (Note 24)	-	-	-	-	(120,009)	(120,009)
- Employee share grant plan/option scheme	-	-	-	28,978	-	28,978
- Issuance of shares pursuant to the share grant plan	13,476	-	-	(13,476)	-	-
Total transactions with owners of the Company	13,476	-	-	15,502	(120,009)	(91,031)
At 31 December 2019	1,200,135	11,025	40,278	42,749	1,472,670	2,766,857

The notes on pages 89 to 159 are an integral part of these financial statements.

Statements of Changes in Equity (Cont'd)
for the year ended 31 December 2020

Group	Share capital RM'000	FVOCI reserve RM'000	Foreign currency translation reserve RM'000	Share grant/ option reserves RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	← Attributable to owners of the Company →								
	← Non-distributable →					Distributable			
At 1 January 2020	1,200,135	11,025	40,278	42,749	-	1,472,670	2,766,857	-	2,766,857
Net changes in fair value on equity investment designated at FVOCI	-	2,106	-	-	-	-	2,106	-	2,106
Exchange differences recognised directly in equity	-	-	(4,330)	-	-	-	(4,330)	-	(4,330)
Cash flow hedge - associate	-	-	-	-	(765)	-	(765)	-	(765)
Actuarial gain on long-term employee benefits, net of tax - associate	-	-	-	-	-	585	585	-	585
Total other comprehensive income for the year	-	2,106	(4,330)	-	(765)	585	(2,404)	-	(2,404)
Profit for the year	-	-	-	-	-	328,047	328,047	(1,143)	326,904
Total comprehensive income for the year	-	2,106	(4,330)	-	(765)	328,632	325,643	(1,143)	324,500

The notes on pages 89 to 159 are an integral part of these financial statements.

Statements of Changes in Equity (Cont'd)

for the year ended 31 December 2020

	Attributable to owners of the Company								
	Non-distributable					Distributable			
Group	Share capital RM'000	FVOCI reserve RM'000	Foreign currency translation reserve RM'000	Share grant/ option reserves RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Contributions by and distributions to owners of the Company									
- Dividend to owners of the Company (Note 24)	-	-	-	-	-	(169,982)	(169,982)	-	(169,982)
- Employee share grant plan/option scheme	-	-	-	26,421	-	-	26,421	-	26,421
- Issuance of shares pursuant to the share grant plan/option scheme	140,340	-	-	(44,361)	-	-	95,979	-	95,979
- Subscription of shares in a subsidiary by an associate (Note 32)	-	-	-	-	-	-	-	2,920	2,920
- Disposal of investment in a subsidiary to an associate (Note 32)	-	-	-	-	-	7	7	3,590	3,597
Total transactions with owners of the Company	140,340	-	-	(17,940)	-	(169,975)	(47,575)	6,510	(41,065)
At 31 December 2020	1,340,475	13,131	35,948	24,809	(765)	1,631,327	3,044,925	5,367	3,050,292

The notes on pages 89 to 159 are an integral part of these financial statements.

Statements of Changes in Equity (Cont'd)
for the year ended 31 December 2020

Company	← Non-distributable → Share capital RM'000	Share grant/ option reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2019	1,186,659	27,247	177,134	1,391,040
Contributions by and distributions to owners of the Company				
- Dividend to owners of the Company (Note 24)	-	-	(120,009)	(120,009)
- Employee share grant plan/option scheme	-	28,978	-	28,978
- Issuance of shares pursuant to the share grant plan	13,476	(13,476)	-	-
Total transactions with owners of the Company	13,476	15,502	(120,009)	(91,031)
Profit for the year	-	-	173,147	173,147
At 31 December 2019/1 January 2020	1,200,135	42,749	230,272	1,473,156
Contributions by and distributions to owners of the Company				
- Dividend to owners of the Company (Note 24)	-	-	(169,982)	(169,982)
- Employee share grant plan/option scheme	-	26,421	-	26,421
- Issuance of shares pursuant to the share grant plan/option scheme	140,340	(44,361)	-	95,979
Total transactions with owners of the Company	140,340	(17,940)	(169,982)	(47,582)
Profit for the year	-	-	241,796	241,796
At 31 December 2020	1,340,475	24,809	302,086	1,667,370

The notes on pages 89 to 159 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from operating activities					
Cash receipts from customers		1,340,905	1,247,107	-	-
Transfer (to)/from restricted cash		(166)	7,899	(1)	(1)
Cash payments to suppliers		(360,751)	(346,656)	(121)	(64)
Cash payments to employees and for administrative expenses		(295,144)	(266,027)	(11,350)	(14,149)
Cash receipts from subsidiary companies		-	-	34,905	2,007
Payment of lease liabilities		(28,837)	(23,891)	-	-
Cash generated from/(used in) operations		656,007	618,432	23,433	(12,207)
Tax refund		-	2,066	-	209
Tax paid		(14,774)	(10,263)	(1,174)	(1,062)
Net cash from/(used in) operating activities		641,233	610,235	22,259	(13,060)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(282,609)	(318,356)	-	-
Proceeds from disposal of property, plant and equipment		197	1,916	-	-
Investment in a subsidiary		-	-	(6,965)	(19)
Proceeds from disposal of interest in a subsidiary to an associate		3,597	-	-	-
Acquisition of other investments		(2,583)	(771)	(2,000)	-
Investment income received		17,250	15,490	168,947	93,098
Net cash (used in)/from investing activities		(264,148)	(301,721)	159,982	93,079

Statements of Cash Flows (Cont'd)
for the year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from financing activities					
Advances to subsidiary companies		-	-	24,857	(85,655)
Proceeds from term loans and other borrowings		16,678	103,266	16,678	74,174
Repayment of term loans and borrowings		(84,005)	(163,682)	(69,335)	(18,430)
Finance charges paid		(4,154)	(7,849)	(1,025)	-
Proceeds from issuance of additional shares		95,979	-	95,979	-
Proceeds from subscription of shares in a subsidiary by an associate		2,920	-	-	-
Shareholder loan from associate		11,129	-	-	-
Dividend paid	24	(169,982)	(120,009)	(169,982)	(120,009)
Cash flows used in financing activities		(131,435)	(188,274)	(102,828)	(149,920)
Net increase/(decrease) in cash and cash equivalents		245,650	120,240	79,413	(69,901)
Effect of exchange rate fluctuations on cash held		(3,808)	(2,685)	(354)	(109)
Cash and cash equivalents at 1 January		506,954	389,399	31,866	101,876
Cash and cash equivalents at 31 December	11	748,796	506,954	110,925	31,866

Cash outflows for leases as a lessee

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Included in net cash from operating activities:					
Interest paid in relation to lease liabilities	20	(5,792)	(6,200)	-	-
Payment of lease liabilities		(23,045)	(17,691)	-	-
Total cash outflows for leases		(28,837)	(23,891)	-	-

(i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM261,488,000 (2019: RM267,072,000) and paid RM282,609,000 (2019: RM318,356,000) to suppliers for property, plant and equipment that was either acquired in the prior financial years or in the current financial year.

Notes to the 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 of the Company as at and for FY2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates.

The Company is principally engaged in investment holding, provision of management and marketing/promotional services whilst the principal activities of the subsidiaries are as stated in Note 6. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 26 February 2021.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020
- Amendment to MFRS 16, *Leases – COVID-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023
- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

Notes to the Financial Statements (Cont'd)

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2021, 1 January 2022 and 1 January 2023 for those amendments that are effective for annual periods beginning on or after 1 June 2020, 1 January 2021, 1 January 2022 and 1 January 2023.

The Group and the Company do not plan to apply MFRS 141, *Agriculture* that is effective for annual periods beginning on or after 1 January 2022 as it is not applicable to the Group and the Company.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements 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 in conformity with MFRSs 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.

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 amount recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – Incremental borrowing rate in relation to leases
- Note 5 – Determination of recoverable amount for goodwill assessment
- Note 7 – Impairment assessment on investments in associates
- Note 9 – Recognition of deferred tax assets

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(vi) Joint arrangements (cont'd)

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) 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.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, 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.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial 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 asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured 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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(j)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(j)(i)).

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognises the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) 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 issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(v) Hedge accounting (cont'd)

(a) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(vi) 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 are transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in 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, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

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

The telecommunications network is acquired or constructed under the telecommunications license (which was granted by the Ministry of Communications and Multimedia Malaysia). 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 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 includes 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 including development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group 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.

The 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 is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

(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 component of an item of property, plant and equipment from the date that they are available for use. Leasehold land is depreciated over the shorter of the term of the associated lease or 50 years, being the estimated useful life, 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	5-7 years
• office equipment, furniture and fittings	5-7 years
• loose tools	5 years
• computer systems	5 years
• motor vehicles	5 years
• data centre equipment (excluding project management equipment)	5-15 years
• telecommunications network - commissioned network (excluding global bandwidth assets)	3-20 years

Global bandwidth assets, which form part of the Group's telecommunications network are charged to profit or loss over the duration of their respective underlying contracts. For sale of global bandwidth assets that also include the sale of future capacity upgrade entitlements, the proportionate value of the asset's net book value provided shall be taken to profit or loss. Project management equipment, which form part of the Group's data centre equipment are depreciated over the shorter of the duration of their respective underlying contract or its useful lives.

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

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

(i) Definition of a lease (cont'd)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

(b) As a lessor (cont'd)

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see Note 2(j)(i)).

2. Significant accounting policies (cont'd)

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

(ii) Amortisation

Goodwill with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(g) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to considerations is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(j)). Contract asset is included in accrued revenue which is presented within "Trade and other receivables" of the statement of financial position.

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers. Contract liability is included in unearned revenue which is presented within "Trade and other payables" of the statement of financial position.

(h) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Cost to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment recognised previously.

(i) 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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(j) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables by assessing the risk of loss of each customer individually or by using a provision matrix with reference to historical credit loss experience, whichever applicable.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax assets) 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 goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

2. Significant accounting policies (cont'd)

(j) Impairment (cont'd)

(ii) Other assets (cont'd)

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 cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purpose. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the group of 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 of disposal. 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 cash-generating units (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating 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 financial year in which the reversals are recognised.

(k) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Distribution of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend payable is remeasured at each reporting period and at settlement date, with any changes to the carrying amount of the dividend payable recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the differences, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(l) 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.

(ii) State plans

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

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share grant and share option granted to the Chief Executive Officer ("CEO") are measured using the Monte Carlo simulation model and Black-Scholes model, respectively. Measurement inputs for share grant include share price on measurement date and expected dividends. For employee share grants issued out of new stock, the share price is further adjusted for effects of dilution. Measurement inputs for the share option to the CEO include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), expected dividend, and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the share option is exercised. When the share option is not exercised and lapses, the share-based payment reserves are transferred to retained earnings.

In the financial statements of the Company, the grant by the Company of shares to eligible employees of subsidiaries of the Group is subsequently charged to the subsidiaries and the Company recognises a reduction in its employee expense.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

2. Significant accounting policies (cont'd)

(m) 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 current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

(n) 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 not recognised in the statements of financial position and 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.

(o) Revenue and other income

(i) Revenue

Revenue of the Group consists of voice, data (including global bandwidth), data centre and others such as charges received on installation of equipment. Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties.

The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has enforceable right to payment for performance completed to date.

The significant payment terms ranges from 30 days to 90 days.

Variable consideration such as discounts and rebates given to customers is recognised based on the contractual right to bill. Upfront collection is discounted at market borrowing rate and amortised over the contract period with financing cost recognised in profit or loss. Assurance warranty are given to customers for critical infrastructure.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (cont'd)

(o) Revenue and other income (cont'd)

(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 sub-leased property is recognised as other income.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(p) 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, borrowing costs are 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.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or 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 financial 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 or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on 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 legally 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 assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

2. Significant accounting policies (cont'd)

(q) Income tax (cont'd)

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share 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, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share based payments to employees, where applicable.

(s) 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. Operating segment 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.

(t) Fair value measurement

The fair value of an asset or liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements (Cont'd)

3. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Cost										
At 1 January 2019	50,339	7,475	45,104	6,256	12,301	100,585	5,972	184,292	2,487,347	2,899,671
Additions	50,000	-	48,284	229	19	12,163	207	19,577	136,593	267,072
Disposals	-	-	-	-	-	-	-	-	(1,801)	(1,801)
Write offs	-	-	-	-	-	(481)	-	(961)	(37,929)	(39,371)
Reversal of costs over-accrued in prior year	-	-	-	-	-	-	-	-	(7,481)	(7,481)
Effect of movements in exchange rates	-	-	-	-	-	(1)	-	-	(5,632)	(5,633)
At 31 December 2019/ 1 January 2020	100,339	7,475	93,388	6,485	12,320	112,266	6,179	202,908	2,571,097	3,112,457
Additions	2,130	-	7,826	348	2	10,572	683	97,981	141,946	261,488
Disposals	-	-	-	-	-	-	(383)	(689)	-	(1,072)
Write offs	-	-	-	-	-	-	-	(164)	(5,690)	(5,854)
Effect of movements in exchange rates	-	-	-	-	-	(2)	-	(1)	(16,564)	(16,567)
At 31 December 2020	102,469	7,475	101,214	6,833	12,322	122,836	6,479	300,035	2,690,789	3,350,452

Notes to the Financial Statements (Cont'd)

3. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2019										
Accumulated depreciation	-	7,463	27,265	5,655	12,299	91,581	5,368	72,937	1,191,104	1,413,672
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	-	2,101
	2,101	7,463	27,265	5,655	12,299	91,581	5,368	72,937	1,191,104	1,415,773
Depreciation for the year	-	2	2,745	248	1	4,096	252	16,422	107,682	131,448
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	12,721	12,721
Write offs	-	-	-	-	-	(481)	-	(133)	(32,257)	(32,871)
Reversal of depreciation over charged in prior year	-	-	-	-	-	-	-	-	(496)	(496)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	(1,044)	(1,044)
At 31 December 2019/ 1 January 2020										
Accumulated depreciation	-	7,465	30,010	5,903	12,300	95,196	5,620	89,226	1,277,710	1,523,430
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	-	2,101
	2,101	7,465	30,010	5,903	12,300	95,196	5,620	89,226	1,277,710	1,525,531

Notes to the Financial Statements (Cont'd)

3. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Depreciation and impairment loss										
Depreciation for the year	-	2	2,812	229	4	3,167	260	16,718	109,870	133,062
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	12,469	12,469
Disposal	-	-	-	-	-	-	(383)	(565)	-	(948)
Write offs	-	-	-	-	-	-	-	(162)	(3,796)	(3,958)
Effect of movements in exchange rates	-	-	-	2	-	(2)	-	3	(5,377)	(5,374)
At 31 December 2020										
Accumulated depreciation	-	7,467	32,822	6,134	12,304	98,361	5,497	105,220	1,390,876	1,658,681
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	-	2,101
	2,101	7,467	32,822	6,134	12,304	98,361	5,497	105,220	1,390,876	1,660,782
Carrying amounts										
At 1 January 2019	48,238	12	17,839	601	2	9,004	604	111,355	1,296,243	1,483,898
At 31 December 2019/ 1 January 2020	98,238	10	63,378	582	20	17,070	559	113,682	1,293,387	1,586,926
At 31 December 2020	100,368	8	68,392	699	18	24,475	982	194,815	1,299,913	1,689,670

3. Property, plant and equipment (cont'd)

3.1 Telecommunication network

	2020 RM'000	2019 RM'000
Network cost:		
Commissioned network	2,570,047	2,471,837
Network-in-progress	120,742	99,260
	2,690,789	2,571,097
Less: Accumulated depreciation	(1,390,876)	(1,277,710)
Net book value	1,299,913	1,293,387

Included in cost of commissioned network is global bandwidth assets of RM158,131,000 (2019: RM159,994,000). The carrying amount for the said global bandwidth assets at the reporting date was RM69,316,000 (2019: RM82,972,000).

3.2 Write offs

During the financial year, the Group wrote off certain items within property, plant and equipment because they were no longer in use and already decommissioned with costs totalling RM5,854,000 (2019: RM39,371,000) of which RM3,958,000 (2019: RM32,871,000) was written off against accumulated depreciation. The remaining amount of RM1,896,000 (2019: RM6,500,000) was charged to statement of profit or loss and other comprehensive income.

3.3 Leasehold land

The carrying amount of leasehold land with unexpired lease periods of less than 50 years amounted to RM8,000 (2019: RM10,000).

3.4 Buildings and improvements

Included in buildings and improvements in the current financial year was a portion under construction with a cost amounting to RM7,353,000 (2019: RM1,323,000).

3.5 Data centre equipment

Included in the data centre equipment in the current financial year was a portion under construction with a cost amounting to RM69,516,000 (2019: RM9,016,000).

3.6 Computer systems

Included in computer systems in the current financial year was a portion under construction with a cost amounting to RM17,638,000 (2019: RM10,021,000).

3.7 Security

Included in the freehold land is a plot of land held under H.M. 984, PT1277 Mukim Sungai Karang, Kuantan, Pahang at a cost of RM4,200,000. The land is pledged to secure a USD denominated term loan of a fellow subsidiary amounting to USD37,800,000. The term loan was fully paid in the previous financial year and the said land title had been discharged on 4 August 2020.

Included in property, plant and equipment is office building with a total carrying amount of RM143,456,000 (2019: RM150,998,000) were charged to the banks as security for banking facilities granted to the Group (Note 14.1(ii)).

Notes to the Financial Statements (Cont'd)

3. Property, plant and equipment (cont'd)

Company	Freehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Computer systems RM'000	Total RM'000
Cost					
At 1 January 2019/ 31 December 2019/ 1 January 2020/ 31 December 2020	8,113	357	60	7,656	16,186
Depreciation					
At 1 January 2019	-	352	60	7,656	8,068
Depreciation for the year	-	3	-	-	3
At 31 December 2019/ 1 January 2020	-	355	60	7,656	8,071
Depreciation for the year	-	2	-	-	2
At 31 December 2020	-	357	60	7,656	8,073
Carrying amounts					
At 1 January 2019	8,113	5	-	-	8,118
At 31 December 2019/ 1 January 2020	8,113	2	-	-	8,115
At 31 December 2020	8,113	-	-	-	8,113

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 RM882,527,000 (2019: RM813,175,000) and RM 8,073,000 (2019: RM8,058,000) respectively.

4. Right-of-use assets

Group	Wayleave RM'000	Others* RM'000	Total RM'000
At 1 January 2019	98,740	26,264	125,004
Additions	-	3,237	3,237
Depreciation	(5,132)	(12,915)	(18,047)
At 31 December 2019/ 1 January 2020	93,608	16,586	110,194
Additions	3,211	62,711	65,922
Derecognition	-	(3,030)	(3,030)
Depreciation	(5,319)	(13,496)	(18,815)
Effect of movements in exchange rates	-	297	297
At 31 December 2020	91,500	63,068	154,568

* Others includes lease of cabin, room, right of way, data centre and space.

4.1 Amortisation term

The Group amortises right-of-use assets based on the contracts term. The contract terms are as follows:

- Wayleave up to 20 years
- Others 2 to 20 years

4.2 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

Notes to the Financial Statements (Cont'd)

5. Intangible assets

Group	Goodwill RM'000
Carrying amount	
At 1 January 2019/31 December 2019/1 January 2020/31 December 2020	213,959

5.1 Impairment testing for cash-generating unit containing goodwill

The goodwill is represented by the smallest group of assets that generates cash flows from continuing use, called Group's Cash Generating Unit ("CGU").

The recoverable amount of the CGU was determined based on its value in use. The recoverable amount of the CGU was determined to be higher than its carrying amount.

Value in use was determined by discounting the estimated future cash flows expected to be generated from the continuing use of the CGU. Cash flow projections used in this assessment were prepared by the Group based on three years business plan approved by the Board and additional two years financial forecast estimated by management based on a reasonable and consistent view of the overall direction of the CGU. The cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in determining value in use for the business during the current financial year include an estimated long term growth rate of 3% (2019: 3%) and Weighted Average Cost of Capital ("WACC") of 7.80% (2019: 7.50%). The basis of determination of the budgeted revenue growth and margins are based on the estimated achievable historical rates and estimated revenue growth and margins for the projected years.

The values assigned to the key assumptions represent management's assessment of future trends of the business and are based on both external and internal sources (historical data).

6. Investments in subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Unquoted shares, at cost		
At 1 January	444,668	444,649
Addition	6,965	19
At 31 December	451,633	444,668

6. Investments in subsidiaries (cont'd)

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	Effective ownership interest 2019 %
TT dotCom Sdn Bhd ("TTdC")	Malaysia	Provision of voice, data, video and image communication services through its domestic and international network	100	100
Planet Tapir Sdn Bhd	Malaysia	Investment holding	100	100
TIME dotCom Japan K.K.*	Japan	Provision of telecommunication services, co-location and other related services	100	100
TIME dotCom Global Services Sdn Bhd	Malaysia	Provision of telecommunication and related services	100	100
Global Transit (Hong Kong) Limited*	Hong Kong	Provision of management services	100	100
Global Transit Singapore Pte. Ltd.*	Singapore	Wholesale of telecommunication equipment and related services	100	100
Global Transit Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 2 Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 3 Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 5 Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
AIMS Cyberjaya Sdn Bhd	Malaysia	Provision of value added network services, information services, system integration services, operations of data networks and network based applications for corporations	100	100
AIMS Data Centre Sdn Bhd	Malaysia	Provision of value added network services, information services, system integration services, operation of data networks and network based applications for corporations and building management	100	100
AIMS Data Centre Pte. Ltd.*	Singapore	Provision of communications, telecommunications and data center related services	100	100
AIMS Data Centre (Thailand) Limited+	Thailand	Provision of server co-location services, data back-up services, data retrieval services for disaster recovery, provision of consultation and training, data center operations and related services	51	100**
TIME dotCom International Sdn Bhd	Malaysia	Investment holding	100	100

Notes to the Financial Statements (Cont'd)

6. Investments in subsidiaries (cont'd)

Details of subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	Effective ownership interest 2019 %
Subsidiary of TIME dotCom International Sdn Bhd				
TIME dotCom (Cambodia) Co., Ltd.+	Cambodia	Provision of telecommunication services	100	100

* Not audited by member firms of KPMG PLT.

\+ Audited by member firms of KPMG International.

** The Company had an effective ownership interest of 51% in AIMS Data Centre (Thailand) Limited. The remaining 49% effective ownership interest was held by Symphony Communication Public Company Limited ("SYMC").

The financial information of TIME dotCom Japan K.K., Global Transit (Hong Kong) Limited, Global Transit Singapore Pte. Ltd., AIMS Data Centre Pte. Ltd., AIMS Data Centre (Thailand) Limited and TIME dotCom (Cambodia) Co., Ltd., which were consolidated into the Group financial statement based on management accounts as they are individually and in aggregate deemed immaterial to the statement of financial position, statement of profit or loss and other comprehensive income and statement of cash flows of the Group.

On 11 August 2020, the Group disposed of its 49% shareholding in AIMS Data Centre (Thailand) Limited ("ADC Thai") to Symphony Communication Public Company Limited ("SYMC"). The details of such events are disclosed in Note 32 to the financial statements.

6. Investments in subsidiaries (cont'd)

6.1 Non-controlling interest in subsidiaries

The Group's subsidiary that has non-controlling interests ("NCI") is as follows:

2020	AIMS Data Centre (Thailand) Limited RM'000
NCI percentage of ownership interest and voting interest	49%
Carrying amount of NCI	5,367
Loss allocated to NCI	(1,143)
Summarised financial information before intra-group elimination As at 31 December	
Non-current assets	59,515
Current assets	3,221
Non-current liabilities	(17,836)
Current liabilities	(33,757)
Net assets	11,143
Year ended 31 December	
Revenue	342
Loss for the year	(2,379)
Total comprehensive expense	(2,379)
Cash flows used in operating activities	(8,963)
Cash flows used in investing activities	(24,910)
Cash flows from financing activities	35,999
Net increase in cash and cash equivalents	2,126
Dividends paid to NCI	-

7. Investments in associates

		Group	
	Note	**2020 RM'000**	**2019 RM'000**
At cost			
Unquoted shares outside Malaysia	7.1	108,744	108,744
Quoted shares outside Malaysia	7.1	290,730	290,730
		399,474	399,474
Share of post-acquisition at cost reserves		45,879	37,814
Less: Impairment loss	7.4	(3,993)	(3,993)
Total investment in associates		441,360	433,295
Market value of quoted shares outside Malaysia		118,301	83,623

Notes to the Financial Statements (Cont'd)

7. Investments in associates (cont'd)

7.1 Details of associates are as follows:

Name of entity	Country of incorporation	Nature of the relationship	Effective ownership and voting interest 2020 %	2019 %	Financial year end
Symphony Communication Public Company Limited ("SYMC")	Thailand	Provision of telecommunication services and related services in Thailand	46.8	46.8	31 December
CMC Telecommunication Infrastructure Corporation ("CMC") +	Vietnam	Provision of telecommunication and related services in Vietnam	45.3	45.3	31 March
KIRZ Co., Ltd.+	Thailand	Provision of telecommunication services and related services in Thailand	49.0	49.0	31 December
KIRZ Holdings Co., Ltd.+	Thailand	Investment holding	49.0	49.0	31 December

+ The Group's share of profit and loss is based on the latest unaudited financial statements for the year ended 31 December 2020.

The following table summarises the information of the Group's material investments in associates, adjusted for any differences in accounting policies and reconciles the information the the carrying amount of the Group's interest in the associates.

Group	2020			
Summarised financial information As at 31 December	**SYMC RM'000**	**CMC RM'000**	**Others RM'000**	**Total RM'000**
Non-current assets	445,734	203,146	19,938	668,818
Current assets	100,128	143,741	5,017	248,886
Non-current liabilities	(104,768)	(71,875)	(16,622)	(193,265)
Current liabilities	(111,989)	(131,728)	(19,710)	(263,427)
Net assets/(liabilities)	329,105	143,284	(11,377)	461,012
Year ended 31 December				
Revenue	176,507	283,145	14,267	473,919
Profit/(Loss) for the year	14,165	25,192	(3,839)	35,518
Other comprehensive expense for the year	(180)	-	-	(180)

7. Investments in associates (cont'd)

7.1 *Details of associates are as follows: (cont'd)*

Group	**2020**			
Summarised financial information As at 31 December	**SYMC RM'000**	**CMC RM'000**	**Others RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets	154,153	64,864	(5,574)	213,443
Goodwill	159,335	56,749	6,640	222,724
Impairment loss	-	-	(3,993)	(3,993)
Effect of foreign exchange	1,047	5,212	2,927	9,186
Carrying amount in the statement of financial position	314,535	126,825	-	441,360
Group's share of results for the year ended 31 December				
Group's share of profit	6,635	11,405	-	18,040
Group's share of other comprehensive expense	(2,163)	(1,729)	-	(3,892)
Group's share of total comprehensive income	4,472	9,676	-	14,148
Other information				
Dividend received by the Group	584	5,499	-	6,083

Group	**2019**			
Summarised financial information As at 31 December	**SYMC RM'000**	**CMC RM'000**	**Others RM'000**	**Total RM'000**
Non-current assets	426,324	196,738	21,669	644,731
Current assets	121,860	129,416	6,086	257,362
Non-current liabilities	(6,085)	(75,433)	(16,723)	(98,241)
Current liabilities	(221,265)	(117,056)	(18,646)	(356,967)
Net assets/(liabilities)	320,834	133,665	(7,614)	446,885
Year ended 31 December				
Revenue	176,686	293,408	17,400	487,494
Profit/(Loss) and other comprehensive income/(expense) for the year	6,131	26,176	(2,265)	30,042

Notes to the Financial Statements (Cont'd)

7. Investments in associates (cont'd)

7.1 Details of associates are as follows: (cont'd)

Group		**2019**		
Summarised financial information As at 31 December	**SYMC RM'000**	**CMC RM'000**	**Others RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets	150,278	60,510	(3,731)	207,057
Goodwill	159,335	56,749	6,640	222,724
Impairment loss	-	-	(3,993)	(3,993)
Effect of foreign exchange	1,033	5,390	1,084	7,507
Carrying amount in the statement of financial position	310,646	122,649	-	433,295
Group's share of results for the year ended 31 December				
Group's share of profit	2,872	11,850	-	14,722
Group's share of other comprehensive income	13,785	2,717	-	16,502
Group's share of total comprehensive income	16,657	14,567	-	31,224
Other information				
Dividend received by the Group	721	4,741	-	5,462

7. Investments in associates (cont'd)

7.2 Impairment assessment on investment in SYMC

The Group had undertaken an impairment test on its investment in SYMC following an impairment indicator arising from the lower market value of SYMC as compared to the carrying amount.

The recoverable amount from the investment in SYMC was based on its value in use. The recoverable amount from the investment was determined to be higher than its carrying amount.

Value in use was determined by discounting the share of the estimated future cash flows expected to be generated by the associate. Cash flow projections used in this assessment were based on approved financial plan for five years and estimated by management based on a reasonable and consistent view of the overall business direction of SYMC. Cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the business during the current financial year include estimated revenue, estimated available capacity, an estimated long term growth rate of 3.00% (2019: 3.00%) and weighted average cost of capital ("WACC") of 6.04% (2019: 7.96%). The values assigned to the key assumptions represent management's assessment of future trends of SYMC's business and are based on both external and internal sources (historical data).

7.3 Impairment assessment on investment in CMC

The Group had undertaken an impairment test on its investment in CMC following an impairment indicator arising from the lower share of net asset of CMC as compared to the carrying amount.

The recoverable amount from the investment in CMC was based on its value in use. The recoverable amount from the investment was determined to be higher than its carrying amount.

Value in use was determined by discounting the share of the estimated future cash flows expected to be generated by the associate. Cash flow projections used in this assessment were based on approved financial plan for five years and estimated by management based on a reasonable and consistent view of the overall business direction of CMC. Cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the business during the current financial year include estimated revenue, estimated available capacity, an estimated long term growth rate of 3.00% (2019: 3.00%) and weighted average cost of capital ("WACC") of 7.06% (2019: 8.09%). The values assigned to the key assumptions represent management's assessment of future trends of CMC's business and are based on both external and internal sources (historical data).

7.4 Impairment assessment on investment in KIRZ Co., Ltd. and KIRZ Holdings Co., Ltd. (Collectively "KIRZ")

The Group reviewed the financial performance of their investment in KIRZ in the financial year 2018. The operations of the investment were deemed to be not favourable and the Group had recognised an impairment loss of RM3,993,000 to profit or loss resulting in full impairment of the carrying amount of KIRZ in the financial year 2018.

Notes to the Financial Statements (Cont'd)

8. Other investments

Group Non-current	2020 RM'000	2019 RM'000
Fair value through other comprehensive income ("FVOCI")		
At 1 January	26,682	17,301
Additions	2,583	771
Fair value gain	2,106	8,610
At 31 December	31,371	26,682
Less: Impairment loss	(100)	(100)
Total unquoted equity securities at FVOCI	31,271	26,582

Company Non-current		
FVOCI		
At 1 January	-	-
Additions	2,000	-
At 31 December	2,000	-

The Group and the Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent investments that the Group and the Company intend to hold for long-term strategic purposes.

The fair value of other investments are disclosed in Note 30.6.

Dividend income recognised in profit of loss of the Group during the year is RM3,077,000 (2019: Nil).

9. Deferred tax assets/(liabilities)

The recognised tax benefit of unabsorbed capital allowances, unutilised tax losses and other deductible temporary difference are based on projected probable future taxable profits. Assumptions about the generation of future taxable profits are dependent on management's projection of future profitability of the entities concerned. These assumptions include estimation of future revenue, profit margins, operating and administrative expenditure and non-amendments of income tax legislation. Actual results could be significantly different from the Directors' estimate of future profitability since anticipated events may not occur as expected and the variation could be material.

These judgments and assumptions are subject to significant estimates and uncertainties. Hence, there is a possibility that changes in circumstances may impact the extent of the amount of deferred tax assets recognised in the statements of financial position.

9. Deferred tax assets/(liabilities) (cont'd)

Group	Assets		Liabilities		Net	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Property, plant and equipment	-	-	(162,749)	(111,586)	(162,749)	(111,586)
Right-of-use assets	-	-	(30,045)	(26,447)	(30,045)	(26,447)
Other deductible temporary difference	98,797	58,333	-	-	98,797	58,333
Lease liabilities	28,093	24,082	-	-	28,093	24,082
Unabsorbed capital allowances	96,354	166,299	-	-	96,354	166,299
Unutilised tax losses	119,689	119,433	-	-	119,689	119,433
Tax assets/ (liabilities)	342,933	368,147	(192,794)	(138,033)	150,139	230,114
Set-off of tax	(177,623)	(124,161)	177,623	124,161	-	-
Net tax assets/ (liabilities)	165,310	243,986	(15,171)	(13,872)	150,139	230,114

Company	Net Assets/(Liabilities)	
	2020 RM'000	2019 RM'000
Property, plant and equipment	-	(1)
Other deductible temporary difference	1,190	884
Unutilised tax losses	4,726	6,703
	5,916	7,586

Unrecognised deferred tax assets

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

	Group	
	2020 RM'000	2019 RM'000
Property, plant and equipment	270	232
Other deductible temporary difference	9,942	7,307
Unabsorbed capital allowances	38,466	41,089
Unutilised investment allowance	65,596	65,596
Unutilised tax losses	104,821	70,367
	219,095	184,591

9. Deferred tax assets/(liabilities) (cont'd)

Unrecognised deferred tax assets (cont'd)

The unutilised investment allowance will be disregarded in YA 2026 under the current tax legislation subject to no substantial changes to the Income Tax Act 1967 and guidelines issued by Ministry of Finance. Unabsorbed capital allowances do not expire under the current tax legislation.

The unutilised tax losses will be disregarded up to following years under the current tax legislation in Malaysia, Cambodia, Hong Kong and Singapore.

	2020 RM'000	**2019 RM'000**
2023	4,170	4,170
2024	8,060	8,376
2025	5,700	-
2026	75,551	55,300
2027	7,785	-
2028	1,311	-
No expiry	2,244	2,521
	104,821	70,367

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 and/or the Company can utilise the benefits therefrom. During the year, the Group has utilised unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences of RM34,504,000 (2019: RM432,372,000).

9. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the year

Group	At 1.1.2019 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2019/ 1.1.2020 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2020 RM'000
Property, plant and equipment	(126,411)	14,825	(111,586)	(51,163)	(162,749)
Right-of-use assets	-	(26,447)	(26,447)	(3,598)	(30,045)
Other deductible temporary difference	41,523	16,810	58,333	40,464	98,797
Lease liabilities	-	24,082	24,082	4,011	28,093
Unabsorbed capital allowances	301,554	(135,255)	166,299	(69,945)	96,354
Unutilised tax losses	14,969	104,464	119,433	256	119,689
	231,635	(1,521)	230,114	(79,975)	150,139
Company					
Property, plant and equipment	(2)	1	(1)	1	-
Other deductible temporary difference	913	(29)	884	306	1,190
Unutilised tax losses	6,898	(195)	6,703	(1,977)	4,726
	7,809	(223)	7,586	(1,670)	5,916

Notes to the Financial Statements (Cont'd)

10. Trade and other receivables

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Trade					
Prepayments		2,112	2,406	-	-
Non-trade					
Prepayments		-	37	-	-
Amount due from subsidiaries	10.1	-	-	74,390	81,540
		2,112	2,443	74,390	81,540
Current					
Trade					
Trade receivables	10.2	253,499	244,242	-	-
Amount due from associates	10.2	4,268	1,592	-	-
Amount due from related parties	10.2	33,333	27,536	-	-
		291,100	273,370	-	-
Less: Allowance for impairment losses	10.3	(20,611)	(14,677)	-	-
		270,489	258,693	-	-
Accrued revenue	10.4	1,292	1,139	-	-
Deposits		4,025	5,072	-	-
Prepayments		7,210	5,155	-	-
		283,016	270,059	-	-
Non-trade					
Amount due from subsidiaries	10.1	-	-	1,021,493	958,809
Amount due from associates	10.5	13,955	13,811	-	-
Less: Allowance for impairment losses		(13,748)	(13,748)	-	-
		207	63	-	-
Other receivables	10.6	150,157	108,991	143	71
Deposits		1,307	908	91	91
Prepayments		17,706	15,287	196	124
		452,393	395,308	1,021,923	959,095

Other than prepayments, the above trade and other receivables are categorised at amortised cost.

Notes to the Financial Statements (Cont'd)

10. Trade and other receivables (cont'd)

10.1 Amount due from subsidiaries

Non-current amount due from subsidiaries are advances which are unsecured and subject to interest rate range from 3.50% to 4.48% (2019: 4.48% to 5.65%) per annum. The amount is repayable after 12 months.

Included in the current amount due from subsidiaries are advances amounting to RM68,256,000 (2019: RM68,256,000) which are unsecured, subject to interest rate range from 1.55% to 3.30% (2019: 3.15% to 3.50%) per annum and are repayable on demand. The remaining amount due from subsidiaries are unsecured, interest free and repayable on demand. The balances arise mainly from inter-company advances and expenses paid on behalf.

10.2 Trade receivables, amount due from associates and amount due from related parties

The credit period granted for sales/services rendered ranges from 30 to 90 days (2019: 30 to 90 days). Included in the trade receivables are contract costs amounting to RM66,379,000 (2019: RM66,182,000).

10.3 Allowance for impairment losses

The impairment losses relate entirely to trade receivables. There were no impairment in relation to outstanding trade balances due from related parties and associates.

10.4 Accrued revenue

Accrued revenue relates to the unbilled portion under the global bandwidth and other contracts entered into by the Group with customers whereby the terms of payment have been mutually agreed to be made over the period of up to 3 years.

10.5 Amount due from associates (non-trade)

Included in the amount due from associate are shareholder advances amounting to RM13,748,000 (2019: RM13,748,000). In previous financial year, the Group further impaired RM6,515,000 to fully impair the entire said shareholder advances of RM13,748,000 as the Group assessed that it was not recoverable. The remaining amount due from associate is interest free, unsecured and repayable on demand.

10.6 Other receivables

Included in the other receivables are construction deposits paid amounting to RM133,623,000 (2019: RM90,445,000) for the construction of telecommunications network assets.

11. Cash and cash equivalents

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances		220,468	129,973	70,035	7,761
Deposits placed with licensed banks		528,660	377,147	40,924	24,138
		749,128	507,120	110,959	31,899
Restricted cash	11.1	(332)	(166)	(34)	(33)
		748,796	506,954	110,925	31,866

Cash and cash equivalents are categorised at amortised cost.

Notes to the Financial Statements (Cont'd)

11. Cash and cash equivalents (cont'd)

11.1 Restricted cash

Restricted cash are amounts withheld by licensed financial institutions as security for bank facilities granted (Note 30.3).

The cash and cash equivalents of the Group do not include bank balances amounting to RM23,679,000 (2019: RM57,834,000) held by the Group, in trust for consortium members of a submarine cable system to pay the turnkey supplier under the terms of supply contract.

12. Share capital

	Group and Company			
	Amount 2020 RM'000	Number of shares 2020 '000	Amount 2019 RM'000	Number of shares 2019 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	1,200,135	585,535	1,186,659	583,702
Issuance of new ordinary shares pursuant to the share grant plan and share option plan	140,340	18,727	13,476	1,833
At 31 December	1,340,475	604,262	1,200,135	585,535

During the financial year, the issued and paid-up capital of the Company was increased from 585,534,587 (2019: 583,701,450) ordinary shares to 604,261,833 (2019: 585,534,587) ordinary shares by the issuance of 17,215,907 (2019: Nil) and 1,511,339 (2019: 1,833,137) new ordinary shares pursuant to the Company's share options and share grant plan. The new ordinary shares issued shall rank pari passu with the existing ordinary shares of the Company.

13. Reserves

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
FVOCI reserve	13.1	13,131	11,025	-	-
Foreign currency translation reserve	13.2	35,948	40,278	-	-
Share grant reserve	13.3	22,286	14,943	22,286	14,943
Share option reserve	13.4	2,523	27,806	2,523	27,806
Hedging reserve		(765)	-	-	-
Retained earnings		1,631,327	1,472,670	302,086	230,272
		1,704,450	1,566,722	326,895	273,021

13. Reserves (cont'd)

13.1 Fair value through other comprehensive income ("FVOCI") reserve

The FVOCI reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income until the investments are derecognised upon sale or impaired.

During the year, the net change in the fair value of FVOCI has resulted in a gain of RM2,106,000 (2019: RM8,610,000).

13.2 Foreign currency translation reserve

The translation reserve comprises cumulative foreign currency differences arising from the translation of the financial statements of foreign operations.

13.3 Share grant reserve

The share grant reserve represents the cumulative value of share based payments granted to eligible employees of the Group. When shares, pursuant to the share grant, are issued to the eligible employees, the value of such shares are transferred from share grant reserve to share capital.

Details of the share grant plan are as follows:

		Number of ordinary shares				
	Fair value at grant date	At 1 January 2020	Granted but not vested during the year	Vested and issued	Adjusted	At 31 December 2020
2016 Awards	RM7.06	2,400	-	-	(2,400)	-
2018 Awards	RM7.74	1,639,336	-	(809,789)	(58,680)	770,867
2019 Awards	RM7.55	2,623,234	-	(701,550)	(317,321)	1,604,363
2020 Awards	RM8.46	-	2,648,502	-	-	2,648,502
Total		4,264,970	2,648,502	(1,511,339)	(378,401)	5,023,732

The outstanding 2018, 2019 and 2020 share grant awards at the end of the financial year are to be vested on specific dates in the following periods:

(i) The 2018 grant to be vested within the next year in July 2021;

(ii) The 2019 grant to be vested within the next 2 years in July 2021 and July 2022; and

(iii) The 2020 grant to be vested within the next 3 years in July 2021, July 2022 and July 2023.

The shares granted will be vested only upon the fulfilment of vesting conditions which include achievement of financial performance targets set by the Group and achievement of a minimum grading by the entitled employee in accordance with the performance management system adopted by the Group.

13. Reserves (cont'd)

13.3 Share grant reserve (cont'd)

The fair value of the share grant is determined using the Monte Carlo simulation model, taking into consideration terms and conditions under which the shares were granted. The key inputs in the model are as follows:

	Closing market price at grant date	Dilution rate
Granted on:		
2 January 2019 for 2018 Awards	RM8.10	0.439%
2 January 2019 for 2019 Awards	RM8.10	0.443%
2 January 2020 for 2020 Awards	RM9.22	0.433%

The Group recognised share grant expenses in profit or loss totalling to RM18,908,000 (2019: RM9,621,000) in the current year. The Company recognised share grant expenses of RM3,256,000 (2019: overprovision of RM976,000) in the current year.

13.4 Share option reserve

On 21 July 2015, the Company granted an option to the CEO of the Company ("CEO Share Option") to subscribe for up to 17,215,907 new ordinary shares in the Company. The option exercise price was fixed at RM5.99, which represented a discount of approximately 9.9% to the 5-day volume weighted average market price of the Company's shares. The option may be exercised by the CEO at any time and from time to time during the 5 year option period up to a maximum of 20% of the total option shares per annual period. Unexercised options may be carried forward to the next period without reducing the maximum exercisable portion in the next period.

The option exercise price was adjusted pursuant to a special dividend paid by the Company in the following years:

Dividend paid date	Revised option price
30 September 2016	5.888
31 March 2017	5.815
28 March 2018	5.731
29 March 2019	5.657
31 March 2020	5.575

The fair value of services received in return for share options granted is based on fair value of share options granted, measured using Black-Scholes model, with the following inputs:

	Options granted on 21 July 2015
Fair value at grant date	RM1.50
Adjusted fair value of share options pursuant to special dividends paid	RM1.91
Weighted average share price (adjusted)	RM5.66
Option life	5 years

13. Reserves (cont'd)

13.4 Share option reserve (cont'd)

On 20 June 2019, the Company granted another option to an Executive Director ("ED Share Option") of the Company to subscribe for up to 3,300,000 new ordinary shares in the Company. The option exercise price was fixed at RM7.95, which represented a discount of approximately 10% to the 5-day volume weighted average market price of the Company's shares. The option may be exercised by the Executive Director at any time and from time to time during the 5 year option period up to a maximum of 20% of the total option shares per annual period. Unexercised options may be carried forward to the next period without reducing the maximum exercisable portion in the next period.

The option exercise price was adjusted pursuant to a special dividend paid by the Company in the following year:

Dividend paid date	Revised option price
31 March 2020	7.835

The fair value of services received in return for share options granted is based on fair value of share options granted, measured using Black-Scholes model, with the following inputs:

	Options granted on 20 June 2019
Fair value at grant date	RM2.43
Adjusted fair value of share options pursuant to special dividends paid	RM2.49
Weighted average share price	RM7.95
Option life	5 years

The CEO of the Company fully exercised all 17,215,907 share options granted to him. The exercise of his share options were completed in two tranches, the first on 8 April 2020 for 11,000,000 new ordinary shares and then the balance for 6,215,907 new ordinary shares on 16 April 2020. Both tranches were completed at the adjusted exercise price of RM5.575 per share. The Group received proceeds totalling RM95,979,000 as a result of the said exercise of share options.

The Group and the Company recognised share option costs in profit or loss totalling to RM7,513,000 (2019: RM7,507,000).

14. Loans and borrowings

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Term loans	14.1	28,675	43,402	-	-
		28,675	43,402	-	-
Current					
Term loans	14.1	13,956	14,157	-	-
Revolving credit	14.2	4,166	55,791	4,166	55,791
		18,122	69,948	4,166	55,791
		46,797	113,350	4,166	55,791

Loans and borrowings are categorised as amortised cost.

Notes to the Financial Statements (Cont'd)

14. Loans and borrowings (cont'd)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Note	At 1 January 2019 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Amortisation of transaction cost RM'000	At 31 December 2019/ 1 January 2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Amortisation of transaction cost RM'000	At 31 December 2020 RM'000
Group										
Term loans	14.1	148,194	(91,086)	(729)	1,180	57,559	(14,670)	(577)	319	42,631
Revolving credit	14.2	24,813	30,670	308	-	55,791	(52,657)	1,032	-	4,166
		173,007	(60,416)	(421)	1,180	113,350	(67,327)	455	319	46,797

	Note	At 1 January 2019 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 December 2019/ 1 January 2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 December 2020 RM'000
Company								
Revolving credit	14.2	-	55,744	47	55,791	(52,657)	1,032	4,166
		-	55,744	47	55,791	(52,657)	1,032	4,166

14. Loans and borrowings (cont'd)

14.1 Term loans

The term loan of the Group comprise the following:

(i) USD denominated term loan amounting to RM28,793,000 (2019: RM41,214,000) is secured/covered against:

a) a legal charge over all the assets of a subsidiary company;

b) an assignment over a subsidiary company's present and future sales proceeds and an Earnings and Debt Service Reserve Account; and

c) a corporate guarantee by the Company.

(ii) Term loan amounting to RM13,838,000 (2019: RM16,345,000) is secured/covered against a legal charge over an office building (Note 3.7).

14.2 Revolving credit

This is an unsecured USD denominated revolving credit facility.

15. Lease liabilities

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Group			
As at 31 December 2020:			
Less than one year	24,925	6,074	18,851
Between one and five years	95,096	19,864	75,232
More than five years	57,426	14,285	43,141
	177,447	40,223	137,224
As at 31 December 2019:			
Less than one year	19,505	5,276	14,229
Between one and five years	46,004	15,521	30,483
More than five years	76,013	20,385	55,628
	141,522	41,182	100,340

Notes to the Financial Statements (Cont'd)

16. Trade and other payables

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Trade					
Unearned revenue	16.1	301,616	214,017	-	-
Current					
Trade					
Trade payables	16.2	40,989	38,796	-	-
Amount due to related parties	16.2	1,110	949	-	-
Accrued expenses	16.3	42,926	33,352	-	-
Deposit payables		19,889	18,398	-	-
Unearned revenue	16.1	64,891	59,650	-	-
Payable for Universal Service Provision		86,749	73,630	-	-
Provisions	16.4	2,730	3,053	-	-
		259,284	227,828	-	-
Non-trade					
Other payables		237	923	218	257
Amount due to an associate	16.5	-	29	-	-
Accrued expenses	16.6	67,762	62,811	2,869	3,543
Provisions	16.4	17,052	16,895	-	-
		85,051	80,658	3,087	3,800
		344,335	308,486	3,087	3,800

The above trade and other payables are categorised as amortised cost except for unearned revenue and provisions.

16.1 Unearned revenue

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

16.2 Trade payables and amount due to related parties

The average credit period granted to the Group for trade purchases ranges from 30 to 90 days (2019: 30 to 90 days).

16.3 Trade accrued expenses

Included in accrued expenses are accruals made for telecommunication maintenance charges.

16.4 Provisions

Provisions relate to obligations arising as a result of past events for certain services received. Included in provisions is an amount for RM16,081,000 (2019: RM16,081,000) relating to a provision for financial guarantee given to an associate of the Group.

16. Trade and other payables (cont'd)

16.5 Amount due to an associate

The amount due to an associate was unsecured, interest free and repayable on demand. The balance mainly arose from other operating expenses incurred.

16.6 Non-trade accrued expenses

Included in accrued expenses are accruals made for staff related expenses.

17. Revenue

	2020 RM'000	2019 RM'000
Group		
Revenue from contracts with customers		
Data	996,490	900,094
Data Centre	152,136	140,042
Voice	70,981	72,215
Others	3,562	1,522
	1,223,169	1,113,873
Company		
Revenue from contracts with customers		
Management fee from subsidiary companies	18,946	20,542
Other revenue		
Dividend income from a subsidiary	247,143	167,871
	266,089	188,413

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Timing of revenue recognition				
At a point in time	112,542	99,477	-	-
Over time	1,106,794	1,013,499	18,946	20,542
Revenue not within the scope of MFRS 15	3,833	897	247,143	167,871
	1,223,169	1,113,873	266,089	188,413

The information that reflects the typical transactions of the Group is disclosed in Note 2(o).

The aggregate amount of the transaction price allocated to the performance obligations that are partially unsatisfied at the end of the reporting period is RM1,770,183,000 (2019: RM1,478,598,000). The Group expects to recognise this amount over the remaining contract duration up to 20 years (2019: 21 years).

Notes to the Financial Statements (Cont'd)

17. Revenue (cont'd)

The Group applies the following practical expedients:
- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

18. Cost of sales

	Group	
	2020 RM'000	2019 RM'000
Interconnect charges	12,726	12,744
Depreciation of property, plant and equipment	126,588	124,104
Depreciation of right-of-use assets	18,815	18,047
Dealer commissions	20,069	20,609
Telecommunications maintenance charges	36,342	33,736
Network and leased line charges	79,682	76,209
Fee for wayleave and right of use pertaining to telecommunications facilities	70	309
Site and customer premises rental	10,864	12,772
Universal service obligation	57,043	48,719
Internet service provider costs	6,769	6,948
Data centre costs	26,108	22,037
Direct installation costs	72,038	65,351
Others	23,500	20,055
	490,614	461,640

19. Income from investments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income from financial assets that are not at fair value through profit or loss	11,396	9,645	5,601	4,409

20. Finance costs

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Interest on borrowings	3,050	8,219	513	785
- Amortisation of borrowing costs	319	1,180	-	-
Lease liabilities	5,792	6,200	-	-
Other interest expense	12,359	10,942	-	-
	21,520	26,541	513	785

21. Profit before tax

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax is arrived at after charging:				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	581	551	163	150
- Overseas affiliates of KPMG PLT	77	44	-	-
- Other auditors	68	62	-	-
Non-audit fees				
- KPMG PLT	77	49	35	30
Material expenses/(income)				
Depreciation of property, plant and equipment	133,062	131,448	2	3
Depreciation of right-of-use assets	18,815	18,047	-	-
Personnel expenses				
- Salaries, allowances and others	175,554	165,427	5,009	6,202
- Contributions to Employees Provident Fund	21,316	21,456	520	664
- Share grant expenses	18,908	21,471	3,256	(976)
- Share option expenses	7,513	7,507	7,513	7,507
Provision for financial guarantee	-	16,081	-	-
Write off of property, plant and equipment	1,896	6,500	-	-
Net loss/(gain) on foreign exchange	16,179	1,888	4,186	(2,331)
Dividend income from subsidiaries	-	-	(247,143)	(167,871)
Gain on disposal of property, plant and equipment	(73)	(115)	-	-

Notes to the Financial Statements (Cont'd)

21. Profit before tax (cont'd)

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Expenses arising from leases				
Short-term rental of:				
- Offices	848	893	-	-
- Equipment	249	292	-	-
- Site and customer premises	10,864	12,772	-	-
Net loss on impairment of financial instruments and contract assets				
Net impairment/(write-back):				
- Trade receivables	13,107	8,947	-	-
- Amount due from an associate	-	6,515	-	-
- Construction deposits	2,392	(657)	-	-
Bad debt recovered	(223)	(112)	-	-
Bad debt written off	-	7	-	-
	15,276	14,700	-	-

22. Tax expense

Recognised in profit or loss

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Tax expense:				
- Current year	15,770	12,323	1,344	1,058
- Under/(Over) provision in prior year	449	248	(15)	(325)
	16,219	12,571	1,329	733
Deferred tax:				
- Origination of temporary differences	105,666	85,628	1,555	2,723
- (Over)/Under provision in prior year	(1,097)	(3,209)	115	(2,500)
- Recognition of previously unrecognised temporary differences	(24,594)	(80,898)	-	-
	79,975	1,521	1,670	223
	96,194	14,092	2,999	956

22. Tax expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	423,098	328,128	244,795	174,103
Tax at statutory tax rate of 24%	101,543	78,751	58,751	41,785
Effect of tax in foreign jurisdictions	153	(24)	-	-
Non-deductible expenses	12,278	13,315	3,462	2,286
Non-taxable income	(5,072)	(5,928)	(59,314)	(40,290)
Recognition of previously unrecognised temporary differences	(24,594)	(80,898)	-	-
Deferred tax assets not recognised	10,974	11,848	-	-
Exchange differences	1,560	(11)	-	-
Under/(Over) provision of prior year				
- current tax	449	248	(15)	(325)
- deferred tax	(1,097)	(3,209)	115	(2,500)
	96,194	14,092	2,999	956

23. Earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2020	2019
Basic earnings per share		
Net profit attributable to owners of the Company (RM'000)	328,047	314,036
Weighted average number of ordinary shares in issue ('000)	598,404	584,446
Basic earnings per ordinary share (sen)	54.82	53.73

Notes to the Financial Statements (Cont'd)

23. Earnings per ordinary share (cont'd)

The calculation of diluted earnings per ordinary share was based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2020	**2019**
Diluted earnings per share		
Net profit attributable to owners of the Company - basic (RM'000)	328,047	314,036
Weighted average number of ordinary shares in issue ('000)	598,404	584,446
Effect of CEO Share Option and ED Share Option, if exercised ('000)	976	6,530
Weighted average number of ordinary shares in issue ('000) (diluted)	599,380	590,976
Diluted earnings per ordinary share (sen)	54.73	53.14

24. Dividends

During the financial year, the Company paid an ordinary interim and a special interim tax exempt (single tier) dividend of 9.95 sen and 19.08 sen per ordinary share respectively for the financial year ended 31 December 2019 on 31 March 2020 totaling to RM169,982,000.

In the previous financial year, the Company paid an ordinary interim and a special interim tax exempt (single tier) dividend of 9.25 sen and 11.31 sen per ordinary share respectively for financial year ended 31 December 2018 on 29 March 2019 totaling to RM120,009,000.

After the end of the reporting period, the following dividend was declared by the Directors. This dividend will be recognised in subsequent financial period.

	Sen per share
Ordinary Interim Tax Exempt (Single Tier)	12.50
Special Interim Tax Exempt (Single Tier)	20.60

Notes to the Financial Statements (Cont'd)

25. Directors' remuneration

	Group and Company 2020 RM'000	2019 RM'000
Executive directors:		
- Emoluments	4,869	5,090
- Other emoluments and expenses (including share grant and CEO share options)	10,404	11,236
Non-executive directors:		
- Fees	844	744
- Other emoluments and expenses	386	409
	16,503	17,479

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 RM18,000 (2019: RM19,000).

Details of Directors' remuneration of the Group and the Company during the financial year are as follows:

	Fee RM'000	Meeting allowance RM'000	Salaries RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in-kind RM'000
2020						
Non-executive directors						
Abdul Kadir Md.Kassim	180	35	-	-	-	4
Ronnie Kok Lai Huat	156	90	-	-	1	2
Elakumari Kantilal	144	90	-	-	-	2
Hong Kean Yong	144	85	-	-	-	1
Mark Guy Dioguardi	120	55	-	-	-	-
Koh Cha-Ly	100	30	-	-	-	-
Executive directors						
Afzal Abdul Rahim	-	-	1,101	458	6,136	7
Patrick Corso	-	-	964	402	1,734	-
Lee Guan Hong	-	-	1,048	437	2,993	2
	844	385	3,113	1,297	10,864	18

Notes to the Financial Statements (Cont'd)

25. Directors' remuneration (cont'd)

	Fee RM'000	Meeting allowance RM'000	Salaries RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in-kind RM'000
2019						
Non-executive directors						
Abdul Kadir Md.Kassim	180	43	-	-	-	4
Ronnie Kok Lai Huat	156	103	-	-	6	2
Elakumari Kantilal	168	103	-	-	2	2
Hong Kean Yong	120	91	-	-	-	2
Mark Guy Dioguardi	120	61	-	-	-	-
Executive directors						
Afzal Abdul Rahim	-	-	1,101	529	6,963	7
Patrick Corso	-	-	964	464	2,015	-
Lee Guan Hong	-	-	1,048	504	2,738	2
	744	401	3,113	1,497	11,724	19

The Directors did not receive any additional remuneration for services rendered in the subsidiaries.

26. Key management personnel remuneration

The key management personnel renumeration is as follows:

	Group and Company	
	2020 RM'000	2019 RM'000
Directors:		
Fees	844	744
Other short term benefits (including estimated monetary value of benefits-in-kind, CEO share options and benefits on share grant plan)	15,677	16,754
	16,521	17,498

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other key management personnel:				
Employee benefits (including benefits on share grant plan)	15,423	18,824	1,778	4,597
Other key management compensation	1,247	961	44	102
	16,670	19,785	1,822	4,699

Other key management personnel comprise persons other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the entities within the Group either directly or indirectly.

27. 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.

Performance is measured based on revenue derived from the various products sold and 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.

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

	Group	
	2020 RM'000	**2019 RM'000**
Revenue from external customers		
Data	996,490	900,094
Data Centre	152,136	140,042
Voice	70,981	72,215
Others	3,562	1,522
	1,223,169	1,113,873
Operating expenses		
Depreciation, impairment and amortisation of property, plant and equipment and right-of-use assets	(151,877)	(149,495)
Other operating expense	(656,688)	(634,591)
Other operating income	578	515
Profit from operations	415,182	330,302
Income from investments	11,396	9,645
Finance costs	(21,520)	(26,541)
Share of profits from equity-accounted investments, net of tax	18,040	14,722
Segment profit	423,098	328,128
Additions to property, plant and equipment	261,488	267,072

Notes to the Financial Statements (Cont'd)

27. Operating segments (cont'd)

Geographical information

Revenue and non-current assets (excluding financial instruments, equity-accounted investments and deferred tax assets) of the Group by geographical location of the entity are as follows:

	Revenue		Non-current assets	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Malaysia	1,150,144	1,050,514	1,537,282	1,412,300
Outside Malaysia	73,025	63,359	523,027	501,222
	1,223,169	1,113,873	2,060,309	1,913,522

Major customers

There were no significant concentrations on transactions with customers and revenues from transactions with a single external customer (or group of entities known to be under common control which are deemed to be a single customer) that contributed to 10% or more of the Group's revenues.

28. Capital commitments

	Group	
	2020 RM'000	**2019 RM'000**
Capital expenditure commitments		
Property, plant and equipment		
Authorised but not contracted for	129,018	103,884
Contracted but not provided for	214,036	186,448

29. 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 or jointly 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 parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling activities of the Group directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationships with its subsidiaries, Directors, key management personnel and related parties in which a substantial shareholder has an interest and companies in which Directors have significant financial interest.

29. Related parties (cont'd)

Significant related party transactions

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiary companies				
Dividend income	-	-	247,143	167,871
Management fees income	-	-	18,946	20,542
Interest income from subsidiaries	-	-	4,465	1,697
Related parties				
Revenue from data, voice and other services	75,523	77,783	-	-
Interconnect revenue	1,994	3,407	-	-
Fee for wayleave and right of use of telecommunications facilities	(10,468)	(10,504)	-	-
Interconnect charges	(2,089)	(3,730)	-	-
Leased line and infrastructure costs	(40,039)	(35,662)	-	-
Network maintenance	(2,492)	(2,601)	-	-
Training expenses	(238)	(245)	-	-
Rental of office	(114)	(105)	-	-
Professional fees on corporate exercise	(220)	(337)	(220)	(337)
Interest on advances	(108)	-	-	-
Companies in which Directors have significant financial interests				
Revenue from rental, support services and others	69	74	-	-
Professional legal fees costs	(48)	(54)	(48)	(54)

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 10 and 16 respectively.

Directors' remuneration and key management personnel remuneration are disclosed in Notes 25 and 26 respectively.

Notes to the Financial Statements (Cont'd)

30. Financial instruments

30.1 Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net gains/(losses) on:				
Equity instruments designated at fair value through other comprehensive income				
- recognised in other comprehensive income	2,106	8,610	-	-
	2,106	8,610	-	-
Financial assets at amortised cost	(3,880)	(5,055)	5,601	4,409
Financial liabilities at amortised cost	(9,161)	(15,599)	(513)	(785)
	(10,935)	(12,044)	5,088	3,624

30.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

30.3 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 related parties) and deposits with financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiaries and associate, deposits with financial institutions and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables and contract assets

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.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Receivables and contract assets (cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk 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 manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. The Group uses ageing analysis to monitor the credit quality of the receivables.

The Group assesses the risk of loss of each customer individually based on their financial information, past trend of payments and external credit rating where applicable, except for consumer market.

For consumer market, invoices which are past due 90 days will be considered as credit impaired.

The Group has a lower exposure to international credit risk as most of its receivables are concentrated in Malaysia.

Concentration of credit risk

The exposure of credit risk for trade receivables of the Group as at the end of the reporting period by geographical region was:

	Group	
	2020 RM'000	**2019 RM'000**
Malaysia	252,212	230,918
Outside Malaysia	23,594	33,986
	275,806	264,904

At reporting date, there were no significant concentrations of credit risk.

Notes to the Financial Statements (Cont'd)

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Receivables and contract assets (cont'd)

Concentration of credit risk (cont'd)

Impairment losses

The following table provides information about the exposure to credit risk and expected credit losses ("ECLs") for trade receivables (including trade amounts due from related parties, trade deposits and accrual of global bandwidth revenue) as at the end of the reporting period:

	Gross RM'000	Loss allowance RM'000	Net RM'000
Group			
2020			
Not past due	105,124	(233)	104,891
Past due 1 - 30 days	46,246	(232)	46,014
Past due 31 - 120 days	63,413	(2,018)	61,395
Past due more than 120 days	81,634	(18,128)	63,506
	296,417	(20,611)	275,806
2019			
Not past due	131,193	(241)	130,952
Past due 1 - 30 days	47,974	(191)	47,783
Past due 31 - 120 days	44,951	(1,727)	43,224
Past due more than 120 days	55,463	(12,518)	42,945
	279,581	(14,677)	264,904

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 loss allowance for trade receivables (including amounts due from related parties) during the financial year were as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	14,677	13,153
Impairment loss written off	(7,161)	(7,423)
Net allowance	13,107	8,947
Exchange translation differences	(12)	-
At 31 December	20,611	14,677

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Deposits with 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 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 financial institutions are not recoverable.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of certain banking facilities granted to certain subsidiaries and associates. The Company monitors on an ongoing basis the results of the subsidiaries and associates, and repayments made by subsidiaries and associates.

The Company also provides financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounts to RM36,290,000 (2019: RM25,747,000) and RM29,171,000 (2019: RM41,776,000) respectively, arises principally from bank guarantees given to suppliers and financial guarantees given to banks for credit facilities granted to subsidiaries and an associate (Note 11.1).

The Group made a provision for financial guarantees amounting RM16,081,000 in previous financial year for guarantees provided to secure banking facilities of an associate in Thailand. The provision is made as it is probable that the Group would have to repay the bank facilities on behalf of the said associate. Negotiations for settlement of the said bank facilities are still ongoing with the Group's partners in Thailand. The provision represents the maximum amount of exposure of the Group at this juncture and may subsequently reduce upon conclusion of the negotiations at a later date.

Other than as stated above, no other financial guarantees have been recognised since the fair value on initial recognition are not material.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured advances to subsidiaries and associates and monitors the results of the subsidiaries/associates 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 companies in which the Group and the Company has significant influence and/or control. The Group and the Company consider such companies as companies associated with lower credit risk.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries/associates are not recoverable other than the amount already provided for as an allowance for impairment losses from an associate amounting to RM13,748,000 (2019: RM13,748,000). The Group and the Company determined the impairment loss based on internal information available.

30.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company 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.

Notes to the Financial Statements (Cont'd)

30. Financial instruments (cont'd)

30.4 Liquidity risk (cont'd)

Maturity analysis

The table below summarises 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:

Group	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	3 - 5 years RM'000	Above 5 years RM'000
2020							
Term loans	42,631	4.70% - 4.85%	46,399	15,841	15,164	14,162	1,232
Revolving credit	4,166	1.14% - 1.23%	4,178	4,178	-	-	-
Lease liabilities	137,224	3.50%	177,447	24,925	62,749	32,346	57,427
Trade and other payables*	172,913	-	172,913	172,913	-	-	-
Financial guarantee	-	-	36,290	36,290	-	-	-
2019							
Term loans	57,559	4.70% - 4.85%	64,100	16,878	16,181	27,163	3,878
Revolving credit	55,791	3.15% - 3.55%	55,953	55,953	-	-	-
Lease liabilities	100,340	5.26%	141,522	19,505	14,103	31,901	76,013
Trade and other payables*	155,258	-	155,258	155,258	-	-	-
Financial guarantee	-	-	25,747	25,747	-	-	-

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

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
2020				
Revolving credit	4,166	1.14% - 1.23%	4,178	4,178
Trade and other payables	3,087	-	3,087	3,087
Financial guarantee	-	-	29,171	29,171
2019				
Revolving credit	55,791	3.15% - 3.55%	55,953	55,953
Trade and other payables	3,800	-	3,800	3,800
Financial guarantee	-	-	41,776	41,776

Notes to the Financial Statements (Cont'd)

30. Financial instruments (cont'd)

30.5 Market risk

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

Currency risk

The Group is exposed to foreign currency risk on sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

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, based on the carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Denominated in USD				
Trade and other receivables	188,556	128,575	-	-
Cash and cash equivalents	95,880	92,192	6,148	4,266
Term loans	(28,792)	(41,214)	-	-
Revolving credit	(4,166)	(55,791)	(4,166)	(55,791)
Trade and other payables	(152,195)	(12,458)	-	-
Net exposure in the statement of financial position	99,283	111,304	1,982	(51,525)

30. Financial instruments (cont'd)

30.5 Market risk (cont'd)

Currency risk (cont'd)

Currency risk sensitivity analysis

A 1% strengthening of the Ringgit Malaysia against the USD at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The analysis assumed that all other variables, in particular interest rates, remained constant and ignored any impact of forecasted sales and purchases.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit or (Loss)				
1% strengthening of RM against USD	(993)	(1,113)	(19)	515

A 1% weakening of the Ringgit Malaysia against the above currency at the end of the reporting period would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed rate instruments				
Deposits with licensed banks	528,660	377,147	40,924	24,138
Term loans	(42,631)	(57,559)	-	-
Floating rate instruments				
Revolving credit	(4,166)	(55,791)	(4,166)	(55,791)

Notes to the Financial Statements (Cont'd)

30. Financial instruments (cont'd)

30.5 Market risk (cont'd)

Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or (loss)			
	Group		Company	
	100bp Increase RM'000	100bp Decrease RM'000	100bp Increase RM'000	100bp Decrease RM'000
2020				
Floating rate instruments	(42)	42	(42)	42
2019				
Floating rate instruments	(558)	558	(558)	558

30.6 Fair value information

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments. Accordingly, the fair values and level of the fair value hierarchy have not been presented for these financial instruments.

30. Financial instruments (cont'd)

30.6 Fair value information (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
2020										
Financial assets										
Unquoted investments	-	-	31,271	31,271	-	-	-	-	31,271	31,271
Financial liabilities										
Term loans	-	-	-	-	-	-	41,868	41,868	41,868	42,631
Revolving credit	-	-	-	-	-	-	4,166	4,166	4,166	4,166
	-	-	-	-	-	-	46,034	46,034	46,034	46,797
2019										
Financial assets										
Unquoted investments	-	-	26,582	26,582	-	-	-	-	26,582	26,582
Financial liabilities										
Term loans	-	-	-	-	-	-	57,110	57,110	57,110	57,559
Revolving credit	-	-	-	-	-	-	55,791	55,791	55,791	55,791
	-	-	-	-	-	-	112,901	112,901	112,901	113,350
Company										
2020										
Financial assets										
Unquoted investments	-	-	2,000	2,000	-	-	-	-	2,000	2,000

Transfers between Level 1 and Level 2 fair values

During the current and previous financial years, there have been no transfers between Level 1 and Level 2 fair values.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs in the valuation models.

Notes to the Financial Statements (Cont'd)

30. Financial instruments (cont'd)

30.6 Fair value information (cont'd)

Financial instruments carried at fair value

Type	Description of valuation technique and inputs used
Other investments	The fair value is based on net asset value provided by the investees.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans, revolving credit and lease liabilities	Discounted cash flows using a rate based on the indicative current market rate of borrowing of the respective Group entities at the reporting date.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

The effective interest rates used to discount estimated cash flows, when applicable, are as follows:

	2020	2019
Term loans	4.70% - 4.85%	4.70% - 4.85%
Revolving credit	1.14% - 1.23%	3.15% - 3.55%

31. 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 compared against returns on average invested capital.

The Group also maintains a debt to equity ratio that complies with debt requirements required for its banking facilities.

There were no changes in the Group's approach to capital management during the financial year.

32. Significant event during the year

On 8 April 2020, the Group increased the registered share capital of its subsidiary, ADC Thai in Thailand from THB1,000,000 comprising 10,000 shares at THB100 per share to THB55,110,000 comprising 551,100 shares at THB 100 each. On the same date, the paid-up capital was also increased from THB250,000 to THB55,110,000. The Company subscribed new shares of RM3,886,000. The principal activity of ADC Thai is the provision of server co-location services, data back-up services, data retrieval services for disaster recovery, provision of consultation and training, data center operations and related services.

On 11 August 2020, the Company entered into the following agreements:

Share Sale and Purchase Agreement ("SPA") between the Company's wholly-owned subsidiary, Planet Tapir Sdn Bhd, and associate company, SYMC, where SYMC will acquire the entire 270,039 existing ordinary shares of THB100 per share, owned by Planet Tapir Sdn Bhd, representing 49% of the total issued and paid-up capital in ADC Thai, for a cash consideration of THB27,003,900 (approximately RM3,597,000). The SPA will essentially enable SYMC to invest together with the Group to build and operate a new data centre in Bangkok, Thailand; and

32. Significant event during the year (cont'd)

Shareholders' Agreement between the Company, AIMS Data Centre Sdn Bhd, its wholly-owned subsidiary and SYMC.

On 3 September 2020, ADC Thai increased its paid-up capital from THB55,110,000 to THB100,000,000 by allotment and issuance of 448,900 new shares at THB100 per share. The Company subscribed to 51% of the said new shares for a cash consideration of THB22,893,900 (approximately RM3,079,000) whilst the remaining 49% was subscribed by SYMC for cash consideration of THB21,996,100.

33. Subsequent event

On 7 January 2021, the Company completed the acquisition of 600,000 ordinary shares ("AVM Sale Shares") in AVM Cloud Sdn Bhd ("AVM"), representing 60% of the equity interest in AVM ("Acquisition of AVM"), pursuant to a share purchase agreement ("AVM SPA") entered into by the Company on 3 December 2020 with the founding shareholders of AVM (collectively, "Founder Shareholders", and each a "Founder Shareholder").

In connection with the Acquisition of AVM, AVM has also on 7 January 2021 completed the acquisition of 400,002 ordinary shares ("IGS Sale Shares") in Integrated Global Solutions Sdn Bhd ("IGS"), an existing subsidiary of AVM, representing the balance of approximately 40% of the equity interest in IGS which is not already held by AVM ("Acquisition by AVM of IGS Shares"). The Acquisition by AVM of IGS Shares was pursuant to a share purchase agreement ("IGS SPA") entered into by AVM on 3 December 2020 with the minority shareholders of IGS (collectively, "Additional Shareholders", and each an "Additional Shareholder"). The Acquisition of AVM was conditional on the Acquisition by AVM of IGS Shares, and vice versa.

In connection with the completion of the Acquisition of AVM and Acquisition by AVM of IGS Shares, the capital increase of AVM by the issuance of new shares to the Company, the Founder Shareholders and the Additional Shareholders, for a total subscription price of approximately RM7.5 million ("Capital Increase of AVM") was effected on 7 January 2021. The Company subscribed for a 60% portion of the capital increase.

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

Pursuant to the completion of the Acquisition of AVM and Acquisition by AVM of IGS Shares, the Company owns 60% of the equity interest in AVM, while the Founder Shareholders and the Additional Shareholders collectively own 40% of the equity interest in AVM. Pursuant to the completion of the Acquisition by AVM of IGS Shares, AVM owns 100% equity interest in IGS.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 80 to 159 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2020 and of their financial performance and cash flows for the financial year then ended.

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

....

Afzal Abdul Rahim
Director

....

Patrick Corso
Director

Date: 26 February 2021

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Cheok Huei Shian**, 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 80 to 159 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Cheok Huei Shian, MIA No. CA22782, at Kuala Lumpur in Wilayah Persekutuan on 26 February 2021.

....
Cheok Huei Shian

Before me:

Samugam Vassoo
W632
Commissioner for Oaths
Kuala Lumpur.

Independent Auditors' Report

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TIME dotCom Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 80 to 159.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill

Refer to Note 2 (f) - Significant accounting policy: Intangible assets and Note 5 - Intangible assets.

The key audit matter	How the matter was addressed in our audit
Goodwill recognised in the consolidated statement of financial position arose from the Group's acquisition of international wholesales and global bandwidth business and data centre business in prior years. The Group performed annual goodwill impairment assessment based on estimated future cash flows to support goodwill amounting to RM214 million as at 31 December 2020. The Group has prepared and considered prospective financial information based on assumptions and events that may occur in the next 12 months and beyond. Due to the inherent uncertainties involved in forecasting and discounting future cash flows, together with the appropriateness of key underlying assumptions used to derive at the projections, this is a key judgement area that our audit is concentrated on.	We performed the following audit procedures, among others: • We tested the principles and integrity of the Group's discounted cash flow model. We compared the forecast to the business plan approved by the Board and also compared previous forecasts made to actual results to assess the financial performance of the business and the reliability of management's forecasting. • We assessed the reasonableness of the cash flows model's key assumptions by comparing them to externally derived data as well as our own assessments which had taken into account historical trends and other corroborative evidence available. • We tested the sensitivity of the impairment calculations to changes in key assumptions used by the Directors to evaluate the impact on the recoverable amount. • We also assessed the adequacy of the Group's disclosures about those assumptions in the financial statements.

Valuation of investments in associates

Refer to Note 2 (a) - Significant accounting policy: Associates and Note 7 – Investments in associates.

The key audit matter	How the matter was addressed in our audit
The Group had investments in associates with a carrying amount of RM441 million. As of 31 December 2020, the carrying amount of the investments in associates was higher than its share of net asset. Accordingly, the Group tested the carrying amount of the investments in associates for impairment. Prospective financial information were prepared and considered based on assumptions and events that may occur in the next 12 months and beyond. Due to the inherent uncertainties involved in forecasting and discounting cash flow, together with the appropriateness of key underlying assumptions used to derive the projections, this is a key judgement area that our audit is concentrated on.	We performed the following audit procedures, among others: • We compared previous forecasts made to actual results to assess the financial performance of the business and the reliability of management's forecasting. • We assessed the reasonableness of the cash flow model's key assumptions by comparing to externally derived data as well as our own assessments which had taken into account historical trends and other corroborative evidence. • We tested the sensitivity of the impairment calculations to changes in key assumptions used by management to evaluate the impact on the recoverable amount. • We also assessed the adequacy of the Group's disclosures about those assumptions in the financial statements.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Independent Auditors' Report

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, Statement on Risk Management and Internal Control, (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chew Beng Hong
Approval Number: 02920/02/2022 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 26 February 2021

Stockholding Analysis

As at 23 March 2021

Issued Shares : **604,261,833 shares**

Class of Shares : **Ordinary Shares**

No. of Shareholders : **11,967**

Voting Right : **1 vote per Ordinary Share**

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100	806	21,646	0.00
100 to 1,000	7,774	3,221,203	0.53
1,001 to 10,000	2,553	7,880,368	1.31
10,001 to 100,000	541	18,422,436	3.05
100,001 to less than 5% of issued shares	290	296,558,639	49.08
5% and above of issued shares	3	278,157,541	46.03
Total	11,967	604,261,833	100.00

30 Largest Shareholders as at 23 March 2021

	Names	No. of Shares	%
1.	Pulau Kapas Ventures Sdn Bhd	177,124,359	29.31
2.	Khazanah Nasional Berhad	65,298,982	10.81
3.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	35,734,200	5.91
4.	Kumpulan Wang Persaraan (Diperbadankan)	26,442,848	4.38
5.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	24,241,500	4.01
6.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (NOMURA)	9,054,700	1.50
7.	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	8,467,040	1.40
8.	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	8,384,000	1.39
9.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	7,831,700	1.30
10.	Amanahraya Trustees Berhad - Public Smallcap Fund	7,708,560	1.28
11.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Afzal Bin Abdul Rahim (PB)	6,215,907	1.03
12.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	5,888,600	0.97

Stockholding Analysis
As at 23 March 2021

30 Largest Shareholders as at 23 March 2021 (cont'd)

	Names	No. of Shares	%
13.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI)(419455)	4,804,220	0.80
14.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	4,384,300	0.73
15.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (ABERDEEN)	3,960,600	0.66
16.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (West CLT OD67)	3,918,600	0.65
17.	Cartaban Nominees (Tempatan) Sdn Bhd - PBTB for Takafulink Dana Ekuiti	3,884,000	0.64
18.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AMUNDI)	3,469,800	0.57
19.	Indera Permai Sdn Bhd	3,426,020	0.57
20.	Amanahraya Trustees Berhad - PB Growth Fund	3,328,500	0.55
21.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (ASIANISLAMIC)	3,078,600	0.51
22.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	2,936,428	0.49
23.	Lembaga Tabung Haji	2,543,300	0.42
24.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (F TEMPLETON)	2,503,900	0.41
25.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (NORGES BANK 14)	2,462,600	0.41
26.	Amanahraya Trustees Berhad - Public Islamic Treasures Growth Fund	2,259,000	0.37
27.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Dana Unggul	2,125,100	0.35
28.	Amanahraya Trustees Berhad - AC Principal Dali Asia Pacific Equity Growth Fund	1,985,410	0.33
29.	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	1,973,400	0.33
30.	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	1,935,700	0.32
	TOTAL	437,371,874	72.40

Stockholding Analysis
As at 23 March 2021

Substantial Shareholders as at 23 March 2021

Names	No. of Shares			
	Direct	%	Indirect	%
Pulau Kapas Ventures Sdn Bhd ("PKV")	177,174,359	29.32	-	-
Khazanah Nasional Berhad	65,298,982	10.81	177,174,359[2]	29.32
Employees Provident Fund Board	71,184,600[1]	11.78	-	-
Kumpulan Wang Persaraan (Diperbadankan)	33,876,315[1]	5.61	-	-
Global Transit International Sdn Bhd ("GTI")	-	-	177,174,359[2]	29.32
Megawisra Sdn Bhd ("Megawisra")	1,434,331	0.24	177,174,359[3]	29.32
Megawisra Investments Limited ("Megawisra Investments")	-	-	178,608,690[4]	29.56
Afzal Abdul Rahim	6,215,907	1.03	178,608,690[5]	29.56
Patrick Corso	-	-	178,608,690[5]	29.56

Notes:
1 Including shares held under Citigroup Nominees (Tempatan) Sdn Bhd.
2 Deemed interested by virtue of its interests held through PKV pursuant to Section 8 of the Companies Act 2016 ("the Act").
3 Deemed interested by virtue of its interests held through PKV via its shareholdings in GTI pursuant to Section 8 of the Act.
4 Deemed interested by virtue of its interests held through PKV and GTI via its shareholdings in Megawisra pursuant to Section 8 of the Act.
5 Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 8 of the Act.

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 8(4) of the Companies Act 2016 through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd. He also holds 6,215,907 shares in TIME dotCom Berhad.

Patrick Corso, a Director on the Board of TIME dotCom Berhad, is deemed to have interest in the shares of the Company by virtue of Section 8(4) of the Companies Act 2016 through Pulau Kapas Ventures Sdn Bhd, Megawisra Sdn Bhd and Global Transit International Sdn Bhd.

Ronnie Kok Lai Huat and Lee Guan Hong, the Directors on the Board of TIME dotCom Berhad, hold 5,000 shares and 809,002 shares in TIME dotCom Berhad respectively.

List of Properties

held as at 31 December 2020

TIME DOTCOM BERHAD

Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)
Lot no. 53 Glenmarie Industrial Park Shah Alam, Selangor	Land Building	Freehold	4,260 sq.m 3,747 sq.m	Office Building	9	8,112,849

TT DOTCOM SDN BHD

Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)		Cost (NBV) (RM)	Remarks (Amortisation)
PT 1277, Lorong Nur Siti Hasmah Cherating, 26080 Kuantan, Pahang	Land	Freehold	8,004.0 sq.m	Operation site Cable Landing Station - APG	9		4,200,000	
Lot No.43 & 54, Glenmarie Industrial Park Shah Alam Selangor	Land	Freehold	2.225 acre	Office Building	24	Cost	3,678,963	
	Building		8,456.64 sq.m			Cost Depreciation Balance (NBV)	14,717,422 14,717,422 0	
Lot 26 Jln 225 Petaling Jaya 46100 PJ Selangor	Building	Leasehold	1,486.45 sq.m	Operation site	47	Cost Depreciation Balance (NBV)	5,585,840 2,010,902 3,574,938	99 years Expire 11/4/2072
	Land		4,577 sq.m					
Lot 6359, Mukim 1 Daerah Seberang Prai, Pulau Pinang	Land	Freehold	2,422.15 sq.m	Operation site	25		1,037,171	
Lot P.T.D. 3930 Mukim Tebrau Daerah Johor Bahru, Johor	Land	Freehold	10,940.91 sq.m	Operation site	23	Cost Land impairment Balance (NBV)	4,946,214 2,101,214 2,845,000	
102M,Lengkok Kampung Jawa 2, Miel Industrial Estate Bayan Lepas Pulau Pinang	Land	Leasehold	881.19 sq.m	Operation site	39	Cost Amortisation Balance (NBV)	1,007,000 1,006,999 1	60 years from 1981 to 2041
	Building		668.9 sq.m	Office Building		Cost Depreciation Balance (NBV)	200,000 96,000 104,000	2 % Depreciation

List of Properties
held as at 31 December 2020

TT DOTCOM SDN BHD (CONT'D)

Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)		Cost (NBV) (RM)	Remarks (Amortisation)
Lot 142-A, Semambu Industrial Estate Kuantan, Pahang	Land	Leasehold	2.5 acre (10,940.5 sq.m)	Operation site	40	Cost Amortisation Balance (NBV)	1,535,000 1,534,999 1	66 years from 1980 to 2046
	Building		1,938 sq.m	Office Building		Cost Amortisation Balance (NBV)	1,065,000 553,800 511,200	2 % Depreciation
Kg. Sungai Bedaun, Daerah Labuan, Wilayah Persekutuan Labuan	Land	Leasehold	8.0 acre (32,374.9 sq.m)	Operation site	36	Cost Amortisation Balance (NBV)	4,145,000 4,144,999 1	99 years from 1984 to 2082
	Building		270 sq.m					
P.T. No. 2705 Mukim Ulu Kinta Daerah Ulu Kinta Perak	Land	Leasehold	2,162.23 sq.m	Operation site	44	Cost Amortisation Balance (NBV)	350,000 349,999 1	60 years from 1976 to 2036
Lot 37, Kg. Sungai Bedaun Settlement scheme, Labuan WP Labuan	Land	Leasehold	3.0 acre (12,140.6 sq.m)	Operation site	37	Cost Amortisation Balance (NBV)	80,000 79,999 1	99 years from 1984 to 2082
Lot No. 469 Mukim Batu Burok, Kuala Terengganu Terengganu	Land	Leasehold	732.4 sq.m	Operation site	45	Cost Amortisation Balance (NBV)	316,703 316,702 1	99 years 1975 - 2074
Lot PTD 1474, HS (D) 3432, Mukim Jemaluang Daerah Mersing Johor	Land	Leasehold	1,237 sq.m	Operation site	19	Cost Amortisation Balance (NBV)	41,320 33,228 8,092	60 years 2001 - 2061
No. Hakmilik 697 Lot 254 Mukim 07 Daerah Seberang Perai Utara Negeri Pulau Pinang	Land	Freehold	3,974.0 sq.m	Operation site Cable Landing Station - AAE1	5		1,503,852	
GRN 215231 Lot 61850 No. 12 Jalan Majistret U1/26	Land	Freehold	4,251 sq.m	Office Building	3	Cost	11,252,539	
HICOM Glenmarie Industrial Park 40150 Shah Alam	Building					Cost Amortisation Balance (NBV)	7,338,612 329,489 7,009,123	
GM 567 Lot 484 & GM 1636 Lot 2453 Mukim Batu Daerah Kuala Langat	Land	Freehold	19,845 sq.m	Vacant	1	Cost	2,130,416	

List of Properties
held as at 31 December 2020

AIMS CYBERJAYA SDN BHD

Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)		Cost (NBV) (RM)	Remarks (Amortisation)
H.S.(D) 32428, P.T No. 45816, Mukim Dengkil Daerah Sepang Negeri Selangor Darul Ehsan	Land	Freehold	12,684 sq.m	Under construction as a data centre	6		15,599,112	

AIMS DATA CENTRE SDN BHD

Location	Desription	Tenure	Area	Existing Use	Approximate Age (Years)		Cost (NBV) (RM)	Remarks (Amortisation)
Lot No. 1204 Seksyen 57, P.T No. 10019, Town of Kuala Lumpur District of Kuala Lumpur	Land	Freehold	2,446 sq.m	Data centre	2	Cost	50,000,000	
	Building		11,203.9 sq.m			Cost Amortisation Balance (NBV)	45,754,320 991,344 44,762,976	2 % Depreciation

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 24^{th} Annual General Meeting ("24^{th} AGM") of the Company will be held fully virtual at the broadcast venue at **TIME dotCom Berhad, TIME Lobby, Ground Floor, No. 14, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia** on **Wednesday, 16 June 2021** at **10.00 a.m.** for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**.

As Ordinary Business:-

2. To re-elect the following Directors retiring in accordance with Rule 103 of the Company's Constitution and, who being eligible, have offered themselves for re-election:-

   i) Mark Guy Dioguardi **Resolution 1**
   ii) Hong Kean Yong **Resolution 2**
   iii) Patrick Corso **Resolution 3**

3. To re-appoint Messrs KPMG PLT 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 Resolutions:-

4. Ordinary Resolution – Directors' Fees **Resolution 5**

   "THAT the Directors' fees of up to RM984,000 from the day after the 24^{th} AGM until the conclusion of the next AGM of the Company be hereby approved."

5. Ordinary Resolution – Proposed payment of Directors' Benefits to the Non-Executive Directors **Resolution 6**

   "THAT approval be and is hereby given for the payment of Directors' Benefits which include meeting allowance, medical and hospitalisation coverage and other claimable benefits incurred from the day after the 24^{th} AGM until the conclusion of the next AGM of the Company."

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

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

30 April 2021
Selangor Darul Ehsan

Notice of Annual General Meeting

Note A:-

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

Notes:-

1. In view of the Coronavirus (COVID-19) pandemic and with the safety of the Company's shareholders, employees and Directors being of primary concern, the Board of Directors ("the Board") and Management decided that the 24th AGM of the Company shall be conducted on a fully virtual basis via Remote Participation and Electronic Voting facilities which are available on the Company's Poll Administrator website at https://web.lumiagm.com. Please follow the procedures provided in the Administrative Details for the 24th AGM in order to register, participate and vote remotely.

2. The main and only venue of the 24th AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Rule 59(4) of the Company's Constitution that require the Chairman of the Meeting to be present at the main venue of the Meeting. **Shareholders/proxies/corporate representatives should not be physically present** nor will they be admitted at the broadcast venue on the day of the 24th AGM.

3. A member who is not able to participate in this fully virtual AGM is encouraged to appoint the Chairman of the Meeting as his proxy and indicate the voting instruction in the instrument appointing a proxy.

4. For the purpose of determining a member who shall be entitled to virtually attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 10 June 2021. Only a depositor whose name appears on the Record of Depositors as at 10 June 2021 shall be entitled to attend the 24th AGM or appoint a proxy(ies) to participate and vote on his/her behalf by returning the proxy form, in accordance with the Administrative Details.

5. A member entitled to virtually attend and vote at the above Meeting of the Company is entitled to appoint a proxy(ies) to attend and vote in his stead, in accordance with the Administrative Details. A proxy may but need not be a member of the Company.

6. 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.

7. The instrument of proxy shall be in writing and signed by the appointor 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.

8. 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 up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

9. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

10. 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 office of the Company's Poll Administrator, **Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means at https://boardroomlimited.my not less than forty-eight (48) hours before the time of holding the 24th AGM**, i.e. latest by Monday, 14 June 2021 at 10.00 a.m. and in default the instrument of proxy shall not be treated as valid.

Explanatory Notes on Special Business:-

Resolution 5

The amount of Directors' fees of RM984,000 under proposed Resolution 5 is for the payment of fees for the existing Non-Executive Directors for the period from the day after the 24th AGM until the conclusion of the next AGM of the Company and to cater for appointment of a new director.

Resolution 6

The Directors' Benefits comprises the allowances and other emoluments payable to the Non-Executive Directors, details of which are as follows:-

(a) Meeting attendance allowance for each director is RM5,000 per meeting.

(b) Other Benefits - Medical and hospitalisation coverage and other claimable benefits.

If the proposed Resolution 6 is passed by the shareholders at the 24th AGM, payment of benefits incurred by the Directors from the day after the 24th AGM until the conclusion of the Company's next AGM will be paid by the Company, as and when incurred.

PROXY FORM

No. of Shares Held:	
CDS Account No.:	

TIME DOTCOM BERHAD
Company No. 199601040939 (413292-P)

I/We ______________________________ Identification/Company No.______________________
(Full name as per NRIC/Certificate of Incorporation in Capital letters)

of ____
(Full Address)

____

Tel. No ______________________________ Email address ______________________________

being a member/members of **TIME dotCom Berhad** hereby appoint the following person(s):-

Full Name (in CAPITAL Letters):	**NRIC/Passport No.:**	**Proportion of shareholding to be represented by the proxy(ies):**	
		No. of Shares	**%**
Address			
Tel. No.:			
Email Address:			

*and/or

Full Name (in CAPITAL Letters):	**NRIC/Passport No.:**	**Proportion of shareholding to be represented by the proxy(ies):**	
		No. of Shares	**%**
Address			
Tel. No.:			
Email Address:			

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 24th Annual General Meeting of the Company to be held fully virtual at the broadcast venue at **TIME dotCom Berhad, TIME Lobby, Ground Floor, No. 14, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia** on **Wednesday, 16 June 2021** 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 subject to the below stated voting instruction, my/our proxy/proxies may vote or abstain from voting any resolutions as he/she/they may think fit.

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.

NO.	**RESOLUTIONS**	**FOR**	**AGAINST**
1.	Re-election of Mark Guy Dioguardi as Director		
2.	Re-election of Hong Kean Yong as Director		
3.	Re-election of Patrick Corso as Director		
4.	Re-appointment of Messrs KPMG PLT as Auditors		
5.	Directors' Fees of up to RM984,000		
6.	Proposed payment of Directors' Benefits to the Non-Executive Directors		

Signed this ____________day of ___________________ 2021.

____
Signature/Common Seal of Appointor

NOTES :-

1. In view of the Coronavirus (COVID-19) pandemic and with the safety of the Company's shareholders, employees and Directors being of primary concern, the Board of Directors ("the Board") and Management decided that the 24th AGM of the Company shall be conducted on a fully virtual basis via Remote Participation and Electronic Voting facilities which are available on the Company's Poll Administrator website at https://web.lumiagm.com. Please follow the procedures provided in the Administrative Details for the 24th AGM in order to register, participate and vote remotely.

2. The main and only venue of the 24th AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Rule 59(4) of the Company's Constitution that require the Chairman of the Meeting to be present at the main venue of the Meeting. **Shareholders/proxies/corporate representatives should not be physically present** nor will they be admitted at the broadcast venue on the day of the 24th AGM.

3. A member who is not able to participate in this fully virtual AGM is encouraged to appoint the Chairman of the Meeting as his proxy and indicate the voting instruction in the instrument appointing a proxy.

4. For the purpose of determining a member who shall be entitled to virtually attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 10 June 2021. Only a depositor whose name appears on the Record of Depositors as at 10 June 2021 shall be entitled to attend the 24th AGM or appoint a proxy(ies) to participate and vote on his/her behalf by returning the proxy form, in accordance with the Administrative Details.

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Please Affix Stamp

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5 Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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5. A member entitled to virtually attend and vote at the above Meeting of the Company is entitled to appoint a proxy(ies) to attend and vote in his stead, in accordance with the Administrative Details. A proxy may but need not be a member of the Company.

6. 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.

7. The instrument of proxy shall be in writing and signed by the appointor 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.

8. 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 up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

9. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

10. 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 office of the Company's Poll Administrator, **Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means at https://boardroomlimited.my not less than forty-eight (48) hours before the time of holding the 24th AGM,** i.e. latest by Monday, 14 June 2021 at 10.00 a.m. and in default the instrument of proxy shall not be treated as valid.

Group Corporate Directory

TIME

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